

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking)
Into Implementation of Public)
Utilities Code Section 390) R.99-11-022

SAN DIEGO GAS & ELECTRIC COMPANY'S (U 902-M)
MONTHLY SHORT RUN AVOIDED COST (SRAC) FILING
IN COMPLIANCE WITH DECISION 82-12-120
ORDERING PARAGRAPH 12(h)
AND DECISION 91-10-039 ORDERING PARAGRAPH 2
AS AMENDED BY DECISION 97-05-021 AND FURTHER MODIFIED
BY DECISION 02-10-009
EFFECTIVE OCTOBER 1 – OCTOBER 31, 2011

San Diego Gas & Electric Company
8330 Century Park Court
San Diego, CA 92123-1530

/s/ Clay Faber
Clay Faber
Director – Regulatory Affairs
(858) 654-3563

Dated: October 11, 2011

**SHORT RUN AVOIDED COST ENERGY PRICE UPDATE
FOR QUALIFYING FACILITIES
Filed: October 11, 2011
Effective: October 1, 2011 - October 31, 2011**

Following are the capacity and energy price schedules for purchases from Qualifying Facilities pursuant to Standard Offers and other contracts with San Diego Gas & Electric Company ("SDG&E"), for the above mentioned effective period.

This posting is made in compliance with the revised formula adopted by the Commission on September 20, 2007 in Decision No. 07- 09-040 and clarified by Resolution E-4246 dated July 9, 2009. Notwithstanding this posting made in compliance with such decision, SDG&E reserves all rights and remedies available to it to continue to contest the lawfulness of the Commission's short-run avoided cost methodology, as so revised. In addition, SDG&E reserves all rights concerning the issues SD G&E raised in its application for rehearing of Decision No. 07-09-040, including retroactive adjustment of QF payments. See S. Cal. Edison Co. v. Cal. P.U.C., 128 Cal. App. 4 th 1, 12 (2005).

GENERAL INFORMATION

If you have any questions, please direct your inquiries to San Diego Gas & Electric Company, Electric & Fuel Procurement, 8315 Century Park Court, CP 21D, San Diego, CA 92123. SDG&E's SRAC Posting may be viewed electronically at SDG&E's home page: <http://www2.sdge.com/qfi>

AVOIDED COST CAPACITY PRICES FOR QUALIFYING FACILITIES

Pursuant to California Public Utilities Commission ("CPUC") Decision No. 07-09-040, the as-available capacity price for 2011 is \$41.22 / kW-year. Per D.82-01-103, capacity payments are reduced 50% for projects under Standard Offer No. 3 with no time of delivery meters.

AS-AVAILABLE CAPACITY PRICE CALCULATIONS *		(¢/kWh):	ON-PEAK	SEMI-PEAK	OFF-PEAK	SUPER OFF-PEAK	NON-TOU
CAPACITY PRICES	SUMMER		4.0435	0.2533	0.0000	0.0000	0.4414
	WINTER		0.5456	0.3346	0.0000	0.0000	0.0861
VOLTAGE LEVEL ADJUSTMENTS							
TRANSMISSION LEVEL	SUMMER		4.1697	0.2608	0.0000	0.0000	0.4527
	WINTER		0.5623	0.3440	0.0000	0.0000	0.0882
PRIMARY LEVEL	SUMMER		4.3472	0.2714	0.0000	0.0000	0.4684
	WINTER		0.5857	0.3572	0.0000	0.0000	0.0912
ALLOCATION FACTORS							
CAPACITY ALLOCATION FACTORS	SUMMER		0.098096	0.006146	0.00000	0.00000	0.010709
	WINTER		0.013237	0.008118	0.00000	0.00000	0.002088
LINE LOSS FACTORS							
TRANSMISSION LEVEL	SUMMER		1.0312	1.0296	1.0213	1.0213	1.0255
	WINTER		1.0306	1.0281	1.0214	1.0214	1.0247
PRIMARY LEVEL	SUMMER		1.0751	1.0712	1.0509	1.0509	1.0611
	WINTER		1.0734	1.0674	1.0511	1.0511	1.0592

***AS-AVAILABLE CAPACITY PRICES = YEARLY CAPACITY VALUE x ALLOCATION FACTORS x LINE LOSS FACTORS**

**San Diego Gas & Electric Company
SHORT RUN AVOIDED COST
ENERGY PRICE UPDATE
FOR QUALIFYING FACILITIES
Pursuant to D.07-09-040 and Resolution E-4246
Effective: October 1, 2011 - October 31, 2011**

SRAC Formula

$$P_n = [IER \times (G_{Pn} + G_{Tn}) / 10,000 + O\&M] \times TOU \text{ Factor}$$

$$IER = (.5 \times MHR + .5 \times AHR)$$

	Winter	Summer
On-Peak	4.4670	-
Semi-Peak	4.3558	-
Off-Peak	3.9800	-
Super-Off-Peak	3.3129	-
Time Period Weighted Average	4.0202	-

P _n	=	Energy price in cents/kWh which is calculated based on substituting the variables below into the formula.	
G _{Pn}	=	The simple average of natural gas market price indices from Natural Gas Intelligence, Platts Gas Daily and Natural Gas Week at the Southern California Border.	
		Simple Average	SoCal Border 3.94
			3.9400 \$/MMBtu
G _{Tn}	=	Intrastate Transportation	
		GT-TLS *	0.1596
		BTS **	0.1096
		GP-SUR	0.0835
			0.3527 \$/MMBtu
IER	=	Incremental Energy Rate	
		Administrative Heat Rate (AHR)	9,603
		Market Heat Rate (MHR)	6,901
			8,252 Btu/kWh
O&M	=	Variable Operations and Maintenance adder	0.2920 cents/kWh
TOU	=	<u>Summer On-Peak</u>	1.0590
		<u>Summer Semi-Peak</u>	1.0280
		<u>Summer Off-Peak</u>	0.8890
		<u>Summer Super-Off-Peak</u>	0.7500
		<u>Winter On-Peak</u>	1.1650
		<u>Winter Semi-Peak</u>	1.1360
		<u>Winter Off-Peak</u>	1.0380
		<u>Winter Super-Off-Peak</u>	0.8640

SEASON AND TIME PERIOD DEFINITIONS

Time Period	Summer		Winter		# of Hours		
	MAY 1 - SEPTEMBER 30		OCTOBER 1 - APRIL 30		Effective: October 1, 2011 - October 31, 2011	Winter	Summer
ON-PEAK	11:00 a.m. - 6:00 p.m.		5:00 p.m. - 8:00 p.m.	Weekdays		63	0
SEMI-PEAK	6:00 a.m. - 11:00 a.m.		6:00 a.m. - 5:00 p.m.	Weekdays		273	0
	6:00 p.m. - 10:00 p.m.		8:00 p.m. - 10:00 p.m.	Weekdays			
OFF-PEAK	10:00 p.m. - 12:00 mid.		10:00 p.m. - 12:00 mid.	Weekdays		253	0
	5:00 a.m. - 6:00 a.m.		5:00 a.m. - 6:00 a.m.	Weekdays			
	5:00 a.m. - 12:00 mid.		5:00 a.m. - 12:00 mid.	Weekends			
	5:00 a.m. - 12:00 mid.		5:00 a.m. - 12:00 mid.	Holidays			
Super Off-Peak	12:00 mid. - 5:00 a.m.		12:00 mid. - 5:00 a.m.	All Days		155	0
Total						744	0

2011 Holidays: New Year's Day (1/1), Presidents' Day (2/21), Memorial Day (5/30), Independence Day (7/4), Labor Day (9/5), Veterans Day (11/11), Thanksgiving Day (11/24) and Christmas Day (12/25). When any holiday listed above falls on Sunday, the following Monday will be recognized as an off-peak period. No change will be made for holidays falling on Saturday.

* Effective February 1, 2010, the gas transportation tariff EG was changed to apply to distribution service level gas customers only. The transmission service level gas customers are now covered under the TLS tariff, published at http://www.sdge.com/tm2/pdf/GAS_GAS-SCHEDS_TLS.pdf. Beginning with the February 2010 SRAC posting, SDG&E replaced EG rate with TLS rate in the SRAC calculation.

** Effective October 1, 2011, the gas transportation tariff RPA was changed to apply to firm and interruptible Backbone Transportation Service (BTS) to Utility's transmission system. The Backbone Transportation Service gas customers are now covered under the BTS tariff, published at <http://www.socalgas.com/regulatory/tariffs/tm2pdf/G-BTS.pdf>. Beginning with the October 2011 SRAC posting, SDG&E replaced RPA rate with BTS rate in the SRAC calculation.