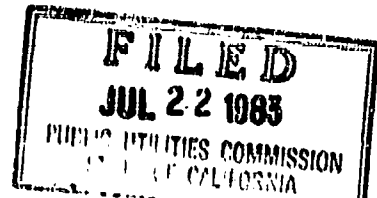




**San Diego Gas & Electric**



July 22, 1983

FILE NO. PUC 120

**ADVICE 517-G  
PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

This advice letter is being filed by San Diego Gas & Electric Company (SDG&E) pursuant to Ordering Paragraph 4 of Decision 83-05-057, dated May 18, 1983, in Application 83-03-32. A similar filing which will affect SDG&E's Electric Department is being made concurrently by Advice Letter 583-E.

The purpose of this filing is to inform this Commission of the calculated reduction in SDG&E's gas base rate revenue requirement associated with the funds received on June 23, 1983 by SDG&E pursuant to a Loan Agreement with the City of San Diego (San Diego). The funds received by SDG&E were derived by San Diego from the issuance and sale of \$150 million of tax-exempt Industrial Development Bonds (Bonds).

Attached as Appendix A is a table which shows the calculation of a \$2,407,000 reduction in SDG&E's net operating income related to the \$150 million issue of Bonds at a 10.558% effective interest rate. Based on the authorized rate base relationship, SDG&E's Gas Department's share of the calculated reduction in net operating income is \$322,538, or 13.4%.

Commencing with the month of July, 1983, and extending through December 1983, SDG&E proposes to credit one-twelfth of \$322,538, or \$26,878, to its Supply Adjustment Mechanism (SAM) Subaccount of the Consolidated Adjustment Mechanism (CAM) Account each month. In addition, SDG&E proposes to credit its SAM Subaccount in July 1983 with \$7,167. This amount represents the gas ratepayers share for the period June 23, 1983 through June 30, 1983 of the calculated reduction in SDG&E's 1983 net operating income. SDG&E also proposes to make an appropriate adjustment to interest when it makes the above-described July 1983 credit related to the June 23rd through June 30th period.

SDG&E informs this Commission that it is not proposing a reduction in its gas base rates at this time because the overcollection that will result in SDG&E's SAM Subaccount pursuant to the above-described proposals will be returned to ratepayers pursuant to rate changes developed in subsequent CAM proceedings.

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SAN DIEGO OFFICE



## San Diego Gas & Electric

Public Utilities Commission

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July 22, 1983

Ordering Paragraph 4 of Decision 83-05-057 requires SDG&E to file an advice letter within 30 days after the closing of each Bond issue. Inasmuch as the closing date for the \$150 million issue of Bonds was June 23, 1983, SDG&E has complied with the filing requirement. Therefore, pursuant to Ordering Paragraph 4 of Decision 83-05-057, SDG&E requests that this advice letter and the proposals contained therein be made effective on July 22, 1983, the filing date of this advice letter.

In accordance with Section III-G of General Order 96-A, SDG&E has on July 22, 1983, served a copy of this filing to the parties shown below by mailing them a copy hereof, properly stamped and addressed. Since this filing is being made pursuant to Decision 83-05-057, further notice in accordance with Section III-G is not necessary.

SAN DIEGO GAS & ELECTRIC COMPANY

ALAN G. STRACHAN  
Manager-Rates & Valuation

### Enclosures

cc: (w/enclosures)  
California Building Industry Association  
California Manufacturers' Association  
City of San Diego  
County of San Diego  
Home Federal Savings and Loan Association  
Pacific Gas and Electric Company  
Paul J. Kopcha  
Philip R. Mann, Esq.  
Southern California Edison Company  
Southern California Gas Company  
TURN, c/o Sylvia M. Siegel  
University of California - Berkeley