



Tariffs & Regulatory Accounts
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September 23, 2005

PUC 110

Energy Division
California Public Utilities Commission
505 Van Ness Ave., Room 4002
San Francisco, CA 94102

Re: Substitute Sheet for SDG&E's Advice Letter 1471-GA

Please find enclosed the original and five copies of a substitute sheet for Advice Letter 1471-GA *Revisions to Gas Tariffs in Compliance with Gas Public Purpose Program Surcharge Decision 04-08-010*. SDG&E is filing the attached substitute sheet at the request of the Energy Division to modify its Preliminary Statement for the Post-1997 Gas Energy Efficiency Balancing Account (PGEEBA) to insert language that the program spending is limited, and over-expenditures may not be recovered from ratepayers. Shareholders absorb the balance in the event that actual program expenses exceed authorized levels. This change will make SDG&E's program spending language consistent with that of Pacific Gas & Electric Company and Southern California Gas Company.

An asterisk has been reflected in the upper right hand corner of the sheet to indicate that this is a substitute sheet. Please replace the enclosed sheet in the master Advice Letter 1471-GA.

A copy of this sheet will be provided to SDG&E's GO 96-A list and the service list for R.02-10-001.

Sincerely,

Christina Sondrini
Regulatory Affairs, Tariff Administration



PRELIMINARY STATEMENT

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IV. BALANCING ACCOUNTS

I. POST-1997 GAS ENERGY EFFICIENCY BALANCING ACCOUNT (PGEEBA) (Continued)

3. Accounting Treatment (Continued)

- e. A debit entry equal to surcharge for the energy efficiency programs related to the refunds to customers that are exempt from the PPP surcharge under Section 896 of the Public Utilities Code and the California Energy Resources Surcharge Regulation Sections 2315 and 2316;
- f. A credit entry equal to the surcharge for the energy efficiency programs from the reimbursement of the gas PPP surcharge funds, which may include surcharge funds from interstate non-exempt pipeline customers including actual interest earned in the Fund while the funds were in the possession of the State. The amount reimbursed excludes the funds retained by the BOE/Commission to offset their administration costs, the RD&D administrator funds, and any refunds paid by the BOE to customers that are exempt from the surcharge;
- g. A year-end credit entry, if necessary, equal to the excess of annual expenditures above annual authorized levels (including authorized carry-over funding); and
- h. An entry equal to the interest by applying the interest rate to the average of the beginning and ending balances. The interest rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor publication.

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4. Disposition

Pursuant to Commission D.04-08-010, the Utility shall file by October 31 of each year an advice letter requesting to establish the gas PPP rate effective January 1 of the following year consisting of the net amortization component of gas PPP account balances consistent with the Commission's prevailing policy on PPP accounting methods and the Commission's currently authorized program budget revenue requirements for the PPP. Program spending is limited and over-expenditures may not be recovered from ratepayers. Shareholders absorb the balance in the event that actual program expenses exceed authorized levels.

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(Continued)

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Advice Ltr. No. 1471-G-A

Decision No. 04-08-010

Issued by
Lee Schavrien
Vice President
Regulatory Affairs

Date Filed Aug 26, 2005

Effective _____

Resolution No. _____