

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 10, 2012

R. 11-10-003

Via Email and U.S. Mail

Frank Goodman
Senior Technology & Development Advisor
Program Manager for EPIC
San Diego Gas & Electric Company
101 Ash Street,
San Diego, California 92101-3017

**RE: Electric Program Investment Charge - Compliance with Ordering
Paragraphs 9 and 10 of Decision 12-05-037**

Dear Mr. Frank Goodman:

On June 29, 2012, the California Public Utilities Commission (Commission) instructed San Diego Gas & Electric Company (SDG&E) to postpone remitting any of the Electric Program Investment Charge (EPIC) funds to the Commission or to the California Energy Commission (CEC) until further direction from the Commission. Decision (D.) 12-05-037 ordered SDG&E to remit a portion of the annual EPIC funds to the Commission and the CEC on July 1.¹ However, the Commission's June 29, 2012 letter noted that the logistics of transferring EPIC funds had not yet been finalized in light of the recently passed budget trailer bill and accordingly instructed Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to postpone remitting any EPIC funds until instructed by the Commission.

Senate Bill (SB) No. 1018 (2011-2012 Reg. Sess.), which was approved by Governor Brown on June 27, 2012, created the Electric Program Investment Charge Fund in the State Treasury. (Pub. Resources Code, § 25711.) The Electric Program Investment Charge Fund is to receive the EPIC funds collected for the CEC's administration pursuant to D.11-12-035, and the CEC is to administer the EPIC funds "as authorized by the Public Utilities Commission." (Id., §25711, subd. (a) and (d).)

¹ Ordering Paragraph 9 of D.12-05-037 states:

9. Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company shall remit one-quarter of the annual administrative budget for the California Energy Commission (CEC) to the CEC quarterly beginning July 1, 2012 from their Electric Program Investment Charge (EPIC) balancing accounts. Programmatic funding shall be transferred periodically to the CEC from the EPIC balancing accounts when funds are encumbered by the CEC.

Ordering Paragraph 10 of D.12-05-037 states:

10. Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company shall remit the annual oversight budget to the Commission by July 1 each year, beginning July 1, 2012.

The Commission now orders SDG&E to act on the Commission's behalf and remit to the CEC the EPIC funds that SDG&E otherwise would have forwarded to the CEC on July 1, 2012 (i.e., one-quarter of the annual administrative budget for the CEC). SDG&E shall remit the EPIC funds for deposit in the Electric Program Investment Charge Fund within five days of this letter. Quarterly remittances to the CEC should continue every quarter hereafter in accordance with Ordering Paragraph 9 of D.12-05-037, unless otherwise directed by the Commission.

SDG&E shall postpone remitting to the Commission SDG&E's share of the Commission's annual oversight budget (see Ordering Paragraph 10 of D.12-05-037), and shall retain these funds in its EPIC Balancing Account, until further direction from the Commission.

Sincerely,

A handwritten signature in black ink that reads "Paul Clanon". The signature is written in a cursive style with a long, sweeping underline that extends to the left.

Paul Clanon
Executive Director