

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of SAN DIEGO GAS & ELECTRIC
COMPANY (U 902-E) for Adoption of its 2010 Energy
Resource Recovery Account Revenue Requirement
Forecast and Review of its Power Procurement Balancing
Account

Application 09-10-003
(filed October 1, 2009)

**AMENDMENT TO APPLICATION OF
SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) FOR APPROVAL OF
ERRA FORECAST FOR 2010**

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December 18, 2009

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I. INTRODUCTION

Pursuant to Rule 1.12 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), San Diego Gas & Electric Company (“SDG&E”) hereby files an Amendment to its Application for Approval of its Energy Resource Recovery Account (“ERRA”) Forecast for 2010 (“Amendment”). As explained in greater detail below, this Amendment was necessitated by the yearly update to market benchmark data issued by the Commission in November 2009. In conjunction with the filing of this Amendment, SDG&E is serving amended testimony of its three witnesses, including amended attachments to their testimony.

II. NEW MARKET BENCHMARK DATA

The market benchmark is an official input value used in the calculation of the Competition Transition Cost (“CTC”) and Power Charge Indifference Adjustment (“PCIA”). The calculation of the market benchmark is based upon the average of forward energy prices recorded for the entire month of October. These prices are released by the Commission’s Energy Division in November of each year. Since

SDG&E files its ERRA forecast applications annually on October 1, the Energy Division's market benchmark data for the subsequent year is not available at the time of SDG&E's ERRA forecast filing. Thus, SDG&E, as a general practice, updates its ERRA forecast applications to reflect the most current market benchmark data.

Using the updated data that Energy Division provided in November 2009, this year's new benchmark price for calculating CTC is \$54.85/MWH and for calculating PCIA is \$61.05/MWH.¹ SDG&E's proposed 2010 PCIA rates applicable to the respective classifications of departing load (updated for the new benchmark and CTC, 2010 California Department of Water Resources ("DWR") revenue requirements, and Resolution 4226-E) are set forth in Attachment A to Ms. Fang's Amended Testimony. Ms. Fang's Amended Testimony also addresses the cost responsibility associated with the added distinction between new and existing Non-Continuous Direct Access ("DA") and new and existing Continuous DA. Although SDG&E's PCIA calculations are positive for Existing Non-Continuous DA load, there are zero forecasted revenues from this group of customers due to an existing negative balance from prior PCIA calculations. SDG&E has no forecasted departing load for the remaining classifications set forth in Attachment A to Ms. Fang's Amended Testimony, and thus SDG&E forecasts zero PCIA revenues for 2010.

III. SDG&E'S FINAL ERRA AND CTC REVENUE REQUIREMENT

The ultimate impact of the foregoing market benchmark update is that SDG&E's final 2010 ERRA revenue requirement is \$827.956 million (which is \$20.913 million less than what was proposed in the original Application) and its CTC revenue requirement is

¹ The difference between \$54.85/MWH and \$61.05/MWH is due to the adjustment for distribution line losses (i.e., since the CTC is calculated at the ISO level there is no adjustment for distribution lines losses, but both benchmarks are based on the exact same forward prices).

\$46.908 (which is \$20.913 more than what was proposed in the original Application), as reflected in Tables 1 and 2 in the Amended Testimony of SDG&E witness Yvonne Le Mieux. These changes also required updates to values contained in the testimony and attachments of SDG&E witness Tony Choi. As noted above, amended testimony of all three SDG&E ERRRA forecast witnesses (C. Fang, Y. Le Mieux and T. Choi) is being concurrently served with this Amendment.

Respectfully submitted,

By: /s/ John A. Pacheco

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DATED at San Diego, California, this 18th day of December 2009

CERTIFICATE OF SERVICE

I hereby certify that, pursuant to the Commission's Rules of Practice and Procedure, I have this day served a true and correct copy of the foregoing **AMENDMENT TO APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) FOR APPROVAL OF ERRA FORECAST FOR 2010** to each party named in the current service list for proceeding A.09-10-003 and A.08-10-004 (last year's ERRA forecast proceeding) by electronic mail. Those parties without an email address were served by placing copies in properly addressed and sealed envelopes and depositing such envelopes in the United States Mail with first-class postage prepaid.

Copies were also sent via Federal Express to the assigned Commissioner and Administrative Law Judge.

Executed this 18th day of December 2009, at San Diego, California.

/s/ Lisa Fucci-Ortiz
Lisa Fucci-Ortiz



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