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August 25, 2010

Julie Fitch
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

RE: D.10-07-048 – SDG&E and SoCalGas Monthly Status Report of Disconnection Memorandum Account – August 2010

Dear Ms. Fitch:

Attached please find Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company's (SDG&E) monthly report pursuant to Interim Ordering Paragraph 13 of D.10-07-048 which provided the following direction:

13. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company and Southern California Gas Company are authorized to charge significant costs associated with complying with the new practices continued or initiated in this proceeding to their established memorandum accounts. Memorandum account information shall be provided to the Energy Division by the 25th day of each month.

The attached report provides a status report of the account balance in SDG&E and SoCalGas' Disconnection Memorandum Accounts as of August 25, 2010.

On February 4, 2010, the Commission issued Rulemaking (R.) 10-02-005, to establish ways to improve customer notification and education to decrease the number of gas and electric utility service disconnections. Ordering Paragraph 3c of R.10-02-005 directed SoCalGas and SDG&E to immediately implement the following practice no later than five business days of February 5, 2010:

(c) Each utility is authorized to file a Tier 1 advice letter to establish a memorandum account to track any significant costs associated with complying with the new practices initiated with this proceeding, including any operations and maintenance charges associated with implementation of the practices as well as any uncollectables that are in excess of those projected in the utility's last general rate case. As

Julie A. Fitch, Director
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part of this proceeding, the Commission will consider the process for determining the categories and amounts of costs in the memorandum account that should be considered reasonable for recovery, as well as the appropriate methods for recovery.

Consistent with R.10-02-005, SoCalGas filed Advice Letter (AL) 4074 and SDG&E filed AL 2146-E/1929-G on February 8, 2010 proposing to record significant costs of compliance in the DMA, including, but not limited to, operations and maintenance charges related to implementation of new practices and procedures, and any uncollectible expenses in excess of those projected in the Utility's last general rate case Decision. AL4074 and AL 2146-E/1929-G were approved by the Commission effective February 8, 2010.

Please feel free to contact me should you have any additional questions regarding this report.

Sincerely,

/s/ GREGORY HEALY
Gregory Healy
Regulatory Case Manager

CC: Service List in R.10-02-005

Attachments

Attachments

**SOUTHERN CALIFORNIA GAS COMPANY
DISCONNECT MEMORANDUM ACCOUNT (DMA)**

2010

(Over) / Under Collection \$

| Line | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|---|-----|---------|----------|----------|----------|----------|----------|---------|---------|---------|---------|---------|----------|
| 1 Beginning Balance | - | - | 28,835 | 89,802 | 139,011 | 173,933 | 209,930 | 244,105 | 244,105 | 244,105 | 244,105 | 244,105 | - |
| 1a Prior Period Adjustment | | | | | | | | | | | | | - |
| 1b Adjusted Beginning Balance | - | - | 28,835 | 89,802 | 139,011 | 173,933 | 209,930 | 244,105 | 244,105 | 244,105 | 244,105 | 244,105 | - |
| 2 Costs associated with interim practices pursuant to R.10-02-005: | | | | | | | | | | | | | - |
| 2a CSR Payment Arrangement Calls | | 39,177 | 82,592 | 74,528 | 62,078 | 64,460 | 62,167 | - | - | - | - | - | 385,003 |
| 2b FNP - Reduction in Average Handle Time (AHT) due to elimination of deposit requirement | | (285) | (1,467) | (1,710) | (1,905) | (1,905) | (1,266) | - | - | - | - | - | (8,538) |
| 2c Re-establish Service - Reduction in AHT due to elimination of deposit requirement | | (3,074) | (4,855) | (4,693) | (4,786) | (4,695) | (5,080) | - | - | - | - | - | (27,184) |
| 2d Elimination of deposits to be attached to active accounts for slow or non-pay | | (5,135) | (10,957) | (13,976) | (16,255) | (17,618) | (17,466) | - | - | - | - | - | (81,408) |
| 2e Elimination of Warning Letters | | (1,848) | (4,353) | (4,959) | (4,240) | (4,291) | (4,240) | - | - | - | - | - | (23,931) |
| 3 Incremental Uncollectible costs | | | | | | | | | | | | | - |
| 4 Amortization | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 Current Month Adjustment | - | 28,833 | 60,960 | 49,190 | 34,892 | 35,951 | 34,115 | - | - | - | - | - | 243,941 |
| 6 Current Month Interest**: | - | 2 | 7 | 19 | 30 | 45 | 61 | - | - | - | - | - | 164 |
| 7 Total Current Month Activity | - | 28,835 | 60,967 | 49,209 | 34,922 | 35,996 | 34,176 | - | - | - | - | - | 244,105 |
| 8 Ending Balance | - | 28,835 | 89,802 | 139,011 | 173,933 | 209,930 | 244,105 | 244,105 | 244,105 | 244,105 | 244,105 | 244,105 | 244,105 |

** Interest applied to average monthly balance as follows: ((Beg. Bal.+(Current Month Adjustment/2))*(Int.Rate/12))

| | | | | | | | | | | | | |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Interest: | 0.16% | 0.13% | 0.15% | 0.20% | 0.23% | 0.28% | 0.32% | 0.32% | 0.32% | 0.32% | 0.32% | 0.32% |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|

**SAN DIEGO GAS & ELECTRIC
DISCONNECT MEMORANDUM ACCOUNT (DMA) -
ELECTRIC and GAS
2010**

(Over) / Under Collection \$

| Line | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|--|-----|-------|---------|---------|---------|---------|---------|--------|--------|--------|--------|--------|---------|
| 1 Beginning Balance | - | - | 3,021 | 8,804 | 13,989 | 18,424 | 22,618 | 26,770 | 26,770 | 26,770 | 26,770 | 26,770 | - |
| 1a Prior Period Adjustment | | | | | | | | | | | | | - |
| 1b Adjusted Beginning Balance | - | - | 3,021 | 8,804 | 13,989 | 18,424 | 22,618 | 26,770 | 26,770 | 26,770 | 26,770 | 26,770 | - |
| 2 Costs associated with interim practices pursuant to R.10-02-005: | | | | | | | | | | | | | - |
| 2a CSR Payment Arrangement Calls | | 4,145 | 8,024 | 7,439 | 6,577 | 6,517 | 6,624 | - | - | - | - | - | 39,326 |
| 2b NPSO - Reduction in Average Handle Time (AHT) due to elimination of deposit requirement | | (53) | (187) | (173) | (211) | (193) | (175) | - | - | - | - | - | (993) |
| 2c Re-establish Service - Reduction in AHT due to elimination of deposit requirement | | (629) | (1,357) | (1,324) | (1,146) | (1,313) | (1,257) | - | - | - | - | - | (7,025) |
| 2d Elimination of deposits to be attached to active accounts for slow or non-pay | | (441) | (697) | (759) | (789) | (821) | (1,047) | - | - | - | - | - | (4,555) |
| 3 Incremental Uncollectible costs | | | | | | | | | | | | | - |
| 4 Amortization | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 Current Month Adjustment | - | 3,021 | 5,782 | 5,183 | 4,432 | 4,189 | 4,145 | - | - | - | - | - | 26,753 |
| 6 Current Month Interest**: | - | 0 | 1 | 2 | 3 | 5 | 7 | - | - | - | - | - | 17 |
| 7 Total Current Month Activity | - | 3,021 | 5,783 | 5,185 | 4,435 | 4,194 | 4,152 | - | - | - | - | - | 26,770 |
| 8 Ending Balance | - | 3,021 | 8,804 | 13,989 | 18,424 | 22,618 | 26,770 | 26,770 | 26,770 | 26,770 | 26,770 | 26,770 | 26,770 |

** Interest applied to average monthly balance as follows: ((Beg. Bal.+(Current Month Adjustment/2))*(Int.Rate/12))

| | | | | | | | | | | | | |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Interest: | 0.16% | 0.13% | 0.15% | 0.20% | 0.23% | 0.28% | 0.32% | 0.32% | 0.32% | 0.32% | 0.32% | 0.32% |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|

**SAN DIEGO GAS & ELECTRIC
DISCONNECT MEMORANDUM ACCOUNT (DMA) -
ELECTRIC 78.3%
2010**

(Over) / Under Collection \$

| Line | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|--|-----|-------|---------|---------|--------|---------|--------|--------|--------|--------|--------|--------|---------|
| 1 Beginning Balance | - | - | 2,366 | 6,894 | 10,954 | 14,426 | 17,710 | 20,961 | 20,961 | 20,961 | 20,961 | 20,961 | - |
| 1a Prior Period Adjustment | | | | | | | | | | | | | - |
| 1b Adjusted Beginning Balance | - | - | 2,366 | 6,894 | 10,954 | 14,426 | 17,710 | 20,961 | 20,961 | 20,961 | 20,961 | 20,961 | - |
| 2 Costs associated with interim practices pursuant to R.10-02-005: | | | | | | | | | | | | | - |
| 2a CSR Payment Arrangement Calls | - | 3,245 | 6,283 | 5,824 | 5,150 | 5,102 | 5,187 | - | - | - | - | - | 30,792 |
| 2b NPSO - Reduction in Average Handle Time (AHT) due to elimination of deposit requirement | - | (42) | (147) | (135) | (165) | (151) | (137) | - | - | - | - | - | (778) |
| 2c Re-establish Service - Reduction in AHT due to elimination of deposit requirement | - | (493) | (1,063) | (1,036) | (897) | (1,028) | (984) | - | - | - | - | - | (5,501) |
| 2d Elimination of deposits to be attached to active accounts for slow or non-pay | - | (345) | (546) | (594) | (618) | (643) | (820) | - | - | - | - | - | (3,566) |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 Incremental Uncollectible costs | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 Amortization | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 Current Month Adjustment | - | 2,366 | 4,527 | 4,058 | 3,470 | 3,280 | 3,246 | - | - | - | - | - | 20,947 |
| 6 Current Month Interest**: | - | 0 | 1 | 1 | 2 | 4 | 5 | - | - | - | - | - | 14 |
| 7 Total Current Month Activity | - | 2,366 | 4,528 | 4,060 | 3,473 | 3,284 | 3,251 | - | - | - | - | - | 20,961 |
| 8 Ending Balance | - | 2,366 | 6,894 | 10,954 | 14,426 | 17,710 | 20,961 | 20,961 | 20,961 | 20,961 | 20,961 | 20,961 | 20,961 |

** Interest applied to average monthly balance as follows: ((Beg. Bal.+(Current Month Adjustment/2))*(Int.Rate/12))

| | | | | | | | | | | | | |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Interest: | 0.16% | 0.13% | 0.15% | 0.20% | 0.23% | 0.28% | 0.32% | 0.32% | 0.32% | 0.32% | 0.32% | 0.32% |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|

SAN DIEGO GAS & ELECTRIC
DISCONNECT MEMORANDUM ACCOUNT (DMA) -
GAS 21.7%
2010
(Over) / Under Collection \$

| Line | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|--|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|
| 1 Beginning Balance | - | - | 656 | 1,911 | 3,036 | 3,998 | 4,908 | 5,809 | 5,809 | 5,809 | 5,809 | 5,809 | - |
| 1a Prior Period Adjustment | | | | | | | | | | | | | - |
| 1b Adjusted Beginning Balance | - | - | 656 | 1,911 | 3,036 | 3,998 | 4,908 | 5,809 | 5,809 | 5,809 | 5,809 | 5,809 | - |
| 2 Costs associated with interim practices pursuant to R.10-02-005: | | | | | | | | | | | | | - |
| 2a CSR Payment Arrangement Calls | - | 899 | 1,741 | 1,614 | 1,427 | 1,414 | 1,437 | - | - | - | - | - | 8,534 |
| 2b NPSO - Reduction in Average Handle Time (AHT) due to elimination of deposit requirement | - | (12) | (41) | (37) | (46) | (42) | (38) | - | - | - | - | - | (215) |
| 2c Re-establish Service - Reduction in AHT due to elimination of deposit requirement | - | (137) | (295) | (287) | (249) | (285) | (273) | - | - | - | - | - | (1,524) |
| 2d Elimination of deposits to be attached to active accounts for slow or non-pay | - | (96) | (151) | (165) | (171) | (178) | (227) | - | - | - | - | - | (988) |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 Incremental Uncollectible costs | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 Amortization | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 Current Month Adjustment | - | 656 | 1,255 | 1,125 | 962 | 909 | 900 | - | - | - | - | - | 5,805 |
| 6 Current Month Interest**: | - | 0 | 0 | 0 | 1 | 1 | 1 | - | - | - | - | - | 4 |
| 7 Total Current Month Activity | - | 656 | 1,255 | 1,125 | 962 | 910 | 901 | - | - | - | - | - | 5,809 |
| 8 Ending Balance | - | 656 | 1,911 | 3,036 | 3,998 | 4,908 | 5,809 | 5,809 | 5,809 | 5,809 | 5,809 | 5,809 | 5,809 |

** Interest applied to average monthly balance as follows: ((Beg. Bal.+(Current Month Adjustment/2))*(Int.Rate/12))

| | | | | | | | | | | | | | |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Interest: | 0.16% | 0.13% | 0.15% | 0.20% | 0.23% | 0.28% | 0.32% | 0.32% | 0.32% | 0.32% | 0.32% | 0.32% | 0.32% |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing **SAN DIEGO GAS & ELECTRIC COMPANY AND SOUTHERN CALIFORNIA GAS COMPANY MONTHLY STATUS REPORT OF DISCONNECTION MEMORANDUM ACCOUNT – AUGUST 2010** on all parties identified in Docket No. R.10.-02-005 by U.S. mail and electronic mail, and by Federal Express to the assigned Commissioner(s) and Administrative Law Judge(s).

Dated at San Diego, California, this 25th day of August, 2010.

/s/ JOEL DELLOSA
Joel Dellosa