

**BEFORE THE PUBLIC UTILITIES COMMISSION**

**OF THE STATE OF CALIFORNIA**

San Diego Gas & Electric Company (U-902-E)  
for Approval of Energy & Water Efficiency  
Partnership and Budget for Years 2007  
Through 2008.

Application 07-01-\_\_\_\_\_

**APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U-902-E)**

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January 16, 2007

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**I.**

**INTRODUCTION**

San Diego Gas & Electric Company (“SDG&E”) pursuant to Ordering Paragraph 1 of the Assigned Commissioner’s Ruling on Process Related to the Consideration of Embedded Energy Savings Related to Water Efficiency (“ACR”) respectfully submits this Application for approval of its proposed pilot program addressing embedded energy savings resulting from the conservation of water in California.<sup>1</sup>

As discussed below and in greater detail in the testimony served today, this Application seeks California Public Utilities Commission (“Commission” or “CPUC”) authority to: 1) implement the proposed energy efficiency/water pilot partnership program; 2) have full funding flexibility within the pilot program in order to meet unexpected program implementation challenges that arise from such pilot efforts; 3) fund the pilot with pre-1998 demand-side management dollars; and, 4) expend up to \$25,000 prior to Commission authorization of this Application on start-up activities to ensure timely implementation of the pilot on July 1, 2007 or as expeditiously as possible after Commission approval.

Additionally, SDG&E seeks clarification on whether pilot funds may be utilized for post-implementation activities including completion of committed but not installed customer projects upon the cessation of the one-year pilot and if energy savings achieved

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<sup>1</sup> ACR issued in Rulemaking 06-04-010, dated October 16, 2006.

by the pilot can be counted towards the Commission's current energy efficiency goals adopted in Decision ("D.")04-09-060.

## **II.**

### **BACKGROUND**

On October 16, 2006 the Commission issued the ACR directing each of the utilities to file an application for a one-year jointly-funded pilot partnership program with one large water provider and to work together to develop a common program and funding approach. The ACR also indicated that applications should include proposals for counting the embedded energy savings for the purposes of understanding program benefits, rather than to affect shareholder rewards or penalties.

Furthermore, the Commission in D.06-12-038 at page 17 directed the utilities to propose programs that offer benefits to low income customers:

"This order directs all four applicant utilities each to file a specific program proposal for water conservation efforts. Each proposal shall identify specific ways to implement such energy efficiency water conservation programs for low income customers, whether and how they might dovetail with other non-LIEE programs, which agencies they will work with, and a budget."

## **III.**

### **OVERVIEW OF TESTIMONY**

This Application is supported by the testimony of Mark Gaines, Director of Customer Programs. Mr. Gaines' testimony describes SDG&E's proposed energy efficiency/water pilot partnership established with the San Diego County Water Authority. Mr. Gaines' testimony also: 1) discusses the need for funding flexibility within the program pilot and beyond the funding period; 2) demonstrates pilot savings potential and expected costs; 3) identifies funding requirements and funding sources; 4) describes the necessity to expend funds immediately to ensure timely, effective start-up activities; 5) describes the need for clarification regarding the counting of energy savings achievements toward adopted Commission energy efficiency savings goals; and, 6) addresses evaluation, measurement and verification activities.

#### IV.

##### **RATE AND REVENUE IMPACTS**

The proposed funding requirement for SDG&E's energy efficiency/water pilot partnership is \$1.3 million. SDG&E proposes to utilize unspent Pre-1998 Electric Demand-Side Management ("DSM") program funds from uncommitted funds for the pilot partnership. Upon Commission approval of the funding requests, SDG&E proposes to transfer the balancing account funds from prior program cycles to the current electric energy efficiency and low income energy efficiency program cycles. The energy efficiency transfer will record an adjustment of \$933,134 from the Pre-1998 Electric DSM balancing account to the current (Post 1997) Electric Energy Efficiency Balancing Account. The low income energy efficiency transfer will record an adjustment of \$375,000 from the Pre-1998 Electric DSM balancing account to the electric Low Income Energy Efficiency Balancing Account. Therefore, there are no rate or revenue impacts associated with SDG&E's proposal.

#### V.

##### **CORPORATE INFORMATION**

SDG&E is a public utility corporation organized and existing under, and by virtue of, the laws of the State of California, and is engaged principally in the business or providing electric service in a portion of Orange County and electric and gas service in San Diego County. SDG&E's principal place of business is 8330 Century Park Court, San Diego, California, 92123, and its mailing address is Post Office Box 1831, San Diego, California, 92112. All correspondence or communications regarding this Application should be addressed to:

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**VI.**

**PROPOSED CATEGORY OF PROCEEDING  
AND NEED FOR HEARING**

SDG&E proposes that its Application be categorized as quasi-legislative as it is in the nature of a compliance filing directed by the Assigned Commissioner as set forth above and that hearings thereon are unnecessary.

**VII.**

**RELIEF REQUESTED**

**WHEREFORE**, San Diego Gas & Electric Company respectfully requests that the Commission:

1. Consider this Application and grant the relief requested herein;
2. Grant such other and further relief as the Commission finds to be just and reasonable.

Dated at San Diego, California this 16 day of January 2007.

Respectfully submitted,

SAN DIEGO GAS & ELECTRIC COMPANY

By: 

Lee Schavrien

Senior Vice President  
Regulatory Affairs

By: 

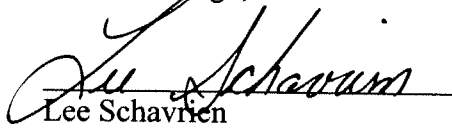
Steven D. Patrick

Attorney for San Diego Gas & Electric Company

## VERIFICATION

I am an officer of the applicant corporation herein and am authorized to make this verification on its behalf. The content of this document is true, except as to matters that are stated on information and belief. As those matters, I believe them to be true. I declare under penalty of perjury that the foregoing is true and correct.

Executed on 1/16, 2007 at San Diego, California

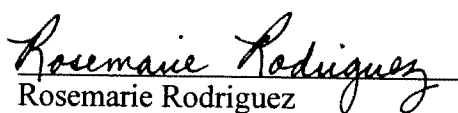


Lee Schavrien  
Senior Vice President  
Regulatory Affairs

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing **Application of San Diego Gas & Electric Company** via email to those whose email address is listed in the official service list and via first-class mail to those whose email address is not available.

Dated at Los Angeles, California this 16<sup>th</sup> day of January 2007.

  
Rosemarie Rodriguez



**CALIFORNIA PUBLIC UTILITIES COMMISSION**  
**Service Lists**

**Proceeding: R0604010 - CPUC - PG&E, EDISON,**  
**Filer: CPUC - PG&E, EDISON, SDG&E, SOCALGAS**  
**List Name: LIST**

**Last changed: January 11, 2007**

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