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January 23, 2009

ADVICE LETTER 2058-E
(U902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SUBJECT: SDG&E'S BRIDGE FUNDING PERIOD FOR THE 2009 DEMAND RESPONSE PROGRAMS PURSUANT TO D.08-12-038

PURPOSE

In compliance with Ordering Paragraph 2 (OP) of California Public Utilities Commission (Commission) Decision (D.) 08-12-038, San Diego Gas & Electric (SDG&E) hereby submits the amount of unspent and uncommitted 2006-2008 demand response program funds available for Bridge Period activities, based on the budgets adopted for the 2006 – 2008 program cycle by D. 06-03.024.

BACKGROUND

Decision (D.) 06-03-024 approved demand response activities and budgets for the Investor Owned Utilities (IOUs)¹ for 2006-2008 and required the filing of IOU-specific demand response program and budget applications² for 2009-2011 by June 1, 2008. Pending a Commission decision on the IOU's applications (SDG&E's A. 08-06-002) for the 2009 – 2011 program cycle, on the IOUs applications, the IOUs filed a motion on September 5, 2008, for bridge funding and authorization to operate demand response programs and pilots in 2009 (the Bridge Funding Motion) with unspent 2006-2008 program funds. The bridge funding will ensure that no disruption occurs when authorization for demand response programs and funding expired at the end of 2008.

On December 18, 2008, the Commission issued D.08-12-038 (Decision for Adopting Bridge Funding for 2009 Demand Response Programs), granting the IOUs the authority to continue with their existing demand response programs and the implementation of certain demand response pilots in early 2009 to ensure California continues to achieve the benefits of existing IOU demand response programs to reduce peak electricity load until final programs for 2009-2011 are adopted. D. 08-12-038 also addressed fund shifting guidelines and SDG&E, as

¹ IOUs consist of SDG&E, Pacific Gas and Electric Company (PG&E), and Southern California Edison Company (SCE).

² SDG&E filed application A.08-06-002 on June 1, 2008

needed, will invoke the existing rules for demand response adopted in D. 06-03-024 during the bridge funding period.

Therefore, in compliance with OP 2 of Commission D.08-12-038, SDG&E submits Attachment A, a summary of unspent and uncommitted 2006-2008 funding amounts currently available for the Bridge Period, and Attachment B, an estimated date of how long these funds will be exhausted, along with a revenue requirement breakdown by month through 2009.

SDG&E would like to clarify that unlike the other IOUs, SDG&E currently has a unique ratemaking process of rate recovery whereby demand response funding is collected from customers in arrears; as such, these unspent and uncommitted 2006-2008 authorized funds have not yet been collected from the customers. SDG&E's current ratemaking process, to which no changes were proposed in the 2009-2011 Demand Response Application, would allow SDG&E to collect authorized and expended demand response funds spent in 2009 from customers in 2010, or when they are actually spent (i.e., Measurement and Evaluation expenditures may occur beyond 2010 due to the time required to complete the evaluations).

EFFECTIVE DATE

SDG&E believes this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. SDG&E respectfully requests that this filing be approved effective February 22, 2009, 30 days from 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 Honesto Gatchalian (jni@cpuc.ca.gov) and Maria Salinas (mas@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: Todd Cahill
Regulatory Tariff Manager
8330 Century Park Court, Room 32C
San Diego, CA 92123-1548
Facsimile No. (858) 654-1788
E-mail: tcahill@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 to service list A.08-06-002, 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) 654-1788 or by e-mail at SDG&ETariffs@semprautilities.com.

RON VAN DER LEEDEN
Director – Rates, Revenues & Tariffs

(cc list enclosed)

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: Aurora Carrillo

Phone #: (858) 654-1542

E-mail: acarrillo@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) #: 2058-E

Subject of AL: SDG&E's Bridge Funding Period for the 2009 Demand Response Programs Pursuant to D.08-12-038.

Keywords (choose from CPUC listing): Compliance, Demand Response

AL filing type: Monthly Quarterly Annual One-Time Other

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

D.08-12-038

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 AL¹: N/A

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

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: February 22, 2009

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: N/A

Service affected and changes proposed¹: N/A

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 Ave.,

San Francisco, CA 94102

mas@cpuc.ca.gov and jnj@cpuc.ca.gov

San Diego Gas & Electric

Attention: Todd Cahill

8330 Century Park Ct, Room 32C

San Diego, CA 92123

tcahill@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

D. Appling
S. Cauchois
J. Greig
R. Pocta
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

O. Armi

Solar Turbines

F. Chiang

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 In:

A.08-06-002

Attachment A
San Diego Gas & Electric - Advice Letter 2058-E

	ACTUAL				BUDGET				UNDER/(OVER) BUDGET
	2006	2007	2008	TOTAL	2006	2007	2008	TOTAL	
ALL PROGRAMS									
BIP	\$ 61,509	\$ 150,483	\$ 331,037	\$ 543,029	\$ 370,166	\$ 871,733	\$ 506,890	\$ 1,748,789	\$ 1,205,760
C&I 20/20	\$ 134,689	\$ 328,450	\$ 279,278	\$ 742,417	\$ 726,570	\$ 782,197	\$ 700,000	\$ 2,208,767	\$ 1,466,350
CBP	\$ -	\$ 768,428	\$ 1,854,651	\$ 2,623,079	\$ -	\$ 1,419,242	\$ 1,570,913	\$ 2,990,155	\$ 367,076
CPA-DRP	\$ 42,221	\$ 6,794	\$ (597)	\$ 48,418	\$ 198,951	\$ -	\$ -	\$ 198,951	\$ 150,533
CPP-E	\$ 31,732	\$ 49,427	\$ 53,654	\$ 134,813	\$ 83,998	\$ 252,190	\$ 122,525	\$ 458,713	\$ 323,900
DBP	\$ 224,516	\$ 492,336	\$ 299,303	\$ 1,016,155	\$ 675,785	\$ 733,917	\$ 733,513	\$ 2,143,215	\$ 1,127,060
DBP-E	\$ 166	\$ -	\$ -	\$ 166	\$ 118,440	\$ -	\$ -	\$ 118,440	\$ 118,274
Res Smart Therm	\$ 322,582	\$ 474,312	\$ 276,260	\$ 1,073,154	\$ 723,660	\$ 797,438	\$ -	\$ 1,521,098	\$ 447,944
V-CPP	\$ 163,879	\$ 128,869	\$ 135,310	\$ 428,058	\$ 287,455	\$ 462,560	\$ 400,293	\$ 1,150,308	\$ 722,250
TOTAL ALL PROGRAMS	\$ 981,294	\$ 2,399,099	\$ 3,228,896	\$ 6,609,289	\$ 3,185,025	\$ 5,319,277	\$ 4,034,134	\$ 12,538,436	\$ 5,929,147
TA/TI									
Tech Assistance	\$ 517,153	\$ 1,976,704	\$ 3,590,414	\$ 6,084,271	\$ 2,354,906	\$ 1,966,979	\$ 1,983,717	\$ 6,305,602	\$ 221,331
Tech Incentives	\$ 130,273	\$ 1,307,143	\$ 2,578,991	\$ 4,016,407	\$ 1,923,194	\$ 5,788,526	\$ 2,262,092	\$ 9,973,812	\$ 5,957,405
TOTAL TA/TI	\$ 647,426	\$ 3,283,847	\$ 6,169,405	\$ 10,100,678	\$ 4,278,100	\$ 7,755,505	\$ 4,245,809	\$ 16,279,414	\$ 6,178,736
EDUCATION & MARKETING									
Circuit Saver	\$ 90,252	\$ 166,421	\$ 376,871	\$ 633,544	\$ 195,000	\$ 229,888	\$ 250,000	\$ 674,888	\$ 41,344
Community Partnership	\$ 144,766	\$ 157,399	\$ 142,194	\$ 444,359	\$ 225,001	\$ 245,000	\$ 260,000	\$ 730,001	\$ 285,642
Customer Education & Outreach	\$ 1,718,470	\$ 1,397,517	\$ 1,526,295	\$ 4,642,282	\$ 2,750,000	\$ 2,562,873	\$ 2,424,651	\$ 7,737,524	\$ 3,095,242
Emerging Markets	\$ 173,846	\$ 267,203	\$ 443,234	\$ 884,283	\$ 220,000	\$ 1,046,979	\$ 651,827	\$ 1,918,806	\$ 1,034,523
FYPN!	\$ 31,510	\$ 473,098	\$ 1,116,083	\$ 1,620,691	\$ 679,247	\$ 680,076	\$ 680,896	\$ 2,040,219	\$ 419,528
Kwickview	\$ 263,052	\$ 148,661	\$ 249,553	\$ 661,266	\$ -	\$ -	\$ -	\$ -	\$ (661,266)
Peak Student	\$ 53,973	\$ 163,088	\$ 442,240	\$ 659,301	\$ -	\$ -	\$ -	\$ -	\$ (659,301)
TOTAL EDUCATION & MARKETING	\$ 2,475,869	\$ 2,773,387	\$ 4,296,470	\$ 9,545,726	\$ 4,069,248	\$ 4,764,816	\$ 4,267,374	\$ 13,101,438	\$ 3,555,712
OTHERS									
Celerity	\$ 37,412	\$ 20,560	\$ 14,195	\$ 72,167	\$ -	\$ -	\$ -	\$ -	\$ (72,167)
IHD	\$ -	\$ 158,951	\$ 21,609	\$ 180,560	\$ -	\$ 430,836	\$ -	\$ 430,836	\$ 250,276
Summer Saver	\$ 2,610,544	\$ 4,973,979	\$ 3,936,790	\$ 11,521,313	\$ -	\$ -	\$ -	\$ -	\$ (11,521,313)
ADS	\$ -	\$ 459	\$ -	\$ 459	\$ 68,262	\$ -	\$ -	\$ 68,262	\$ 67,803
SPP	\$ 234,175	\$ 2,007	\$ -	\$ 236,182	\$ 93,564	\$ 1,161	\$ -	\$ 94,725	\$ (141,457)
PLS	\$ -	\$ -	\$ 702,956	\$ 702,956	\$ -	\$ -	\$ -	\$ -	\$ (702,956)
Auto DR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,925,464	\$ 2,676,125	\$ 4,601,589	\$ 4,601,589
On-Bill	\$ -	\$ -	\$ -	\$ -	\$ 139,874	\$ 139,874	\$ 139,874	\$ 419,622	\$ 419,622
Competitive Bid	\$ -	\$ -	\$ -	\$ -	\$ 149,448	\$ 152,706	\$ 155,919	\$ 458,073	\$ 458,073
Cost Benefit Framework	\$ -	\$ -	\$ -	\$ -	\$ 82,158	\$ 82,987	\$ 83,808	\$ 248,953	\$ 248,953
Annual Report	\$ -	\$ -	\$ -	\$ -	\$ 27,837	\$ 28,169	\$ 28,497	\$ 84,503	\$ 84,503
Market Research	\$ -	\$ -	\$ -	\$ -	\$ 305,279	\$ 233,566	\$ 237,193	\$ 776,038	\$ 776,038
AMI	\$ 3,207	\$ -	\$ -	\$ 3,207	\$ -	\$ -	\$ -	\$ -	\$ (3,207)
20/20 Res	\$ 11,248	\$ -	\$ -	\$ 11,248	\$ -	\$ -	\$ -	\$ -	\$ (11,248)
IT	\$ 115,491	\$ 611,538	\$ 672,982	\$ 1,400,011	\$ 2,212,015	\$ -	\$ -	\$ 2,212,015	\$ 812,004
General Admin	\$ 105,864	\$ 764,643	\$ 1,010,765	\$ 1,881,272	\$ -	\$ -	\$ -	\$ -	\$ (1,881,272)
TOTAL OTHERS	\$ 3,117,941	\$ 6,532,137	\$ 6,359,297	\$ 16,009,375	\$ 3,078,437	\$ 2,994,763	\$ 3,321,416	\$ 9,394,616	\$ (6,614,759)
	\$ 7,222,530	\$ 14,988,470	\$ 20,054,068	\$ 42,265,068	\$ 14,610,810	\$ 20,834,361	\$ 15,868,733	\$ 51,313,904	\$ 9,048,836

Attachment B					
San Diego Gas & Electric-Advice Letter 2058-E					
	ACTUAL TOTAL	2006-2008	UNDER/(OVER) BUDGET	2009	
		BUDGET TOTAL		MONTHLY BUDGET	# OF MONTHS
ALL PROGRAMS					
BIP	\$ 543,029	\$ 1,748,789	\$ 1,205,760		
C&I 20/20	\$ 742,417	\$ 2,208,767	\$ 1,466,350		
CBP	\$ 2,623,079	\$ 2,990,155	\$ 367,076		
CPA-DRP	\$ 48,418	\$ 198,951	\$ 150,533		
CPP-E	\$ 134,813	\$ 458,713	\$ 323,900		
DBP	\$ 1,016,155	\$ 2,143,215	\$ 1,127,060		
DBP-E	\$ 166	\$ 118,440	\$ 118,274		
Res Smart Therm	\$ 1,073,154	\$ 1,521,098	\$ 447,944		
IHD	\$ 180,560	\$ 430,836	\$ 250,276		
V-CPP	\$ 428,058	\$ 1,150,308	\$ 722,250		
TOTAL ALL PROGRAMS	\$ 6,789,849	\$ 12,969,272	\$ 6,179,423	\$ 173,000	35.72
TA/TI					
Tech Assistance	\$ 6,084,271	\$ 6,305,602	\$ 221,331		
Tech Incentives	\$ 4,016,407	\$ 9,973,812	\$ 5,957,405		
TOTAL TA/TI	\$ 10,100,678	\$ 16,279,414	\$ 6,178,736	\$ 227,000	27.22
EDUCATION & MARKETING					
Circuit Saver	\$ 633,544	\$ 674,888	\$ 41,344		
Community Partnership	\$ 444,359	\$ 730,001	\$ 285,642		
Customer Education & Outreach	\$ 4,642,282	\$ 7,737,524	\$ 3,095,242		
Emerging Markets	\$ 884,283	\$ 1,918,806	\$ 1,034,523		
FYPN!	\$ 1,620,691	\$ 2,040,219	\$ 419,528		
Kwickview	\$ 661,266	\$ -	\$ (661,266)		
Peak Student	\$ 659,301	\$ -	\$ (659,301)		
TOTAL EDUCATION & MARKETING	\$ 9,545,726	\$ 13,101,438	\$ 3,555,712	\$ 242,000	14.69
OTHERS					
Annual Report	\$ -	\$ 84,503	\$ 84,503		
Market Research	\$ -	\$ 776,038	\$ 776,038		
Information Technology	\$ 1,400,011	\$ 2,212,015	\$ 812,004		
General Administration	\$ 1,881,272	\$ -	\$ (1,881,272)		
Measurement and Evaluation	\$ -	\$ -	\$ -		
On-Bill	\$ -	\$ 419,622	\$ 419,622		
Competitive Bid	\$ -	\$ 458,073	\$ 458,073		
Cost Benefit Framework	\$ -	\$ 248,953	\$ 248,953		
AMI	\$ 3,207	\$ -	\$ (3,207)		
20/20 Res	\$ 11,248	\$ -	\$ (11,248)		
ADS	\$ 459	\$ 68,262	\$ 67,803		
SPP	\$ 236,182	\$ 94,725	\$ (141,457)		
	\$ 3,532,379	\$ 4,362,191	\$ 829,812	\$ 110,000	7.54
MISCELLANEOUS					
Participating Load Pilot	\$ -	\$ -	\$ -		
Celerity	\$ 72,167	\$ -	\$ (72,167)		
Summer Saver	\$ 11,521,313	\$ -	\$ (11,521,313)		
PLS	\$ 702,956	\$ -	\$ (702,956)		
Auto DR	\$ -	\$ 4,601,589	\$ 4,601,589		
TOTAL OTHERS	\$ 12,296,436	\$ 4,601,589	\$ (7,694,847)	\$ 313,000	\$ -
	\$ 42,265,068	\$ 51,313,904	\$ 9,048,836	\$ 1,065,000	