Decision **PROPOSED DECISION OF ALJ WILDGRUBE (Mailed 4/12/16)**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of San Diego Gas & Electric Company (U902E) for Approval of: (i) Contract Administration, Least-Cost Dispatch and Power Procurement Activities in 2014, (ii) Costs Related to those Activities Recorded to the Energy Resource Recovery Account and Transition Cost Balancing Account in 2014 and (iii) Costs Recorded in Related Regulatory Accounts in 2014.	Application 15-06-002 (Filed June 1, 2015)

DECISION APPROVING SAN DIEGO GAS & ELECTRIC COMPANY'S 2014 ENERGY RESOURCE RECOVERY ACCOUNT COSTS AND RELATED MATTERS

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DECISION APPROVING SAN DIEGO GAS & ELECTRIC COMPANY'S 2014 ENERGY RESOURCE RECOVERY ACCOUNT COSTS AND RELATED MATTERS

Summary

By this Decision, the California Public Utilities Commission approves San Diego Gas & Electric Company's administration, activities, and costs set forth by its 2014 Energy Resource Recovery Account compliance application.

1. Background

The Commission established the Energy Resource Recovery Account (ERRA) balancing account mechanism in Decision (D.) 02-10-062 to track fuel and purchased power billed revenues against actual recorded costs of these items. In the same decision, the Commission required regulated electric utilities in California to establish a fuel and purchased power revenue requirement forecast, a trigger mechanism (to address balances exceeding certain benchmarks), and a schedule for semiannual ERRA applications. Since that time, the Commission has adopted decisions regarding the ERRA balancing account setting, among other things, minimum standards of conduct that regulated energy utilities must follow in performing their procurement responsibilities.

In the annual ERRA forecast application, a utility requests adoption of the utility's forecast of its expected annual fuel and purchased power costs for the upcoming 12 months. Approval of the forecast includes recovery in rates of the ERRA revenue requirement.

In a separate annual ERRA compliance application, a utility requests a determination of whether it is in compliance during the prior year with applicable rules governing energy resource contract administration, administration of Utility Owned Generation (UOG), and least cost dispatch

(LCD) approval of any over- or under-collection in its ERRA balancing account and related regulatory accounts, and requests pertaining to other, non-ERRA accounts.

The Commission is required to perform a compliance review as opposed to a reasonableness review of the ERRA compliance application. A compliance review considers whether a utility has complied with all applicable rules, regulations, opinions, and laws, while a reasonableness review evaluates not only a utility's compliance, but also whether the data or actions resulting from, for example, the calculation of a forecasted expense, are reasonable, based on the methods and inputs used.

This Decision resolves the application filed by San Diego Gas & Electric Company (SDG&E) on June 1, 2015, Application (A.) 15-06-002. In A.15-06-002, SDG&E requests approval of: (i) contract administration, LCD and power procurement activities in 2014, (ii) costs related to those activities recorded to the ERRA and Transition Cost Balancing Account (TCBA) in 2014 and (iii) costs recorded in other regulatory accounts in 2014. The other regulatory accounts include SDG&E's Local Generation Balancing Account (LGBA), New Environmental Regulatory Balancing Account (NERBA), Market Redesign and Technology Upgrade Memorandum Account (MRTUMA), Independent Evaluator Memorandum Account (IEMA), and Litigation Cost Memorandum Account (LCMA). SDG&E's ERRA, TCBA, LGBA, MRTUMA, and IEMA each had an under-collected balance as of December 31, 2014; however, SDG&E is not seeking a cost recovery or rate change in conjunction with this application for any under-collected costs. Instead, SDG&E requests approval to defer recovery of the LGBA and MRTUMA under-collected costs to be recovered in SDG&E's 2017 ERRA Forecast proceeding.

By Resolution ALJ 176-3358, issued on June 11, 2015, A.15-06-002 was preliminarily categorized as ratemaking with a need for evidentiary hearings. On July 2, 2015, the Office of Ratepayer Advocates (ORA) filed a protest to A.15-06-002. On July 13, 2015, SDG&E filed its reply to ORA's protest.

On July 28, 2015, a prehearing conference was held to establish the service list, discuss the scope of this proceeding, and develop a procedural timetable for the management of this proceeding.

SDG&E served direct testimony with their application. ORA served their direct testimony on November 12, 2015. SDG&E served rebuttal testimony on December 17, 2015.

On January 11, 2016, assigned Commissioner Michel P. Florio, issued his Assigned Commissioner's Scoping Memo and Ruling (Scoping Memo) setting the schedule for hearings and briefing.

On January 12, 2016, SDG&E and ORA requested the evidentiary hearings scheduled for January 26, 2016 and briefing be removed from the Commission's calendar as the parties no longer considered them necessary and agreed the proceeding could be submitted on previously served testimony. On January 19, 2016, the assigned Administrative Law Judge (ALJ) issued a ruling granting SDG&E's and ORA's requests to remove the evidentiary hearings and briefing from the Commission's Calendar.

On February 5, 2016, SDG&E filed motions to offer its prepared testimony and appendices into evidence and to seal a portion of the evidentiary record. On February 29, 2016, ORA filed motions to offer its prepared testimony and appendices into evidence and to seal a portion of the evidentiary record. The motions offering testimony and motions to seal are addressed by a separate ruling in this proceeding.

All rulings made by the assigned Commissioner or ALJ during the pendency of this proceeding are affirmed.

2. Scope of Proceeding

The following issues were previously determined by the Scoping Memo as within the scope of this proceeding:

1. Whether during 2014, SDG&E prudently administered and dispatched its utility-owned generation resources and portfolio of contracts, including Miramar, Palomar, Desert Star, Cuyamaca, allocated California Department of Water Resources contracts, power purchase agreements, qualifying facilities (QF), non-QF resources, and renewable energy resources, in compliance with SDG&E's Commission-approved procurement plan and pursuant to the Commission's Standard of Conduct 4 (SOC 4);
2. Whether all 2014 entries and costs recorded in SDG&E's ERRA (including in lieu gas franchise fees), TCBA, LGBA, NERBA IEMA, MRTUMA, and LCMA are appropriate, reasonable, and correctly stated;
3. Whether SDG&E's procurement of greenhouse gas (GHG) compliance instruments during the 2014 record period is consistent with the Commission's current directives applicable to those compliance instruments;
4. Whether SDG&E achieved Least Cost Dispatch of its energy resources (SOC 4); and,
5. Whether the balance in SDG&E's GHG sub-account is reasonable.

2.1. Resolution of ORA's Analysis and Recommendations

During this proceeding, ORA submitted testimony of its analysis of SDG&E's application. Following is a summary of ORA's analysis and recommendations, SDG&E's response (if any), and the Commission's resolution of each issue.

2.1.1. Utility-Owned Generation

SDG&E provided testimony concerning seven forced outages which lasted 24 hours or longer for a facility 25 megawatts or larger. Of these seven outages, ORA chose to further analyze two outages: the Palomar Energy Center forced outage from May 3, 2014 through June 13, 2014 and the Miramar Energy Facility Unit 1 forced outage from June 4, 2014 through September 29, 2014. ORA determined that SDG&E did not act imprudently during the Palomar Energy Center outage or the Miramar Energy Facility Unit I outage. ORA also recommended that the Commission order SDG&E to take the following additional steps which are discussed together with SDG&E's response and the Commission's resolution:

a. Seek recovery for the Palomar Energy Center power replacement cost from its own insurance policy.

SDG&E responded that SDG&E's insurance policy does not provide for the recovery of replacement power costs, therefore, no further action is necessary.

b. Consider the anticipated replacement power cost in its computation when considering the alternatives of repair.

SDG&E responded that as a general matter, SDG&E evaluates repair alternatives while considering multiple factors including, but not limited to:

1. Ensuring equipment is repaired to a safe and reliable condition;
2. Providing best repair value for the cost; and
3. Considering other maintenance and improvements needed by the equipment.

SDG&E further provided that overall, consideration of these factors minimizes the equipment repair time which minimizes the potential power replacement costs.

ORA agreed SDG&E did not act imprudently during the outages analyzed by ORA and ORA did not identify an instance in which minimizing the equipment repair time would not minimize the cost of replacement power. Therefore, SDG&E's actions appear adequate and additional action by the Commission is unwarranted.

c. *Submit a more comprehensive filing either in testimony or supporting workpapers.*

ORA contends supporting workpapers and additional information were not provided by SDG&E's testimony. ORA, however, does not identify any required information which was not provided or any failure of SDG&E to respond to data requests. Additionally, in D.15-05-015 a settlement agreement between SDG&E and ORA was approved by the Commission which states, in pertinent part: "the level of detail provided by SDG&E will be determined by SDG&E in light of the facts and circumstances of each applicable outage." Therefore, no further action by the Commission is necessary.

d. *Pursue, immediately, monetary compensation from General Electric (GE) for the replacement power cost of Palomar Energy Center outage and seek legal recourse if necessary.*

SDG&E established it does not have a replacement power cost contract with GE and the Contractual Services Agreement between GE and Palomar Energy, LLC, specifically limits GE's liability to exclude replacement power costs. Therefore, SDG&E has no recourse to ask GE to reimburse the replacement power cost and further action by the Commission would be inappropriate.

e. *Be held responsible for any Palomar Energy Center damages that may have occurred as a result of having the incorrect studs used in the installation and SDG&E should be held liable for the cost of all*

> *damages, including any resulting unplanned outage(s) and associated replacement power cost(s).*

SDG&E responded it would be premature for the Commission to determine SDG&E should be held responsible for any future Palomar Energy Center damages resulting from the use of incorrect studs. SDG&E also notes, the "incorrect studs" are a higher strength stud with a better fatigue profile at higher temperatures than the correct stud for the location. Replacement of the "incorrect studs" at the next opportunity was recommended to prevent confusion during future turbine overhauls by ensuring that the stud material would match the assembly drawing. Based on the foregoing, the Commission agrees it is premature to make a determination of liability of SDG&E for "incorrect studs" prior to there being any damage.

2.1.2. Least-Cost Dispatch Demand Response

Decisions 15-05-005 and 15-12-015 require LCD demand response results be provided as an annual summary. ORA reviewed the LCD chapter of SDG&E's testimony and concluded that the demand response metrics approved in D.15-05-005 and D. 15-12-015 and included in SDG&E's Application would allow for a more transparent and quantitative evaluation of demand response dispatch if SDG&E provided a comparison across multiple years. ORA contends this would allow the Commission to assess whether SDG&E is improving its LCD – Demand Response processes and performance over time.

SDG&E responded that demand response programs may change over time, limiting the accuracy and utility of a comparison across multiple years. The Commission agrees. Decisions 15-05-005 and 15-12-015 do not require LCD demand response results be compared over multiple years; a year-over-year comparison of demand response metrics will not be required by this proceeding.

ORA and SDG&E agree Metric 6 (approved in D.15-05-005 and D.15-12-015) should be modified to show more precise estimates of the value of energy by reporting the weighted average hourly net cost of energy rather than the average hourly net cost. Any modification of Metric 6 should be proposed as a modification to D.15-12-015.

2.1.3. Compliance Review of the ERRA and Other Balancing Accounts

ORA reviewed SDG&E's ERRA and six other balancing and memorandum accounts in this proceeding. These include: the TCBA, LGBA, NERBA IEMA, MRTUMA, and LCMA. ORA found no required accounting adjustments and no exceptions to the recovery requirements. Therefore, the Commission concludes that the ERRA entries and the six other balancing and memorandum account entries for Record Year 2014, as well as the LCMA entries for 2004 through 2014, are appropriate, correctly stated, and in compliance with applicable Commission decisions.

ORA also reviewed SDG&E's testimony on GHG compliance instruments. From this review, ORA concluded that SDG&E procured GHG compliance instruments in accordance with its approved GHG Procurement Plan, contained within its Bundled Procurement Plan, and complied with the Commission's reporting requirements for utility procurement of GHG compliance instruments. Therefore, the Commission finds SDG&E's Greenhouse Gas procurement activity for Record Year 2014 was within SDG&E's Greenhouse Gas procurement authority.[1]

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[1] LGBA and GHG account entries and the Main ERRA balance are confidential and filed under seal pursuant to a ruling filed April 4, 2016

2.1.4. Contract Administration

ORA concluded, following its review, that SDG&E managed and administered its contracts and contract settlements reasonably and therefore ORA does not object to SDG&E's contract administration activities for the Record Year 2014.[2] The Commission approves SDG&E's contract administration for the Record Year 2014.

2.1.5. Maximum Disallowance for Standard of Conduct 4 Violation

Standard of Conduct 4 adopted by D.02-10-062 provides, "[t]he utilities shall prudently administer all contracts and generation resources and dispatch the energy in a least-cost manner." The Commission subsequently adopted in D.02-12-074 a maximum potential disallowance for violations of SOC 4 of twice the utility's annual procurement administrative expenditures.

ORA concluded and recommends, based on SDG&E's testimony, that the maximum disallowance for any SDG&E violation(s) of SOC 4 be $18.304 million for the 2014 Record Year. There being no dispute, the Commission confirms the maximum disallowance for any SDG&E violation(s) of SOC 4 is $18.304 million for the 2014 Record Year. There are no violations of SOC 4 for the Record Year 2014 and the maximum disallowance is not applied.

ORA further recommends SDG&E continue to include the maximum disallowance in its testimony, and that SDG&E should provide more comprehensive testimony in support of its calculation including a breakdown by Procurement Functional Categories and the derivation of those costs from the

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[2] D.05-01-054 concludes the administration of contracts is subject to a reasonableness review as contrasted with a compliance review discussed at 3.

general rate case amount. The Commission previously found in refusing to adopt similar recommendations by ORA, that the additional detail would be burdensome and requiring it is not supported by prior decisions (see, D.15-06-046, *Decision Adopting San Diego Gas & Electric Company's 2013 Energy Resource Recovery Account Compliance Request).* Despite the previous denial of similar recommendations, ORA provides no additional support for its recommendations concerning the maximum disallowance calculation and the recommendations are not adopted.

2.2. Uncontested Issues

2.2.1. Utility-Owned Generation

The Commission has reviewed SDG&E's application and testimony and find that SDG&E has adequately demonstrated that during 2014 SDG&E prudently administered and dispatched its utility owned generation resources and portfolio of contracts, including Miramar, Palomar, Desert Star, Cuyamaca, allocated California Department of Water Resources contracts, power purchase agreements, QFs, non-QF resources, and renewable energy resources, in compliance with SDG&E's Commission approved procurement plan.

2.2.2. Least-Cost Dispatch

LCD requirements concern SDG&E's day-ahead and intra-day trading of its portfolio of resources, including UOG and power purchase agreements. SDG&E's testimony establishes SDG&E complied with the Commission's currently effective LCD requirements and SOC 4 during the 2014 Record Period by considering variable costs and utilizing the lowest cost resource mix, subject to constraints in the day-ahead, hour-ahead and real-time markets. ORA did not recommend disallowances regarding LCD.

2.2.3. MRTUMA Prior Period Adjustment

SDG&E requests and the Commission approves the MRTUMA tax-related prior period adjustment of $ 260,002 for the years 2008 through 2011 and recorded in 2012.

2.2.4. Cost Recovery

SDG&E seeks to defer recovery of the under-collection in SDG&E's MRTUMA and LGBA to SDG&E's next-filed ERRA Forecast Proceeding for year 2017. SDG&E contends deferring recovery will promote rate stability for its customers. The Commission is not opposed to this request and approves it.

3. Other Procedural Matters

3.1. Change in Determination of Need for Hearings

Given that no hearings were held in the current proceeding, we change our preliminary and Scoping Memo determination regarding hearings to reflect that hearings are not necessary.

3.2. Compliance with the Authority Granted Herein

In order to implement the authority granted herein, SDG&E must file a Tier 1 Advice Letter within 30 days of the date of this decision.

4. Comments on Proposed Decision

The proposed decision of ALJ Wildgrube in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were not received.

5. Assignment of Proceeding

Michel Peter Florio is the assigned Commissioner and Eric Wildgrube is the assigned ALJ in this proceeding.

Findings of Fact

1. The Commission established the ERRA balancing account mechanism in D.02-10-062 to track fuel and purchased power billed revenues against actual recorded costs of these items. In the same decision, the Commission required regulated electric utilities in California to establish a fuel and purchased power revenue requirement forecast, a trigger mechanism (to address balances exceeding certain benchmarks), and a schedule for semiannual ERRA applications.

2. Subsequent decisions regarding the ERRA balancing account (D.05-01-054, D.05-04-036, and Public Utilities Code Section 454.5(d)(2)) have adopted minimum standards of conduct that regulated energy utilities must follow in performing their procurement responsibilities and require that the Commission perform a compliance review as opposed to a reasonableness review of these items.

3. By Resolution ALJ 176-3358, issued on June 11, 2015, A.15-06-002 was categorized as ratemaking with a need for evidentiary hearings.

4. On July 2, 2015, ORA filed a protest to A.15-06-002.

5. On July 13, 2015, SDG&E filed its reply to ORA's protest.

6. ORA determined that SDG&E did not act imprudently during the Palomar Energy Center outage or the Miramar Energy Facility Unit I outage.

7. SDG&E established that SDG&E's insurance policy does not provide for the recovery of replacement power costs incurred during the Palomar Energy Center outage.

8. ORA did not identify an instance when minimizing equipment repair time would not minimize the cost of replacement power, therefore, SDG&E's actions appear to adequately minimize the cost of replacement power.

9. ORA contends supporting workpapers and additional information were not provided by SDG&E's testimony. ORA did not identify any required information which was not provided or any failure of SDG&E to respond to data requests. Additionally, in D.15-05-015 a settlement agreement between SDG&E and ORA was approved by the Commission which states (in pertinent part): "the level of detail provided by SDG&E will be determined by SDG&E in light of the facts and circumstances of each applicable outage."

10. SDG&E established it does not have a replacement power cost contract with GE and the Contractual Services Agreement between GE and Palomar Energy, LLC, specifically limits GE's liability to exclude replacement power costs. Therefore, SDG&E has no recourse to ask GE to reimburse the replacement power cost and further action by the Commission would be inappropriate.

11. SDG&E notes, the "incorrect studs" used at the Palomar Energy Center are a higher strength stud with a better fatigue profile at higher temperatures than the correct stud for the location. Replacement of the "incorrect studs" at the next opportunity was recommended to ensure that the stud material would match the assembly drawing to prevent confusion during future turbine overhauls.

12. D.15-05-005 requires results be provided as an annual summary. Furthermore, as noted by SDG&E, Demand Response programs may change over time limiting the accuracy and utility of a comparison across multiple years.

13. ORA reviewed SDG&E's ERRA and six other balancing and memorandum accounts in SDG&E's 2014 ERRA Compliance filing. These include: the TCBA, LGBA, NERBA, MRTUMA, IEMA and the LCMA. ORA

found no required accounting adjustments and no exceptions to the recovery requirements.

14. SDG&E is deferring recovery of the under-collected LCMA balance as there is pending litigation which may change the LCMA balance.

15. SDG&E's ERRA, TCBA, LGBA, MRTUMA, and IEMA each had an under-collected balance as of December 31, 2014; however, SDG&E is not seeking a cost recovery or rate change in conjunction with this application for any under-collected costs.

16. SDG&E is deferring recovery of the under-collected costs in SDG&E's LGBA and MRTUMA until SDG&E's ERRA Forecast proceeding for 2017 to promote rate stability for its customers.

17. ORA also reviewed SDG&E's testimony on GHG compliance instruments. From this review, ORA concluded that SDG&E procured GHG compliance instruments in accordance with its approved GHG Procurement Plan, contained within its Bundled Procurement Plan, and complied with the Commission's reporting requirements for utility procurement of GHG compliance instruments.

18. ORA concluded following its review that SDG&E managed and administered its contracts and contract settlements reasonably and therefore ORA does not object to SDG&E's contract administration activities for the Record Year 2014.

19. The maximum disallowance for SDG&E's violation(s) of SOC 4 for the 2014 Record Year is $18.304 million.

20. ORA recommends SDG&E continue to include the maximum disallowance in its testimony, and that SDG&E should provide more comprehensive testimony in support of its calculation including a breakdown by Procurement Functional Categories and the derivation of those costs from the general rate case amount.

Conclusions of Law

1. The determination of Resolution ALJ 176-3358 and the Scoping Memo is revised from hearings are necessary, to hearings are not required.

2. It would be premature for the Commission to determine SDG&E should be held responsible for any future Palomar Energy Center damages resulting from the use of incorrect studs.

3. During 2014, SDG&E prudently administered and dispatched its UOG resources and portfolio of contracts, including Miramar, Palomar, Desert Star, Cuyamaca, allocated California Department of Water Resources contracts, power purchase agreements, QFs, non-QF resources, and renewable energy resources, in compliance with SDG&E's Commission-approved procurement plan and otherwise followed Commission guidelines relating to those contracts (pursuant to the Commission's SOC 4).

4. There are no violations of SOC 4 for the Record Year 2014 and the maximum disallowance is not applied.

5. In accordance with D.15-06-046, *Decision Adopting San Diego Gas & Electric Company's 2013 Energy Resource Recovery Account Compliance Request,* additional information in support of the maximum disallowance calculation is not required.

6. The ERRA entries and TCBA, LGBA, NERBA, IEMA, and MRTUMA, entries for Record Year 2014, are appropriate, correctly stated, and in compliance with applicable Commission decisions.

7. The LCMA entries for 2004 through 2014, are appropriate, correctly stated, and in compliance with applicable Commission decisions.

8. SDG&E's Greenhouse Gas procurement activity for Record Year 2014 was reasonable and within SDG&E's GHG procurement authority and is consistent

with the Commission's current directives applicable to those compliance instruments.

9. The balance in SDG&E's GHG sub-account is appropriate.

10. The MRTUMA tax-related prior period adjustment of $260,002 for the years 2008 through 2011 and recorded in 2012 is appropriate.

11. SDG&E should be authorized to seek recovery of the under-collection in SDG&E's MRTUMA and LGBA in SDG&E's next-filed ERRA Forecast Proceeding for year 2017.

12. In order to implement the authority granted herein, SDG&E should file a Tier 1 Advice Letter within 30 days of the date of this decision. The tariff sheets filed in these Advice Letters shall be effective on or after the date filed subject to Energy Division determining they are in compliance with this decision.

13. All rulings of the assigned Commissioner and ALJ are affirmed.

14. A.15-06-002 should be closed

O R D E R

IT IS ORDERED that:

1. The entries and calculations in San Diego Gas & Electric Company's Energy Resource Recovery Account, including the under-collected balance of $279,978,215 as of December 31, 2014, are approved.

2. The entries, calculations, and balance of San Diego Gas & Electric Company's Greenhouse Gas sub-account are approved.

3. The entries and calculations and under-collected balance in San Diego Gas & Electric Company's Transition Cost Balancing Account of $7,205,916 as of December 31, 2014 are approved.

4. San Diego Gas and Electric Company's Local Generation Balancing Account complies with Commission directives and the under-collected balance is approved as of December 31, 2014 and may be recovered in San Diego Gas & Electric Company's Energy Resource Recovery Account Forecast Application for 2017.

5. The over-collected balance of $353,694 in San Diego Gas & Electric Company's New Environmental Regulatory Balancing Account is approved as of December 31, 2014 and may be included in San Diego Gas & Electric Company's Annual Electric Regulatory Account Update filing.

6. The Market Redesign and Technology Upgrade Memorandum Account tax-related prior period adjustment of $ 260,002 for the years 2008 through 2011 and recorded in 2012 is approved and may be recovered in San Diego Gas & Electric Company's Energy Resource Recovery Account Forecast Application for 2017.

7. The under collected balance in San Diego Gas & Electric Company's Independent Evaluator Memorandum Account is approved as of December 31, 2014 and transfer to San Diego Gas & Electric Company's Energy Resource Recovery Account is appropriate.

8. The Litigation Cost Memorandum Account entries for 2004 through 2014, are approved.

9. San Diego Gas & Electric Company shall include the maximum Standard of Conduct 4 disallowance cap amount and calculation in its future Energy Resource Recovery Account Compliance testimony.

10. The Commission denies the Office of Ratepayer Advocates' request that San Diego Gas & Electric Company (SDG&E) provide detailed information by

Procurement Functional Categories regarding SDG&E's calculation of the Standard of Practice maximum disallowance.

11. The Commission denies the Office of Ratepayer Advocates' request that San Diego Gas & Electric Company provide more detailed information regarding Least Cost Dispatch and Demand Response, in the current proceeding.

12. In order to implement the authority granted herein, San Diego Gas & Electric Company shall file a Tier 1 Advice Letter within 30 days of the date of this decision. The tariffs filed in the Advice Letter shall become effective on or after the date filed subject to Energy Division determining they are in compliance with this decision.

13. Hearings are not necessary in this proceeding.

14. Application 15-06-002 is closed

This order is effective today.

Dated _____, at Sacramento, California.