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February 25, 2013

**ADVICE LETTER 2460-E**  
(U 902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: REVISIONS TO THE DWR POWER CHARGE AND DWR BOND CHARGE  
GRANTING SPECIAL RELIEF PURSUANT TO DECISION 13-01-037**

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

**PURPOSE**

In accordance with California Public Utilities Commission ("Commission") Decision ("D.") 13-01-037, SDG&E hereby revises its Schedule EECC, Electric Energy Commodity Cost to reflect the implementation of special relief as set out in the *Agreement Regarding Procedures Applicable to the Return of Net Negative DWR Power Charge Revenue Requirements*, as clarified by the *Joint Reply of San Diego Gas & Electric Company and Alliance for Retail Energy Markets*.

**BACKGROUND**

In Decision ("D.") 13-01-037, issued on January 24, 2013, the California Public Utilities Commission ("Commission") approved SDG&E's October 16, 2012 motion thereby (1) adopting the *Agreement Regarding Procedures Applicable to the Return of Net Negative DWR Power Charge Revenue Requirements* ("Agreement") between SDG&E and the California Department of Water Resources ("Department" or "DWR"), as clarified by the *Joint Reply of SDG&E and the Alliance for Retail Energy Markets* ("AReM"), and (2) granting SDG&E authority to implement those procedures set out in the Agreement, as clarified by the *Joint Reply of SDG&E and AReM*.

Pursuant to Commissioner Florio's September 18, 2012 Scoping Memo and Ruling, SDG&E filed the October 16 Motion for the Receipt of Additional Evidence and the Granting of Special Relief ("Motion") because, at that time, SDG&E was expected to have a negative revenue requirement for 2013. SDG&E stated in its Motion, "The confluence of declining contract costs and the return of surplus operating reserves has reached the point where the charges SDG&E reflects on its customer bills representing SDG&E's share of allocable Department power costs and returned reserves are contemplated to be a net negative amount."<sup>1</sup> However, due to unforeseen expenses incurred by DWR, which at the time of this Advice Letter are pending at the Commission,<sup>2</sup> SDG&E's 2013 revenue requirement is no longer anticipated to be a negative amount. In fact, the DWR Customer Return

<sup>1</sup> SDG&E's Motion for the Receipt of Additional Evidence and the Granting of Special Relief, filed October 16, 2012, at p.2.

<sup>2</sup> Ruling of Administrative Law Judge Seaneen Wilson, dated November 16, 2012, providing an opportunity for all parties to comment on DWR's proposed allocation of costs related to the agreement with the Kern River Gas Transportation Company.

Credit for 2013 is zero. Nonetheless, SDG&E is filing this Advice Letter pursuant to D.13-01-037 to provide a methodology by which the net negative power charge revenue requirement is treated and is revising its tariffs, as set forth in Attachment A, consistent in its Agreement.

### **EFFECTIVE DATE**

SDG&E believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to GO 96-B. SDG&E hereby requests that the tariffs filed herein become effective February 25, 2013, the date filed, pursuant to D.13-01-037.

### **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 March 17, 2013, 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 both the Energy Division at [EDTariffUnit@cpuc.ca.gov](mailto: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](mailto: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](mailto:SDG&ETariffs@semprautilities.com).

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CLAY FABER  
Director — Regulatory Affairs

# 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) #: 2460-E

Subject of AL: Revisions to the DWR Power Charge Revenue Requirements Pursuant to Decision  
13-01-037

Keywords (choose from CPUC listing): Compliance, DWR

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.13-01-037

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 AL<sup>1</sup>: 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: 2/25/13

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 proposed<sup>1</sup>: 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

<sup>1</sup> 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  
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

Southern California Edison Co.

M. Alexander  
K. Cini  
K. Gansecki  
H. Romero

TransCanada

R. Hunter  
D. White

TURN

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  
ADVICE LETTER 2460-E

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 23451-E	SCHEDULE EECC, ELECTRIC ENERGY COMMODITY COST, Sheet 9	Revised 23395-E
Revised 23452-E	TABLE OF CONTENTS, Sheet 1	Revised 23445-E
Revised 23453-E	TABLE OF CONTENTS, Sheet 6	Revised 23409-E



**SCHEDULE EECC**

Sheet 9

ELECTRIC ENERGY COMMODITY COST

RATES (Continued)

Commodity Rates (Continued)

<u>Schedule PA-T-1 (Continued)</u>	<b>(\$/kWh)</b>
On-Peak Energy: Winter	
Secondary	<b>0.09597</b>
Primary	<b>0.09453</b>
Transmission	<b>0.09284</b>
Semi-Peak Energy: Winter	
Secondary	<b>0.08823</b>
Primary	<b>0.08682</b>
Transmission	<b>0.08544</b>
Off-Peak Energy: Winter	
Secondary	<b>0.06575</b>
Primary	<b>0.06451</b>
Transmission	<b>0.06367</b>
<u>Schedule PA</u>	<b>(\$/kWh)</b>
Summer	<b>0.08661</b>
Winter	<b>0.07558</b>
<u>Schedules LS-1, LS-2, LS-3, OL-1, and DWL</u>	<b>(\$/kWh)</b>
All Usage	<b>0.05843</b>
<u>Schedules OL-2</u>	<b>(\$/kWh)</b>
All Usage	<b>0.07515</b>

DWR Power Charge

Pursuant to CPUC Decision 12-11-040, DWR's Power Charge is 12.327 cents per kWh.

DWR Customer Return Credit

Pursuant to CPUC Decision 12-11-040 and Decision 13-01-037, DWR's Customer Return Credit is 0.000 cents per kWh.

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)

N  
N



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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.

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I. General Information.....	8274, 18225, 22140-E
<b>II. Balancing Accounts</b>	
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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
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Electric Procurement Energy Efficiency Balancing Account (EPEEBA).....	19438-E
Common Area Balancing Account (CABA).....	19439-E
Nuclear Decommissioning Adjustment Mechanism (NDAM).....	22811-E
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Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA).....	19443, 19444-E
Community Choice Aggregation Implementation Balancing Account (CCAIBA).....	19445-E

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1P4

Advice Ltr. No. 2460-E

Decision No. 13-01-037

Issued by  
**Lee Schavrien**  
Senior Vice President

Date Filed Feb 25, 2013

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_



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Sheet 6

SCHEDULE OF RATES

<u>SCHEDULE NUMBER</u>	<u>SERVICE</u>	<u>CAL. P.U.C. SHEET NO</u>
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CRE	Customer Renewable Energy.....	20882, 20883-E
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ECO	Energy Credit Option.....	21280, 21281, 21282, 21283-E
SPSS	Station Power Self Supply.....	21625, 21626, 21627, 21628-E
CHP	Combined Heat and Power.....	22625, 22626-E
	<u>Commodity Rates</u>	
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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.....	23396, 23397, 21007, 20575, 20576-E
EECC-CPP-D	Electric Energy Commodity Cost – Critical Peak Pricing Default	23398, 23399, 20579, 20580, 20581-E 22927, 22928, 22929-E
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