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April 1, 2015

Mr. Edward Randolph
Director, Energy Division
California Public Utilities Commission
501 Van Ness Avenue
San Francisco, CA 94102

RE: San Diego Gas & Electric's (SDG&E) Quarterly Report in Compliance with Investigation (I.) 12-10-013

Dear Mr, Randolph:

Enclosed is SDG&E's quarterly report for the period September 1 through December 31, 2014, as directed by the California Public Utilities Commission (Commission) in Investigation (I.) 12-10-013. Specifically, I.12-10-13 states on page 13 the following:

SCE (Southern California Edison) and SDG&E shall each file a monthly status report with the Commission's Energy Division with the service on the service list. The monthly report shall include an operational update for the units, description of any NRC actions, estimated replacement energy and capacity costs, estimated other operational expenses, estimated forgone revenues due to lost sales of excess energy, and any other information either utility believes is relevant that may impact the Commission's consideration of safe and reliable service at just and reasonable rates, including any additional information directed by the Energy Division Director.

In its comments to the OII filed on December 03, 2012, SDG&E requested to submit its report quarterly with a 90-day lag, which was supported by the Energy Division and granted in the ALJ's January 28 Phase 1 Scoping Memo and Ruling (see page 8).

In addition, SDG&E had requested that the Commission designate SCE as the respondent for itself and on behalf of SDG&E to provide certain operating information. In in the January 28, 2013 Scoping Memo, ALJ Darling provided additional direction on page 8 as follows:

We acknowledge, for example, that as Operating Agent, SCE is the contractual party with the vendor of the steam generators, Mitsubishi Heavy Industries, Inc. (MHI), and has standing to enforce contractual warranties. SCE is the utility with primary responsibility for providing information that is within its own records as Operating Agent. However, as a co-owner, SDG&E has a duty to monitor SCE's responses in this OII and to supplement them or challenge them based on its own obligation to ensure safe and reliable service.

SDG&E has reviewed SCE's monthly status reports for the reporting period (September through December 2014) and does not have any additional information with which to supplement or challenge SCE on the reported status of SONGS.

With the CPUC adoption of the amended and restated settlement agreement in D.14-11-040, incremental monthly entries in certain rows of the SONGSOMA spreadsheet will be revised or the expenses will no longer be recorded in SDG&E's next quarterly submittal. For example, rows 23-27, 39, and 40, which previously displayed "SONGS Replacement Power", Huntington Beach and Demand Response, will no longer have monthly entries, and the "authorized" revenue requirement in row 50 will consist of the regulatory asset amortization. The section entitled "Base Capital Subaccount" beginning on Row 1, will enumerate the components being amortized by SDG&E.

SDG&E will continue to submit its quarterly report until such time as the Commission renders a final decision in the 2014 reasonableness review (A.15-02-006), or until the Commission authorizes the report's discontinuance.

If you have any questions, please contact Wendy Johnson at (858) 654-1185 or email at WDJohnson@semprautilities.com.

Sincerely,

CLAY FABER
Director – Regulatory Affairs

cc: Commissioner Catherine Sandoval
ALJ Melanie Darling
ALJ Kevin Dudney
Eric Greene – Energy Division
Truman Burns, Division of Ratepayer Advocates
Service List I.12-10-013

SAN DIEGO GAS & ELECTRIC COMPANY
SONGS 2&3 Outage Memorandum Account
I.12-10-013
(\$000)

	2014													Inception To Date	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD		
1 I. Sunk Capital Cost Subaccount															
2 Capital Expenditures	80.6	850.1	(958.8)	628.8	1,262.1	311.2	319.3	452.1	890.6	459.0	3,037.4	2,768.0	10,100.4	63,903.8	
3 CWIP	130,063.0	130,063.0	131,935.5	131,130.1	132,079.3	132,547.1	132,767.8	132,975.8	133,282.8	133,749.9	134,593.4	135,064.1	135,064.1	135,064.1	
4 Rate Base	126,897.5	135,158.4	135,158.4	135,206.6	135,302.1	135,354.7	135,360.2	135,424.8	135,501.8	135,515.2	135,679.7	135,728.0	134,690.6	134,690.6	
5 Depreciation	-	-	-	-	-	-	-	-	-	-	(245.2)	236.0	(9.2)	16,002.0	
6 Taxes on Income	-	-	-	-	-	-	-	-	-	-	-	-	-	7,734.7	
7 Ad Valorem Taxes	-	-	-	2,379.9	-	-	-	-	-	-	-	-	-	8,456.8	
8 Return	823.8	877.4	877.4	877.7	878.3	878.7	878.7	879.1	879.6	879.7	880.8	881.1	10,492.3	28,710.7	
9 Subtotal Revenue Requirement	823.8	877.4	877.4	3,257.6	878.3	878.7	878.7	879.1	879.6	879.7	635.6	1,300.0	13,045.9	60,904.2	
10 II. Steam Gen Replacement/Removal Capital Cost Subaccount															
11 Capital Expenditures - Replace	-	-	-	-	(3.8)	-	-	-	-	-	(2,244.1)	-	(2,247.9)	12,674.6	
12 Capital Expenditures - Remove	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,313.4)	
13 Rate Base - Replace	125,135.2	129,415.5	129,415.5	129,415.5	129,413.6	129,411.7	129,411.7	129,411.7	129,411.7	129,411.7	128,289.7	127,167.6	128,775.9	128,775.9	
14 Rate Base - Remove	17,180.6	17,180.6	17,180.6	17,180.6	17,180.6	17,180.6	17,180.6	17,180.6	17,180.6	17,180.6	17,180.6	17,180.6	17,180.6	17,180.6	
15 CWIP Balance - Replace	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16 CWIP Balance - Remove	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
17 Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	19,544.9	
18 Taxes on Income	-	-	-	-	-	-	-	-	-	-	-	-	-	9,106.1	
19 Ad Valorem Taxes	-	-	-	307.5	-	-	-	-	-	-	-	166.6	474.1	1,620.1	
20 Return	923.9	951.7	951.7	951.7	951.6	951.6	951.6	951.6	951.6	951.6	944.3	937.1	11,370.0	33,295.9	
21 Subtotal Revenue Requirement	923.9	951.7	951.7	1,259.2	951.6	951.6	951.6	951.6	951.6	951.6	944.3	1,103.7	11,844.1	63,567.0	
22 III. O&M Expense Subaccount															
23 Fuel (ERRA)	-	-	-	-	-	-	-	-	-	-	-	-	-	1,223.0	
24 Fuel Carrying Costs (ERRA)	8.7	8.7	9.7	9.7	9.7	9.8	9.8	9.8	10.8	9.8	10.2	10.2	116.9	424.6	
25 Replacement Power (ERRA)	11,387.8	17,088.6	14,875.0	12,964.9	14,315.1	13,484.4	12,835.6	12,262.3	13,321.0	12,936.2	10,282.0	9,610.7	155,363.6	333,483.2	
26 Capacity Payments (ERRA)	324.2	317.5	183.0	82.5	85.3	82.5	-	123.2	-	-	-	-	1,198.2	9,466.5	
27 Foregone Sales Revenue (ERRA)	3,160.4	356.9	6.1	579	36.3	182.6	749.7	1,326.7	821.3	1,202.5	3,363.1	2,244.7	14,028.8	79,557.3	
28 Routine O&M	949.0	2,330.2	2,138.0	2,458.8	1,706.3	(1.5)	2,080.6	1,845.5	2,329.1	3,911.3	1,599.4	2,384.7	23,731.4	139,671.1	
29 Refueling (1 in 2012)	-	-	-	-	-	-	-	-	-	-	-	-	-	9,261.3	
30 Seismic Safety	89.2	34.5	304.3	84.9	61.4	0.1	1.0	0.8	29.9	0.9	74.0	(58.2)	622.8	3,285.4	
31 Investigation	1.6	23.6	1.1	(31.1)	86.2	0.1	0.5	3.0	-	-	-	-	85.0	17,977.2	
32 Repairs - After Outage	-	-	-	-	-	-	-	-	-	-	-	-	-	6,004.2	
33 Regulatory - After Outage	(2.3)	-	-	0.3	19.0	0.1	6.2	1.0	1.3	25.5	5.5	9.9	66.5	2,433.5	
34 Defueling	-	-	-	-	-	-	-	-	-	-	-	-	-	166.9	
35 Litigation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
36 Payroll Taxes	86.8	69.2	72.7	68.4	73.6	67.0	69.2	72.9	59.7	77.1	53.6	57.5	827.7	6,814.1	
37 Other (Pensions, PBOP, Insurance)	688.7	579.5	642.1	607.2	618.3	569.0	569.4	644.3	497.2	655.7	402.3	470.3	6,944.0	58,498.6	
38 Subtotal	16,694.0	20,808.7	18,232.0	16,824.2	17,011.2	14,394.1	16,322.0	16,289.5	17,070.3	18,819.0	15,790.1	14,729.8	202,984.9	668,266.9	

	2014													Inception To Date
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	
39 IV. Huntington Beach Subaccount	155.3	140.3	155.1	121.1	152.4	600.0	620.0	632.0	620.0	161.3	150.5	155.3	3,663.3	7,117.1
40 V. Demand Response Subaccount														
41 Peak Time Rebate - Small Commercial (PTR)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42 Demand Bidding Program (DBP 2012)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43 Marketing, Education & Outreach (ME&O)	-	-	-	-	-	-	-	-	-	-	-	-	-	90.6
44 Subtotal DR	-	-	-	-	-	-	-	-	-	-	-	-	-	90.6
45 VI. Transmission Upgrades Subaccount														
46 Capital Expenditures	13.8	0.7	-	33.1	-	-	0.5	0.2	-	(18.2)	0.2	(0.0)	30.3	7,317.9
47 Rate Base	5,914.6	5,902.5	5,883.4	5,851.8	5,844.7	5,821.0	5,798.0	5,774.0	5,750.0	5,718.0	5,685.0	5,662.0	5,800.4	5,800.4
48 Depreciation	14.2	14.2	14.2	61.8	20.7	20.7	20.7	20.7	20.7	20.7	20.7	20.7	270.0	318.1
49 Taxes on Income	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	15.4	20.2
50 Ad Valorem Taxes	-	-	-	-	-	-	-	-	-	-	-	41.7	41.7	41.7
51 Return	36.1	37.8	37.7	36.9	37.5	37.3	37.2	37.0	36.9	36.6	36.4	36.3	443.7	587.0
52 Subtotal Revenue Requirement	51.5	53.2	53.2	100.0	59.5	59.3	59.2	59.0	58.9	58.6	58.4	100.0	770.8	967.0
53 O&M (if any)														-
54 VII. Authorized Revenue Requirement Subaccount														
55 Monthly Revenue Requirements	16,054.3	16,054.3	16,054.3	16,054.3	16,054.3	16,054.3	16,054.3	16,054.3	16,054.3	16,054.3	16,054.3	16,054.3	192,651.6	544,174.4
56 VIII. Adders to SCE-Originated SONGS Costs														
57 SCE-Billed Costs Not Included by SCE in § III	413.6	15.2	2,417.4	(3,413.4)	(2,754.7)	6,321.1	42.9	(551.9)	661.9	50.0	(2,091.9)	2,308.6	3,418.8	29,718.1
58 SDG&E Portion of Nuclear and Related Insurance	18.7	-	(692.4)	820.0	424.3	366.1	-	-	-	(92.3)	(1,153.6)	113.2	(196.0)	5,860.2
59 SDG&E Portion of SONGS Site Easement	-	-	-	-	-	20.1	-	-	-	-	-	-	20.1	60.3
60 SDG&E Overheads on SONGS Costs - Capital (Adder to § I)	54.3	46.1	(45.1)	40.8	36.5	17.9	16.6	12.4	12.2	17.4	28.7	14.9	252.7	14,913.6
61 SDG&E Overheads on SONGS Costs - O&M (Adder to § III)	455.6	351.5	156.5	58.3	406.8	979.6	158.7	5.4	352.1	214.8	(45.1)	-	3,094.2	60,357.9
62 Net Impact of Billing Lag (Temporary Adder to §§ I & III)	2,860.6	285.0	(3,768.8)	757.4	3,528.6	2,612.0	(1,066.5)	(2,099.8)	(348.2)	(2,283.8)	27.4	(322.3)	181.6	(872.5)
63 IX. SDG&E Direct Cost of SONGS Oversight														
64 Operational and Financial Oversight Team	40.0	40.1	52.7	46.2	59.3	44.6	48.1	42.1	49.5	56.7	48.4	22.6	550.3	1,676.6

NOTES

- All amounts shown reflect SDG&E's actual costs for SONGS, including 20% share of SONGS 100%-level costs incurred by SCE plus contractual overheads.
- SGRP costs reported net of 20% of estimated removal and disposal costs for the original steam generators granted in SDG&E's 2006 SGRP Decision D.06-11-026.
- SCE advance bills SDG&E for the month and true-ups previous advance bills. The "Lag Adjustment" (Line 62) converts SONGS data by the billing process to match actual SDG&E posting periods.
- SCE's invoices to SDG&E do not allow O&M costs to be broken out into the cost categories shown for O&M. Figures were provided by SCE, who allocated the SDG&E prorated billing based upon SCE's reported costs.
- SDG&E return calculations (lines 8, 20, and 51) utilize the new rate authorized in 2013 through the GRC decision. Monthly Revenue Requirements reflect amounts authorized in rates at that time. Adjustments due to implementation of the Settlement are not reflected herein.
- SDG&E's SONGS Oversight includes estimated overheads for Payroll Tax, Incentive Compensation Plan ("ICP"), Pension & Benefits, Workers' Compensation, Vacation & Sick Leave, PLPD Insurance, and Purchasing.
- Property-tax amounts are estimated based on an allocation of total property taxes paid. A portion of property tax shown in lines 7, 19, and 50, may be repeated within other capital, rate base, and CWIP figures, due to the CPUC decision to allow capitalization of property taxes on CWIP.
- Capacity Payments (ERRA) amount estimated for CPM charges, Resource Adequacy (RA) purchases, and Standard Capacity Product (SCP) charges.
- In June 2013, the SDG&E investment in SONGS was removed from Rate Base (Plant in Service and Materials & Supplies), Construction Work in Progress, and Nuclear Fuel, and reclassified as a Regulatory Asset pending CPUC recovery decision. These transfers are not reflected within this report.
- On June 7, 2013, SCE announced plans to permanently shut down and retire SONGS Units 2 and 3, and since that date there is no "replacement power" costs although it will continue to be reported in the SONGS OMA for informational purposes.
- Report excludes Nuclear Decommissioning Planning costs recovered from Nuclear Decommissioning Trusts and includes non-Planning costs currently being requested for NDT reimbursement in AL 2579-E.
- Figures highlighted have been adjusted from previous reporting due to a process change not originally captured within this detail.