

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



January 7, 2014

Advice Letter 2553-E

Clay Faber, Director
Regulatory Affairs
San Diego Gas and Electric
8330 Century Park Court, CP32C
San Diego, CA 92123-1548

Subject: SAN DIEGO GAS & ELECTRIC COMPANY'S UPDATE TO CONFORMED LONG TERM PROCUREMENT PLAN COMPLIANCE FILING

Dear Mr. Faber:

Advice Letter 2553-E is effective December 3, 2013.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director
Energy Division



Clay Faber - Director
Regulatory Affairs
8330 Century Park Court
San Diego, CA 92123-1548

Tel: 858.654.3563
Fax: 858.654.1788
cfaber@semprautilities.com

December 3, 2013

ADVICE LETTER 2553-E
(U 902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: SAN DIEGO GAS & ELECTRIC COMPANY'S UPDATE TO CONFORMED
LONG TERM PROCUREMENT PLAN COMPLIANCE FILING**

San Diego Gas & Electric (SDG&E) hereby requests California Public Utilities Commission ("Commission") approval to revise its bundled long-term procurement plan (LTPP) Capacity Procurement limit Table and Capacity Implied Market Heat Rate Condition Measure as show in Attachments B and C.

BACKGROUND

On May 18, 2012, SDG&E filed Advice Letter (AL) 2362-E submitting its 2012 LTPP, which consisted of its LTPP proposed on March 25, 2011 with modifications to components of the plan made in compliance with Decision ("D") 11-05-005, D.12-01-033 and D.12-04-046. SDG&E incorporated Capacity Procurement Limits, or "ratable rates" into its 2012 LTPP, in Appendix I, in compliance with Ordering Paragraph 2 of D.12-01-033. On July 25, 2012, at the direction of Energy Division, SDG&E filed a supplemental AL (2362-E-A) to: (i) correct formatting / typographical errors, (ii) make minor changes to appendices; and (iii) correct GHG Forecast tables. On April 23, 2013, SDG&E filed AL 2475-E to (i) update the Capacity Procurement Limits in its LTPP; and (ii) add language describing the process used to update these limits on an annual basis (as adopted in the approved plans of the other utilities). This language was inadvertently omitted from SDG&E's previously filed LTPP. AL2457-E became effective May 21, 2013.

CAPACITY PROCUREMENT LIMITS AND RATABLE RATES

The updated Capacity Procurement Limits for 2016 and 2017 are higher, and the limits in 2018 onward are lower, due to updating of capacity from contracting activities. The main updates include the removal of San Onofre Nuclear Generating Station (SONGS) units 2 and 3; the addition of the Amended Pio Pico Power Purchase and Tolling Agreement (PPTA);¹ and additional capacity from renewable contracts that are coming on line. The update is provided in Table I-1 on sheet I-3 of Appendix I.

¹ The Amended Pio Pico Power Purchase and Tolling Agreement is currently before the Commission in Application (A).13-06-015

ELECTRICAL CAPACITY IMPLIED MARKET HEAT RATE CONDITION MEASURE

The forward power curves used to update the 2-standard deviation measure span from November 2012 through October 2013. SDG&E contends this time span is representative of future market conditions by eliminating time periods that included SONGS generation and time periods that did not yet include adjustments for Greenhouse Gas (GHG) costs that are currently embedded in the forward implied market heat rates. The update is provided in Table I-2 on sheet I-4 of Appendix I.

UPDATED APPENDIX I

Consistent with past practice, SDG&E provides clean and redlined versions of the replacement sheets for both confidential and public versions of sheets I-2 and I-3 to the Bundled LTPP in the attachments to this advice filing as follows:

- Attachment A – Confidentiality Declaration
- Attachment B- Redlined Confidential version of sheets I-3 and I-4
- Attachment C – Clean Confidential version of sheets I-3 and I-4
- Attachment D – Redlined Public version of sheets I-3 and I-4
- Attachment E – Clean Public version of sheets I-3 and I-4

EFFECTIVE DATE

SDG&E believes this filing is subject to Energy Division disposition and should be classified as Tier 1 pursuant to GO 96-B. SDG&E respectfully requests that this filing become effective on December 3, 2013, which is the date of this filing.

PROTEST

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically any of which must be received no later than December 23, 2013, which is twenty days from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Copies of the protest should be sent via e-mail to the attention of the Energy Division at EDTariffUnit@cpuc.ca.gov. A copy of the protest should 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 those in service list R.12-03-014, 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

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: Joff Morales

Phone #: (858) 650-4098

E-mail: jmorales@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) #: 2553-E

Subject of AL: San Diego Gas & Electric Company's Update to Conformed Long Term Procurement Plan Compliance Filing

Keywords (choose from CPUC listing): Procurement

AL filing type: Monthly Quarterly Annual One-Time Other _____

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

D.11-05-005, D.12-01-033, D.12-04-046

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: None

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

Does AL request confidential treatment? If so, provide explanation: See confidential declaration

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 12/3/2013

No. of tariff sheets: 0

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: None

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: None

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

Y. Schmidt
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. Harteloo

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

CCSE

S. Freedman
J. Porter

Children's Hospital & Health Center

T. Jacoby

City of Chula Vista

M. Meacham
E. Hull

City of Poway

R. Willcox

City of San Diego

J. Cervantes
G. Lonergan
M. Valerio

Commerce Energy Group

V. Gan

Constellation New Energy

W. Chen

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

Dynegy, 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

OnGrid Solar

Andy Black

Pacific Gas & Electric Co.

J. Clark
M. Huffman
S. Lawrie
E. Lucha

Pacific Utility Audit, Inc.

E. Kelly

R. W. Beck, Inc.

C. Elder

School Project for Utility Rate
Reduction

M. Rochman
Shute, Mihaly & Weinberger LLP

Solar Turbines

O. Armi

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

R.12-03-014

San Diego Gas & Electric Advice Letter 2553-E
December 3, 2013

CONFIDENTIAL DECLARATION

**BEFORE THE PUBLIC UTILITIES
COMMISSION OF THE STATE OF CALIFORNIA**

**DECLARATION OF ROBERT ANDERSON
REGARDING CONFIDENTIALITY OF CERTAIN DATA**

I, Robert B. Anderson, do declare as follows:

1. I am the Director of Resource Planning for San Diego Gas & Electric Company (“SDG&E”). I have reviewed the revised Appendix I- Table I-1 and Table I-2 submitted concurrently herewith (the “Tables”). In addition, I am personally familiar with the facts and representations in this Declaration. If called upon to testify, I could and would testify to the following based upon my personal knowledge and/or belief.

2. I hereby provide this Declaration in accordance with D.08-04-023, to demonstrate that the confidential information (“Protected Information”) set forth in the Tables and described below is non-public, material, market sensitive, electric procurement-related information protected under Public Utilities Code §§ 454.5(g) and 583, Govt. Code § 6254(k) and Commission General Order (“G.O.”) 66-C.

3. In D.06-06-066, as modified by D.07-05-032, and D.08-04-023, the Commission adopted rules governing confidentiality of certain categories of electric procurement data submitted to the Commission by investor owned utilities (“IOUs”) and energy service providers (“ESPs”). The Commission established two matrices – one applicable to IOUs, the other to ESPs – setting forth categories and sub-categories of procurement data and providing a confidentiality designation for each.

4. To the extent information matches a Matrix category, it is entitled to the protection the Matrix provides for that category of information.

5. To the extent the Matrix does not address specific procurement information, a party requesting confidential treatment may rely on statutory provisions concerning confidentiality and Commission G.O. 66-C in order to request confidential treatment of such information.¹

6. The Commission is obligated to act in a manner consistent with applicable law. The analysis of protection afforded under the Matrix must always produce a result that is consistent with the relevant underlying statutes; if information is eligible for statutory protection, it must be protected under the Matrix.²

7. SDG&E seeks confidential treatment of the following confidential information (“Protected Information”):

<u>LOCATION OF DATA</u>	<u>DESCRIPTION OF DATA</u>
Appendix I, Table I-1, Sheet I-3 Electrical Capacity Position Limit and 1X Ratable Rate (RR) in Megawatts (MW)	Position Limits for the hedging of energy and/or capacity
Appendix I, Table I-2, Sheet I-4 Electrical Capacity Implied Market Heat Rate Market Condition Measure	Implied market heat rate market condition

8. The protected information in Table I-1 is analogous to long-term fuel (gas) buying and hedging plans, which are protected from disclosure under Matrix Category I.A.4. The protected information in Table I-2 is derived using historical forward gas and

¹ D.06-06-066, as amended by D.07-05-032, *mimeo*, Ordering Paragraphs 3-4; *see also id.* at pp.19-20 (noting that the Decision considers most, but not all, categories of procurement data).

² *See Southern California Edison Co. v. Public Utilities Comm.* 2000 Cal. App. LEXIS 995, *38-39 Thus, by claiming applicability of the Matrix, SDG&E relies upon and simultaneously claims the protection of Public Utilities Code §§ 454.5(g) and 583, Govt. Code § 6254(k) and General Order 66-C.

power price curves and is protected from disclosure under Matrix Categories I.A.2 and 2.A.2.

9. The Matrix does not specifically address the Protected Information in Table I-1.

10. Public Utilities Code §§ 454.(g) and 583, Govt. Code § 6254(k) and G.O. 66-C require that the Protected Information be protected from disclosure.

11. Public Utilities Code § 583 establishes a right to confidential treatment of information otherwise protected by law³.

12. Public Utilities Code § 454.5(g) provides:

The commission shall adopt appropriate procedures to ensure the confidentiality of any *market sensitive information* submitted in an electrical corporation's proposed procurement plan or resulting from or related to its approved procurement plan, including, but not limited to, proposed or executed power purchase agreements, data request responses, or consultant reports, or any combination... (Emphasis added)

13. The Commission has declared that information is "market sensitive" if it has "the potential to materially affect an electricity buyer's market price for electricity."⁴

14. Under the Public Records Act, govt. Code § 6254(k), records subject to the privileges established in the Evidence Code are not required to be disclosed.⁵ Evidence Code § 1060 provides a privilege for trade secrets, which Civil Code § 3426.1 defines in pertinent part, as information that derives independent economic value from not being generally known to the public or to other persons who could obtain value from its disclosure.

³ See D.06-06-066, *mimeo*, pp. 26-28.

⁴ See *id.* at pp. 2-3, 41-42, 46-47.

⁵ See also Govt. Code § 6254.7(d).

15. Commission General Order 66-C protects “[r]eports, record and information requested or required by the Commission, which, if revealed, would place the regulated company at an unfair business disadvantage.”

16. If disclosed, the Protected Information could provide market participants with insight into SDG&E’s long-term procurement needs, which could potentially materially affect SDG&E’s market price for electricity. Accordingly, the Protected Information is “market sensitive information” that must be protected from disclosure under Public Utilities Code §§ 583 and 454(g).

17. The Protected Information confers independent economic value (in the form of avoided procurement costs) from not being generally known to market participants, who could obtain value from its disclosure. Thus, this information is properly characterized as trade secret information and must be protected under Govt. Code § 6254(k).

18. Disclosure of the Protected Information would provide market participants with an unfair advantage through knowledge of SDG&E procurement needs. This would unfairly undermine SDG&E’s negotiation position and could ultimately result in increased cost to ratepayers. Accordingly, the Protected Information must be protected under G.O. 66-C.

19. The Protected Information cannot be provided in a form that is further aggregated, redacted, or summarized and still provide the level of detail required by the Commission in SDG&E’s approved LTPP.

20. In accordance with the statutory provisions described herein, SDG&E hereby requests that the above-referenced information set forth in the LTPP Appendix I Table I-1 and Table I-2 be protected from public disclosure.

21. Since position limits for the hedging of energy and/or capacity is analogous to long-term fuel (gas) buying and hedging plans, which are protected under Matrix Category I.A.4, SDG&E requests that the Protected Information be afforded the same three year period of protection.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this 3rd day of December, 2013 at San Diego, California.



Robert B. Anderson
Director - Resource Planning
San Diego Gas & Electric Company

San Diego Gas & Electric Advice Letter 2553-E
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ATTACHMENT B
(CONFIDENTIAL)

San Diego Gas & Electric Advice Letter 2553-E
December 3, 2013

ATTACHMENT C

(CONFIDENTIAL)

San Diego Gas & Electric Advice Letter 2553-E
December 3, 2013

ATTACHMENT D

(PUBLIC)



2012 LONG TERM PROCUREMENT PLAN

Table I-1

Electrical Capacity Position Limit and 1 x Ratable Rate (RR) in Megawatts (MW)

Delivery Year	Position Limit (MW)	Ratable Rates >>				<u>1x RR in 2017</u>
		1x RR in 2013	1x RR in 2014	1x RR in 2015	1x RR in 2016	
2015						
2016						
2017						
2018						
2019						
2020						
2021						



Table I-2

Electrical Capacity Implied Market Heat Rate Market Condition Measure

Measure	Value
2 Standard deviation high	█ BTU/KWHR

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ATTACHMENT E

(PUBLIC)



2012 LONG TERM PROCUREMENT PLAN

Table I-1

Electrical Capacity Position Limit and 1 x Ratable Rate (RR) in Megawatts (MW)

Delivery Year	Position Limit (MW)	Ratable Rates >>			
		1x RR in 2014	1x RR in 2015	1x RR in 2016	1x RR in 2017
2015					
2016					
2017					
2018					
2019					
2020					
2021					



Table I-2

Electrical Capacity Implied Market Heat Rate Market Condition Measure

Measure	Value
2 Standard deviation high	█ BTU/KWHR