

ATTACHMENT A
SAN DIEGO GAS & ELECTRIC COMPANY
REPRESENTATIVES AND CONTACTS

A. Parties Representatives:

Utility Representative:

San Diego Gas & Electric Company
Customer Service Solutions
8335 Century Park Court, CP11E
San Diego, California 92123

Attn: Dawn Osborne
Direct Access Strategy & Policy Manager
Telephone: (858) 654-1275
Facsimile: (858) 654-1256
Email: dosborne@sdge.com

DWR Representative:

State of California
The Resources Agency
Department of Water Resources
California Energy Resources Scheduling Division
3310 El Camino Avenue, Suite 120
Sacramento, California 95821

Attn: Viju Patel
Energy Advisor
Telephone: (916) 574-0339
Facsimile: (916) 574-2512
Email: vpatel@water.ca.gov

B. Contact Persons:

The Parties shall make the following contact person(s) available with respect to the operational matters described below:

1. Billing Services:

Utility Contact:

Financial Reporting & Remittances:
Sempra Energy

Financial Accounting
101 Ash Street, PZ05B
San Diego, California 92101

Attn: Alan Burye
Principal Accountant
Telephone: (619) 696-2221
Facsimile: (619) 696-4182
Email: aburye@sempra.com

Utility Fees & Charges:

San Diego Gas & Electric Company
Customer Service Solutions
8335 Century Park Court, CP11E
San Diego, California 92123

Attn: Dawn Osborne
Direct Access Strategy & Policy Manager
Telephone: (858) 654-1275
Facsimile: (858) 654-1256
Email: dosborne@sdge.com

DWR Contact:

State of California
The Resources Agency
Department of Water Resources
California Energy Resources Scheduling Division
3310 El Camino Avenue, Suite 120
Sacramento, California 95821

Attn: Jim Olson, Deputy Comptroller
Chief of Financial Management and Reporting
Telephone: (916) 574-1297
Facsimile: (916) 574-0301
Email: jolson@water.ca.gov

2. Scheduling, delivery and transmission:

Utility Contact:

San Diego Gas & Electric Company
Fuel & Power Supply
8306 Century Park Court, CP41D

San Diego, California 92123

Attn: Michael Strong
Industry Restructuring & Energy Accounting Manager
Telephone: (858) 650-6154
Facsimile: (858) 650-6190
Email: mgstrong@sdge.com

DWR Contact:

State of California
The Resources Agency
Department of Water Resources
California Energy Resources Scheduling Division
3310 El Camino Avenue, Suite 120
Sacramento, California 95821

Attn: Susan Lee, Principal HEP Utility Engineer
Chief of Energy Scheduling and Trading
Telephone: (916) 574-1304
Facsimile: (916) 574-0301
Email: slee@water.ca.gov

3. Surplus Energy Power Sales Remittances:

Utility Contact:

Financial Reporting & Remittances:
Sempra Energy
Financial Accounting
101 Ash Street, PZ05B
San Diego, California 92101

Attn: Alan Burye
Principal Accountant
Telephone: (619) 696-2221
Facsimile: (619) 696-4182
Email: aburye@sempra.com

DWR Contact:

State of California
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ATTACHMENT B
SAN DIEGO GAS & ELECTRIC COMPANY
REMITTANCE METHODOLOGY

A. Daily Remittances

Payments will be collected by Utility as an agent for DWR. Payments shall be allocated and applied using Utility's payment posting priority process (described below). All partial payments to Utility will be prorated based on the payment posting priority. During Utility's nightly processing during any Business Day, payments for DWR Charges that the Utility collects on behalf of DWR will be identified and credited to DWR's account and will be transmitted on the next Business Day, by an electronic funds transfer credit to DWR for settlement. The Parties first preference for electronic funds transfer will be by Automated Clearing House (ACH) and its secondary preference will be by wire transfer. Utility process timing will dictate which electronic funds transfer will be used. During the first 60 day start-up period, wire transfer will be used exclusively.

B. Proposed Process and Sample Timeline for DWR Automated Daily Remittance

1. Day (-19) - Customer statements are sent out.
2. Business Day 0 - Customer makes payment and payment is allocated per payment posting priority.
3. Business Day 0 - Utility's billing system identifies payments and applies DWR portion based on pre-established payment posting criteria, representing a constructive account for DWR. The parties acknowledge that payments received from Customers consist of payments to Utility and payments to DWR and that until DWR's portion is remitted to DWR, such funds will be held together by Utility. Until remitted to DWR, Utility shall hold DWR's portion of payments in trust for the benefit of DWR (whether or not held with other monies).
4. Business Day 1 - Payment is sent to DWR based on remittance schedule. DWR acknowledges delays of up to 3 Business Days may occur due to errors, system failures and other factors. DWR agrees that such delays shall not constitute a default pursuant to Section 5.2 of the Agreement provided, however, that Utility shall undertake commercially reasonable efforts to rectify any cause for such delay. Utility shall promptly notify DWR when any such delay occurs and the expected date for returning to the normal schedule. In cases where ACH electronic payment is remitted, SDG&E will remit to its bank on Business Day 1. DWR agrees that this payment meets SDG&E's remittance schedule requirements pursuant to Section 4.2 and Attachment B.
5. Adjustments for misapplied payments, returned checks, payment transfers, and miscellaneous adjustments will be reflected in the Remittance as those adjustments are made in Utility's billing system.

C. Collection of DWR Charges

1. As permitted by Applicable Law, Utility will disconnect Customers' electric service for unpaid DWR Charges. Disconnection for DWR Charges will be performed in the same manner as Utility disconnects for its own charges and consistent with applicable tariffs.

2. Responsibility for collection of any DWR Charges that remain unpaid 145 calendar days after the final statement was issued shall become the sole responsibility of DWR. However, Customer payments received by Utility after such reversion to DWR will continue to be applied on a pro-rata basis to DWR Charges for a period of no longer than 3 years after the customer's account was closed and final bill rendered by the Utility.

3. Utility may use collection agency services to recover outstanding balances on customer's closed accounts. When DWR receives benefit of such services through recovery of payments to customer accounts, Parties agree that DWR's payment remittances will be adjusted to account for the pro-rata share of collection agency fees associated with DWR's portion of recovered charges

D. Survival of Payment Obligations

Utility has the right but not the obligation to pursue collection of DWR Charges after 180 calendar days following the termination of this Agreement pursuant to Section 5. Provided, however, Utility may continue collection services for a period of 3 years after the customer's account was closed if prior to the termination of this Servicing Order the Parties reach a mutually satisfactory arrangement either to (i) reimburse SDG&E for its estimated reasonable costs to continue with collection and allocation activities for such period or (ii) estimate the amount of collections that are reasonably likely to be recovered, which amount (including discounts for cash flow impacts) Utility shall promptly remit to DWR in full satisfaction of its collection services.

E. Deposits Securing DWR Charges

In accordance with Applicable Tariffs, Utility shall collect security deposits from Customers and return those security deposits to Customers. Such security deposits will be applied pro rata to DWR Charges in the event a Customers billing account is closed with the Utility.

F. Other Operating Revenue Collected by Utility

DWR shall have no rights in or entitlements to charges associated with Utility's collection or payment activities, including but not limited to, returned check charge, reconnection of service charge, field assignment charge, and other service charges related to billing, payment or collections. However, pursuant to Section 6 of Service Attachment 1, late payment interest charges will be applied pro-rata to DWR Charges.

G. Payment Posting Priority

1. Priority

Utility payment posting rules will assign equal priority to Utility gas and electric energy and service charges, and DWR Charges. Payments will be prorated among all categories of unpaid disconnectible charges and DWR Charges based on the amount owing in each statement, beginning with the oldest amounts outstanding. Utility's payment posting priority enables Utility to make timely payments to Utility, DWR, and other agencies/Cities where Utility is required to collect surcharges, fees and taxes. Any non-disconnectible charges outstanding, will be paid with any remaining credit balance.

2. Payment Posting Rules

a. Payments will be applied to the oldest statements first.

b. Payments will be applied on a pro-rata basis between Utility gas and electric energy/service charges in the following illustrative manner:

<u>Sample:</u>	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
Bill Date 6/10/01	\$100.00	\$100.00	\$200.00
% of Total	50%	50%	100%
Payment 6/25/01	\$50.00	\$50.00	\$100.00
% of Total	50%	50%	100%

3. Within the Utility Charges shown on each statement, the payment/credit will be prorated among all unpaid charges based on the amount owing in each category in the following illustrative manner:

<u>Sample:</u>	<u>SDG&E</u>	<u>DWR</u>	<u>FF/Taxes</u>	<u>Total</u>
Bill Due 6/10/01	\$35.00	\$60.00	\$5.00	\$100.00
% of Total	35%	60%	5%	100%
Payment 6/25/01	\$17.50	\$30.00	\$2.50	\$50.00
% of Total	35%	60%	5%	100%

H. Transition to Billing Effective Date and Reconciliation

The Parties recognize that prior to the date on which Utility mailed a Consolidated Utility Bill which reflected a separate line item or denotation of DWR Charges (the "Billing Effective Date"), Utility has remitted DWR Charges based upon the remittance methodology set forth in the Restated Letter Agreement, dated June 18, 2001 and referenced in Attachment E to this Servicing Order (the "Restated Letter Agreement"). Commencing on the Business

Day following the Billing Effective Date, Utility commenced daily remittances based upon the procedures set forth herein and in Section 4.2 of the Servicing Agreement approved by the Commission pursuant to Decision 01-09-013, as amended from time to time (“More Precise Billing Methodology”). As described in Section 4.2(e) of this Servicing Order, Utility shall continue to remit amounts pursuant to the More Precise Billing Methodology for usage through the Operating Order Effective Date, with the final remittance pursuant to the More Precise Billing Methodology to occur 180 days after the Operating Order Effective Date.

I. Transition

On and after the Operating Order Effective Date, Utility shall transition from using the More Precise Remittance Methodology to using the Post-Transition Remittance Methodology as provided in Attachment H hereto, consistent with the Contract Allocation Order and the Settlement Principles for Remittances and Surplus Revenues as set forth in Exhibit C of the Operating Order, this Servicing Order and Attachments B and H hereto. This transition will include the continuation of the More Precise Remittance Methodology true-up after the Operating Order Effective Date as long as necessary or appropriate (the “Transition Period”) to account for DWR Power provided to Customers prior to the Operating Order Effective Date. True-Up remittances during the Transition Period using the More Precise Remittance Methodology shall be made in addition to Remittances made in accordance with the Post-Transition Remittance Methodology set forth in Attachment H hereto.

ATTACHMENT C
 SAN DIEGO GAS & ELECTRIC COMPANY
 SAMPLE DAILY AND MONTHLY REPORTS

A. Sample Daily Cash Receipts Report:

Report Id:XXXXXXX PGM ID: XXXXXX	SAN DIEGO GAS & ELECTRIC DWR NET CASH POSITION FOR THE DAY ENDING XX/XX/XXXX	Process Date: XX/XX/XXXX Run Date: XX/XX/XXXX	Page: X Time: XX:XX
TOTAL DWR CHARGES PAID:		\$ 55.00	

B. Sample Monthly Remittance Report:

San Diego Gas and Electric			
Summary of DWR Energy Billings/Payments/Chargeoffs			
Business Month:	mm/yyyy		
Beginning DWR Balance	\$x,xxx,xxx.xx		
New Billings to Customers	\$x,xxx,xxx.xx		ADD
Payments by Customers	\$x,xxx,xxx.xx		SUBTRACT
Bad Debts charged off	\$x,xxx,xxx.xx		SUBTRACT
Other program (I.e. 20/20) adjustments	\$x,xxx,xxx.xx		
Ending DWR Balance	\$x,xxx,xxx.xx		

C. Daily and Monthly Billing Report:

San Diego Gas & Electric DWR Customer Billing Report Day XXX or Month XXX				
LINE	DESCRIPTION	System kWh	DWR kWh	DWR Billed Amount
1	SCHEDULE DR			
2	SCHEDULE DR-LI			
3	SCHEDULE DM			
4	SCHEDULE DS			
5	SCHEDULE DT			
6	SCHEDULE DT-RV			
7	SCHEDULE D-SMF			
8	SCHEDULE DR-TOU			
9	SCHEDULE DR-TOU-2			
10	SCHEDULE EV-TOU			
11	SCHEDULE EV-TOU-2			
12	SCHEDULE EV-TOU-3			
13	SCHEDULE A			
14	SCHEDULE A-TC			
15	SCHEDULE A-TOU			
16	SCHEDULE AD			
17	SCHEDULE AL-TOU			
18	SCHEDULE A6-TOU			
19	SCHEDULE AO-TOU			
20	SCHEDULE NJ			
21	SCHEDULE AY-TOU			
22	SCHEDULE A-V1			
23	SCHEDULE A-V2			
24	SCHEDULE A-V3			
25	SCHEDULE RTP-1			
26	SCHEDULE RTP-2			
27	SCHEDULE S			
28	SCHEDULE I-3			
29	SCHEDULE PA			
30	SCHEDULE PA-TOU			
31	SCHEDULE PA-T-1			
32	SCHEDULE SPEC			
33	SCHEDULE LS1			
34	SCHEDULE LS2			
35	SCHEDULE LS3			
36	SCHEDULE OL1			
37	SCHEDULE DWL			
38	SCHEDULE ATS			
39	SCHEDULE ART			
40	SCHEDULE DG6			
41	UNDEFINED RATE			
42	Total			

ATTACHMENT D
SAN DIEGO GAS & ELECTRIC COMPANY
GENERAL TERMS AND CONDITIONS

For purposes of this Attachment D, Utility shall be deemed to be the “Contractor” hereunder. To the extent that Contractor's compliance with any of the terms of this Attachment D results in additional costs and expenses for Contractor (except to the extent the terms of this Attachment D merely require compliance with laws or regulations which apply to the Contractor irrespective of the existence of this Servicing Order), Contractor will invoice DWR for such additional costs and expenses, and DWR shall pay such invoices as Additional Charges, in the manner contemplated by Section 7 of the Servicing Order.

1. **RECYCLING CERTIFICATION:** The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of recycled content, both post consumer waste and secondary waste as defined in the Public Contract Code, Sections 12161 and 12200, in materials, goods, or supplies offered or products used in the performance of this Servicing Order, regardless of whether the product meets the required recycled product percentage as defined in the Public Contract Code, Sections 12161 and 12200. Contractor may certify that the product contains zero recycled content. (PCC 10233, 10308.5, 10354)

2. **NON-DISCRIMINATION CLAUSE:** During the performance of this Servicing Order, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Servicing Order by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all contracts with subcontractors to perform work under the Servicing Order.

3. **CERTIFICATION CLAUSES:** The CONTRACTOR CERTIFICATION CLAUSES attached hereto are hereby incorporated by reference and made a part of this Servicing Order.

4. CHILD SUPPORT COMPLIANCE ACT: “For any Agreement in excess of \$100,000, the contractor acknowledges that:

a. the contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

b. the contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.”

5. UNION ORGANIZING: Contractor by signing this Servicing Order hereby acknowledges the applicability of Government Code Section 16645 through Section 16649 to this Servicing Order.

a. Contractor will not assist, promote or deter union organizing by employees performing work on a state service contract, including a public works contract.

b. No state funds received under this agreement will be used to assist, promote or deter union organizing.

c. Contractor will not, for any business conducted under this agreement, use any state property to hold meetings with employees or supervisors, if the purpose of such meetings is to assist, promote or deter union organizing, unless the state property is equally available to the general public for holding meetings.

d. If Contractor incurs costs, or makes expenditures to assist, promote or deter union organizing, Contractor will maintain records sufficient to show that no reimbursement from state funds has been sought for these costs, and that Contractor shall provide those records to the Attorney General upon request.

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY, or EXECUTE THIS CERTIFICATION, in the manner required by Applicable Law, certifying thereby that I am duly authorized to legally bind the entity identified below to the clause(s) listed in the following numbered paragraphs 1-5. This certification is made under the laws of the State of California.

San Diego Gas & Electric Company

By: _____

Name: _____

Title: _____

Date: _____

Federal ID Number _____

Executed in the County of _____

CONTRACTOR CERTIFICATION CLAUSES

1. **STATEMENT OF COMPLIANCE:** Contractor has, unless exempted, complied with the nondiscrimination program requirements. (GC 12990 (a-f) and CCR, Title 2, Section 8103) .

2. **DRUG-FREE WORKPLACE REQUIREMENTS:** Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

1) the dangers of drug abuse in the workplace;

2) the person's or organization's policy of maintaining a drug-free workplace;

3) any available counseling, rehabilitation and employee assistance programs; and,

4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Servicing Order will:

1) receive a copy of the company's drug-free workplace policy statement; and,

2) agree to abide by the terms of the company's statement as a condition of employment.

Failure to comply with these requirements may result in suspension of payments under the Servicing Order or termination of the Servicing Order or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: (1) the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (GC 8350 et seq.)

3. **NATIONAL LABOR RELATIONS BOARD CERTIFICATION:** Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court which

orders Contractor to comply with an order of the National Labor Relations Board. (PCC 10296)

4. **RECYCLED MATERIALS:** Contractor hereby certifies under penalty of perjury that at least 0% of the materials, goods and supplies offered or products used in the performance of this Servicing Order meet or exceed the minimum percentage of recycled materials as defined in Sections 12161 and 12200 of the Public Contract Code.

5. **UNION ACTIVITIES:** In compliance with California Government Code Sections 16645 – 16649, Contractor hereby certifies that no request for reimbursement, or payment under this Servicing Order, will be made for costs incurred to assist, promote or deter union organizing.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. **CONFLICT OF INTEREST:** Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Servicing Order, the awarding agency must be contacted immediately for clarification.

Current State Employees (PCC 10410):

- 1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (PCC 10411):

- 1) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- 2) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Servicing Order void. (PCC 10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (PCC 10430 (e))

2. **LABOR CODE/WORKERS' COMPENSATION:** Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Servicing Order. (Labor Code Section 3700)

3. **AMERICANS WITH DISABILITIES ACT:** Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits

discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. **CONTRACTOR NAME CHANGE:** An amendment is required to change the Contractor's name as listed on this Servicing Order. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. **AIR OR WATER POLLUTION VIOLATION:** Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

6. **PAYEE DATA RECORD FORM STD. 204:** All contractors that are not another state agency or other government entity must complete this form.

ATTACHMENT E
SAN DIEGO GAS & ELECTRIC COMPANY
ADDITIONAL PROVISIONS

1. The Restated Letter Agreement between San Diego Gas & Electric Company (SDG&E) and the California Department of Water Resources (DWR), dated June 18, 2001, as it may be amended or modified from time to time (the "Restated Letter Agreement"). The Restated Letter Agreement provides for continued DWR procurement for SDG&E customers of SDG&E's "full net short" (consisting of substantially all of the power and ancillary services not provided by SDG&E's retained generation) through December 31, 2002. The reference to the Restated Letter Agreement in this Attachment E provides no independent basis for enforcement of the Restated Letter Agreement.
2. Memorandum of Understanding (MOU) with the California Department of Water Resources (DWR), dated June 18, 2001, San Diego Gas & Electric Company (SDG&E) and its parent Company, Sempra Energy. The MOU contemplates the implementation of a series transactions and regulatory settlements and actions to resolve many of the issues affecting SDG&E and its customers arising out of the California energy crisis. The MOU contemplates, among other matters, the sale of SDG&E's transmission system to DWR or another state agency. The MOU also contemplates that DWR's net-short procurement obligations contained in the Restated Letter Agreement are subject to earlier termination upon the satisfaction of regulatory and other conditions intended to assure SDG&E's timely recovery of costs incurred in resuming power procurement for its customers. The reference to the MOU in this Attachment E provides no independent basis for enforcement of the MOU.
3. Letter Agreement between the California Department of Water Resources (DWR) and San Diego Gas & Electric Company (SDG&E). This Letter Agreement provides for the payment of SDG&E's costs to (i) implement and maintain a billing system to remit customer payments to DWR, (ii) implement the 20/20 program, and (iii) implement load curtailment programs under Assembly Bill (AB) 1X, related Executive Orders, and California Public Utilities Commission (CPUC) orders and decisions.
4. Notwithstanding (i) the terms, execution or operation of the Servicing Order, (ii) the approval of, any modification to, or any other action taken with respect to or having an effect on the Servicing Order by the Commission or any other Governmental Authority, or (iii) any other action taken by a Governmental Authority, Utility hereby reserves all rights (if any) in any forum to contest, oppose, appeal, comment on, or otherwise seek to revisit, alter, modify or set aside any present or future decisions, orders, opinions, rulings, or actions or omissions to act by the Commission or any other Governmental Authority, whether in draft, interim or final form, arising out of, relating to, or connected with (x) the calculation of DWR Charges or DWR Revenues and the allocation of costs and amounts of electric capacity and output among the customers of electrical corporations, (y) the interpretation and/or legality of Applicable Law or Applicable Commission Orders, or (z) remittance of such calculated amounts by Utility to DWR or its Assign(s)

under Applicable Law or Applicable Commission Orders in a manner inconsistent with this Servicing Order or Utility's ability to perform its utility functions.

ATTACHMENT F
SAN DIEGO GAS & ELECTRIC COMPANY
CALCULATION METHODOLOGY FOR REDUCED REMITTANCES
PURSUANT TO 20/20 PROGRAM

A. Reimbursement of 20/20 Rebate Costs

1. DWR agrees that Utility shall recover the amount of customer credits under the 20/20 Program as follows:

a. Under the remittance provision of Attachment B of this Servicing Order, Utility shall reduce any remittances to DWR under the Act or the California Public Utilities Commission (CPUC) Resolution E-3770 by the daily amount equal to the total of such customer credits on the following Business Day after the presentation of credits on customer bill.

b. If the amount that Utility is entitled to offset on any day exceeds the funds otherwise due to DWR, the balance will be carried over to the next day. If it appears that the amount Utility is entitled to offset will exceed the funds due to DWR for more than 3 consecutive days, then Utility will invoice DWR with an estimate of the amount due to Utility. DWR will pay such invoice within 1 Business Day of receipt. For purposes of this Attachment F, the credits or payments shall refer to the 20 percent reduction applied to customers' total net electric charges (including applicable rate surcharges), and shall include credits or payments made to resolve Customer disputes or reflect corrected bills following the end of the program.

B. Customer credits under the 20/20 Program will be applied to Customer accounts as follows:

Customer credits under the 20/20/ Program will be applied to customer accounts at time of billing and allocated to DWR according to the same payment posting priority set forth in Attachment B, Section G. In those instances in which the credit exceeds the outstanding charges, the excess credit will remain on the account and be applied to future charges in the same manner.

C. Reimbursement of 20/20 Program Implementation Costs

DWR agrees to pay to Utility an implementation fee and recurring fees in order to cover Utility's reasonable development and on-going costs for the procedures, systems and mechanisms that are necessary to implement and support the 20/20 Program. Utility shall invoice DWR for payment of the implementation fee and recurring fees with reasonable supporting documentation in accordance with Section 7.2 of the Servicing Order. Final invoice to be submitted to DWR no later than February 28, 2003.

D. Estimated Costs:

1. The intent is to reimburse the actual, incremental costs incurred by SDG&E. SDG&E will exercise reasonable commercial efforts in managing their operations to minimize costs and keep within the budgeted costs shown in the table below.

2. SDG&E shall invoice DWR after a 20/20 Program implementation activity described below has been completed and will undertake reasonable commercial efforts to track and keep costs within the estimated costs shown in this Attachment F.

3. SDG&E will invoice DWR based on actual costs and provide DWR with an invoice itemizing and documenting such costs.

4. With the exception of Customer Service Representative calls, SDG&E is unable to track, itemize and document costs for Customer Bill Inquiries without undertaking extensive system programming and hardware upgrades. Specifically, these types of inquiries include field calls, meter re-reads, re-bills and meter tests. Based on 2001 20/20 Program activity levels, SDG&E does not anticipate any incremental increase in costs for these activities. Accordingly, SDG&E has not included cost estimates for these types of Customer Bill Inquiries in the table below. However, DWR agrees that if SDG&E should experience a significant increase in activity levels for the types of customer bill inquiries described above, SDG&E will notify DWR and provide to DWR documentation reasonably necessary to establish such activity levels. SDG&E and DWR shall negotiate a mutually acceptable adjustment based on an estimate of reasonable costs for the applicable increased Customer Bill Inquiries.

Estimated DWR / 20/20 Rebate Program Budgeted Costs									
Expense Items		Quantity or Unit Costs	2002						
1	Systems Programming	One Time Fee	\$16,100 - \$18,500						
2	Customer Communications (FAQ Sheets, Bill Inserts, Mailing Costs & Other Communications)	One Time Fee	\$484,750 - \$686,300						
3	Additional Postage for Bill Insert	One Time Fee	\$280,000 - \$300,000						
4	Customer Service Representative Calls & Training	Ongoing	\$35,600 - \$47,750						
5	Advertising Campaign	Ongoing	See Footnote below						
6	Total Estimated Admin. Costs		\$816,450 - \$1,052,550 (does not include advertising costs)						

Footnote: SDG&E will receive a percentage of the presently estimated \$3 million cost to implement a statewide advertising campaign which is contemplated by the CPUC and the Governor. This cost will be proportionately allocated among the three utilities.

E. 20/20 Program Reporting

1. Daily – To the extent reasonably possible, each Business Day SDG&E shall provide DWR with a report showing the aggregated dollar amount and number of 20/20 Program credits applied to Customer accounts.

2. Monthly – To the extent reasonably possible, SDG&E shall provide DWR with monthly reports showing the monthly total number of customer accounts by rate schedule and the corresponding 20/20 Program credit amount and energy use statistics as identified in the sample monthly report below. Monthly reports will be completed within 10 Business Days after the first of each month.

3. Program Summary – To the extent that SDG&E completes any additional analysis of the results of the 20/20 Program, SDG&E will provide to DWR such analysis. Any additional findings, including "lessons learned" and recommendations for future similar programs, will also be provided to DWR.

Sample Daily Report – 20/20 Program

Report Id:	<u>XXXXXXXX</u>	<u>SAN DIEGO GAS & ELECTRIC</u>
Process Date:	<u>XX/XX/XXXX</u>	Page:
PGM ID:	<u>XXXXXX</u>	
<u>DWR 20/20 CREDIT REPORT</u>		<u>Run Date:</u>

<u>Time:</u>	<u>XXXX</u>	<u>FOR THE DAY</u>
<u>TOTAL 20/20</u>	<u>\$ XXX.XX</u>	<u>ENDING</u>
<u>CREDITS</u>		<u>CUSTOMERS:</u>
<u>PAID:</u>		
<u>AMOUNT</u>		

Sample Monthly Report – 20/20 Program

[“Summary Results of 20/20 Conservation Program: August 2002” table that was approved in D.02-07-038 to be inserted here.]

ATTACHMENT G
SAN DIEGO GAS & ELECTRIC COMPANY
FEE SCHEDULE

A. DWR Billing Agent Cost Estimates:

The following chart provides an estimate of SDG&E's implementation and administrative costs ("Billing Service Implementation Costs") associated with providing Billing Services to DWR pursuant to the Servicing Order.

1. SDG&E shall invoice DWR in accordance with Section 7.2 of the Servicing Order after a Billing Service activity has been completed and will exercise commercially reasonable efforts to track and keep costs within the estimated Billing Service Implementation Costs shown in this Attachment G.
2. For the majority of SDG&E's Billing Service Implementation Costs, SDG&E will invoice DWR based on actual costs and provide DWR with an invoice itemizing and documenting such costs.
3. In certain circumstances SDG&E is unable to track, itemize and document Billing Services Implementation Costs without undertaking extensive system programming and hardware upgrades. Accordingly, DWR agrees that in these circumstances SDG&E shall utilize the SDG&E Estimated Billing Service Implementation Costs shown in this Attachment G for SDG&E's invoicing purposes without undertaking a true-up to actual costs. However, DWR reserves the right to dispute all or any portion of such invoice in which event Section 7.1 shall govern the resolution of any such dispute. Provided, however, DWR and SDG&E shall undertake in good faith efforts to resolve any dispute prior to resorting to such dispute resolution process

B. Billing Service Implementation Costs

Additional Charges reflect SDG&E's estimated costs for Billing Services, which the Parties agree may be used when SDG&E would incur increased costs as a result of performing DWR Billing Services pursuant to the Servicing Order. The items listed are intended to facilitate contract management and are not intended to reflect an exhaustive and inclusive list of Additional Charges that may arise.

Description	Set-Up Cost Estimate	Recurring Costs	Additional Charges	Comments
Energy Data Management	\$32,000	\$8,000		
DWR Remittance & Reporting		20,000		
Customer Billing/Payment Processing	300,000	93,000		
Training	12,000			
Fact Sheet	11,000	11,000		
Bill Insert	5,500			Shared cost due to multiple communication – DWR @ 20%
Brochure Revision	2,500			Shared cost due to multiple communication – DWR @ 20%
Website Changes	3,500			
Direct Mail			\$500,000	Each mailing to all customers
DWR Revenue Req. Ntc	500,000			May/June direct mailing to Large & Small customers
Bill Insert			26,500	One bill insert to all customers
Customer Contacts			6.25	Per contact
Rebilling – Load Profile			3.50	Per month, per meter
Rebilling – IDR metering			49.00	Per month, per meter
Increased Postage			.21	Per piece mailed
Actual Invoice Cost of Annual Report (Section 8.4)			TBD	Cost dependent on audit requirements
Total	\$866,500	\$132,000		
Monthly Recurring		\$11,000		

ATTACHMENT H
SAN DIEGO GAS & ELECTRIC COMPANY
ADJUSTMENTS TO DWR CHARGES FOR VARIANCES IN DWR POWER
DELIVERED

This Attachment H consists of two parts: Part I provides the detailed process of the More Precise Remittance Methodology applicable for DWR Power Charges before the Operating Order Effective Date and Part II provides the detailed process of the Post-Transition Remittance Methodology applicable for DWR Power Charges on and after the Operating Order Effective Date.

Part I. More Precise Remittance Methodology

The methodology in this Part I shall be applied for remittance of DWR Power Charges before the effective date of the Operating Order.

A. SDG&E Remittance Percentage Calculation and True-up

In accordance with SDG&E's Schedule EECC, as it may be modified or superceded by the CPUC from time to time, SDG&E calculates each hour the percentage of Customers electricity use that is supplied by DWR (the "Hourly Percentage Factor"). This percentage is calculated using Final Hour-Ahead Schedules that reflect estimated Customer electricity use. "Estimated Customer Use" shall be defined as the forecasted Customer usage used to establish the Final Hour-Ahead Schedule adjusted using other data that may become available within one day of the Trade Day, as appropriate, to more accurately reflect actual Customer usage. As final settlement statements reflecting actual meter data and electricity deliveries are received from the ISO, SDG&E will calculate the actual Hourly Percentage Factors. For each hour, the estimated Hourly Percentage Factor will be subtracted from the actual Hourly Percentage Factor to determine the Hourly Percentage Factor difference. At the end of each month, a weighted average Hourly Percentage Factor difference will be calculated using all trade dates for which SDG&E has received from the ISO final settlement statements during such month. This weighted average difference will then be adjusted, if necessary, by commodity revenue dollars for the different periods to obtain an adjustment percentage that will be applied as an hourly adjustment in the next month's calculations of Hourly Percentage Factors.

B. Detailed Process

1. Hourly Percentage Factor Calculation:

This calculation is performed on **T+1** (the day after the energy is used).

For each day **T** (trade date) SDG&E will retrieve from ISO published CERS hour-ahead final schedule the amount of DWR energy that is scheduled from SDG&E.

For each day **T** SDG&E will develop estimates of Customer usage and imbalance energy for each hour.

These two components, along with output from the True-up Process, will be used to calculate the Hourly Percentage Factor. SDG&E will calculate the Hourly Percentage Factor for each hour of a trade day **T** by: (i) dividing the CERS' Final Hour Ahead Schedule plus estimated imbalance energy schedule for such hour by the SDG&E Estimated Customer Usage for such hour; and (ii) adding the true-up adjustment percentage applicable for the current month, calculated in accordance with Section B.2, below.

2. True-up Process:

The ISO publishes final settlement statements on **T + 51** business days. The actual meter data on the final settlement statements will be used to calculate the actual Hourly Percentage Factor. The CERS Hour Ahead Final Schedule quantity will be divided by the actual meter data to obtain the actual Hourly Percentage Factor, except that during the term of the Restated Letter Agreement the sum of the CERS Hour Ahead Final Schedule quantity and the Imbalance Energy for each corresponding hour will be divided by the actual meter data to obtain the actual Hourly Percentage Factor.

For each hour the estimated Hourly Percentage Factor will be subtracted from the actual Hourly Percentage Factor to determine the Hourly Percentage Factor difference.

At the end of each month, a weighted average Hourly Percentage Factor difference will be calculated using all trade dates for which final settlement statements were received during that current month. The weight for the average will be the total Customer load, based on actual meter data for each hour. For all trade dates, for which final settlement statements were received during the current month, the actual meter data will be obtained. For each hour, the Hourly Percentage Factor difference will be multiplied by the actual meter data for that hour and then divided by the sum of actual meter data for all hours in the month. All the individual hour weighted results for that month will then be summed to obtain the weighted average Hourly Percentage Factor difference.

The Hourly Percentage Factor will then be adjusted by the commodity revenue dollars for the two time periods: (i) trade dates for which final settlement statements were received, and (ii) next calendar month). Average commodity revenue dollars represent the combined billed electric commodity revenues for both SDG&E and DWR (in dollars). The weighted average Hourly Percentage Factor difference will be

multiplied by commodity revenue dollars for the trade dates for which final settlement statements were received divided by next forecasted average commodity revenue dollars for the next calendar month.

This adjusted percentage will then be applied as the true-up adjustment percentage in the next month's Hourly Percentage Factor calculations. The true-up adjustment percentage will be added to the calculation of the Hourly Percentage Factor in accordance with Section B.1, above.

Part II. Post-Transition Remittance Methodology

The methodology in this Part II shall be applied for remittance of DWR Power Charges on and after the effective date of the Operating Order.

A. SDG&E Remittance Percentage Calculation and True-up

In accordance with SDG&E's Schedule EECC, as it may be modified or superceded by the CPUC from time to time, SDG&E calculates each hour the percentage of Customers electricity use that is supplied by DWR (the "Hourly Percentage Factor"). This percentage is calculated using Final Hour-Ahead Schedules and other information reasonably available to SDG&E within one day of the Trade Day that reflect estimated dispatched quantities of SDG&E integrated portfolio resources including the Allocated Contracts as well as estimated Customer electricity use. "Estimated Customer Use" shall be defined as the forecasted Customer usage used to establish the Final Hour-Ahead Schedule adjusted using other data that may become available within one day of the Trade Day, as appropriate, to more accurately reflect actual Customer usage. As final settlement statements reflecting actual meter data and electricity deliveries are received from the ISO, SDG&E will calculate the actual Hourly Percentage Factor. For each hour, the estimated Hourly Percentage Factor will be subtracted from the actual Hourly Percentage Factor to determine the Hourly Percentage Factor difference. At the end of each month, a weighted average Hourly Percentage Factor difference will be calculated using all trade dates for which SDG&E has received from the ISO final settlement statements during such month. This weighted average difference will then be adjusted, if necessary, by commodity revenue dollars for the different periods to obtain an adjustment percentage that will be applied as an hourly adjustment in the next month's calculations of Hourly Percentage Factor.

B. Detailed Process

1. Hourly Percentage Factor Calculation:

This calculation is performed on **T+1** (the day after the energy is used).

For each day **T** (trade date) SDG&E will retrieve from ISO published hour-ahead final schedules of SDG&E integrated portfolio resources including the Allocated Contracts.

For each day **T**, SDG&E will develop estimates of Customer usage.

These two components, along with output from the True-up Process, will be used to calculate the Hourly Percentage Factor. SDG&E will calculate the Hourly Percentage Factor for each hour of a trade day **T** in accordance with the principles provided in Exhibit C of the Operating Order; and (ii) adding the true-up adjustment percentage applicable for the current month, calculated in accordance with Section B.2, below.

2. True-up Process

The ISO publishes final settlement statements on **T + 51** business days. The actual meter data on the final settlement statements will be used to calculate the actual Hourly Percentage Factor in accordance with the principles provided in Exhibit C of the Operating Order.

For each hour the estimated Hourly Percentage Factor will be subtracted from the actual Hourly Percentage Factor to determine the Hourly Percentage Factor difference.

At the end of each month, a weighted average Hourly Percentage Factor difference will be calculated using all trade dates for which final settlement statements were received during that current month. The weight for the average will be the total retail Customer load, based on actual meter data for each hour. For all trade dates, for which final settlement statements were received during the current month, the actual meter data will be obtained. For each hour, the Hourly Percentage Factor difference will be multiplied by the actual meter data for that hour and then divided by the sum of actual meter data for all hours in the month. All the individual hour weighted results for that month will then be summed to obtain the weighted average Hourly Percentage Factor difference.

The Hourly Percentage Factor will then be adjusted by the commodity revenue dollars for the two time periods: (i) trade dates for which final settlement statements were received, and (ii) next calendar month. Average commodity revenue dollars represent the combined billed electric commodity revenues for both SDG&E and DWR (in dollars). The weighted average Hourly Percentage Factor difference will be multiplied by commodity revenue dollars for the trade dates for which final settlement statements were received divided by next forecasted average commodity revenue dollars for the next calendar month.

This adjusted percentage will then be applied as the true-up adjustment percentage in the next month's Hourly Percentage Factor calculations. The true-up

adjustment percentage will be added to the calculation of the Hourly Percentage Factor in accordance with Section B.1, above.

