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July 13, 2006

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

**Re: Substitute Sheet for SDG&E Advice Letter 1776-E-A**

Please find enclosed the original and five copies of a substitute sheet for Advice Letter 1776-E-A, "*Supplemental Filing - Revisions to Rule 21, Interconnection Standards for Non-Utility Owned Generation, in Compliance with Decision 05-08-013 and Resolution E-3996*". This substitute sheet is being submitted at the request of the Energy Division to remove the reference to "regulated subsidies" from Section F.3 on Sheet 18 of Electric Rule 21.

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 1776-E-A.

The attached substitute sheet is being served on all parties that received SDG&E's Advice Letter 1776-E-A, including interested parties in R.04-03-017.

Sincerely,

Christina Sondrini  
Regulatory Affairs, Tariff Administration



**RULE 21**

Sheet 18

INTERCONNECTION STANDARDS FOR NON-UTILITY OWNED GENERATION

F. METERING, MONITORING AND TELEMETERING (Continued)

2. **Metering by Non-SDG&E Parties.** The ownership, installation, operation, reading, and testing of revenue Metering Equipment for Generating Facilities shall be by SDG&E except to the extent that the Commission authorizes any or all of these services be performed by others.

3. **Net Generation Output Metering (NGOM).** Generating Facility customers may be required to install NGOM for evaluation, monitoring and verification purposes and to determine applicable standby and non-bypassable charges as defined in SDG&E's tariffs, to satisfy applicable California Independent System Operator (CAISO) reliability requirements, and for Distribution System planning and operations.

Generating Facility customers do not need to install NGOM where less intrusive and/or more cost effective options, for the Producer/Customer, are available for providing generator data to SDG&E. These Generating Facilities may opt to have SDG&E estimate load data in accordance with SDG&E's applicable tariffs to determine or meet applicable standby and non-bypassable and other applicable charges and tariff requirements. However, if a Generating Facility customer objects to SDG&E's estimate of the Generator(s) output, the customer may elect to install the NGOM, or have SDG&E install NGOM at the customer's expense.

All metering options available to the customer must conform to the requirements set forth in SDG&E's Rule 25. If SDG&E does not receive meter data in accordance with Rule 25, SDG&E shall have the right to install utility-owned NGOM at the customer's expense.

The relevant factors in determining the need for NGOM are as listed below:

- (a) Data requirements in proportion to need for information;
- (b) Producer's election to install equipment that adequately addresses SDG&E's operational requirements;
- (c) Accuracy and type of required Metering consistent with purposes of collecting data;
- (d) Cost of Metering relative to the need for and accuracy of the data;
- (e) The Generating Facility's size relative to the cost of the metering/monitoring;
- (f) Other means of obtaining the data (e.g. Generating Facility logs, proxy data, etc.);
- (g) Requirements under any Interconnection Agreement with the Producer.

The requirements in this Section may not apply to Metering of Generating Facilities operating under SDG&E's Net Energy Metering tariff pursuant to California Public Utilities Code Section 2827, et seq. Nothing in this Section F.3 supercedes Section B.4.

SDG&E will report to the Commission or designated authority, on a quarterly basis, the rationale for requiring Net Generation Output Metering equipment in each instance along with the size and location of the facility.

(Continued)

18P10

Advice Ltr. No. 1776-E-A

Decision No. 05-08-013

Issued by  
**Lee Schavrien**  
Vice President  
Regulatory Affairs

Date Filed Jun 26, 2006

Effective \_\_\_\_\_

Resolution No. E-3996

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