



Regulatory Affairs
8330 Century Park Ct. CP32F
San Diego, CA 92123-1530

REG 10-12
Resolution E-4874

July 14, 2017

Edward Randolph
Energy Division Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

RE: SDG&E Q-2-2017 Quarterly Funding Report

Mr. Randolph:

In compliance with California Public Utilities (Commission) Resolution E-4874 approved on August 18, 2016, this report includes the following pursuant to ordering paragraph twelve of Resolution E-4874 restated herein:

12. Pursuant to Community Choice Aggregation Code of Conduct Rule 4, San Diego Gas and Electric Company shall file a quarterly report with the Energy Division and make it available on its website. This report shall be filed no later than one month after the end of each quarter. These reports shall be required as long as the Independent Marketing Division exists.

The Community Choice Aggregation (CCA) Code of Conduct (COC) Rule 4 states:

The cost of an electrical corporation's independent marketing division's use of support services from the electrical corporation's ratepayer-funded divisions shall be allocated to the independent marketing division on a fully allocated embedded cost basis, supported by detailed public reports of such use. For this purpose, fully allocated embedded cost basis means a fully loaded cost basis (i.e., the sum of all direct costs and all appropriately allocated indirect costs and overhead costs; transfers from the utility to its independent marketing division of goods and services not produced, purchased or developed for sale by the utility will be priced at fully loaded costs plus 5% of direct labor cost). These calculations shall be supported by public reports of such use. These reports shall be filed quarterly with the Commission's Energy Division as an information only filing, no later than one month after the end of each quarter, and shall be made available on the utility's website at the same time. (See § 707(a)(2), D.97-12-088, App. A, Part V.H.5.).

SDG&E is responding on behalf of all of SDG&E, in compliance with the Resolution E-4874.

SDG&E has no “Independent Marketing Division” within SDG&E that engages in lobbying or marketing against CCA. Section 707 of the Public Utilities Code used “Independent Marketing Division” to refer to a division within the utility through which the utility could market against CCA, subject to a code of conduct.

SDG&E has an Application for Rehearing pending that addresses the status of the affiliate and limits to the Commission’s jurisdiction over that affiliate. Nothing here is intended to waive any points made by SDG&E in that AFR.

In response to ordering paragraph twelve of Resolution E-4874, SDG&E has no Independent Marketing Division. Additionally, SDG&E has not been allocated any costs for Sempra Services Corporation.

If you have any questions regarding this information, contact me.

Kind Regards,

/s/ SDG&E Regulatory Affairs

cc: SDG&E
Central Files