

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Rulemaking Regarding Whether, or Subject to
What Conditions, the Suspension of Direct
Access May Be Lifted Consistent with
Assembly Bill 1X and Decision 01-09-060.

Rulemaking 07-05-025
(Filed May 24, 2007)

**OPENING COMMENTS OF
SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E)**

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September 12, 2011

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In accordance with Rule 14.3 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, San Diego Gas & Electric Company (SDG&E) files these opening comments on the August 23, 2011 Proposed Decision (PD) entitled "Decision Adopting Direct Access Reforms." The PD resolves Phase III issues in this proceeding relating to the rules and methodologies applicable to Direct Access (DA) and Departing Load (DL) electric service.

Specifically, the PD:

- Revises the methodology for the market price benchmark used to calculate DA customers' cost responsibility necessary to maintain bundled customer indifference, to adopt a provision to recognize renewable resource attributes in the market benchmark.
- Removes from the total portfolio calculation load related costs incurred by the independent system operator.
- Revises the total portfolio load profile calculation to better reflect time of use load variations.
- Adopts conforming changes in the temporary bundled service rate to be consistent with the changes adopted in the market price benchmark calculation.
- Reviews the rules governing the rights and obligations for switching between bundled and DA service.

- Retains the existing six-month advance notice requirements for switching from bundled service to DA and from DA to bundled,
- Reduces the requirement for a three-year stay on bundled service down to only 18 months, applicable to DA customers returning from DA service to bundled service.
- Adopts provisions to meet the statutory financial security requirements applicable to Electric Service Providers (ESPs) to cover the risk of an en masse involuntary return of an ESP's customers to bundled service.

SDG&E appreciates that the PD takes into consideration the need to ensure that cost responsibilities are appropriately assigned. SDG&E agrees that the provisions adopted in the PD directives would advance the principles of promoting choice for electric procurement services within the limits permitted by current statute and existing Commission rules, while maintaining reasonable protections from cost shifting to bundled ratepayers. Finally, SDG&E continues to support customer choice and looks forward to working with the Commission and parties to implement the provisions of the PD.

Respectfully submitted,

By: /s/ Kim F Hassan
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