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June 27, 2005

**ADVICE LETTER 1703-E/1537-G**  
(U902-M)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: REVISED 2005 CARE BUDGET**

**PURPOSE**

In compliance with Ordering Paragraph (OP) 13 of Decision (D.) 05-04-052<sup>1</sup>, San Diego Gas & Electric Company (SDG&E) submits this filing to remove expenditures for the California Alternate Rates for Energy (CARE) Management and Financial Audit from its 2005 CARE budget, as reflected in Attachment A.

**BACKGROUND**

Pursuant to D.02-09-021, OP 8 and 9, issued September 5, 2002, the Energy Division was directed to conduct an audit of the large energy utilities'<sup>2</sup> 2002 CARE administrative costs. Three subsequent Assigned Commissioner's Rulings (ACR)<sup>3</sup> revised the due date of the Energy Division's final CARE audit report to the Commission until September 30, 2005.

In compliance with OP 2 of D.03-11-020, SDG&E filed its CARE and Low Income Energy Efficiency (LIEE) program applications on July 1, 2004, setting forth program plans and funding for 2005, including, among other things, the costs for the CARE audit since it was unclear as to when billings for the CARE audit would occur. On November 10, 2004, the Energy Division notified SDG&E that the CARE audit was cancelled.

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<sup>1</sup> D.05-04-052 adopted 2005 LIEE and CARE program budgets for the large energy utilities. OP 13 of D.05-04-052 required SDG&E to file an advice letter by June 20, 2005. Due to computational errors in D.05-04-052 and D.05-05-019, ALJ Sarah Thomas granted a one-week extension of the advice letter filing.

<sup>2</sup> The large energy utilities are Pacific Gas & Electric Company, Southern California Edison Company, Southern California Gas Company and SDG&E.

<sup>3</sup> April 8, 2003, ACR revised the Energy Division's due date of the CARE audit report to March 29, 2004; July 16, 2003 ACR extended the CARE audit report due date to December 1, 2004; and the June 22, 2004 ACR extended the CARE audit report due date to September 30, 2005.

On May 13, 2005, the Commission issued D.05-05-019, "Order Correcting Errors in Decision 05-04-052." On June 13, 2005, SDG&E provided Administrative Law Judge (ALJ) Sarah Thomas a spreadsheet reflecting inconsistencies in the Tables in D.05-05-019 caused by a double disallowance of indirect costs. On June 23, 2005, pursuant to instructions from ALJ Steven Weissman, SDG&E was directed to file its Advice Letter filing, reflecting the corrected numbers, along with a Motion Seeking Correction of a Clerical Error in D.05-05-019. The Motion is being filed concurrently under separate cover.

Consistent with OP 13, SDG&E has removed the CARE audit costs from the 2005 CARE budget. SDG&E has also removed all other Commission disallowances from the CARE budget as identified in D.05-04-052 and D.05-05-019, and is reflecting the corrected 2005 CARE budget numbers as contained in Attachment A.

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

### **EFFECTIVE DATE**

SDG&E believes this filing is subject to Energy Division disposition and therefore respectfully requests that this filing become effective on July 27, 2005, which is 30 calendar days after the date filed.

### **PROTEST**

Anyone may protest this Advice Letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received within 20 days of the date this Advice Letter was filed with the Commission. 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 Jerry Royer (jrr@cpuc.ca.gov) and to Honesto Gatchalian (jnj@cpuc.ca.gov) of the Energy Division. 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: Monica Wiggins  
Regulatory Tariff Manager  
8330 Century Park Court, Room 32C  
San Diego, CA 92123-1548  
Facsimile No. (858) 654-1788  
E-mail: mwiggins@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.04-01-006, by either providing them a copy electronically or by mailing them a copy hereof properly stamped and addressed.

Address changes should be directed to Bertha Blas by facsimile at (858) 654-1788 or by e-mail to [bblas@semprautilities.com](mailto:bblas@semprautilities.com).

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J. STEVE RAHON  
Director – Tariffs & Regulatory Accounts

# 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**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Margee Moore

Phone #: (858) 654-1748

E-mail: \_\_\_\_\_

### EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 1703-E/1537-G

Subject of AL: Revised 2005 CARE Budget

Keywords (choose from CPUC listing): CARE, compliance

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

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

D.05-04-052

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>: \_\_\_\_\_

Resolution Required?  Yes  No

Requested effective date: 7/27/05

No. of tariff sheets: N/A

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 proposed<sup>1</sup>: \_\_\_\_\_

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 Avenue**

**San Francisco, CA 94102**

**[jjr@cpuc.ca.gov](mailto:jjr@cpuc.ca.gov) and [jnj@cpuc.ca.gov](mailto:jnj@cpuc.ca.gov)**

**San Diego Gas & Electric**

**Attention: Monica Wiggins**

**8330 Century Park Ct, Room 32C**

**San Diego, CA 92123**

**[mwiggins@semprautilities.com](mailto:mwiggins@semprautilities.com)**

<sup>1</sup> Discuss in AL if more space is needed.

General Order No. 96-A, Sec. III. G.  
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

**PUBLIC UTILITIES COMMISSION**

William Ahern – Exec. Dir.

ORA

R. Birdsell, Dir.  
W. Gibson  
J. Grieg  
L. Maack  
D. Morse  
M. Pocta  
W. Scott

Energy Division

F. Fua  
D. Lafrenz

**CA. ENERGY COMMISSION**

Gail Budin-Gordon  
F. DeLeon  
R. Tavares  
B. Wood

Advantage Energy, LLC (U.S. MAIL)

Alcantar & Kahl

AMDAX

American Energy Institute

Anza Electric Cooperative

Arter & Hadden LLP

BP Energy Company

Barkovich & Yap, Inc.

Bartle Wells Associates

BENTEK Energy Technologies

Burlington Resources

California Farm Bureau Federation

Calpine

CCTA

Children's Hospital & Health Center

City of Poway

City of San Diego

Jose Cervantes

Gerard Lonergan

Commonwealth Energy Corp

M. Reyna

J. Shultz

Crossborder Services

CSC Energy Services

R. McKillip

T. Rodriguez

C. Tammaro

Davis Wright Tremaine, LLP

E. O'Neill

J. Pau

Dept. of General Services

Dept. of Vet. Affairs Med. Ctr.

Duke Energy North America

Dynegy, Inc.

Eisenman, Eric

Ellison Schneider & Harris LLP

Energy Law Group LLP

D. Fellman

Energy Solutions

Energy Strategies, Inc.

Enron Capital & Trade (2)

G.A. Koteen Associates, Inc

G.E. Goodrich Co

Goodin, MacBride, Squeri, Ritchie & Day

B. Cragg

J. Heather Patrick

J. Squeri

Green Mountain.Com Company

Grueneich Resource Advocates

Dian M. Grueneich

Jack P. McGowan

Hanna and Morton LLP

Henwood Energy Services

C. Castagnoli

HMH Resources, Inc.

Interstate Gas Services, Inc.

J.B.S. Energy

Kyocera America Inc

LeBoeuf, Lamb, Greene & MacRael

LSW Engineers, California Inc.

J. Mascarro

B. Mahoney

Luce, Forward, Hamilton & Scripps LLP

ManageAmerica

Manatt, Phelps & Phillips

Matthew V. Brady & Associates

Modesto Irrigation District

Morrison & Foerster

MRW & Associates

Naval Facilities Eng. Command

NCR Corp

New Energy, Inc, An AES Company

O'Rourke & Company

Pacific Gas & Electric Co.

N. Avendano

W. Edwards

Pacific Utility Audit

Poway Unified School District

R. M. Hairston Company

Recon Research Corp

Robinsons-May Dept. Stores

Rohr, Inc.

San Diego Regional Energy Office

Susan Freedman

Scott J. Anders

School Project for Utility Rate

Reduction

Scott, Addis

Scripps Health

Shute, Mihaly & Weinberger LLP

K. Johanson

J. Schue

O. Armi

Sithe Energies

Solar Turbines

Sutherland, Asbill & Brennan LLP

Southern California Edison Co.

H. Romero

C. Roskopf

S. Smith

TransCanada

B. Johnson

J. Roscher

TURN, Michel Florio

UCAN, Michael Shames

U.S. Dept. of the Navy

K. Davoodi

N. Furuta

UtiliHost/Electric America

Utility Cost Management LLC

Utility Solutions Inc.

B. Dotson

T. Rodriguez

Utility Specialists, Southwest, Inc.

Vulcan Materials - CalMat Div.

Viterra Energy Services

Western Manufactured Housing

Communities Association

White & Case LLP

L. Cottle

P. Lacourciere

Interested Parties

R.04-01-006

**ATTACHMENT A**  
**SDG&E Advice Letter 1703-E/1537-G**

**REVISED**  
**SAN DIEGO GAS AND ELECTRIC COMPANY**  
**CARE PY 2005 PROGRAM BUDGET**

CARE BUDGET CATEGORIES	2005 Planned
Outreach <sup>1,2</sup>	\$ 1,465,327
Automatic Enrollment	\$ 21,200
Proc., Certification and Verification	\$ 227,269
Bill System/Programming	\$ 72,800
Pilots	\$ -
Measurement and Evaluation <sup>3</sup>	\$ 235,700
Regulatory Compliance	\$ 123,872
General Administration	\$ 177,314
Indirect Costs <sup>4</sup>	\$ -
CPUC Energy Division Staff	\$ 50,000
Total Expenses	\$ 2,373,482
Subsidies and Benefits	\$ 32,907,285
Merger Credit	\$ -
Total Program Costs and Discounts	\$ 35,280,767

**Footnotes:**

1. Outreach costs reduced by \$166,400 Call Center Labor per D. 05-05-019
2. \$85,000 reduction to M&E per D. 05-05-019.
3. Removal of \$703,154 in Indirect costs includes Call Center Indirects
4. \$1,000 removed from LIOB costs per D. 05-05-019.