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May 31, 2012

ADVICE LETTER 2367-E
(U 902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SUBJECT: REVISIONS TO THE DWR POWER CHARGE PURSUANT TO DECISION 12-05-006

San Diego Gas & Electric Company (SDG&E) hereby submits the following revisions applicable to its electric tariffs, as shown on Attachment B.

PURPOSE

In accordance with Ordering Paragraphs (OP) 3, 5 and 8 of California Public Utilities Commission (Commission) Decision (D.) 12-05-006, SDG&E hereby revises its Schedule EECC, Electric Energy Commodity Cost, to reflect the Settlement Agreement by and between Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and SDG&E with the California Department of Water Resources (DWR). The DWR power charge remittance rate is based on SDG&E's allocation of the Settlement Agreement adopted by D.12-05-006.

BACKGROUND

D.12-05-006 adopts DWR's requested 2012 Power Charges and the June 2012 amortization option of the Settlement Agreement¹. Furthermore, SDG&E's 2012 DWR annual revenue requirement decreases from \$74 mil to \$66 mil, resulting in a remittance rate change from 4.083 cents per kilowatt hour (kWh) to 3.623 cents per kWh, as shown on Attachment A. However, since payments to DWR between January and May 2012 were remitted at 4.083 cents per kWh, the revised remittance rate adopted in the Settlement Agreement is 1.792 cents per kWh. Accordingly, on June 1, 2012, SDG&E's payments to DWR will be at the revised power charge remittance rate of 1.792 cents per kWh. However, SDG&E will update rates to reflect updated revenue requirements charged to its customers effective July 1, 2012. SDG&E's implemented 2012 DWR annual revenue requirement will be \$58 mil, \$8 mil less than the revised 2012 DWR annual revenue requirement, to offset the higher rates collected from customers between January and June 2012.

SDG&E intends to file an advice letter to consolidate other anticipated electric rate adjustments authorized to become effective July 1, 2012, including implementation of the revised DWR revenue requirement as well as the revised DWR power charge pursuant to D.12-05-006.

¹D.12-05-006 Attachment B, "Effective Date Scenario Table - IOU Settlement Summary".

This filing will not create any deviations from SDG&E's tariffs, cause withdrawal of service from any present customers, or impose any more or less restrictive conditions.

EFFECTIVE DATE

SDG&E believes that this filing is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to GO 96-B. SDG&E respectfully requests that this filing become effective on May 31, 2012, subject to review by the Commission's Energy Division.

PROTEST

Anyone may protest this advice letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impacts, and should be submitted expeditiously. The protest must be made in writing and received no later than June 20, 2012, which is within 20 days of the date this advice letter was filed with the CPUC. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC 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 the Energy Division at EDTariffUnit@cpuc.ca.gov. It is also requested that a copy of the protest 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.

Attn: Megan Caulson
Regulatory Tariff Manager
8330 Century Park Court, Room 32C
San Diego, CA 92123-1548
Facsimile No. (858) 654-1879
E-mail: mcaulson@semprautilities.com

NOTICE

A copy of this filing has been served on the utilities and interested parties shown on the attached list, including interested parties in R.11-03-006, 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) 654-1879 or by e-mail at SDG&ETariffs@semprautilities.com.

CLAY FABER
Director — Regulatory Affairs

Enclosures
(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: Christina Sondrini

Phone #: (858) 636-5736

E-mail: csondrini@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) #: 2367-E

Subject of AL: Revisions to the DWR Power Charge Pursuant to Decision 12-05-006

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 #:

D.12-05-006

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL N/A

Summarize differences between the AL and the prior withdrawn or rejected AL¹: N/A

Does AL request confidential treatment? If so, provide explanation: N/A

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 5/31/12

No. of tariff sheets: 3

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: Schedule EECC & TOC

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

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
EDTariffUnit@cpuc.ca.gov**

**San Diego Gas & Electric
Attention: Megan Caulson
8330 Century Park Ct, Room 32C
San Diego, CA 92123
mcaulson@semprautilities.com**

¹ 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

S. Cauchois
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. Cameron

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

City of Poway

R. Willcox

City of San Diego

J. Cervantes
G. Lonergan
M. Valerio

Commerce Energy Group

V. Gan

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

Dynergy, 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

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 In:

R.11-03-006

**ATTACHMENT A
SAN DIEGO GAS & ELECTRIC
ADVICE LETTER 2367-E**

**Allocation of 2012 Revenue Requirement Among Utilities
California Department of Water Resources**
(Dollars in millions)

Line	Description	SDG&E	Reference
1	Allocation Percentages	10.30%	Decision 05-06-060
2			
3	2004-2010 Expenses	4,163	Actuals
4	2004-2010 Revenues	4,365	Actuals
5	Amount to be collected from /(returned to) the IOU USBA	\$ (202)	Line 3 - Line 4
6			
7	2011 Expenses	264	actuals through Aug-11 then projected
8	2011 Revenues	189	actuals through Aug-11 then projected
9	Amount to be collected from /(returned to) the IOU USBA	\$ 75	Line 7 - Line 8
10			
11	Balancing Calculation		
12	December 31, 2012 Projected PCA Balance: Desired Allocation	10	
13	January 1, 2004 Starting PCA Balance: Desired Allocation	171	
14	Amount to be collected from /(returned to) the IOU USBA	\$ (161)	Line 12 - Line 13
15			
16	Fixed Transfer Payments	256	
17	2004-2011 True-up	(127)	Line 5 + Line 9
18	Starting and Ending balance True-up	(161)	Line 14
19	Cumulative True-up to be collected from/(returned to) IOU USBA	\$ (32)	Subtotal
20			
21	2012 Revenue Requirement Determination		
22	Avoidable Costs	66	2012RptRR
23	Net Non-Avoidable Costs	48	2012RptRR
24	Indifference/Acceleration Payment	(12)	
25	Gas Collateral Cost	2	2012RptRR
26	Administrative and General	2	2012RptRR
27	Interest Earnings on Fund Balance	(0)	2012RptRR
28	Continental Forge Re-allocation	(8)	2012RptRR
29	Balancing Transfer between IOUs [(+) is pmt, (-) is receipt]	(32)	Line 19
30		\$ 66	

Rate Calculation Table: ***** 2012 RR -- 10-17-2011 Filing (with Aug-11 Actuals) *****
Based on 2012 calendar year costs (not including any return of any power account balances)

1	Revenue Requirement Allocated to IOU's Customers	\$ 66
2	DWR Delivered Energy (GWh)	1,818
3	Calendar Year Remittance Rates (\$/kWh)	0.03623

ATTACHMENT B
ADVICE LETTER 2367-E

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 22910-E	SCHEDULE EECC, ELECTRIC ENERGY COMMODITY COST, Sheet 9	Revised 22705-E
Revised 22911-E	TABLE OF CONTENTS, Sheet 1	Revised 22908-E
Revised 22912-E	TABLE OF CONTENTS, Sheet 6	Revised 22906-E



SCHEDULE EECC

Sheet 9

ELECTRIC ENERGY COMMODITY COST

RATES (Continued)

Commodity Rates (Continued)

<u>Schedule PA-T-1 (Continued)</u>	(\$/kWh)
On-Peak Energy: Winter	
Secondary	0.08285
Primary	0.08160
Transmission	0.08015
Semi-Peak Energy: Winter	
Secondary	0.07617
Primary	0.07495
Transmission	0.07376
Off-Peak Energy: Winter	
Secondary	0.05676
Primary	0.05569
Transmission	0.05496
 <u>Schedule PA</u>	 (\$/kWh)
Summer	0.06479
Winter	0.07558
 <u>Schedules LS-1, LS-2, LS-3, OL-1, and DWL</u>	 (\$/kWh)
All Usage	0.05044
<u>Schedules OL-2</u>	(\$/kWh)
All Usage	0.06487

DWR Power Charge

Pursuant to CPUC Decision 12-05-006, DWR's Power Charge is 1.792 cents per kWh.

R

Franchise Fees

A Franchise Fee Differential of 5.78% will be applied to the total bills calculated under this schedule, including DWR charges, for all customers residing within the corporate limits of the City of San Diego. Such Franchise Fee Differential shall be so indicated and added as a separate item to bills rendered to such customers.

Franchise Fees associated with DWR electricity sales will be reflected in a separate line item on customer bills titled "Franchise Fees for Electric Energy Supplied by Others".

Seasonal Periods

The seasonal periods are defined as the following:

Residential:

 Summer: May 1 – October 31
 Winter: November 1 – April 30

All other classes:

 Summer: May 1 – September 30
 Winter: October 1 – April 30

(Continued)

9P7

Advice Ltr. No. 2367-E

Issued by
Lee Schavrien
Senior Vice President

Date Filed May 31, 2012

Effective _____

Decision No. 12-05-006

Resolution No. _____



TABLE OF CONTENTS

Sheet 1

The following sheets contain all the effective rates and rules affecting rates, service and information relating thereto, in effect on the date indicated herein.

	<u>Cal. P.U.C. Sheet No</u>
TITLE PAGE.....	16015-E
TABLE OF CONTENTS.....	22911, 22850, 22823, 22897, 22909, 22912, 22828-E 22738, 22892, 22893, 22732, 22866, 19529-E
PRELIMINARY STATEMENT:	
I. General Information.....	8274, 18225, 22140-E
II. Balancing Accounts	
Description/Listing of Accounts	19402, 20706-E
California Alternate Rates for Energy (CARE) Balancing Account.....	21639, 21640-E
Rewards and Penalties Balancing Account (RPBA).....	21643, 22802-E
Transition Cost Balancing Account (TCBA).....	22803, 19411, 22804, 22805, 19414-E
Post-1997 Electric Energy Efficiency Balancing Account (PEEEBA).....	19415, 19416-E
Research, Development and Demonstration (RD&D) Balancing Account.....	19417, 19418-E
Renewables Balancing Account (RBA).....	19419, 19420-E
Tree Trimming Balancing Account (TTBA).....	19421, 19422-E
Baseline Balancing Account (BBA).....	21377, 19424-E
EI Paso Turned-Back Capacity Balancing Account (EPTCBA).....	19425-E
Energy Resource Recovery Account (ERRA).....	22806, 22807, 22808, 22809, 22400-E
Low-Income Energy Efficiency Balancing Account (LIEEBA).....	19431, 19432-E
Non-Fuel Generation Balancing Account (NGBA).....	21484, 22081, 22810, 21487-E
Electric Procurement Energy Efficiency Balancing Account (EPEEBA).....	19438-E
Common Area Balancing Account (CABA).....	19439-E
Nuclear Decommissioning Adjustment Mechanism (NDAM).....	22811-E
Pension Balancing Account (PBA).....	19441, 19442-E
Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA).....	19443, 19444-E
Community Choice Aggregation Implementation Balancing Account (CCAIBA).....	19445-E

(Continued)

1P4

Advice Ltr. No. 2367-E

Decision No. 12-05-006

Issued by
Lee Schavrien
Senior Vice President

Date Filed May 31, 2012

Effective _____

Resolution No. _____



TABLE OF CONTENTS

Sheet 6

SCHEDULE OF RATES

<u>SCHEDULE NUMBER</u>	<u>SERVICE</u>	<u>CAL. P.U.C. SHEET NO</u>
	<u>Miscellaneous</u>	
WATER	Water Agency Tariff for Eligible Renewables.....	20287,19337,19338-E 20429,20430-E
PTR	Peak Time Rebate	22301, 20551, 22302, 20553-E
CRE	Customer Renewable Energy.....	20882, 20883-E
VNM-A	Virtual Net Metering for Multi-Family Affordable Housing.....	22385, 22402, 22403, 22404, 22405-E
PLP	Participating Load Pilot.....	21257, 21258, 21259, 21260, 21261-E 21262, 21263, 21264-E
ECO	Energy Credit Option.....	21280, 21281, 21282, 21283-E
SPSS	Station Power Self Supply.....	21625, 21626, 21627, 21628-E
DRWMP	Demand Response Wholesale Market Pilot.....	22031, 22032, 22033, 22034, 22035-E 22036, 22037, 22038, 22039, 22040-E
CHP	Combined Heat and Power.....	22625, 22626-E
	<u>Commodity Rates</u>	
EECC	Electric Energy Commodity Cost.....	22697, 22778,22699 22700, 22701-E 22702, 22703, 22704, 22910, 20563-E 20564,20565-E
EECC-TBS	Electric Energy Commodity Cost – Transitional Bundled Service.....	22903, 22904, 16432, 19750-E
EECC-CPP-E	Electric Energy Commodity Cost – Critical Peak Pricing Emergency.....	22706, 22707, 21007, 20575, 20576-E
EECC-CPP-D	Electric Energy Commodity Cost – Critical Peak Pricing Default	22708, 22709, 20579, 20580, 20581-E 20582, 20583-E
LIST OF CONTRACTS AND DEVIATIONS.....		14296, 5488, 5489, 6205, 6206, 5492-E 16311, 22320, 5495, 6208, 6209, 8845-E 6109, 5902, 5750, 8808, 8809, 6011-E 8001, 8891, 22019, 22533-E

(Continued)

6P4

Advice Ltr. No. 2367-E

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Resolution No. _____