

APPENDIX X

FORMULA FOR CALCULATING THE ALLOCATED COSTS TO THE CITIZENS BORDER EAST LINE RATE UNDER SDG&E'S TRANSMISSION OWNER TARIFF

Appendix X sets forth the formula for calculating the Citizens Border East Line Rate ~~and which includes direct and non-direct Operating & Maintenance ("O&M") expenses, and other costs explained in various sections of this appendix. Appendix X is~~ organized into the following sections:

~~I.~~ **I. Introduction**

~~I.~~ ~~II.~~ **II. Definitions**

A. Allocation Factors

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~~2.~~ 2. Transmission Related A&G Expense

~~3.~~ 3. Transmission Related General and Common Plant Revenue

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~~6.~~ 6. Transmission Related Working Capital Revenue

~~B.~~

C. Terms

~~1.~~ **[DELETED]**

~~2.~~ **Allocated General and Common Accumulated Deferred Income Taxes**

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- ~~11. Common Plant~~
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- ~~14. Cost of Capital Rate~~
- ~~15. Cost of Equity Component~~
- ~~16. Direct Maintenance Expense Cost Component~~
- ~~17. Federal Income Tax~~
- ~~18. General Plant~~
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- ~~40. Transmission Plant~~
- ~~41. [DELETED]~~
- ~~42. [DELETED]~~
- ~~43. Transmission Related A&G Expenses~~
- ~~44. Transmission Related A&G Expenses Including Property Insurance~~
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 - 8. Citizens Border East Line Rate
 - 9. Common Plant

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11. Common Plant Depreciation Reserve
12. CPUC Intervenor Funding Expense
13. Electric Miscellaneous Intangible Plant
14. Electric Miscellaneous Intangible Plant Amortization Reserve
15. General Plant
16. General Plant Depreciation Expense
17. General Plant Depreciation Reserve
18. Materials and Supplies
19. Municipal Franchise Tax Expense
20. Other Regulatory Assets/Liabilities
21. Equity Allowance for Funds Used During Construction (AFUDC)
Component of Transmission Depreciation Expense
22. Payroll Taxes
23. Prepayments
24. Property Insurance
25. Property Taxes
26. Rate Effective Period
27. Return and Associated Income Taxes
28. Return on Equity
29. Border East Removal Rate
30. Total Plant in Service
31. Transmission Operation and Maintenance Expense
32. Transmission Plant
33. Transmission Plant Abandoned Project Cost
34. Transmission Plant Depreciation Reserve
35. Transmission Plant Held for Future Use
36. Transmission Related Accumulated Deferred Income Taxes
37. Transmission Related A&G Expense
38. Transmission Related Amortization of Excess Deferred Tax
Liabilities
39. Transmission Related Amortization of Investment Tax Credits
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42. Transmission Related Common Plant Depreciation Expense
43. Transmission Related Common Plant Depreciation Reserve
44. Transmission Related General Plant
45. Transmission Related General Plant Depreciation Expense
46. Transmission Related General Plant Depreciation Reserve
47. Transmission Related Electric Miscellaneous Intangible Plant
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Amortization Reserve
49. Transmission Related Materials and Supplies
50. Transmission Related Municipal Franchise Fees Expense
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52. Transmission Related Prepayments
53. Transmission Related Property Taxes Expense
54. True-Up Period

III. ~~Calculation of Citizens Border East Line Rate Will Include the following cost components:~~

- ~~A. Direct Maintenance Expense Cost Component~~
- ~~B. Non-Direct Expenses Cost Component~~
- ~~C. Cost Component Containing Other Specific Expenses~~
- ~~D. True-Up Adjustment~~
- ~~E. Interest True-Up Adjustment~~

II. Calculation of Border East Line Rate

A. Attachment 1 – Formula Rate Protocols

B. Attachment 2 – Formula Rate Spreadsheet

IV. ~~Table 1~~

INTRODUCTION

This Appendix X sets forth the details with respect to the annual determination of San Diego Gas & Electric Company's ("SDG&E") Border East Line Rate used to derive the charges assessed to Citizens Sunrise Transmission LLC ("Citizens") for its percentage share of the transfer capability in the Sunrise Border East Line. This Appendix X, which includes the Formula Rate Protocols as Attachment 1 and the Formula Rate Spreadsheet as Attachment 2, constitute the "Appendix X Formula." SDG&E will calculate its Border East Line Rate using the Formula Rate Spreadsheet.

The Formula Rate Spreadsheet contains fixed formulae that are described in this Appendix X and embedded in the Formula Rate Spreadsheet. If there is any conflict between the text of this Appendix X and the Formula Rate Spreadsheet, the embedded formulae in the Formula Rate Spreadsheet shall control. The fixed formulae in the Formula Rate Spreadsheet are subject to change only pursuant to Sections 205 and 206 of the Federal Power Act ("FPA"), in accordance with the Formula Rate Protocols and will be populated with data from SDG&E's annual FERC Form 1 filing or SDG&E's underlying ledger accounts in accordance with the Formula Rate Protocols. Information in the Reference sections and footnotes of the Formula Rate Spreadsheet may, however, be changed without a Section 205 or Section 206 filing.

SDG&E shall update its Border East Line Rate in accordance with the procedures and timelines set forth in the Formula Rate Protocols. SDG&E shall have the burden of demonstrating that its updates are just and reasonable, consistent with Section C.5.g of the Formula Rate Protocols. An Interested Party (as defined in the Protocols) shall have the right to challenge SDG&E's updates, consistent with Section C.5.d of the Formula Rate Protocols.

~~I. Introduction~~

~~This Appendix X sets forth the details with respect to the annual determination of San Diego Gas & Electric Company's ("SDG&E") Border East Line Rate. SDG&E shall assess Citizens Sunrise Transmission, LLC ("Citizens") the Border East Line Rate ("Citizens Border East Line Rate), for its percentage share of the transfer capability of the Sunrise Border East 30-mile, 500 kV line segment. The Citizens Border East Line Rate will consist of the following five cost components: (1) Direct Maintenance Expense Cost Component; (2) Non-Direct Expenses Cost Component; (3) Cost Component Containing Other Specific Expenses associated with the Border East Line, (4) True-Up Adjustment and (5) Interest True-Up Adjustment. The Border East Line segment leased to Citizens is located between SDG&E's Imperial Valley substation and the San Diego County line.~~

~~The Citizens Border East Line Rate for each Rate Effective Period will be comprised of the above five rates.~~

~~The Citizens Border East Line Rate shall be designed to reflect SDG&E's cost to own, operate and maintain the Border East transmission line segment. It will be an annual calculation based on the previous calendar year's data as shown in SDG&E's Federal Energy Regulatory Commission (FERC) FERC Form 1: Annual report of Major Electric Utilities, Licensees, and Others ("Form 1") for that year, and the underlying ledger accounts and work papers. SDG&E shall make available the data reflected in the underlying ledger accounts and work papers used to determine Citizens Border East Line Rate in its Citizens annual informational filing described below.~~

~~The True-Up Adjustment cost component for each Rate Effective Period will be an annual reconciliation of the difference between:~~

~~(a) — SDG&E's actual costs of providing the transmission service during the most recent consecutive twelve-month period (the "True-Up Period") ending December 31 preceding that Rate Effective Period as determined by the application of the formula; less~~

~~(b) — Actual revenues billed by SDG&E and paid by Citizens Sunrise Transmission LLC for transmission services during the True-Up Period.~~

~~SDG&E shall submit to the Federal Energy Regulatory Commission~~

~~(“Commission” or “FERC”) on or before May 30 of each year an Informational Filing showing the Citizens Border East Line Rate in effect for the Rate Effective Period beginning June 1 of that year through May 31 of the subsequent year (the “Informational Filing”).~~

~~Section IV of the Appendix sets forth Table 1 delineating the FERC accounts specified in the *Order on Petition for Declaratory Order (“PDO Order”)*⁴ applicable to the Citizens Border East Line. Table 1 demonstrates the affected FERC accounts that SDG&E will utilize to record and capture the direct and indirect costs associated with the Border East Line. Column (A) reflects the normal FERC accounts SDG&E uses to account for the costs associated with its transmission business function. Column (B) lists the accounts in the PDO. Column (C) reflects the combined expenses for both SDG&E and Citizens used to develop the annual Citizens Border East Line Rate.~~

~~The Informational Filing shall not subject the Formula set forth in this Appendix X to modification. The Informational Filing shall only be contestable with respect to prudence of the costs and expenditures included for recovery, the accuracy of the data and the consistency with the Formula of the changes in data shown in the Informational Filing.~~

~~In the event SDG&E or any interested party identifies an error in the TO4 Formula or FERC Form 1 data or data based on SDG&E’s books and records that is used as an input to the formula, or SDG&E is required by law, a court, or regulatory body to correct an error, and such error affects the True-Up Adjustment calculated in an Informational Filing, SDG&E shall include in its subsequent Informational Filing a brief description of the errors included in its prior Informational Filing that must be corrected. SDG&E’s subsequent Informational Filing shall:~~

- ~~(i) Recalculate the True-Up Adjustment for all affected Prior Years;~~
- ~~(ii) Compare, on a monthly basis, the difference between the initial incorrect True-Up Adjustment and the revised correct True-Up; and~~
- ~~(iii) Determine the cumulative amount of the difference, including interest calculated pursuant to the interest rate in 18.C.F.R. § 35.19a, through the~~

⁴~~San Diego Gas & Electric Company, *Order on Petition for Declaratory Order*, 129 FERC ¶61, 233 (2009).~~

~~date of implementation of the correction.~~

~~Absent an order requiring refunds outside of the True-Up process, the difference shall be included as an additional component to Citizens True-Up Adjustment in its next Informational Filing or Final True-Up Adjustment, as applicable, as a one-time True-Up Adjustment.~~

~~In the event of a challenge to any of the costs reflected in rates derived under this Appendix X, SDG&E shall bear the burden of demonstrating that such costs and expenditures included for recovery were prudently incurred, accurate and consistent with the Formula.~~

~~The costing methodology reflected in this Appendix X is based on the costing methodology reflected in SDG&E's Fourth Transmission Order (TO) Formula rate mechanism (TO4 Formula). Citizens and SDG&E agree that if the costing methodology in the TO4 Formula is modified in future rate filings, e.g., in an SDG&E TO5 Formula, this Appendix X will be modified accordingly.~~

~~Any revisions and refunds related to the cost components of the Citizens Border East Line Rate resulting from a Commission Order in (i) any annual update proceeding involving the rates calculated under this Appendix X, (ii) any proceeding involving the rates calculated pursuant to Appendix VIII of this TO Tariff, or (iii) any other proceeding will be reflected in subsequent billings or as otherwise provided for in Commission Orders.~~

~~SDG&E shall bill Citizens through a monthly invoice issued by the 30th of each month following the service month. Payment should be due no later than 30 days following the issuance date of the invoice.~~

II. DEFINITIONSDefinitions

Capitalized terms and allocation factors not otherwise defined in Section I of SDG&E's TO Tariff, in Appendix VIII, in the California Independent System Operator ("CAISO") Tariff, or in this Appendix X have the following definitions:

A. ALLOCATION FACTORS Allocation Factors

- ~~1. Citizens Border East Line Property Tax Allocation Factor shall equal the ratio of Citizens Border East Line Leased Amount divided by Total Plant in Service, excluding SONGS, plus Citizens Border East Line Leased Amount.~~
 - ~~2. Transmission Plant Allocation Factor shall equal the ratio of SDG&E's total investment in (a) Transmission Plant, plus (b) Transmission Related General Plant and Transmission Related Common Plant, plus (c) Transmission Electric Miscellaneous Intangible Plant to SDG&E's Total Plant in Service, plus Citizens Border East Line Leased Amount.~~
 - ~~3. DELETED~~
 - ~~4. Transmission Plant Property Insurance Allocation Factor shall equal the ratio of the sum of SDG&E's total investment in Transmission Plant and Transmission Related General Plant and Transmission Related Common Plant, to SDG&E's Total Plant in Service, excluding SDG&E's ownership share in the San Onofre Nuclear Generation Station ("SONGS").~~
 - ~~5. Transmission Wages and Salaries Allocation Factor For Citizens shall equal the ratio of SDG&E's transmission related direct wages and salaries less the direct wages and salaries in Accounts 562, 570, 572 and 571 except for that small portion of Account 571 which will be tracked by internal accounting orders related with maintaining the Citizens Border East Line to SDG&E's total direct wages and salaries, plus direct wages and salaries in Accounts 562, 570, 572, and 571, excluding administrative and general wages and salaries.~~
1. Transmission Plant Allocation Factor shall equal the ratio of SDG&E's total investment in (a) Transmission Plant, which includes the Citizens Border East Line leased plant amount, and Incentive Transmission Plant, (b) Transmission Related Electric Miscellaneous Intangible Plant, (c) Transmission Related General Plant, and (d) Transmission Related Common Plant to SDG&E's Total Plant in Service.
 2. Transmission Property Insurance and Tax Allocation Factor shall equal the ratio of the sum of SDG&E's total investment in (a) Transmission

Plant, which includes the Citizens Border East Line leased plant amount, and Incentive Transmission Plant, (b) Transmission Related General Plant, (c) Transmission Related Common Plant to SDG&E's Total Plant in Service, excluding SDG&E's ownership share in the San Onofre Nuclear Generation Station ("SONGS") and Transmission Related Electric Miscellaneous Intangible Plant.

3. Transmission Wages and Salaries Allocation Factor shall equal the ratio of SDG&E's transmission direct wages and salaries less the direct wages and salaries associated with substation, overhead, and underground maintenance to SDG&E's total direct wages and salaries, excluding administrative and general wages and salaries.

4.

B. CARRYING CHARGE PERCENTAGES~~Carrying Charge Percentages~~

1. Transmission Maintenance Expense Carrying Charge Percentage shall equal the ratio of Transmission Maintenance Expenses divided by Transmission Plant.
2. Transmission Operations Expense Carrying Charge Percentage shall equal the ratio of Transmission Operating Expenses divided by Transmission Plant.
3. Transmission Related A&G Carrying Charge Percentage shall equal the ratio of Transmission Related A&G Expenses Including Property Insurance divided by Transmission Plant.
4. Transmission Related General and Common Plant Accumulated Deferred Income Tax Revenue Carrying Charge Percentage shall equal SDG&E's Total General and Common Plant ADIT, as reflected in a footnote to SDG&E's annual FERC Form 1 multiplied by the Cost of Capital Rate divided by General and Common Total Gross Plant.
5. Transmission Related General and Common Plant Revenue Carrying Charge Percentage shall equal the ratio of Transmission Related General and Common Plant Revenues divided by Transmission Plant.

- ~~6. Transmission Related Payroll Tax Carrying Charge Percentage shall equal the ratio of Transmission Related Payroll Tax Expense divided by Transmission Plant.~~
- ~~7. Transmission Related Working Capital Revenue Carrying Charge Percentage shall equal the ratio of Transmission Working Capital Revenue divided by Transmission Plant.~~
- ~~1. Transmission Related O&M Expense shall equal the ratio of Transmission O&M Expense to Net Transmission Plant.~~
- ~~2. Transmission Related A&G Expense shall equal the ratio of Transmission Related A&G Expense including Property Insurance to Net Transmission Plant.~~
- ~~3. Transmission Related General and Common Plant Revenue shall equal the ratio of the sum of Transmission Related General and Common Return and Associated Income Taxes and Transmission Related General and Common Depreciation Expense to Net Transmission Plant.~~
- ~~4. Transmission Related Payroll Tax Expense shall equal the ratio of Transmission Related Payroll Tax Expense to Net Transmission Plant.~~
- ~~5. Transmission Related Property Tax Expense shall equal the ratio of Transmission Related Property Tax Expense to Net Transmission Plant.~~
- ~~6. Transmission Related Working Capital Revenue shall equal the ratio of Transmission Working Capital Revenue to Net Transmission Plant.~~
- ~~7. _____~~

C. TERMS

- ~~1. [DELETED]~~
- ~~2. Allocated General and Common Accumulated Deferred Income Taxes shall equal the net of the deferred tax balance recorded in FERC Account Nos. 281–283 and the deferred tax balance recorded in FERC Account No. 190.~~
- ~~3. Administrative and General Expense shall equal SDG&E's expenses recorded in FERC Account Nos. 920–935 plus the recorded Transmission~~

- ~~Related A&G Expenses allocated and charged to Citizens as reflected in FERC Account 413, Expenses from Electric Plant Leased to Others, excluding FERC Account No. 930.1 (General Advertising Expense).~~
- ~~4. **Base Period Cost of Service** except for the initial Rate Effective Period, the Base Period cost of service shall be the calendar year prior to the following year's Rate Effective Period. The initial Base Period cost of service shall be the 12-month period ending September 30, 2011 adjusted for certain estimated expenses applicable to the initial Rate Effective period.~~
 - ~~5. **Citizens Border East Line Accumulated Deferred Tax Asset** shall equal Citizens' accumulated deferred income tax asset generated by the net operating loss attributable to bonus depreciation.~~
 - ~~6. **Citizens Border East Line Accumulated Deferred Tax Liability** shall equal Citizens' accumulated deferred income tax liability attributable to bonus depreciation.~~
 - ~~7. **Citizens Border East Line Incremental Accumulated Deferred Income Tax Liability** shall be the difference between the sum of the deferred income tax liability and the deferred income tax asset computed with bonus depreciation less the deferred income tax liability computed without bonus tax depreciation.~~
 - ~~8. **Citizens Border East Line Allocated Property Taxes** shall equal Property Taxes, plus Citizens allocated property taxes, excluding property taxes directly assigned to SONGS, multiplied by Citizens Border East Line Property Tax Allocation Factor. SDG&E shall footnote in its annual FERC Form 1 the directly assigned property taxes attributable to SONGS, which SDG&E shall reference by page in its Informational Filing.~~
 - ~~9. **Citizens Border East Line Leased Amount** shall equal the amount of the Border East Line that SDG&E leases to Citizens.~~
 - ~~10. **Citizens Border East Line Rate** shall be equal to the sum of the following: Direct Maintenance Expenses Cost Component, plus Non-Direct Expenses Cost Component; plus Cost Component Containing Other~~

~~Specific Expenses, plus the True Up Adjustment, plus the Interest True Up Adjustment.~~

- ~~11. **Common Plant** shall equal SDG&E's gross plant balance recorded in FERC Accounts Nos. 303 and 389 through 398 assigned to electric services.~~
- ~~12. **Common Plant Depreciation Expense** shall equal SDG&E's depreciation expenses related to Common Plant recorded in FERC Account Nos. 403, 404, and 405 in accordance with depreciation rates approved by FERC, as shown in Statement AJ work papers. These rates may not be changed absent a Section 205 or 206 filing.~~
- ~~13. **Cost Component Containing Other Specific Expenses** allocated to Citizens shall be equal to that as indicated in Section III.C of Appendix X.~~
- ~~14. **Cost of Capital Rate** shall equal (a) SDG&E's Weighted Cost of Capital, plus (b) Federal Income Tax Rate Component as defined in Section 1, Terms, plus (c) State Income Tax Rate Component as defined in Section 1, Terms.~~
- ~~15. **Cost of Equity Component** shall equal the cost of equity as approved by the FERC in SDG&E's most current order.~~
- ~~16. **Direct Maintenance Expenses Cost Component** shall be equal to that calculated in Section III.A of Appendix X.~~
- ~~17. **Federal Income Tax** shall equal~~

$$\frac{(((A) + (C/D)) * FT) - (B/D)}{(1 - FT)}$$

Where:

A = Sum of Preferred Stock and Return on Equity Component

B = Trans. Related Amortization of ITC and Excess Deferred Tax Liability

C = Equity AFUDC Component of Transmission Depreciation Expense

D = Transmission Rate Base

~~FT = Federal Income Tax Rate @ 35%~~

- ~~18. **General Plant** shall equal SDG&E's Gross Plant balance recorded in FERC Account Nos. 389-399.~~
- ~~19. **General Plant Depreciation Expense** shall equal SDG&E's depreciation expense related to General Plant recorded in FERC Account Nos. 403, 404, and 405 in accordance with depreciation rates approved by FERC, as shown in Statement AJ work papers. These rates may not be changed absent a Section 205 or 206 filing authorized by the CPUC.~~
- ~~20. **General and Common Plant ADIT** shall equal to the amount reflected in the footnote to the annual FERC Form 1 filing.~~
- ~~21. **General and Common Plant Depreciation Rate** shall equal the ratio of the sum of SDG&E's General and Common Plant Depreciation expense and General and Common Gross Plant.~~
- ~~22. **General and Common Plant Fixed Charge Rate** shall be the Annual Fixed Charge Rate for purposes of determining the amount of revenue requirement associated with General and Common Plant calculated as follows: (1) General and Common Plant Depreciation Rate; plus (2) Federal and State Income Tax Rate; plus (3) Rate of Return; plus (4) General and Common ADIT Adjustment Rate.~~
- ~~23. **General and Common Total Gross Plant** shall equal the sum of Common Plant and General Plant.~~
- ~~24. **General and Common Plant Revenue** shall be the product of General and Common Gross Plant and the Annual General and Common Plant Fixed Charged Rate.~~
- ~~25. **Interest True Up Adjustment** shall be equal to that calculated in Section III E of Appendix X.~~
- ~~26. **Materials and Supplies** shall equal SDG&E's balance of total electric Materials and Supplies recorded in FERC Account No. 154, excluding~~

~~those materials and supplies assigned to construction as reflected on SDG&E Form 1.~~

- ~~27. **Municipal Franchise Tax Percentage** shall be equal to the most current Municipal Franchise Tax Expense percentage approved by the CPUC.~~
- ~~28. **Non-Deductibility of Depreciation on Equity Allowance for Funds Used During Construction (AFUDC) Revenue Component** shall be the product of the annual book depreciation of Equity AFUDC multiplied by the combined federal and state tax rate and the result multiplied by a gross up factor to determine the amount of revenue requirement associated with the non-deductibility of Equity AFUDC embedded in the Plant cost of Citizens Border East Line, which shall be calculated as shown in Section III.C.3.~~
- ~~29. **Non Direct Expenses Cost Component** shall be equal to that calculated in Section III B of Appendix X.~~
- ~~30. **Payroll Taxes** shall equal those payroll tax expenses recorded in FERC Account No. 408.1. The total Payroll Taxes expense is the sum of SDG&E's total Payroll Taxes expense plus that portion of the payroll tax expense which was allocated and charged to Citizens.~~
- ~~31. **Prepayments** shall equal SDG&E's prepayment balance recorded in FERC Account No. 165.~~
- ~~32. **Property Insurance** shall equal SDG&E's expenses recorded in FERC Account No. 924 plus the Transmission Related Property Insurance Expense allocated and charged to Citizens as recorded in FERC Account 413, Expenses from Electric Plant Leased to Others.~~
- ~~33. **Property Taxes** shall equal SDG&E's expenses recorded in FERC Account No. 408.1. Property Taxes Expense is the sum of SDG&E's property taxes expense and that portion of the property tax expense which was allocated and charged to Citizens.~~
- ~~34. **Rate Effective Period** The Initial Rate Effective Period is for 12 months,~~

~~commencing with the date that Sunrise goes into service, currently projected to be June 1, 2012, through May 31, 2013. However, if Sunrise goes into service either earlier or later than June 1, the Initial Rate Effective Period will commence on that date and end May 31, 2013~~

~~35. State Income Tax shall equal~~

$$\frac{\text{---}((A) + (B/C) + \text{Federal Income Tax}) * (ST)}{\text{---}(1 - ST)}$$

~~Where:~~

~~A = Sum of Preferred Stock and Return on Equity Component~~

~~B = Equity AFUDC Component of Transmission Depreciation Expense~~

~~C = Transmission Rate Base~~

~~FT = Federal Incomes Tax Expense~~

~~ST = State Income Tax Rate @ 8.84%~~

~~36. Sunrise Removal Rate for FERC Account No. 354 (Towers and Fixtures) and FERC Account No. 356 (Overhead Conductors and Devices) shall be equal to the Sunrise Removal Rates of zero, as set forth in SDG&E's TO4 Formula.~~

~~37. Total Plant in Service shall equal SDG&E's total gross plant balance recorded in FERC Account Nos. 301 through 399.~~

~~38. Transmission Maintenance Expenses shall equal FERC accounts 568 through 573 less accounts 569 (Maintenance of Structures) 570 (Maintenance of Station Equipment), 571 (Maintenance of Overhead Lines), and 572 (Maintenance of Underground Lines), plus the Transmission Maintenance Expenses charged to Citizens as recorded in FERC Account 413, Expenses from Electric Plant Leased to Others.~~

~~39. Transmission Operation Expenses shall equal FERC accounts 560 through 567 less account 562 (Station Expenses), plus the Transmission Operation Expenses charged to Citizens as recorded in FERC Account 413, Expenses from Electric Plant Leased to Others.~~

~~40. Transmission Plant shall equal SDG&E's Gross Plant balance~~

~~recorded in FERC Account Nos. 350 — 359, excluding the portion attributable to any facilities, the cost of which is directly assigned under the CAISO Tariff, or is included in Incentive Transmission Plant, plus Citizens Border East Line Leased Amount.~~

~~41. [DELETED]~~

~~42. [DELETED]~~

~~43. Transmission Related A&G Expenses shall equal (1) SDG&E's Administrative and General Expenses included in FERC Account Nos. 920-935 plus the Transmission Related A&G Expenses allocated and charged to Citizens as recorded in FERC Account 413, Expenses from Electric Plant Leased to Others, excluding non-transmission related expenses, which include but are not limited to non-transmission related expenses in FERC Account No. 924 (Property Insurance), FERC Account No. 925 (Damages and Injuries), FERC Account No. 927 (Franchise Requirements), FERC Account No. 930.2 (Miscellaneous General Expenses), and FERC Account No. 935 (Maintenance of General Plant), and any CPUC Intervener Funding Expense recorded in FERC Account No. 928 (Regulatory Commission Expenses), multiplied by the Transmission Wages and Salaries Allocation Factor for Citizens.~~

~~44. Transmission Related A&G Expenses Including Property Insurance shall equal (1) SDG&E's Administrative and General Expenses included in FERC Account Nos. 920-935 plus the Transmission Related A&G Expenses allocated and charged to Citizens as recorded in FERC Account 413, Expenses from Electric Plant Leased to Others, excluding non-transmission related expenses, which include but are not limited to non-transmission related expenses in FERC Account No. 924 (Property Insurance), FERC Account No. 925 (Damages and Injuries), FERC Account No. 927 (Franchise Requirements), FERC Account No. 930.2 (Miscellaneous General Expenses), and FERC Account No. 935 (Maintenance of General Plant), and any CPUC Intervener Funding Expense recorded in FERC Account No. 928 (Regulatory Commission~~

Expenses), multiplied by the Transmission Wages and Salaries Allocation Factor for Citizens, plus (2) Property Insurance in FERC Account No. 924, excluding insurance costs related to nuclear plant serving SDG&E's bundled retail customers, multiplied by the Transmission Plant Property Insurance Allocation Factor.

45. ~~**Transmission Related General and Common Plant Revenue**~~ shall equal the product of General and Common Plant Revenue and Transmission Wages and Salaries Labor Ratio for Citizens.
46. ~~**Transmission Related Materials and Supplies**~~ shall be the product of SDG&E's electric plant 13 month weighted average balance of Materials and Supplies times the Transmission Plant Allocation Factor.
47. ~~**Transmission Related Payroll Taxes Expense**~~ shall equal SDG&E's total electric Payroll Taxes expense recorded in FERC Account No. 408.1, plus the Transmission Payroll Taxes allocated to Citizens multiplied by the Transmission Wages and Salaries Allocation Factor for Citizens.
48. ~~**Transmission Related Prepayments**~~ shall be the product of SDG&E's electric plant prepayments 13 month weighted average balance times the Transmission Plant Allocation Factor.
49. ~~**Transmission Related Working Cash**~~ shall equal the Working Cash One Eight O&M Percentage multiplied by the sum of Transmission Operation Expenses, plus Transmission Maintenance Expenses, plus Transmission Related A&G expenses.
50. ~~**Transmission Related Working Capital Revenue**~~ shall equal the sum of Transmission Related M&S, Transmission Related Prepayments, and Transmission Related Working Cash, multiplied by the sum of Rate of Return, Federal Income Tax, and State Income tax.
51. ~~**True-Up Adjustment**~~ shall be equal to that calculated in Section II D of Appendix X.
52. ~~**True-Up Period**~~ shall be 12 months ended December 31 of each year; provided, that the initial True-Up Period shall be the 6 months ending December 31, 2012.

- ~~53. Weighted Cost of Capital shall be based upon December 31 balances in accordance with the format of Statement AV of the TO4 Formula Rate Spreadsheet.~~
- ~~54. Working Cash One Eight O&M Percentage shall equal 12.5% (45 days/360 days).~~
- ~~1. Accumulated Deferred Income Taxes shall equal the net of the deferred tax balance recorded in FERC Account Nos. 281-283 and the deferred tax balance recorded in FERC Account No. 190.~~
 - ~~2. Administrative and General Expense (A&G) shall equal SDG&E's expenses recorded in FERC Account Nos. 920-935, excluding FERC Account No. 930.1 (General Advertising Expense) and Account No. 927 (Franchise Requirements), plus the recorded Transmission Related A&G Expenses allocated and charged to Citizens Border East Line in FERC Account No. 413, Expenses from Electric Plant Leased to Others.~~
 - ~~3. Amortization of Investment Tax Credits shall equal SDG&E's credits recorded in FERC Account No. 411.4.~~
 - ~~4. Amortization of Loss on Reacquired Debt shall equal SDG&E's expenses recorded in FERC Account No. 428.1.~~
 - ~~5. Base Period shall be the calendar year for which SDG&E's most recent FERC Form 1 is available.~~
 - ~~6. Citizens Border East Line Incremental Accumulated Deferred Income Taxes shall equal the average between the deferred income tax liability and the deferred income tax asset computed with and without Bonus Depreciation.~~
 - ~~7. Citizens Border East Line Leased Amount shall equal the \$85.194 million prepaid lease amount of the Border East Line that SDG&E leased to Citizens.~~
 - ~~8. Citizens Border East Line Rate shall be equal to the sum of the following: Direct Maintenance Expense Cost Component, Non-Direct Expense Cost Component, Cost Component Containing Other Specific Expenses, True-Up Adjustment Cost Component, Interest True-Up Adjustment Cost~~

Component, and Other Adjustments.

9. Common Plant shall equal SDG&E's gross plant balance recorded in FERC Account Nos. 303 and 389 through 398. Common Plant are costs that are shared between SDG&E's Electric and Gas functions. SDG&E uses labor ratios to segment these costs between Electric and Gas functions.
10. Common Plant Depreciation Expense shall equal SDG&E's depreciation expenses related to Common Plant recorded in FERC Account Nos. 403, 404, and 405 in accordance with depreciation rates approved by FERC. These rates may not be changed absent a Section 205 or 206 filing.
11. Common Plant Depreciation Reserve shall equal SDG&E's depreciation reserve balance related to Common Plant recorded in FERC Account Nos. 108 and 111.
12. CPUC Intervenor Funding Expense shall equal those expenses recorded in FERC Account No. 928 incurred by SDG&E associated with its requirement to reimburse intervenors participating in CPUC regulatory proceedings involving transmission projects as ordered and approved by the CPUC.
13. Electric Miscellaneous Intangible Plant shall equal SDG&E's costs recorded in FERC Account No. 303 related to Electric Miscellaneous Intangible Plant.
14. Electric Miscellaneous Intangible Plant Amortization Reserve shall equal SDG&E's costs recorded in FERC Account No. 111 related to the amortization reserve of Electric Miscellaneous Intangible Plant.
15. General Plant shall equal SDG&E's Gross Plant balance recorded in FERC Account Nos. 389-399.
16. General Plant Depreciation Expense shall equal SDG&E's depreciation expense related to General Plant recorded in FERC Account Nos. 403, 404, and 405 in accordance with depreciation rates approved by FERC. These rates may not be changed absent a Section 205 or 206 filing.

17. General Plant Depreciation Reserve shall equal SDG&E's depreciation reserve balance related to General Plant recorded in FERC Account Nos. 108 and 111.
18. Materials and Supplies shall equal SDG&E's balance of total electric Materials & Supplies recorded in FERC Account No. 154 as reported in SDG&E's annual FERC Form 1. This component of rate base is calculated using a 13-month average.
19. Municipal Franchise Tax Expense shall equal the amounts recorded in FERC Account No. 927.
20. Other Regulatory Assets/Liabilities shall equal amounts recorded in FERC Account No. 182.3 that the Commission has accepted for recovery under Section 205 of the FPA.
21. Equity Allowance for Funds Used During Construction (AFUDC) Component of Transmission Depreciation Expense shall be the revenue requirement associated with the Equity AFUDC embedded in the Plant cost of the Citizens Border East Line. The amount shall equal the annual book depreciation of Equity AFUDC multiplied by the combined federal and state tax rate, with the product multiplied by a net-to-gross factor to derive the revenue requirement component.
22. Payroll Taxes shall equal those payroll tax expenses recorded in FERC Account No. 408.1.
23. Prepayments shall equal SDG&E's prepayment balance recorded in FERC Account No. 165.
24. Property Insurance shall equal SDG&E's expenses recorded in FERC Account No. 924.
25. Property Taxes shall equal SDG&E's expenses recorded in FERC Account No. 408.1.
26. Rate Effective Period shall be a 12-month calendar year period beginning January 1 and ending December 31.

27. Return and Associated Income Taxes shall equal the product of the applicable item and the Cost of Capital Rate, as defined in Attachment 2 (Formula Rate Spreadsheet).
28. Return on Equity shall be the FERC authorized Return on Equity rate set forth in SDG&E's TO5 Formula Rate Filing.
29. Border East Removal Rate for FERC Account No. 354 (Towers and Fixtures) and FERC Account No. 356 (Overhead Conductors and Devices) shall be the FERC authorized Cost of Removal Rates set forth in SDG&E's TO5 Formula Rate Filing.
30. Total Plant in Service shall equal SDG&E's total gross plant balance recorded in FERC Account Nos. 301 through 399.
31. Transmission Operation and Maintenance Expense shall equal SDG&E's expenses recorded in FERC Account Nos. 560-573 plus the Transmission O&M expenses charged to Citizens Border East as recorded in FERC Account No. 413 (Expenses from Electric Plant Lease to Others), excluding non-transmission costs recorded in (1) FERC Account No. 561.4 (Scheduling, System Control & Dispatch Services); (2) FERC Account No. 561.8 (Reliability, Planning & Standards Development Services) for CAISO charges that are included in the Energy Resource Recovery Account ("ERRA"); (3) FERC Account No. 565 (Transmission of Electricity by Others) relating to the purchase of power on behalf of or to serve SDG&E's bundled retail customers; and (4) FERC Account No. 566 (Miscellaneous Transmission Expenses) for CAISO Grid Management Costs and other expenses recovered in other balancing accounts such as the California Systems 21st Century Energy Balance Account ("CES-21BA"), Hazardous Substance Cleanup Cost Memorandum Account ("HSCCMA"), Reliability Costs Memorandum Account ("RCMA"), Transmission Revenue Balancing Account Adjustment ("TRBAA"), and Transmission Access Charge Balancing Account Adjustment ("TACBAA"). In addition to these costs, Citizens Border East Line Rate shall also exclude the following expenses that do not relate to the overhead portion

- of the line: (1) FERC Account No. 562 (Station Expenses), (2) FERC Account No. 564 (Underground Line Expenses), (3) FERC Account No. 570 (Maintenance of Station Equipment), (4) FERC Account No. 571 (Maintenance of Overhead Lines), and (5) FERC Account No. 572 (Maintenance of Underground Lines).
32. Transmission Plant shall equal SDG&E's Gross Plant balance recorded in FERC Account Nos. 350 – 359, excluding the portion attributable to any facilities, the cost of which is directly assigned under the CAISO Tariff, or is included in Incentive Transmission Plant, plus Citizens Border East Line Gross Plant equal to the amount of the lease payment.
33. Transmission Plant Abandoned Project Cost shall equal an amount, exclusive of Incentive Transmission Plant Abandoned Project Cost, relating to abandoned transmission projects that are recorded in FERC Account No. 182.2. The ratemaking treatment to be afforded for recovery of such costs shall be determined by the Commission based on a filing made by SDG&E with the Commission under Section 205 of the FPA in accordance with Appendix VIII of SDG&E's TO5 Formula. In the Section 205 of the FPA proceeding, SDG&E reserves its right to request recovery of up to 100% of the Transmission Plant Abandoned Project Cost and parties reserve their full rights to contest 100% recovery as provided for in Appendix VIII of the TO5 Formula.
34. Transmission Plant Depreciation Reserve shall equal SDG&E's transmission reserve balance recorded in FERC Account Nos. 108 and 111, plus the Citizens Border East Line Weighted Average Accumulated Depreciation. Transmission Plant Depreciation Reserve does not include Incentive Transmission Plant Depreciation Reserve.
35. Transmission Plant Held for Future Use shall equal SDG&E's transmission related plant balance recorded in FERC Account No. 105. Gain or loss on the sale of plant held for future use shall be recorded in FERC Account Nos. 411.6 and 411.7.

36. Transmission Related Accumulated Deferred Income Taxes shall equal the balance of Transmission Plant Accumulated Deferred Income Taxes, plus the balance of Transmission Related Electric General and Common Plant Accumulated Deferred Income Taxes, plus Transmission Related Electric Miscellaneous Intangible Plant Deferred Income Taxes, less the Incentive Transmission Plant Accumulated Deferred Income Taxes, plus Citizens Related Accumulated Deferred Incomes Taxes associated with Citizens share of the Border East Line, as reflected in a footnote to SDG&E's annual FERC Form 1 which SDG&E shall reference by page in its Informational Filing. Transmission Related Accumulated Deferred Income Taxes shall exclude Financial Accounting Standard 109 or its successor, costs.
37. Transmission Related A&G Expense shall equal (1) Administrative and General Expense included in FERC Account Nos. 920-935, excluding non-transmission-related expenses and various CPUC mandated costs recovered in other balancing accounts, which include but are not limited to non-transmission-related expenses in FERC Account No. 924 (Property Insurance), FERC Account No. 925 (Injuries and Damages), FERC Account No. 927 (Franchise Requirements), FERC Account No. 928 (Regulatory Commission Expenses) for any CPUC Intervenor Funding Expenses, FERC Account No. 930.1 (General Advertising Expenses), FERC Account No. 930.2 (Miscellaneous General Expenses), and FERC Account No. 935 (Maintenance of General Plant), plus the A&G expenses charged to Citizens Border East as recorded in FERC Account No. 413 (Expenses from Electric Plant leased to Others), multiplied by the Transmission Wages and Salaries Allocation Factor, plus (2) Property Insurance in FERC Account No. 924, excluding insurance costs related to nuclear plant serving SDG&E's bundled retail customers, multiplied by the Transmission Property Insurance and Tax Allocation Factor.

38. Transmission Related Amortization of Excess Deferred Tax Liabilities shall equal an amount recorded in FERC Account Nos. 190, 282, and 283 related to transmission as reflected in a footnote in SDG&E's annual FERC Form 1 as referenced by page in its annual Informational Filing.
39. Transmission Related Amortization of Investment Tax Credits shall equal the amount set forth in the applicable FERC Form 1 until fully amortized. SDG&E shall reflect in a footnote in its annual FERC Form 1 any Transmission Related Amortization of Investment Tax Credits, which SDG&E shall reference by page in its annual Informational Filing.
40. Transmission Related Cash Working Capital shall be a 12.5% allowance (45 days/360 days) of Transmission Operations and Maintenance, Transmission Related A&G Expenses, and CPUC Intervenor Funding Expense - Transmission.
41. Transmission Related Common Plant shall equal SDG&E's balance of investment in Common Plant multiplied by the Transmission Wages and Salaries Allocation Factor.
42. Transmission Related Common Plant Depreciation Expense shall equal the balance of SDG&E's Common Plant Depreciation Expense recorded in FERC Account Nos. 403, 404, and 405 multiplied by the Transmission Wages and Salaries Allocation Factor.
43. Transmission Related Common Plant Depreciation Reserve shall equal the balance in Common Plant Depreciation Reserve multiplied by the Transmission Wages and Salaries Allocation Factor.
44. Transmission Related General Plant shall equal SDG&E's balance of investment in General Plant multiplied by the Transmission Wages and Salaries Allocation Factor.
45. Transmission Related General Plant Depreciation Expense shall equal the balance of SDG&E's General Plant Depreciation Expense

- recorded in FERC Account Nos. 403, 404, and 405 multiplied by Transmission Wages and Salaries Allocation Factor.
46. Transmission Related General Plant Depreciation Reserve shall equal the balance in General Plant Depreciation Reserve multiplied by the Transmission Wages and Allocation Factor.
47. Transmission Related Electric Miscellaneous Intangible Plant shall equal the total amount of Electric Miscellaneous Intangible Plant recorded in FERC Account No. 303 multiplied by the Transmission Wages and Allocation Factor.
48. Transmission Related Electric Miscellaneous Intangible Plant Amortization Reserve shall equal SDG&E's balance of Electric Miscellaneous Intangible Plant Amortization Reserve multiplied by the Transmission Wages and Salaries Allocation Factor.
49. Transmission Related Materials and Supplies shall equal SDG&E's electric balance of Materials and Supplies multiplied by the Transmission Plant Allocation Factor.
50. Transmission Related Municipal Franchise Fees Expense shall equal the Total Annual Carrying Charge Rate prior to the inclusion of Municipal Franchise Tax expense multiplied by the Municipal Franchise Tax Expense rate that the CPUC authorized in its most recent General Rate Case.
51. Transmission Related Payroll Taxes Expense shall equal SDG&E's total electric Payroll Taxes expense recorded in FERC Account No. 408.1, plus the payroll taxes charged to Citizens Border East, multiplied by the Transmission Wages and Salaries Allocation Factor. SDG&E shall footnote in its annual FERC Form 1 the payroll taxes attributable to Citizens Border East, which SDG&E shall reference by page in its Informational Filing.
52. Transmission Related Prepayments shall equal SDG&E's electric balance of prepayments recorded in FERC Account No. 165 multiplied by the Transmission Plant Allocation Factor.

53. Transmission Related Property Taxes Expense shall equal Property Taxes, plus the property taxes charged to Citizens Border East, excluding property taxes directly assigned to SONGS, multiplied by the Transmission Property Insurance and Tax Allocation Factor. SDG&E shall footnote in its annual FERC Form 1 the directly assigned property taxes attributable to SONGS and Citizens Border East, which SDG&E shall reference by page in its Informational Filing.

54. True-Up Period shall be 12-months ended December 31 of the Base Period of each year.

III.II. — CALCULATION OF CITIZENS BORDER EAST LINE RATE

~~A. — Calculation of Direct Maintenance Expenses Cost Component Assigned to Citizens~~

~~The directly assigned transmission maintenance expenses applicable to the Citizens Border East Line that are embedded in Account 571, Maintenance of Overhead Lines shall be determined as follows:~~

~~The sum of: 1) Citizens percentage share of transfer capability of the expenses related to the internal orders to track the total direct maintenance expenses; 2) the revenue requirements applicable to the cash working capital related to the direct expense which is determined by multiplying item (1) by the 1/8 O&M Rate and Capital Cost; and 3) the Municipal Franchise Tax Percentage.~~

~~B. — Calculation of Non-Direct Expenses Cost Component Allocated to Citizens~~

~~1. The Non-Direct Expense Cost Component shall be equal to the sum of the following carrying charge percentages:~~

~~(a) Transmission Maintenance Expense Carrying Charge Percentage,
plus~~

~~(b) Transmission Operations Expense Carrying Charge Percentage,
plus~~

~~(c) Transmission Related A&G Carrying Charge Percentage, plus~~

~~(d) Transmission-Related Payroll Tax Carrying Charge Percentage,
plus~~

~~(e) Transmission-Related General and Common Plant Revenue
Carrying Charge Percentage, plus~~

~~(f) Transmission-Related Working Capital Revenue Carrying Charge
Percentage, multiplied by the Municipal Franchise Tax Percentage,
whose product is multiplied by the Citizens Border East Line
Leased Amount.~~

~~**C. Calculation of a Cost Component Containing Other Specific
Expenses Allocated to Citizens**~~

~~**1. Calculation of the Allocation to Citizens of Sunrise's Net
Accumulated Deferred Income Tax Liability Attributable to
Bonus Depreciation Offset by the Accumulated Deferred Tax
Asset Generated by the Net Operating Loss**~~

~~The allocation to Citizens of Sunrise's net accumulated deferred Federal income
tax liability attributable to bonus depreciation offset by the accumulated deferred
tax asset generated by the net operating loss shall be calculated as follows:~~

~~The average of the beginning and ending Citizens Border East Line Incremental
Accumulated Deferred Income Tax Liability multiplied by the Cost of Capital
Rate, and the product multiplied by the Municipal Franchise Tax Percentage.~~

~~**2. Calculation of the Property Taxes Allocated to Citizens**~~

~~The portion of property taxes allocated to Citizens Border East Line Leased
Amount shall be calculated as follows:~~

~~Citizens Border East Line Property Tax Allocation Factor multiplied by Citizens
Border East Line Leased Amount, and then whose product will be multiplied by
the Municipal Franchise Tax Percentage.~~

~~**3. Calculation of the Non-Deductibility of Depreciation on Equity
Allowance for Funds Used During Construction (AFUDC) Revenue**~~

Component

~~— The allocation of the annual book depreciation on the Equity AFUDC allocated to
— Citizens Border East Line shall be calculated as follows: The annual book
— depreciation on Equity AFUDC multiplied by the Federal and State Income Tax
— Rate, the product of which is multiplied by the Gross-Up Factor.~~

4. Calculation of the Removal Costs Related to Citizens Border East Line

~~The allocation of annual removal costs allocated to Citizens Border East Line shall be calculated as follows:~~

~~The sum of FERC Account No. 354 (Towers & Fixtures) and FERC Account No. 356 (Overhead Conductors & Devices) Cost of Removal Rate multiplied by the Border East Line Leased Amount in these accounts, and then whose product is multiplied by the Municipal Franchise Tax Percentage.~~

D. Derivation of the True-Up Adjustment

~~1. Derivation of the Annual True-Up Adjustment~~

~~The derivation of the annual True-Up Adjustment shall be calculated as follows: The sum of the monthly recorded Citizens Rate revenue, excluding the True-Up Adjustment and Interest True-Up Adjustment for the Base Period minus True-Up Cost of Service for the same Base Period.~~

~~2. Derivation of a One-Time Four Month (September 1—December 31, 2013) True-Up Adjustment~~

~~The derivation of the Four Month True-Up Adjustment shall be calculated as follows: The sum of Citizens monthly recorded rate revenue for the four months of September 1, 2013 to December 31, 2013, excluding the True-Up Adjustment and Interest True-Up Adjustment for the 4 month True-Up Period, minus the 4-Month True-Cost of Service for the same 4 True-Up Period.~~

E. Derivation of the Interest True-Up Adjustment

The derivation of the annual Interest True-Up Adjustment for Citizens Rate filing shall be calculated as follows:

The True-Up Adjustment balance calculated as of December 31 of the Base Period plus monthly interest from January to May after the Base Period calculated pursuant to Title 18 of the Code of Federal Regulation Section 35.19a. Such interest accumulated from January through May shall be fully amortized in equal amounts over each month of the Rate Effective Period commencing in June.

IV. Table 1

[Remainder of page intentionally left blank]

A. Attachment 1 – Formula Rate Protocols

B. Attachment 2 – Formula Rate Spreadsheet

The Appendix X Formula Rate Spreadsheet consists of the following:

- Summary of Cost Components
- Section 1 – Direct Maintenance Expense Cost Component
- Section 2 – Non-Direct Expense Cost Component
- Section 3 – Cost Component Containing Other Specific Expenses
- Section 4 – True-Up Adjustment Cost Component
- Section 5 – Interest True-Up Adjustment Cost Component, and
- Statements AD through AV and Statement Miscellaneous, which provide data embedded in Sections 1 through 5 above

Data cells within the Formula Rate Spreadsheet that are color coded green are manual inputs based on the workpapers and/or FERC Form 1 data that are external to the Formula Rate Spreadsheet.

Data cells that are color coded yellow are linked to cells on other pages within the Formula Rate Spreadsheet.

Uncolored cells reflect formulas (e.g., cells representing the sum of preceding lines) or links to cells on the same page.

Data cells that are colored grey shall be zero.

SDG&E will include these workpapers in each Annual Informational Filing.

San Diego Gas & Electric Co.
FERC Accounting Guidelines for Recording Citizens' Costs Applicable to Appendix X
Per Order on Petition for Declaratory Order ("PDO")

Line No	Description	(A) SDG&E Normal FERC Accounts	(B) FERC Accounts Per PDO	(C) = (A) + (B) - TOTAL	Line No
1	Total Transmission Plant (Acct 101) and Electric Plant Leased to Others (Acct 104)	101	104	(1)	1
2	Normal* Transmission O&M and Expenses from Electric Plant Leased to Others	560-573	413	(1)	2
3	Normal* A&G Expenses and Electric Plant Leased to Others	920-935	413	(1)	3
4	Normal* Property Taxes and Property Taxes on Electric Plant Leased to Others	408.1	408.1	(1)	4
5	Normal* Payroll Taxes and Payroll Taxes related to Electric Plant Leased to Others	408.1	408.1	(1)	5
6	Normal* Property Insurance and Property Insurance related to Electric Plant Leased to Others	924	413	(1)	6
7	Accts 282, 283 & 190 Related with Normal* Sunrise ADIT and ADIT allocated Citizens	282,283 and 190	282,283 and 190 (6)	(1)	7
8	Annual Carrying Cost Portion of General and Common Plant Allocated to Citizens	(2)	(2)	(1)	8
9	Annual Carrying Cost Portion of M&S and Prepayments Allocated to Citizens	(2)	(2)	(1)	9
10	Border East Line Depreciation Expense and Accumulated Depreciation	(3)	108 (3)	-	10
11	Citizens Prepaid Lease Payment and the Amortization of Citizens Prepaid Lease Payment	(4)	253 (4)	-	11
12	Citizens Revenues from Electric Plant Leased to Others	(5)	412 (4) & (5)	-	12

(1) Column C reflects the combined expenses for both of SDG&E's normal FERC Form 1 accounts and those allocated to Citizens, which are used to develop the Annual Border East Line Rate as reflected in Appendix X.

(2) Because it is not feasible to record each allocated cost component of general and common plant to Citizens (plant, depreciation, accumulated deferred income taxes) to Column B, SDG&E will charge the total annual carrying cost related to this allocation to Account 413, and credit this annual carrying cost amount to SDG&E future transmission cost of services.

Because it is not feasible to record each allocated cost component of M&S and prepayments to Citizens in Column B, SDG&E will charge the total annual carrying costs related to this allocation to Account 413, and credit this annual carrying cost amount to future transmission cost of services.

(3) SDG&E will depreciate the cost of electric plant in account 104, Electric Plant Leased to Others, using Account 413 and 108, Expenses From Electric Plant Leased to Others and Accumulated Provision for Depreciation of Electric Utility Plant respectively.

(4) SDG&E will record the Citizens Prepaid Lease Payment in Account 253, Other Deferred Credits, and amortize the amount to Account 412, Revenues from Electric Plant Leased to Others, over the life of the lease.

(5) SDG&E will record the Citizens Revenues from Electric Plant Leased to Others in Account 412.

(6) Accounts 282, 283, and 190 were not identified in the FERC's PDO, but SDG&E will use these accounts to record the Accumulated Deferred Income Tax allocated to Citizens.

(*) Normal costs referenced above are those costs reflected in the FERC Form 1 accounts other than those costs recorded to the Lease Accounts shown in Column B.

