

123 FERC ¶ 61,032
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

April 17, 2008

In Reply Refer To:
San Diego Gas & Electric Company
Docket Nos. ER08-389-000 and
ER08-389-001

Sempra Energy
101 Ash Street, HQ13D
San Diego, CA 92101

Attention: James F. Walsh, Esquire

Reference: Order Accepting Tariff Sheet Revisions

Dear Mr. Walsh:

1. In this order, we accept San Diego Gas & Electric Company's (SDG&E) proposed tariff revisions to its Transmission Owner (TO) Tariff,¹ effective January 1, 2008, as requested. We also grant the requested waivers for good cause shown.
2. On December 28, 2007, SDG&E submitted proposed changes to its TO Tariff to implement rate decreases and other tariff revisions pertaining to its Reliability Services (RS) Revenue Requirements and Reliability Services Rate Schedule.² SDG&E requests waiver of the Commission's 60-day notice requirement because its TO Tariff requires SDG&E to file its annual RS rates in December, one month prior to the month the RS rates are proposed to go into effect.
3. SDG&E states that pursuant to the California Independent System Operator Corporation (CAISO) Tariff, RS costs incurred by the CAISO to maintain reliable electric service in the ISO Control Area are billed by the ISO to SDG&E as a

¹ SDG&E's FERC Electric Tariff, Original Volume 11 (TO Tariff).

² On February 25, 2008, in Docket No. ER08-389-001, SDG&E amended its December 28, 2007 filing stating that its request for waiver of a 30-day notice period contained in Appendix VI, Reliability Service Revenue Requirements, Section 4 of SDG&E's TO Tariff was inadvertent and should be disregarded.

Responsible Utility or Participating Transmission Owner, e.g., Reliability Must-Run, Out of Market, and Must Offer costs.

4. SDG&E records all RS costs in its Reliability Service Balancing Account (RSBA). The RSBA is a mechanism that ensures that SDG&E does not under- or over-recover RS costs from its customers. Each year, SDG&E determines an RS Revenue Requirement, which includes the RSBA and a forecast of RS costs for the applicable service year, and develops rates to collect that amount. Currently effective Second Revised Sheet No. 124 to SDG&E's TO Tariff includes provisions that require the use of the RSBA book balance as of November 30 as the starting point to determine the appropriate amount for calculating the applicable rates.

5. SDG&E requests a waiver of its TO Tariff requirement that requires the use of the recorded November 30, 2007 balance to correct an accounting error included in that balance, i.e., a \$16.7 million credit that does not belong in the RSBA. SDG&E states that by the end of 2007, it will change the accounting entries so that the RSBA will be correct. The credit adjustment to the November 30, 2007 balance has the effect of reducing the over-collected total cost of service amount from approximately \$35 million to an over-collected amount of approximately \$18 million. SDG&E states that the adjustment to correct for this accounting error will make the next year's balance more accurate.

6. Docket Nos. ER08-389-000 and ER08-389-001 were noticed on January 4, 2008 and February 25, 2008, respectively, with interventions and protests due on or before January 18, 2008 and March 17, 2008, respectively. The California Public Utilities Commission filed a notice of intervention, and the California Department of Water Resources State Water Project filed a timely motion to intervene. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2007), the notice of intervention and timely, unopposed motion to intervene serve to make the entities that filed them parties to this proceeding. No comments or protests were filed.

7. The Commission accepts SDG&E's proposed tariff sheets to be effective January 1, 2008 and finds good cause, pursuant to section 35.11 of the Commission's regulations, 18 C.F.R. § 35.11 (2007), to grant the waiver of the Commission's 60-day prior notice requirement. This will enable SDG&E to comply with its TO Tariff requirement and permit the effective date requested by SDG&E.³ In addition, the

³ *Central Hudson Gas & Elec. Corp.*, 60 FERC ¶ 61,106 at 61,338, *reh'g denied*, 61 FERC ¶ 61,089 (1992) (finding waiver of notice generally appropriate when it is consistent with a tariff on file with the Commission).

Commission grants SDG&E's request to waive its use of the recorded November 30, 2007 RSBA balance to calculate rates.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

cc: All Parties