

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



September 8, 2010

**Advice Letter 2188-E**

Clay Faber, Director  
Regulatory Affairs  
San Diego Gas and Electric  
8330 Century Park Court, CP32C  
San Diego, CA 92123-1548

**Subject: Compliance Advice Letter Filing with D.10-07-047**

Dear Mr. Faber:

Advice Letter 2188-E is effective September 9, 2010.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julie A. Fitch".

Julie A. Fitch, Director  
Energy Division



Clay Faber  
Director – Regulatory Affairs  
8330 Century Park Court  
San Diego, CA 92123-1548

Tel: 858-654-3563  
Fax: 858-654-1788  
CFaber@semprautilities.com

August 9, 2010

ADVICE LETTER 2188-E  
(U 902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: COMPLIANCE ADVICE LETTER FILING WITH DECISION 10-07-047**

San Diego Gas and Electric Company (SDG&E) hereby submits for filing with the California Public Utilities Commission (Commission) this Advice Letter in compliance with Decision (D.) 10-07-047.

**PURPOSE**

This filing complies with Ordering Paragraph (OP) 2 of D.10-07-047 which orders SDG&E to calculate the revenue requirement and describe how SDG&E will implement the terms adopted in the Decision, including updating the revenue requirements to incorporate the December 31, 2009 nuclear decommissioning trust fund balances.

**BACKGROUND**

On July 29, 2010, the Commission approved D.10.07-047 – Phase 1 of the Triennial Review of Nuclear Decommissioning Trusts and Related Decommissioning Activities for Southern California Edison Company, San Diego Gas & Electric Company, and Pacific Gas and Electric Company (Utilities). The purposes of the nuclear decommissioning cost triennial proceedings (NDCTP) are to set the annual revenue requirements for the decommissioning trusts for the nuclear power plants owned by the Utilities.

**DISCUSSION**

Per D.10-07-047, SDG&E was authorized an updated trust contribution of \$8.07 million (not including franchise fees and uncollectibles (FF&U)) plus continued recovery of \$.959 million (including FF&U) in spent nuclear fuel storage. SDG&E's NDCTP application proposed an increased decommissioning trust revenue requirement but did not seek to increase rates. Furthermore, SDG&E proposed offsetting the revenue requirement by utilizing the overcollection in the Nuclear Decommissioning Adjustment Mechanism (NDAM) account. Per the decision, SDG&E was not authorized an increase in revenue requirement. SDG&E's revenue requirement decreased from \$10.419 million to \$9.124 million (both including FF&U) which results in a net reduction to the revenue requirement of \$1.295 million. SDG&E's initial proposal to not increase rates was no longer valid due to the decreased revenue requirement which decreases rates.

Decision 10-07-047 was silent regarding SDG&E's timing for incorporating the resulting rate change decrease into customer rates. However, both Southern California Edison and Pacific Gas and Electric were ordered to incorporate the resulting rate change with the next available consolidated rate change following the effective date of the Decision. SDG&E proposes to and requests Commission approval to also incorporate the resulting rate change decrease into customer rates with the next available consolidated rate change for rates effective January 1, 2011. In addition, per the Decision, the revenue requirement of \$9.124 million was to have been further reduced by the 2010 year-end NDAM overcollection. Consistent with SDG&E's proposal in this filing, SDG&E will adjust the rate changes for January 1, 2011, to reflect the then-current NDAM balances.<sup>1</sup> Included as Attachment A to this filing is a table showing the rate impact of implementing this decreased revenue requirement.

### Revenue Requirement Summary

NDAM Component	Current Revenue Requirement w/o FF&U	Current Revenue Requirement with FF&U	Updated Revenue Requirement w/o FF&U	Updated Revenue Requirement with FF&U	Reduction in Revenue Requirement w/o FF&U	Reduction in Revenue Requirement with FF&U
(\$ in millions)						
Trust Contribution (SONG Units 2 and 3)	\$9.350	\$9.460	\$8.070	\$8.165	\$1.280	\$1.295
Spent Nuclear Fuel	\$ .948	\$ .959	\$ .948	\$ .959	\$ .000	\$ .000
<b>Total Revenue Requirement</b>	<b>\$10.298</b>	<b>\$10.419</b>	<b>\$9.018</b>	<b>\$9.124</b>	<b>\$1.280</b>	<b>\$1.295</b>

### PROTEST

Anyone may protest this Advice Letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received by August 29, 2010, twenty days from the date filed. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

California Public Utilities Commission Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Honesto Gatchalian ([ijnj@cpuc.ca.gov](mailto:ijnj@cpuc.ca.gov)) and Maria Salinas ([mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)) of the Energy Division. A copy of the protest should also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

<sup>1</sup> As of December 31, 2009, the NDAM balance was an overcollection of \$1,987,183.

Attn: Megan Caulson  
Regulatory Tariff Manager  
8330 Century Park Court, Room 32C  
San Diego, CA 92123-1548  
Facsimile No. (858) 654-1788  
E-Mail: mcaulson@semprautilities.com

**EFFECTIVE DATE**

SDG&E believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. Therefore, SDG&E respectfully requests that this compliance filing become effective on September 9, 2010, thirty days from the date filed.

**NOTICE**

A copy of this filing has been served on the utilities and interested parties shown on the attached list, including parties in A.09-04-009, by either providing them a copy electronically or by mailing them a copy hereof, properly stamped and addressed.

Address changes should be directed to SDG&E Tariffs by facsimile at (858) 654-1788 or by e-mail at SDG&ETariffs@semprautilities.com

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CLAY FABER  
Director - Regulatory Affairs

(cc list enclosed)

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SAN DIEGO GAS & ELECTRIC (U 902)**

Utility type:

ELC     GAS  
 PLC     HEAT     WATER

Contact Person: Joff Morales

Phone #: (858) 650-4098

E-mail: jmorales@semprautilities.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric                      GAS = Gas  
PLC = Pipeline                     HEAT = Heat    WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2188-E

Subject of AL: Compliance Advice Letter Filing with Decision 10-07-047

Keywords (choose from CPUC listing): Compliance

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: N/A

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: None

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: N/A

Does AL request confidential treatment? If so, provide explanation: \_\_\_\_\_

Resolution Required?  Yes  No

Tier Designation:  1  2  3

Requested effective date: 9/9/2010

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: None

Service affected and changes proposed<sup>1</sup>: None

Pending advice letters that revise the same tariff sheets: None

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:**

**CPUC, Energy Division**

**Attention: Tariff Unit**

**505 Van Ness Ave.,**

**San Francisco, CA 94102**

**mas@cpuc.ca.gov and jnj@cpuc.ca.gov**

**San Diego Gas & Electric**

**Attention: Megan Caulson**

**8330 Century Park Ct, Room 32C**

**San Diego, CA 92123**

**mcaulson@semprautilities.com**

<sup>1</sup> Discuss in AL if more space is needed.

General Order No. 96-B  
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

Public Utilities Commission

DRA

D. Appling  
S. Cauchois  
J. Greig  
R. Pocta  
W. Scott

Energy Division

P. Clanon  
S. Gallagher  
H. Gatchalian  
D. Lafrenz  
M. Salinas

CA. Energy Commission

F. DeLeon  
R. Tavares

Alcantar & Kahl LLP

K. Harteloo

American Energy Institute

C. King

APS Energy Services

J. Schenk

BP Energy Company

J. Zaiontz

Barkovich & Yap, Inc.

B. Barkovich

Bartle Wells Associates

R. Schmidt

Braun & Blaising, P.C.

S. Blaising

California Energy Markets

S. O'Donnell  
C. Sweet

California Farm Bureau Federation

K. Mills

California Wind Energy

N. Rader

Children's Hospital & Health Center

T. Jacoby

City of Chula Vista

M. Meacham  
E. Hull

City of Poway

R. Willcox

City of San Diego

J. Cervantes  
G. Lonergan  
M. Valerio

Commerce Energy Group

V. Gan

Constellation New Energy

W. Chen

CP Kelco

A. Friedl

Davis Wright Tremaine, LLP

E. O'Neill  
J. Pau

Dept. of General Services

H. Nanjo  
M. Clark

Douglass & Liddell

D. Douglass  
D. Liddell  
G. Klatt

Duke Energy North America

M. Gillette

Dynegy, Inc.

J. Paul

Ellison Schneider & Harris LLP

E. Janssen

Energy Policy Initiatives Center (USD)

S. Anders

Energy Price Solutions

A. Scott

Energy Strategies, Inc.

K. Campbell  
M. Scanlan

Goodin, MacBride, Squeri, Ritchie & Day

B. Cragg  
J. Heather Patrick  
J. Squeri

Goodrich Aerostructures Group

M. Harrington

Hanna and Morton LLP

N. Pedersen

Itsa-North America

L. Belew

J.B.S. Energy

J. Nahigian

Luce, Forward, Hamilton & Scripps LLP

J. Leslie

Manatt, Phelps & Phillips LLP

D. Huard  
R. Keen

Matthew V. Brady & Associates

M. Brady

Modesto Irrigation District

C. Mayer

Morrison & Foerster LLP

P. Hanschen

MRW & Associates

D. Richardson

Pacific Gas & Electric Co.

J. Clark  
M. Huffman  
S. Lawrie  
E. Lucha

Pacific Utility Audit, Inc.

E. Kelly

R. W. Beck, Inc.

C. Elder

San Diego Regional Energy Office

S. Freedman  
J. Porter

School Project for Utility Rate Reduction

M. Rochman

Shute, Mihaly & Weinberger LLP

O. Armi

Solar Turbines

F. Chiang

Sutherland Asbill & Brennan LLP

K. McCrea

Southern California Edison Co.

M. Alexander  
K. Cini  
K. Gansecki  
H. Romero

TransCanada

R. Hunter  
D. White

TURN

M. Florio  
M. Hawiger

UCAN

M. Shames

U.S. Dept. of the Navy

K. Davoodi  
N. Furuta  
L. DeLacruz

Utility Specialists, Southwest, Inc.

D. Koser

Western Manufactured Housing

Communities Association

S. Dey

White & Case LLP

L. Cottle

Interested Parties

A.09-04-009

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT**

**Attachment A  
SDG&E Advice Letter 2188-E  
CLASS AVERAGE RATES**

**Rates Effective  
5/1/10  
(AL 2166-E)**

**Proposed Rates**

	<b>Current Total UDC Rate (¢/KWhr)</b>	<b>Current Avg. Commodity (¢/KWhr)</b>	<b>Current Total Rate (¢/KWhr)</b>	<b>Proposed Total UDC Rate (¢/KWhr)</b>	<b>Proposed Avg. Commodity (¢/KWhr)</b>	<b>Proposed Total Rate (¢/KWhr)</b>	<b>Total Rate Change (¢/KWhr)</b>	<b>Total Rate Change (%)</b>
<b>Residential</b>	<b>9.861</b>	<b>7.828</b>	<b>17.689</b>	<b>9.859</b>	<b>7.828</b>	<b>17.687</b>	<b>(0.002)</b>	<b>-0.01%</b>
<b>Small Commercial</b>	<b>9.230</b>	<b>8.435</b>	<b>17.665</b>	<b>9.228</b>	<b>8.435</b>	<b>17.663</b>	<b>(0.002)</b>	<b>-0.01%</b>
<b>Med&amp;Lg C&amp;I</b>	<b>5.850</b>	<b>8.373</b>	<b>14.223</b>	<b>5.847</b>	<b>8.373</b>	<b>14.220</b>	<b>(0.003)</b>	<b>-0.02%</b>
<b>Agriculture</b>	<b>9.115</b>	<b>8.059</b>	<b>17.174</b>	<b>9.113</b>	<b>8.059</b>	<b>17.172</b>	<b>(0.002)</b>	<b>-0.01%</b>
<b>Lighting</b>	<b>9.730</b>	<b>5.799</b>	<b>15.529</b>	<b>9.730</b>	<b>5.799</b>	<b>15.529</b>	<b>0.000</b>	<b>0.00%</b>
<b>System Total</b>	<b>7.729</b>	<b>8.123</b>	<b>15.852</b>	<b>7.727</b>	<b>8.123</b>	<b>15.850</b>	<b>(0.002)</b>	<b>-0.01%</b>