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March 6, 2015

**ADVICE LETTER 2712-E/2369-G**  
(U 902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: ESTABLISHMENT OF GAS AND ELECTRIC SMART METER OPT-OUT  
BALANCING ACCOUNTS, MODIFICATION OF GAS AND ELECTRIC  
SCHEDULE RESIDENTIAL SMART METER OPT OUT PROGRAM (SMOP)  
AND RULE 17 IN COMPLIANCE WITH DECISION 14-12-078**

San Diego Gas & Electric Company (SDG&E) hereby submits for approval by the California Public Utilities Commission (Commission) revisions to its electric and gas tariff schedules, applicable throughout its service territory, as shown on Attachments A and B, respectively.

### **PURPOSE**

In compliance with Decision (D.)14-12-078, this filing revises SDG&E's electric Preliminary Statement, Section II, Balancing Accounts, and gas Preliminary Statement, Part IV, Description of Regulatory Accounts – Balancing Accounts, to establish the gas and electric Smart Meter Opt-Out Balancing Accounts (SMOBA); transfer the balance from the gas and electric Smart Meter Opt-Out Memorandum Accounts (SMOMA) to the SMOBA; and modifies gas and electric Schedule SMOP and Rule 17 as further discussed below. In addition, this filing eliminates the currently authorized gas and electric Preliminary Statement – Smart Meter Opt-Out Memorandum Account (SMOMA).

### **BACKGROUND**

In 2007, the Commission authorized SDG&E to deploy Advanced Metering Infrastructure (AMI) systems<sup>1</sup>. Among other things, the AMI program would replace analog meters with smart meters.

On April 19, 2012, the Commission issued D.12-04-019, which modified SDG&E's Smart Meter Program to include an option for those residential customers who did not wish to have a wireless smart meter. D.12-04-019 adopted interim fees for those customers electing to opt-out of smart meter service and directed that a second phase be initiated to consider the associated cost and cost allocation issues from opting-out. The decisions also directed SDG&E to establish

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<sup>1</sup> D.07-04-043

memorandum accounts to track revenues and costs associated with providing the opt-out option until a final decision on recoverable costs and cost allocation is adopted. Advice Letter 2346-E/2107-G, filed April 20, 2012<sup>2</sup>, established the gas and electric Smart Meter Opt-Out Memorandum Accounts (SMOMA).

On December 18, 2014, the Commission issued D.14-12-078 (Phase II Decision), which set opt-out fees and charges<sup>3</sup> for SDG&E's residential customers at the interim levels adopted in the Phase I Decision. The Phase II Decision also grants authority for SDG&E to recover actual costs associated with providing both gas and electric opt-out programs. SDG&E may transfer the amounts recorded in the SMOMA authorized in the Phase I Decision to a new balancing account for recovery.<sup>4</sup> A balancing account approach is adopted for setting the revenue requirement for opt-out service until SDG&E's next General Rate Case (GRC). SDG&E is also to propose any future adjustments to the opt-out charge or monthly fees to account for over- or under-collections in the balancing account in its next GRC application filing.

The Phase II Decision limits the collection of the monthly charge from residential opt-out customers to three years from the date they choose to opt-out<sup>5</sup>. The remaining portion of the revenue requirements that exceeds revenues collected from the opt-out charges are to be allocated to the residential customer class as a whole. Additionally, opt-out programs are to be revised to provide for estimated bi-monthly (i.e., every two months) bills, and a community opt-out option may not be offered.

### **PROPOSED TARIFF CHANGES**

OP 17 of D.14-12-078 states (in part) that:

*“SDG&E is authorized to file a Tier 1 Advice Letter to create electric and gas balancing accounts to record the amount of revenues collected from opt-out customers as compared to recorded costs of opt-out service.”*

SDG&E is filing this advice letter to establish the gas and electric SMOBAs to record the difference between the revenues collected from customers that opt-out of a wireless smart meter and the costs incurred<sup>6</sup> resulting from this opt-out election, excluding exit fees and \$27,934 attributable to the purchase of analog electric meters. The gas and electric SMOMAs are eliminated since the ending balance will be transferred to the SMOBAs; thus the SMOMAs will no longer be required.

In addition, this filing modifies gas and electric Schedule SMOP to provide that: (1) the monthly charge be applicable to residential customers who opt-out of the program for a period of three years from the date the customer elects to opt-out, (2) opt-out customers will receive an estimated meter reading on a bi-monthly basis (i.e., every two months) with regular meter readings occurring every other month, and (3) local governments and entities such as

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<sup>2</sup> Approved by the Commission on May 21, 2012.

<sup>3</sup> A Non-California Alternate Rates for Energy (CARE) customer electing the opt-out option shall be assessed an initial fee of \$75.00 and a monthly charge of \$10.00. A CARE customer electing the opt-out option shall be assessed an initial fee of \$10.00 and a monthly charge of \$5.00.

<sup>4</sup> Pursuant to D.14-12-078 Conclusion of Law 23, “exit fees” should not be assessed upon opt-out customers.

<sup>5</sup> D.12-04-019 authorized May 9, 2012 as the beginning of smart meter opt-out.

<sup>6</sup> Including incremental costs to estimate and then true-up opt-out customer bills.

condominiums and other multi-unit dwellings are not allowed to exercise the opt-out option on behalf of individual residents.<sup>7</sup>

Lastly, this filing modifies gas and electric Rule 17 (Meter Reading) to further clarify that the residential opt-out customers will receive their regular meter reads on a bi-monthly basis as directed in D.14-12-078.

### **EFFECTIVE DATE**

Pursuant to OP 17 of D.14-12-078, SDG&E believes that this filing is subject to Energy Division disposition and should be classified as Tier 1 pursuant to GO 96-B. SDG&E respectfully requests that this filing become effective on March 6, 2015, the date in which this was filed.

### **PROTEST**

Anyone may protest this advice letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impacts, and should be submitted expeditiously. The protest must be made in writing and received within 20 days of the date this advice letter was filed with the CPUC, or March 26, 2015. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of the Energy Division at [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov). A copy of the protest should also be sent via e-mail to the addresses shown below on the same date it is mailed or delivered to the Commission.

Attn: Megan Caulson  
Regulatory Tariff Manager  
9305 Lightwave Avenue, SD1190  
San Diego, CA 92123  
E-mail: [mcaulson@semprautilities.com](mailto:mcaulson@semprautilities.com)

### **NOTICE**

A copy of this filing has been served on the utilities and interested parties shown on the attached list, including interested parties on service list A.11-03-015, by either providing them a copy electronically or by mailing them a copy, properly stamped and addressed.

Address changes should be directed to SDG&E Tariffs by e-mail to [SDG&ETariffs@semprautilities.com](mailto:SDG&ETariffs@semprautilities.com).

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CLAY FABER  
Director – CA & Federal Regulatory

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<sup>7</sup> D.14-12-078 Conclusion of Law 25 and 26.

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SAN DIEGO GAS & ELECTRIC (U 902)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Christina Sondrini

Phone #: (858) 636-5736

E-mail: csondrini@semprautilities.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2712-E/2369-G

Subject of AL: Establishment of the Gas and Electric Smart Meter Opt-Out Balancing Accounts and Revisions to the Gas and Electric Schedule Residential Smart Meter Opt-Out Program in Compliance with Decision 14-12-078

Keywords (choose from CPUC listing): Compliance, Smart Meter

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.14-12-078

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL N/A

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: N/A

Does AL request confidential treatment? If so, provide explanation: N/A

Resolution Required?  Yes  No

Tier Designation:  1  2  3

Requested effective date 3/6/15

No. of tariff sheets: 23

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: EList Balancing Accounts, E-SMOBA, EList Memo Accounts, E-SMOP,

ERule 17, GList Balancing Accounts, G-SMOBA, GList Memo Accounts, G-SMOP, GRule 17 & TOC

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:**

**CPUC, Energy Division**

**Attention: Tariff Unit**

**505 Van Ness Ave.,**

**San Francisco, CA 94102**

**EDTariffUnit@cpuc.ca.gov**

**San Diego Gas & Electric**

**Attention: Megan Caulson**

**8330 Century Park Ct, Room 32C**

**San Diego, CA 92123**

**mcaulson@semprautilities.com**

<sup>1</sup> Discuss in AL if more space is needed.

General Order No. 96-B  
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

Public Utilities Commission

DRA

S. Cauchois  
R. Pocta  
W. Scott

Energy Division

P. Clanon  
S. Gallagher  
D. Lafrenz  
M. Salinas

CA. Energy Commission

F. DeLeon  
R. Tavares

Alcantar & Kahl LLP

K. Cameron

American Energy Institute

C. King

APS Energy Services

J. Schenk

BP Energy Company

J. Zaiontz

Barkovich & Yap, Inc.

B. Barkovich

Bartle Wells Associates

R. Schmidt

Braun & Blaising, P.C.

S. Blaising

California Energy Markets

S. O'Donnell

C. Sweet

California Farm Bureau Federation

K. Mills

California Wind Energy

N. Rader

Children's Hospital & Health Center

T. Jacoby

City of Poway

R. Willcox

City of San Diego

J. Cervantes

G. Lonergan

M. Valerio

Commerce Energy Group

V. Gan

CP Kelco

A. Friedl

Davis Wright Tremaine, LLP

E. O'Neill

J. Pau

Dept. of General Services

H. Nanjo

M. Clark

Douglass & Liddell

D. Douglass

D. Liddell

G. Klatt

Duke Energy North America

M. Gillette

Dynegy, Inc.

J. Paul

Ellison Schneider & Harris LLP

E. Janssen

Energy Policy Initiatives Center (USD)

S. Anders

Energy Price Solutions

A. Scott

Energy Strategies, Inc.

K. Campbell

M. Scanlan

Goodin, MacBride, Squeri, Ritchie & Day

B. Cragg

J. Heather Patrick

J. Squeri

Goodrich Aerostructures Group

M. Harrington

Hanna and Morton LLP

N. Pedersen

Itsa-North America

L. Belew

J.B.S. Energy

J. Nahigian

Luce, Forward, Hamilton & Scripps LLP

J. Leslie

Manatt, Phelps & Phillips LLP

D. Huard

R. Keen

Matthew V. Brady & Associates

M. Brady

Modesto Irrigation District

C. Mayer

Morrison & Foerster LLP

P. Hanschen

MRW & Associates

D. Richardson

Pacific Gas & Electric Co.

J. Clark

M. Huffman

S. Lawrie

E. Lucha

Pacific Utility Audit, Inc.

E. Kelly

San Diego Regional Energy Office

S. Freedman

J. Porter

School Project for Utility Rate Reduction

M. Rochman

Shute, Mihaly & Weinberger LLP

O. Armi

Solar Turbines

F. Chiang

Southern California Edison Co.

M. Alexander

K. Cini

K. Gansecki

H. Romero

TransCanada

R. Hunter

D. White

TURN

M. Hawiger

UCAN

D. Kelly

U.S. Dept. of the Navy

K. Davoodi

N. Furuta

L. DeLacruz

Utility Specialists, Southwest, Inc.

D. Koser

Western Manufactured Housing

Communities Association

S. Dey

White & Case LLP

L. Cottle

Interested Parties In:

A.11-03-015

ATTACHMENT A  
ADVICE LETTER 2712-E

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 26147-E	PRELIMINARY STATEMENT, II. BALANCING ACCOUNTS, DESCRIPTION/LISTING OF ACCOUNTS, Sheet 2	Revised 23609-E
Original 26148-E	PRELIMINARY STATEMENT, II. BALANCING ACCOUNTS, SMART METER OPT-OUT BALANCING ACCOUNT (SMOBA), Sheet 1	
Original 26149-E	PRELIMINARY STATEMENT, II. BALANCING ACCOUNTS, SMART METER OPT-OUT BALANCING ACCOUNT (SMOBA), Sheet 2	
Revised 26150-E	PRELIMINARY STATEMENT, III. MEMORANDUM ACCOUNTS, DESCRIPTION/LISTING OF ACCOUNTS, Sheet 2	Revised 24065-E
Revised 26151-E	SCHEDULE E-SMOP, RESIDENTIAL ELECTRIC SMART METER OPT-OUT PROGRAM, Sheet 1	Original 22919-E
Revised 26152-E	SCHEDULE E-SMOP, RESIDENTIAL ELECTRIC SMART METER OPT-OUT PROGRAM, Sheet 2	Original 22920-E
Revised 26153-E	RULE 17, METER READING, Sheet 1	Original 20144-E
Revised 26154-E	TABLE OF CONTENTS, Sheet 1	Revised 26144-E
Revised 26157-E	TABLE OF CONTENTS, Sheet 2	Revised 26145-E
Revised 26155-E	TABLE OF CONTENTS, Sheet 3	Revised 26146-E
Revised 26156-E	TABLE OF CONTENTS, Sheet 4	Revised 26123-E
Revised 26158-E	TABLE OF CONTENTS, Sheet 7	Revised 26049-E



**PRELIMINARY STATEMENT**

Sheet 2

II. BALANCING ACCOUNTS  
DESCRIPTION/LISTING OF ACCOUNTS

Listing of Accounts

- California Alternate Rates for Energy (CARE) Balancing Account
- Rewards and Penalties Balancing Account (RPBA)
- Transition Cost Balancing Account (TCBA)
- Post-1997 Electric Energy Efficiency Balancing Account (PEEEBA)
- Tree Trimming Balancing Account (TTBA)
- Baseline Balancing Account (BBA)
- Energy Resource Recovery Account (ERRA)
- Low-Income Energy Efficiency Balancing Account (LIEEBA)
- Non-Fuel Generation Balancing Account (NGBA)
- Electric Procurement Energy Efficiency Balancing Account (EPEEBA)
- Common Area Balancing Account (CABA)
- Nuclear Decommissioning Adjustment Mechanism (NDAM)
- Pension Balancing Account (PBA)
- Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA)
- Community Choice Aggregation Implementation Balancing Account (CCAIBA)
- Electric Distribution Fixed Cost Account (EDFCA)
- Rate Design Settlement Component Account (RDSCA)
- California Solar Initiative Balancing Account (CSIBA)
- SONGS O&M Balancing Account (SONGSBA)
- Advanced Metering Infrastructure Balancing Account (AMIBA)
- Research, Development and Demonstration Expense Account (RDDEA)
- On-Bill Financing Balancing Account (OBFBA)
- Solar Energy Project Balancing Account (SEPBA)
- Electric Program Investment Charge Balancing Account (EPICBA)
- Tax Equity Investment Balancing Account (TEIBA)
- California Energy Systems for the 21st Century Balancing Account (CES-21BA)
- Dynamic Pricing Balancing Account (DPBA)
- Greenhouse Gas (GHG) Cost Revenue Balancing Account
- Local Generating Balancing Account (LGBA)
- Energy Storage Balancing Account (ESBA)
- New Environmental Regulatory Balancing Account (NERBA)
- Master Meter Balancing Account (MMBA)
- Smart Meter Opt-Out Balancing Account (SMOBA)

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**PRELIMINARY STATEMENT**

Sheet 1

**II. BALANCING ACCOUNTS**  
**SMART METER OPT-OUT BALANCING ACCOUNT (SMOBA)**

1. Purpose

The purpose of the electric SMOBA is to record the difference between revenues collected from opt-out customers through Commission-authorized fees and charges; and costs incurred related to the Phase II implementation and on-going costs, and any other costs associated with activities related to the opt-out program as authorized by the Commission in D.12-04-019 and D.14-12-078.

The Program provides residential customers with the option to not have a wireless Smart Meter installed at their residences. Costs that can be attributed specifically to electric service will be recorded at 100% to this account. General costs that cannot be attributed specifically either to providing gas service or electric service shall be allocated 65% electric and 35% gas. All revenues from the electric portion of the charges (i.e. initial fee and monthly charge) from participating residential customers will be credited to the SMOBA.

2. Applicability

The SMOBA shall apply to electric residential customers except for those specifically excluded by the Commission.

3. Rates

The SMOBA rate component is set forth in Electric Rate Schedule E-SMOP.

4. Accounting Procedure

The Utility shall maintain the SMOBA by making entries at the end of each month as follows:

- a. An initial transfer of SDG&E's electric Smart Meter Opt-Out Memorandum Account (SMOMA) ending balance (excluding any "exit fees" costs and costs attributable to the purchase of analog electric meters that may have been recorded in the SMOMA) to the SMOBA;
- b. A debit entry equal to the electric portion of SDG&E's incremental Operation and Maintenance (O&M) and Administrative and General (A&G) operating expenses, excluding associated "exit fee" costs, incurred for all opt-out related activities;
- c. A debit entry equal to the electric portion of SDG&E's incremental capital-related costs (i.e., depreciation, return and taxes) incurred for activities required to implement and run the opt-out program;
- d. A credit entry equal to actual revenues associated with the initial fees and monthly charges for the opt-out program;
- e. An entry to amortize the SMOBA balance as authorized by the Commission; and

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Advice Ltr. No. 2712-E

Decision No. 14-12-078

Issued by  
**Lee Schavrien**  
Senior Vice President

Date Filed Mar 6, 2015

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

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San Diego Gas & Electric Company  
San Diego, California

Original Cal. P.U.C. Sheet No. 26149-E

Canceling Cal. P.U.C. Sheet No.

**PRELIMINARY STATEMENT**

Sheet 2

II. BALANCING ACCOUNTS  
SMART METER OPT-OUT BALANCING ACCOUNT (SMOBA)

4. Accounting Procedure (Continued)

f. An entry equal to the interest on the average of the balance at the beginning of the month and the balance after the entries listed above, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

5. Disposition

Pursuant to D.14-12-078, SDG&E shall include a summary of costs incurred and revenues collected associated with providing the opt-out program in its next General Rate Case (GRC). Upon resolution of the GRC proceeding, SDG&E will amortize the over- or under-collected balance in the SMOBA. The SMOBA balance will be allocated to the residential customer class.

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Advice Ltr. No. 2712-E

Decision No. 14-12-078

Issued by  
**Lee Schavrien**  
Senior Vice President

Date Filed Mar 6, 2015

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_



**PRELIMINARY STATEMENT**

Sheet 2

III. MEMORANDUM ACCOUNTS  
DESCRIPTION/LISTING OF ACCOUNTS

Listing of Accounts

- Catastrophic Event Memorandum Account (CEMA)
- Streamlining Residual Account (SRA)
- Nuclear Claims Memorandum Account (NCMA)
- Real-Time Energy Metering Memorandum Account (RTEMMA)
- Net Energy Metering Memorandum Account (NEMMA)
- Interval Metering Program Memorandum Account (IMPMA)
- Self-Generation Program Memorandum Account (SGPMA)
- Bond Payment Memorandum Account (BPMA)
- Direct Access Cost Responsibility Surcharge Memorandum Account (DACRSMA)
- Advanced Metering and Demand Response Memorandum Account (AMDRMA)
- Reliability Costs Memorandum Account (RCMA)
- Litigation Cost Memorandum Account (LCMA)
- Community Choice Aggregation Surcharge Memorandum Account (CCASMA)
- Independent Evaluator Memorandum Account (IEMA)
- Community Choice Aggregation Procurement Memorandum Account (CCAPMA)
- California Solar Initiative Performance-Based Memorandum Account (CSI PBI)
- Market Redesign Technology Upgrade Memorandum Account (MRTUMA)
- Gain/Loss On Sale Memorandum Account (GLOSMA)
- Non-Residential Submetering Memorandum Account (NRSMA)
- Long Term Procurement Plan Technical Assistance Memorandum Account (LTAMA)
- Energy Efficiency 2009-2011 Memorandum Account (EEMA)
- Fire Hazard Prevention Memorandum Account (FHPMA)
- Wildfire Expense Memorandum Account (WEMA)
- Smart Grid Memorandum Account (SGMA)
- Dynamic Pricing Memorandum Account (DPMA)
- EI Dorado Transition Cost Memorandum Account (EDTCMA)
- General Rate Case (GRC) Memorandum Account (GRCMA)
- 2012 – 2014 Energy Savings Assistance Programs Memorandum Account (ESAPMA)
- Cuyamaca Peak Energy Plant Memorandum Account (CPEPMA)
- Sutter Energy Center Memorandum Account (SECMA)
- SONGS Outage Memorandum Account (SONGS OMA)
- Greenhouse Gas (GHG) Administrative Costs Memorandum Account
- Greenhouse Gas (GHG) Customer Outreach and Education Memorandum Account
- SONGS Technical Assistance Memorandum Account (STAMA)
- Renewable Portfolio Standard Cost Memorandum Account (RPSCMA)
- Alternative Fuel Vehicle Memorandum Account (AFVMA)
- Net Energy Metering Aggregation Memorandum Account (NEMAMA)
- Energy Data Request Memorandum Account (EDRMA)
- Residential Disconnect Memorandum Accounts (RDMA)
- Mitsubishi Net Litigation Memorandum Account (MNLMA)
- Nuclear Fuel Cancellation Incentive Memorandum Account (NFCIMA)
- NEIL Net Litigation Memorandum Account (NNLMA)
- SONGS 2&3 Permanent Closure Noninvestment Related Expenses Memorandum Account (SPCEMA)
- Marine Mitigation Memorandum Account (MMA)

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Issued by

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Mar 6, 2015

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**Lee Schavrien**

Effective

Decision No. 14-12-078

Senior Vice President

Resolution No.



**SCHEDULE E-SMOP**

Sheet 1

RESIDENTIAL ELECTRIC SMART METER OPT-OUT PROGRAM

APPLICABILITY

Applicable, in conjunction with any other applicable schedule, to all residential customers who do not wish to have a wireless, communicating meter, known as a Smart Meter, installed at their premises (hereafter, "Opt-Out Customers"). Under this program, customers may receive service using an analog meter(s). This schedule is applicable to customers who take gas and electric service, or electric-only service, from SDG&E.

TERRITORY

Within the entire territory served by the Utility.

RATES

Customers who elect this option will be charged as follows:

Customers who take service on the California Alternate Rates for Energy (CARE) program will pay an initial fee and a monthly charge for analog meter service.

CARE Customers:  
Initial Fee \$10.00  
Monthly Charge \$5.00/month

Customers who are *not* taking service on the CARE program will pay an initial fee and a monthly charge for analog meter service.

Non-CARE Customers:  
Initial Fee \$75.00  
Monthly Charge \$10.00/month

The initial and monthly charges described above are applicable to customers who receive gas and electric service, or receive electric-only service, from SDG&E. Customers that take only gas service from SDG&E, and wish to have an analog gas meter installed, should refer to Schedule G-SMOP, the Residential Gas Smart Meter Opt-Out Program, for the associated charges.

Customers will not be charged the initial fee or monthly charge until the analog meter(s) is installed. The monthly charge will be applicable for a period of three years from the date the residential customer elects to opt-out of wireless Smart Meters. D.12-04-019 authorized May 9, 2012 as the beginning of smart meter opt-out.

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Senior Vice President

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Effective \_\_\_\_\_

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**SCHEDULE E-SMOP**

Sheet 2

RESIDENTIAL ELECTRIC SMART METER OPT-OUT PROGRAM

SPECIAL CONDITIONS

1. Metering Equipment. An analog meter, with no radio communications ability, will be used in place of the wireless meter to provide electric service for residential customers who elect this option.
2. Billing. Customers will be billed for charges applicable under the customer's Otherwise Applicable Rate Schedule (OAS), plus the initial fee and the monthly charge described herein. The initial fee and monthly charge will appear on the electric service agreements of both customers that take electric-only service from SDG&E and customers that take gas and electric service from SDG&E. Opt-Out Program customers will be charged the initial and monthly charges described above once the replacement meter(s) is installed, and they will be required to pay the initial fee within three months. All such charges will be subject to the terms and conditions for rendering and payment of bills under Electric Rules 8 and 9.
3. Estimated Meter Reading: As directed by D.14-12-078, Opt-Out Customers will receive an estimated meter reading on a bi-monthly basis (i.e., every two months). Estimated meter reads will be based on the prior month's daily average usage, and will be used for billing purposes in accordance with Rule 17. Regular reading of the meter will occur every other month.
4. Pursuant to Decision 12-04-019, a customer must affirmatively elect to opt-out of the Smart Meter Program, and shall default to Smart Meter-based utility service absent such an election. If SDG&E makes a field visit to a customer's residence for purposes of installing a Smart Meter and the customer does not provide reasonable access to SDG&E to install a Smart Meter after being provided notice of eligibility for service under this Opt-Out Program and not electing to opt-out, the customer shall be deemed to have elected service under this Opt-Out Program.
5. Local governments and entities such as condominiums and other multi-unit dwellings are not allowed to exercise the Opt-Out option on behalf of individual residents.

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Advice Ltr. No. 2712-E

Decision No. 14-12-078

Issued by  
**Lee Schavrien**  
Senior Vice President

Date Filed Mar 6, 2015

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_



**RULE 17**  
**METER READING**

Sheet 1

A. Meter Reading Schedule

Meters shall be read as nearly as possible at regular intervals. The regular billing period for residential service shall be one month. The regular billing period for all other classes of service shall be one month unless credit relations or collection difficulties make shorter periods advisable. In such cases, the billing period may be reduced to two weeks or to one week at the Utility's discretion. For residential customers who have opted-out of wireless smart meters, their regular meter reads will occur bi-monthly as directed in D.14-12-078.

When the Utility, at its sole discretion, elects to read a meter on a bi-monthly basis, it will adhere to the following:

1. Provide a one-time payment or credit of \$5.00 to the customer. This payment or credit will not be repeated for new customers locating within the affected area, after payments have been made.
2. Notify the customer in advance of the reason for the \$5.00 payment or credit and the customer's course of action for remedy of complaints.
3. If the greater of five (5) percent or twenty-five (25) customers in the affected areas collectively object to the bi-monthly or quarterly meter reading, the Utility will revert the affected area to a monthly meter reading schedule.
4. Any payments made under Section 1. above, shall be treated as a normal Utility expense.

B. Reading of Separate Meters Not Combined

For billing purposes, each meter upon the customer's premises will be considered separately and readings of two or more meters will not be combined except as follows:

1. The combinations of meter readings are specifically provided for in rate schedules.
2. The maintenance of adequate service and/or the Utility's operating convenience requires the installation of two or more meters upon the customer's premises. (The applicability of this paragraph will depend upon the metering that would be utilized for new customers with similar service requirements.)

C. Estimated Bills

1. If, for reasons beyond the Utility's control, the meter serving the customer cannot be read on the scheduled reading date, or accurate usage data is not available, the Utility will bill the customer for estimated consumption during the billing period, and make any necessary corrections when a reading is obtained. Estimated consumption for this purpose will be calculated considering the customer's prior usage, the Utility's experience with other customers of the same class in that area, and the general characteristics of the customer's operations. Adjustments for any under-estimate or over-estimate of a customer's consumption will be reflected on the first regularly scheduled bill rendered and based on an actual reading following the period of inaccessibility. Access to the meter, sufficient to permit the Utility to obtain an accurate read, shall be provided by the customer as a pre-requisite to the Utility making any adjustment of volumes of electricity billed on an estimated basis.

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Sheet 1

The following sheets contain all the effective rates and rules affecting rates, service and information relating thereto, in effect on the date indicated herein.

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**Lee Schavrien**  
Senior Vice President



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ADVICE LETTER 2369-G

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**PRELIMINARY STATEMENT**

Sheet 2

IV. BALANCING ACCOUNTS  
DESCRIPTION/LISTING OF ACCOUNTS

Listing of Accounts

- Curtailment Penalty Funds Account (CPFA)
- California Alternate Rates for Energy (CARE) Balancing Account
- Gas Energy Efficiency Balancing Account (GEEBA)
- Rewards & Penalties Balancing Account (RPBA)
- Pension Balancing Account (PBA)
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- Core Fixed Cost Account (CFCA)
- Noncore Fixed Cost Account (NFCA)
- Post-2005 Gas Energy Efficiency Balancing Account (PGEEBA)
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- Integrated Transmission Balancing Account (ITBA)
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- Greenhouse Gas Balancing Account (GHGBA)
- Smart Meter Opt-Out Balancing Account (SMOBA)

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**PRELIMINARY STATEMENT**

Sheet 1

IV. BALANCING ACCOUNTS  
SMART METER OPT-OUT BALANCING ACCOUNT (SMOBA)

1. Purpose

The purpose of the gas SMOBA is to record the difference between revenues collected from opt-out customers through Commission-authorized fees and charges; and costs incurred related to the Phase II implementation and on-going costs, and any other costs associated with activities related to the opt-out program as authorized by the Commission in D.12-04-019 and D.14-12-078.

The Program provides residential customers with the option to not have a wireless Smart Meter installed at their residences. Costs that can be attributed specifically to gas service will be recorded at 100% to this account. General costs that cannot be attributed specifically either to providing gas service or electric service shall be allocated 65% electric and 35% gas. All revenues from the gas portion of the charges (i.e. initial fee and monthly charge) from participating residential customers will be credited to the SMOBA.

2. Applicability

The SMOBA shall apply to gas residential customers except for those specifically excluded by the Commission.

3. Rates

The SMOBA rate component is set forth in Gas Rate Schedule G-SMOP.

4. Accounting Procedure

The Utility shall maintain the SMOBA by making entries at the end of each month as follows:

- a. An initial transfer of SDG&E's gas Smart Meter Opt-Out Memorandum Account (SMOMA) ending balance (excluding any "exit fees" costs that may have been recorded in the SMOMA) to the SMOBA;
- b. A debit entry equal to the gas portion of SDG&E's incremental Operation and Maintenance (O&M) and Administrative and General (A&G) operating expenses, excluding associated "exit fee" costs, incurred for all opt-out related activities;
- c. A debit entry equal to the gas portion of SDG&E's incremental capital-related costs (i.e., depreciation, return and taxes) incurred for activities required to implement and run the opt-out program;
- d. A credit entry equal to actual revenues associated with the initial fees and monthly charges for the opt-out program;
- e. An entry to amortize the SMOBA balance as authorized by the Commission; and

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San Diego Gas & Electric Company  
San Diego, California

Original Cal. P.U.C. Sheet No. 21114-G

Canceling Cal. P.U.C. Sheet No.

**PRELIMINARY STATEMENT**

Sheet 2

IV. BALANCING ACCOUNTS  
SMART METER OPT-OUT BALANCING ACCOUNT (SMOBA)

Accounting Procedure (Continued)

- f. An entry equal to the interest on the average of the balance at the beginning of the month and the balance after the entries listed above, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.
5. Disposition
- Pursuant to D.14-12-078, SDG&E shall include a summary of costs incurred and revenues collected associated with providing the opt-out program in its next General Rate Case (GRC). Upon resolution of the GRC proceeding, SDG&E will amortize the over- or under-collected balance in the SMOBA. The SMOBA balance will be allocated to the residential customer class.

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**PRELIMINARY STATEMENT**

Sheet 2

V. MEMORANDUM ACCOUNTS  
DESCRIPTION/LISTING OF ACCOUNTS

Listing of Accounts

- Catastrophic Event Memorandum Account (CEMA)
- Core Reclassification Shortfall Memorandum Account (CRSMA)
- Liquefied Natural Gas Service Tracking Account (LNGSTA)
- Self-Generation Program Memorandum Account (SGPMA)
- FERC Settlements Proceeds Memorandum Account (FSPMA)
- Gain/Loss on Sale Memorandum Account (GLOSMA)
- California Institute for Climate Solutions (CICSMA)
- Energy Efficiency 2009-2011 Memorandum Account (EEMA)
- Pipeline Safety and Reliability Memorandum Account (PSRMA)
- Wildfire Expense Memorandum Account (WEMA)
- Disconnect Memorandum Account (DMA)
- California Solar Initiative Thermal Program Memorandum Account (CSITPMA)
- General Rate Case (GRC) Memorandum Account (GRCMA)
- 2012 – 2014 Energy Savings Assistance Programs Memorandum Account (ESAPMA)
- Energy Data Request Memorandum Account (EDRMA)
- Residential Disconnect Memorandum Account (RDMA)
- Greenhouse Gas Administrative Costs Memorandum Account (GHGACMA)

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NOTE: For information relating to the Hazardous Substance Memorandum Account (HSMA), which is part of the Hazardous Substance Cleanup Cost Account (HSCCA), see Section VIII.



**SCHEDULE G-SMOP**

Sheet 1

RESIDENTIAL GAS SMART METER OPT-OUT PROGRAM

APPLICABILITY

Applicable, in conjunction with any other applicable schedule, to all residential customers who do not wish to have a wireless, communicating meter, known as a Smart Meter, installed at their premises (hereafter, "Opt-Out Customers"). Under this program, customers may receive service using an analog meter. This schedule is applicable to customers that take gas-only service from SDG&E. Customers who take both gas and electric service, or electric-only service, from SDG&E and wish to have analog meters used for service should refer to Schedule E-SMOP for terms and conditions of service.

TERRITORY

Within the entire territory served by the Utility.

RATES

Customers who elect this option will be charged as follows:

Customers who take service on the California Alternate Rates for Energy (CARE) program will pay an initial fee and a monthly charge for analog meter service.

CARE Customers:  
Initial Fee \$10.00  
Monthly Charge \$5.00/month

Customers who are *not* taking service on the CARE program will pay an initial fee and a monthly charge for analog meter service.

Non-CARE Customers:  
Initial Fee \$75.00  
Monthly Charge \$10.00/month

The initial and monthly charges described above are applicable to customers who receive only gas service from SDG&E. Customers who take both gas and electric service from SDG&E, and wish to have an analog gas meter installed, should refer to Schedule E-SMOP, the Residential Electric Smart Meter Opt-Out Program, for the associated charges.

Customers will not be charged the initial fee or monthly charge until the analog meter is installed. The monthly charge will be applicable for a period of three years from the date the residential customer elects to opt-out of wireless Smart meters. D.12-04-019 authorized May 9, 2012 as the beginning of smart meter opt-out.

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**SCHEDULE G-SMOP**

Sheet 2

RESIDENTIAL GAS SMART METER OPT-OUT PROGRAM

SPECIAL CONDITIONS

1. Metering Equipment. At SDG&E's discretion, the Smart Meter module will be removed from the gas meter, or the gas meter will be exchanged for an analog gas meter, at premises where SDG&E provides gas service.

2. Billing. Customers will be billed for charges applicable under the customer's Otherwise Applicable Rate Schedule (OAS), plus the initial fee and monthly charge described herein.

The initial fee and monthly charge will appear on a customer's electric service agreement when the customer takes both gas and electric service from SDG&E. The initial fee and monthly charge will appear on the customer's gas service agreement if the customer takes only gas service from SDG&E under this Schedule.

Opt-Out Program customers will be charged the initial and monthly charges described above once the analog meter(s) is installed, and they will be required to pay the initial fee within three months. All such charges will be subject to the terms and conditions for rendering and payment of bills under Gas Rules 8 and 9.

3. Estimated Meter Reading: As directed by D.14-12-078, Opt-Out Customers will receive an estimated meter reading on a bi-monthly basis (i.e., every two months). Estimated meter reads will be based on the prior month's daily average usage, and will be used for billing purposes in accordance with Rule 17. Regular reading of the meter will occur every other month.

4. Pursuant to Decision 12-04-019, a customer must affirmatively elect to opt-out of the Smart Meter Program, and shall default to Smart Meter based utility service absent such an election. If SDG&E makes a field visit to a customer's residence for purposes of installing a Smart Meter and the customer does not provide reasonable access to SDG&E to install a Smart Meter after being provided notice of eligibility for service under this Opt-Out Program and not electing to opt-out, the customer shall be deemed to have elected service under this Opt-Out Program.

5. Local governments and entities such as condominiums and other multi-unit dwellings are not allowed to exercise the Opt-Out option on behalf of individual residents.

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**RULE 17**  
**METER READING**

Sheet 1

A. Meter Reading Schedule

Meters shall be read as nearly as possible at regular intervals. The regular billing period for residential service shall be one month. The regular billing period for all other classes of service shall be one month unless credit relations or collection difficulties make shorter periods advisable. In such cases, the billing period may be reduced to two weeks or to one week at the Utility's discretion. When meters are read at regular bi-monthly intervals, the first monthly bill in each bi-monthly period will be based on estimated consumption and the second monthly bill will be based on meter registrations, less the estimated consumption used to calculate the first month's bill. For residential customers who have opted-out of wireless smart meters their regular meter reads will occur bi-monthly as directed in D.14-12-078.

B. Reading of Separate Meters Not Combined

For billing purposes, each meter upon the customer's premises will be considered separately and readings of two or more meters will not be combined except as follows:

1. The combinations of meter readings are specifically provided for in rate schedules.
2. The maintenance of adequate service and/or the Utility's operating convenience requires the installation of two or more meters upon the customer's premises. (The applicability of this paragraph will depend upon the metering that would be utilized for new customers with similar service requirements.)

C. Estimated Bills

1. If, for reasons beyond the Utility's control, the meter serving the customer cannot be read on the scheduled reading date, or accurate usage data are not available, the Utility will bill the customer for estimated consumption during the billing period, and make any necessary corrections when a reading is obtained. Estimated consumption for this purpose will be calculated considering the customer's prior usage, the Utility's experience with other customers of the same class in that area, and the general characteristics of the customer's operations. Adjustments for any under-estimate or over-estimate of a customer's consumption will be reflected on the first regularly scheduled bill rendered and based on an actual reading following the period of inaccessibility. Access to the meter, sufficient to permit the Utility to obtain an accurate read, shall be provided by the customer as a pre-requisite to the Utility making any adjustment of volumes of gas billed on an estimated basis.
2. If estimated bills do not result from inaccessible roads, the customer, the customer's agent, other occupant, animal or physical condition of the property preventing access to the Utility's facilities on the customer's premises, other causes within control of the customer, or a natural or man-made disaster such as fire, earthquake, flood, or severe storms, the issuance of estimated bills shall be considered "billing error" for the purposes of applying rule 18.C.
3. If, for reasons within the Utility's control, the meter cannot be read or accurate usage data are not available, the Utility will bill the customer for estimated consumption during the billing period, and make any necessary corrections when a reading is obtained in accordance with Rule 18 C. Such estimated bills shall be considered "billing error" for the purpose of applying Rule 18. Estimated consumption for this purpose will be calculated as described above.

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