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Energy Division California Public Utilities Commission 505 Van Ness Avenue San Francisco, California 94102 EDTariffUnit@cpuc.ca.gov

Re: San Diego Gas & Electric's Comments on Draft Resolution E-4475

Dear Energy Division:

San Diego Gas & Electric Company (SDG&E) hereby submits the following comments on Draft Resolution E-4475 (the Draft Resolution), which is scheduled to appear on the Commission's May 10, 2012 agenda. On January 6, 2012, SDG&E filed Advice Letter (AL) 2325-E, pursuant to Ordering Paragraph (OP) 4 of Decision (D.) 11-12-018. In AL 2325-E, SDG&E submitted data needed to revise the Power Charge Indifference Amount (PCIA), Competition Transition Charge (CTC) and Temporary Bundled Service (TBS) tariffs to account for renewable resource requirements and the US Department of Energy premiums.

SDG&E appreciates the opportunity to respond to the Draft Resolution and provides the following comments by issue, as set forth in the draft resolution:

Included with these comments, SDG&E has submitted a correction to the data originally provided to the Energy Division in order to perform the RPS adder calculation. Subsequent to this Draft Resolution E-4475, SDG&E was made aware that its original submittal included <u>all</u> RPS contracts that delivered energy in years 2011 and 2012 rather than RPS contracts that <u>started</u> deliveries in those years and the years immediately prior. SDG&E alerted Energy Division to the correction and was advised to submit the correction with comments to the Draft Resolution.

While this correction to the data narrows the definition of the contracts to be included and thus decreases the numbers of contracts that are included, these contracts are generally higher priced as they are the most recent contracts signed. Accordingly, the overall effect of this correction will increase the resulting "URGgreen" RPS adder shown in Table 1 of the Draft Resolution. The magnitude of the resultant change is unknown to SDG&E as it is not privy to the other IOU inputs to the calculation.

Other than the inevitable change this correction will have on the resulting RPS adder calculated by the Energy Division, SDG&E agrees with the methodology and the calculated result presented in the Draft Resolution.

SDG&E is thankful for the Commission's remarks and appreciates the opportunity to provide these comments to Draft Resolution E-4475.

Respectfully Submitted,

Clay Faber Director – Regulatory Affairs

cc: Kathryn Auriemma – (kathryn.auriemma@cpuc.ca.gov) Service List (R.07-05-025)