

Application No.: A.11-06-xxx
Exhibit No.: _____
Witness: Gregory D. Shimansky
Date: June 1, 2011

SAN DIEGO GAS & ELECTRIC COMPANY
PREPARED DIRECT TESTIMONY OF
GREGORY D. SHIMANSKY

****REDACTED VERSION****

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

June 1, 2011



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1 includes revenues from SDG&E's Electric Energy Commodity Cost ("EECC") rate schedule
2 adjusted to exclude California Department of Water Resources ("CDWR") revenues for energy
3 provided by CDWR to SDG&E customers and non-fuel generation revenues allocated to the
4 Non-fuel Generation Balancing Account ("NGBA"). SDG&E's share of revenues from the sale
5 of surplus energy is also reflected in the ERRA.

6 On a monthly basis, the ERRA compares the energy procurement costs described above
7 with the revenue from Schedule EECC (excluding CDWR and NGBA revenue). Interest is
8 applied to any over or under collection balance at the three-month Commercial Paper rate.
9 SDG&E's adopted ERRA tariff describes the entries that are made to the account on a monthly
10 basis.

11 SDG&E believes that the 2010 costs and expenses recorded to the ERRA are appropriate,
12 correctly stated and recoverable in accordance with applicable Commission policy and decisions.
13 The ERRA balance as of December 31, 2010 was a \$33.0 million overcollection.¹ Attachment A
14 summarizes the monthly entries to the ERRA during 2010 used to calculate the balance. The
15 2010 activity in the SDG&E ERRA as detailed in Attachment A is summarized in Table 1 below
16 – under/(over) collection:

17 **Table 1**

December 31, 2009 ERRA Balance ²	\$(55,945,900)
Revenue	\$(633,810,707)
Expenses	\$662,761,193
Other - net ³	\$(5,820,177)
Interest	\$(160,102)
December 31, 2010 ERRA Balance	\$(32,975,693)

18

¹ The forecasted 2010 year-end balance of \$37.0 million was approved in AL 2222-E on February 9, 2011 for
amortization in rates effective January 1, 2011.

² December 31, 2009 balance is pending approval in A.10-06-001.

³ Includes FERC refunds, transfers from other regulatory accounts, carrying costs related to hedging, rebalancing
costs, EPA payments on SO2 allowances, adjustments and settlement payments.

1 Ordering Paragraph 19 of D.02-12-074 directed PG&E, SCE and SDG&E to file a
2 monthly report with the Commission’s Energy Division to include a summary of activity in the
3 ERRA balancing account and to also submit original source documents pertaining to such
4 activities. D.07-04-020 modified this requirement to allow SDG&E to provide only a
5 breakdown of costs recorded to the ERRA in the monthly filings and make the supporting
6 documentation available to Commission staff and interested parties upon request. The modified
7 reporting requirement was effective with the April 2007 report. SDG&E submitted the monthly
8 reports to the Energy Division and interested parties for all twelve months of 2010.

9 **III. TCBA**

10 In SDG&E’s 2005 ERRA compliance review proceeding, the Commission authorized the
11 review of SDG&E’s TCBA in future ERRA review proceedings.⁴ The annual ERRA review is
12 the appropriate forum to review the TCBA since the costs that are recovered in the TCBA
13 generally relate to the above-market portion of certain Qualifying Facilities (“QFs”) and
14 purchase power costs eligible for recovery under AB 1890.

15 The TCBA records the eligible above-market power costs and the revenues received from
16 SDG&E’s Competition Transition Charge (“CTC”) rate. For 2010, the market benchmark of
17 \$58.54/MWh⁵ was used to calculate the above-market portion of AB 1890-eligible transition
18 costs. On a monthly basis, the TCBA compares the above-market power costs with the revenue
19 from the CTC rate component. Interest is applied to any over or under collection balance at the
20 three-month Commercial Paper rate.

21 SDG&E believes that the costs and expenses recorded to the TCBA are appropriate,
22 correctly stated and recoverable in accordance with applicable Commission policy and decisions.
23 The balance in the TCBA as of December 31, 2010 was a \$26.9 million overcollection.⁶
24 Attachment B provides a monthly summary of the entries to the TCBA during 2010. The 2010
25 activity in the SDG&E TCBA as detailed in Attachment B to my testimony is summarized in
26 Table 2 below – under/(over) collection:

⁴ See D.06-12-019, Ordering Paragraph 3.

⁵ Approved in SDG&E’s 2010 ERRA Revenue Requirement Forecast proceeding, A.09-10-003/D.10-04-010

⁶ The forecasted 2010 year-end balance of \$18.3 million was approved in AL 2222-E on February 9, 2011 for amortization in rates effective January 1, 2011.

1

Table 2

December 31, 2009 TCBA Balance ⁷	\$(20,125,270)
Revenue	\$(42,697,718)
Expenses	\$35,948,133
Interest	\$(47,803)
December 31, 2010 TCBA Balance	\$(26,922,658)

2

3 **IV. MRTUMA**

4 The purpose of the MRTUMA is to record the incremental operation and maintenance
5 and capital-related costs associated with implementing the California Independent System
6 Operator’s MRTU initiative. The California Independent System Operator’s (“CAISO”)
7 implemented MRTU on April 1, 2009. All market participants were required to comply with the
8 CAISO’s MRTU Tariff. As described in more detail in the direct testimony of Mr. Scates, the
9 MRTU project required SDG&E to implement internal computer system changes in order to
10 ensure integration with the CAISO’s new MRTU systems. SDG&E filed Advice Letter 1867-E
11 dated January 29, 2007 to request authority from the Commission to establish the MRTUMA to
12 record costs associated with implementing the CAISO’s MRTU tariff. Interest is applied to any
13 over or under collection balance at the three-month Commercial Paper rate. With respect to
14 recovery of MRTU-related costs, SDG&E’s approved MRTUMA tariff reads:

15 Recovery of the MRTUMA shall be addressed in the annual ERRA
16 Reasonableness proceeding, or other proceeding determined by the Commission.
17 The balance in the MRTUMA shall be transferred to the Non-fuel Generation
18 Balancing Account (NGBA) upon Commission approval.⁸

19 On June 1, 2010, SDG&E filed A.10-06-001 (ERRA Compliance Application for 2009)
20 for, among other things, review and approval of its MRTU-related costs through December 31,
21 2009. Subsequently, A.10-06-001 was bifurcated into two Phases. Phase 1 addressed all issues,
22 including the MRTMUA balance through December 31, 2009, except those related to 2009

⁷ December 31, 2009 balance is pending approval in A.10-06-001.

⁸ The request to establish SDG&E’s MRTUMA Preliminary Statement was filed in AL 1867-E on January 29, 2007 and approved by the Commission on June 11, 2007, with an effective date of May 24, 2007.

1 outages at the San Onofre Nuclear Generating Station (“SONGS”). As of the date of this
2 testimony, a final decision in Phase 1 has not been issued. Therefore, in this Application,
3 SDG&E’s MRTUMA request is limited to 2010 activity.

4 As described in detail in Mr. Scates’ direct testimony, SDG&E’s 2010 MRTUMA
5 includes both capital and O&M costs, primarily for software-related items, contracted support,
6 and incremental direct labor. Mr. Scates’ testimony describes all MRTU/Market-related costs
7 for 2010 to be \$2.6 million, including Capital costs of \$1.7 million and O&M costs of \$0.9
8 million. The O&M expense included in Mr. Scates’ testimony along with Capital Revenue
9 Requirement-related costs, such as Depreciation, Return, and Income Taxes, and Interest are
10 recorded in the MRTUMA and shown in Attachment C.

11 SDG&E believes these costs and expenses are appropriate, correctly stated and
12 recoverable in accordance with applicable Commission policy and decisions. SDG&E requests
13 recovery of the activity in the MRTUMA for 2010 and authorization to transfer that activity to
14 the NGBA, as per the tariff disposition. As noted above, the balance in the MRTUMA as of
15 December 31, 2009 was requested for recovery in the ERRA Compliance Application for 2009.⁹
16 The MRTUMA balance as of December 31, 2010 is \$4.2 million undercollected less the balance
17 as of December 31, 2009¹⁰ of \$2.6 million undercollected produces 2010 activity in the
18 MRTUMA of \$1.6 million undercollected, the amount of which SDG&E seeks recovery in this
19 Application, as shown on Table 3.

20 Attachment C to my testimony provides a monthly summary of the entries to the
21 MRTUMA during 2010.

22 **V. IEMA**

23 In D.04-12-048, the Commission adopted a variety of safeguards and procedures that
24 required the utilities to use independent evaluators (“IEs”) if affiliated entities bid in a
25 procurement solicitation or if the utility sought turnkey proposals. In D.05-07-039, the
26 Commission extended the requirement to use independent evaluators for SDG&E’s RPS
27 solicitations. Pursuant to D.04-12-048 and D.05-07-039, the purpose of the IEMA is to record
28 third party costs associated with the use of IEs in the utility’s long-term procurement activities

⁹ Pending approval of A.10-06-001.

¹⁰ Ibid.

1 and RPS programs. Interest is applied to any over or under collection balance at the three-month
2 Commercial Paper rate.

3 As noted above, on June 1, 2010, SDG&E filed A.10-06-001 (ERRA Compliance
4 Application for 2009) and a final decision in Phase 1 is still pending. Among other things, the
5 ERRA Compliance Application for 2009 included a request for approval of the annual transfer of
6 the IEMA account to the ERRA. The IEMA will continue to be reviewed in the annual ERRA
7 compliance proceeding through the ERRA balancing account review; however, the number of
8 memorandum accounts listed in the compliance filing will be reduced. With respect to cost
9 recovery, A.10-06-001 sought authority to recover the IEMA balance through 2009. Such
10 authority is based on the approved IEMA tariff, which reads: “SDG&E shall request the recovery
11 of the balance in the IEMA through the Energy Resource Recovery Account (ERRA)
12 application, or other proceeding as authorized by the Commission.”¹¹ In light of the pending
13 request for recovery of IEMA-related costs through 2009, this Application’s request for IEMA-
14 related costs is limited to 2010 activity.

15 SDG&E believes that the 2010 costs and expenses recorded to the IEMA are both
16 accurate and reasonable. The balance as of December 31, 2010 is \$1.7 million undercollected
17 less the balance as of December 31, 2009 of \$1.2 million undercollected produces 2010 activity
18 in the IEMA of \$0.5 million undercollected, the amount of which SDG&E seeks recovery in this
19 Application, as shown in Table 3. SDG&E reiterates its request from A.10-06-001 for the
20 authorization to annually transfer the IEMA balance to the ERRA.

21 Attachment D to my testimony provides a monthly summary of the entries to the IEMA
22 during 2010.

23 **VI. RPSMA**

24 Senate Bill (“SB”) 1078, effective January 1, 2003, established the California
25 Renewables Portfolio Standard (“RPS”) Program. In compliance with SB 1078, D.03-06-071
26 and the requirements of Rulemaking 01-10-024, SDG&E was required to implement RPS
27 programs. The Program’s objective is to increase the amount of California’s electricity
28 generated from renewable resources to meet several identified purposes. These purposes include
29 increasing generation resource diversity, enhancing electric reliability, protecting and improving

¹¹ Request for approval of SDG&E’s IEMA Preliminary Statement was filed in AL 1820-E on August 15, 2006 and approved by the Commission on October 16, 2006 with an effective date of September 14, 2006.

1 public health, improving environmental quality and benefits, promoting stable electricity prices,
2 stimulating economic development, creating new employment opportunities, and reducing
3 reliance on foreign fuels. To achieve these purposes, each California load serving entity (“LSE”)
4 is required each year to procure a minimum quantity of electricity from eligible renewable
5 energy resources. Furthermore, pursuant to D.06-10-050, the Commission required the LSEs to
6 supplement Commission resources and authorized the Commission’s Executive Director to hire
7 and manage a contractor, or contractors, to provide technical and other support to assist staff.
8 The Commission sends approved invoices for the RPS third party support costs to PG&E, SCE
9 and SDG&E for payment of these costs.¹² SDG&E has no discretion in creating or mitigating
10 those costs. In addition, D.06-10-050 authorized SDG&E to establish the RPSMA to record the
11 approved costs. Interest is applied to any over or under collection balance at the three-month
12 Commercial Paper rate. The total annual costs incurred by the Commission shall not exceed
13 \$400,000 and payments to the Commission can be recorded to the RPSMA until December 31,
14 2010.

15 Again, as noted above, on June 1, 2010, SDG&E filed A.10-06-001 (ERRA Compliance
16 Application for 2009) and a final decision in Phase 1 is still pending. Among other things, the
17 ERRA Compliance Application for 2009 requested authorization to update the RPSMA tariff
18 disposition to allow SDG&E to transfer the balance in the RPSMA at the end of 2010 to the
19 ERRA and to eliminate the account from SDG&E’s preliminary statement at the end of 2010.
20 The RPSMA transactions will continue to be reviewed in the annual ERRA compliance
21 proceeding through the ERRA balancing account review however, the number of memorandum
22 accounts individually listed in the compliance filing will be reduced. With respect to cost
23 recovery, A.10-06-001 sought authority to recover the RPSMA balance through 2009. Such
24 authority is based on the approved RPSMA tariff, which reads: “SDG&E shall request the
25 recovery of the balance in the RPSMA in the annual ERRA proceeding, or other proceeding as
26 authorized by the Commission.”¹³ In light of the pending request for recovery of RPSMA-
27 related costs through 2009, this Application’s request for RPSMA-related costs is limited to 2010
28 activity.

¹² PG&E, SCE and SDG&E are invoiced for the third party support costs on a proportional basis in relation to the annual retail sales used for the RPS Program compliance reporting, as reported in each March 1 report.

¹³ Request for approval of SDG&E’s RPSMA Preliminary Statement was filed in AL 2017-E on August 19, 2008 and approved by the Commission on September 25, 2008, with an effective date of August 19, 2008.

1 SDG&E believes that the 2010 costs and expenses recorded to the RPSMA are
2 appropriate, correctly stated and recoverable in accordance with applicable Commission policy
3 and decisions. SDG&E requests recovery of the activity in the RPSMA for 2010 and reiterates
4 its request in A.10-06-001 for authorization to transfer that activity to the ERRRA as per the tariff
5 disposition and eliminate the account.¹⁴ The RPSMA balance as of December 31, 2010 is
6 \$149,989 undercollected less the balance as of December 31, 2009¹⁵ of \$82,873 undercollected
7 produces 2010 activity in the RPSMA of \$67,116 undercollected, the amount of which SDG&E
8 seeks recovery in this Application, as shown in Table 3.

9 Attachment E to my testimony provides a monthly summary of the entries to the RPSMA
10 during 2010.

11 **VII. AUDIT OF ENERGY RESOURCE RECOVERY ACCOUNT**

12 As discussed and ordered in D.10-02-018, “SDG&E shall conduct and complete an audit
13 of its Energy Resource Recovery Account at least once every four years with the first audit to be
14 for the 2009 or 2010 record year.”¹⁶ Accordingly, SDG&E has retained an outside firm to
15 conduct an audit of ERRRA for record year 2010. The audit is currently on-going, and it is
16 anticipated that it will be completed in early June 2011.

17 **VIII. CONCLUSION**

18 As directed in D.02-10-062 and D.02-12-074, SDG&E seeks approval of the entries and
19 calculations in its ERRRA for the period January 2010 through December 2010 and requests that
20 the Commission find these entries and calculations appropriate, correctly stated and recoverable.
21 Furthermore, as directed in D.06-12-019, SDG&E seeks approval of the entries recorded to the
22 TCBA, also for the period January 2010 through December 2010 and requests that the
23 Commission find these entries and calculations appropriate, correctly stated and recoverable in
24 accordance with applicable Commission policy and decisions. In addition, SDG&E requests that
25 the Commission find the 2010 entries recorded in the MRTUMA, IEMA and RPSMA
26 appropriate, correctly stated and recoverable in accordance with applicable Commission policy
27 and decisions. SDG&E also requests appropriate transfers of costs in the aforementioned

¹⁴ Pending approval of A.10-06-001.

¹⁵ Ibid.

¹⁶ Decision 10-02-018 dated February 25, 2010. Ordering Paragraph 4.

1 memorandum accounts. SDG&E has made the entries to the aforementioned regulatory accounts
2 in accordance with its adopted tariffs and in compliance with relevant Commission decisions.

3 This concludes my prepared direct testimony.

Table 3

Memorandum Account Summary	Account Disposition	Amount
Market Redesign Technology Upgrade Memorandum Account (MRTUMA)	NGBA	\$1,578,422
Independent Evaluator Memorandum Account (IEMA)	ERRA	\$505,958
Renewables Portfolio Standard Memorandum Account (RSPMA)	ERRA	\$67,116
Total Cost Recovery Requested for Memorandum Accounts		\$2,151,496

1 **IX. QUALIFICATIONS OF GREGORY D. SHIMANSKY**

2 My name is Gregory D. Shimansky. I am employed by San Diego Gas & Electric
3 Company (SDG&E), as the Financial Services and Regulatory Accounts Manager in the
4 Financial Analysis Department. My business address is 8330 Century Park Court, San Diego,
5 California 92123. My current responsibilities include managing the process for the development,
6 implementation, and analysis of regulatory balancing and memorandum accounts. I also have
7 oversight responsibility over the Utility Treasury function. I assumed my current position in July
8 2010.

9 I have been employed with SDG&E and Sempra Energy since June 30, 2003. In addition
10 to my current position in Regulatory Affairs, I served as Financial Planning Manager for Sempra
11 Energy Corporate (Parent) and was responsible for the completion of the 5-year financial plan
12 and accompanying analysis. I held that role from June 2009 through April 2010. From August
13 2008 to June 2009, I was the Regulatory Reporting Manager in charge of the monthly close and
14 reporting of revenues, cost of goods sold and balancing accounts. Further, I was responsible for
15 the filing of financial data as required to the CPUC and FERC – such as FERC form 1 reports.
16 From June 2003 through August 2008, I worked for SDG&E in the Utility Planning department
17 working my way up to Financial Planning Manager in charge of yearly outlooks, the 5-year
18 forecast, monthly actual variance reporting, and ad hoc analysis.

19 I received a Bachelors of Science degree in Economics from the University of California,
20 Los Angeles in June 1993. I also received a Masters of Science in Management, with
21 concentrations in Finance and Marketing, from Purdue University in May 1998.

22 I have previously testified before the Commission.

Attachment A

San Diego Gas & Electric Company
Energy Resource Recovery Account (ERRA)
For the period January 1, 2010 - December 31, 2010

Line #	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Total 2010
REVENUES													
1	ECC Revenue (Less DWR Revenue)	(75,575,502)	(75,076,554)	(68,298,894)	(66,313,187)	(71,545,735)	(93,872,045)	(105,345,575)	(98,748,704)	(116,252,550)	(101,727,130)	(75,366,771)	(71,122,906)
2	Electric Procurement Bill Credit	96,306	27,522	10,561	(48,945)	1,387	(8)	4,813,546	104,637,173	1,174,842	102,596	37,003	
3	ABX1 Surcharge Credit	-	-	-	-	-	-	-	-	-	-	-	-
4	Total ERRA Balancing Account Revenues including FF&U	(75,479,196)	(75,049,032)	(68,288,333)	(66,362,132)	(71,544,348)	(93,872,045)	(105,345,583)	(93,935,156)	(116,152,288)	(100,552,288)	(75,264,175)	(71,085,903)
5	Less: FF&U factor (1,011808 effective 5/1/09)	881,981	876,158	797,062	773,888	834,953	1,095,505	1,229,404	1,152,417	1,356,690	1,187,176	879,545	830,018
6	Less: FF&U factor for Electric Procurement Bill Credit	(1,124)	(321)	(123)	571	(16)	-	(56,175)	(1,221,137)	(13,711)	(1,197)	(432)	
7	Total for FF&U	880,857	875,837	796,939	774,459	834,937	1,095,505	1,229,404	1,096,242	1,355,553	1,173,465	878,348	829,586
8	Subtotal ERRA Revenues w/o FF&U	(74,598,339)	(74,173,195)	(67,491,394)	(65,587,673)	(70,709,411)	(92,776,540)	(104,116,179)	(92,838,916)	(114,799,824)	(99,378,823)	(74,385,827)	(70,256,317)
9	Less Transfer to NCBA	22,549,120.00	20,887,410	20,026,281	20,550,746	19,829,350	22,000,465	23,469,744	22,196,147	25,633,160	23,934,130	22,130,893	23,385,363
10	Transfer (FERA) to BBA	(1,536)	(3,154)	(2,249)	(3,083)	(2,939)	(3,330)	(3,742)	(3,682)	(2,320)	(3,324)	(2,888)	(2,182)
11	SDDFD Credit Adjustment for Electric Procurement Bill Credit	(1,880)	(418)	(170)	25	(15)	-	-	(91,791)	(2,435,669)	(42,282)	(3,088)	(1,363)
12	Net Revenues to Balancing Account	(52,052,634)	(53,289,357)	(47,467,532)	(45,039,985)	(50,883,015)	(70,779,405)	(80,650,177)	(70,738,242)	(111,715,347)	(75,490,298)	(52,260,910)	(46,874,498)
EXPENSES													
13	Load ISO Charges												
14	Supply ISO Revenues												
15	Contract Costs (non-CTC)												
16	Contract Costs (CTC up to market)												
17	Generation Fuel												
18	Other ISO Related Costs												
19	Hedging Costs & Financial transactions												
20	Annual True-up In Lieu of Payment - Miramar												
21	Annual True-up In Lieu of Payment - Palomar												
22	Annual True-up In Lieu of Payment - OMEC												
23	Customer Incentive Payments												
24	Other Costs												
25	Total Balancing Account Expenses	68,473,310	40,606,336	50,551,244	37,650,932	39,792,129	48,894,916	65,450,569	72,467,898	71,305,680	55,737,746	51,437,205	60,393,227
MISCELLANEOUS													
26	FERC Refund	(13,314,554)	331,262	-	-	(2,395,917)	-	(2,852,597)	-	(507,822)	-	(47,434)	-
27	DA CRS Refund Error Reversal from September and November 2007	-	-	-	-	(39,002)	-	-	-	-	-	-	-
28	EPA Payment on SO2 Allowance - Encina and South Bay	-	-	-	(14,523)	-	-	-	-	-	-	-	-
29	EPA Payment on SO2 Allowance - PGE (Boardman)	-	-	-	-	(1,155)	-	-	-	-	-	-	-
30	AG Curtailments Settlement Payment from Sempra Energy	(236,794)	(236,794)	(236,794)	(236,794)	(236,794)	(236,794)	(236,794)	(236,794)	(236,794)	(236,794)	(236,794)	(236,794)
31	Carry Cost Related to Hedging Margin Dep - Broker	-	-	-	-	-	-	-	-	-	-	-	-
32	Carry Cost Related to Hedging Margin Dep - Computed	5,147	5,110	8,219	12,814	14,600	17,513	19,893	19,390	19,920	19,842	17,799	15,233
33	Rebalancing Costs (OMEC/Calpine)	1,280,131	1,280,131	1,280,131	1,280,131	1,280,131	1,280,131	1,280,131	1,280,131	1,280,131	1,280,131	1,280,131	1,280,131
34	Adjustments	-	294,768	-	-	-	-	-	-	-	-	-	-
35	Total Miscellaneous	(12,266,070)	1,674,478	1,051,556	1,041,628	(1,378,137)	1,060,850	(1,789,367)	1,062,727	555,435	1,063,179	1,013,702	1,058,570
36	Net Current Month Under / (Over) Collection	\$ 4,154,606	\$ (11,008,543)	\$ 4,135,268	\$ (6,347,425)	\$ (12,469,023)	\$ (20,823,639)	\$ (16,988,975)	\$ 2,792,383	\$ 83,576,462	\$ (18,689,373)	\$ 189,997	\$ 14,577,299
37	Interest Rate	0.16%	0.13%	0.15%	0.20%	0.23%	0.28%	0.32%	0.27%	0.25%	0.24%	0.23%	0.23%
38	Interest (Current Month)	\$ (7,182)	\$ (5,953)	\$ (7,593)	\$ (10,310)	\$ (15,095)	\$ (20,526)	\$ (28,498.00)	\$ (25,648)	\$ (14,757)	\$ (7,681)	\$ (9,135)	\$ (7,722)
39	Transfers From Other Regulatory Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,272
40	Current Month Balance With Interest & Transfers	\$ 4,147,424	\$ (11,014,496)	\$ 4,127,675	\$ (6,357,735)	\$ (12,484,118)	\$ (20,844,165)	\$ (17,017,473)	\$ 2,766,735	\$ 83,561,705	\$ (18,697,054)	\$ 180,861	\$ 14,600,849
41	Cumulative Balance With Interest & Transfers	\$ (51,798,477)	\$ (62,812,973)	\$ (58,685,298)	\$ (65,043,033)	\$ (77,527,151)	\$ (98,371,316)	\$ (115,388,789)	\$ (112,622,054)	\$ (29,060,350)	\$ (47,757,404)	\$ (47,576,542)	\$ (32,975,693)

Notes:

Line 26: Refunds from FERC Refund Proceeding resolving issues related to the 2000-2001 California Energy Crisis. January - LADWP, CFE, PECO/Exelon and Cargill settlement related to CAISO settlement trust. July - Tucson Electric Power. September - NEG-T. November - Enron.

Attachment B

**San Diego Gas and Electric
Transition Cost Balancing Account
For the period January 1, 2010 - December 31, 2010**

Line #	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Total 2010
1 Beginning Balance	\$ (20,125,270)	\$ (22,640,559)	\$ (24,639,737)	\$ (28,358,055)	\$ (23,878,680)	\$ (20,109,716)	\$ (17,626,223)	\$ (17,389,296)	\$ (17,433,499)	\$ (18,500,202)	\$ (22,671,123)	\$ (25,629,821)	
2 CTC Revenue	\$ (2,943,524)	\$ (2,756,349)	\$ (2,619,846)	\$ (2,592,968)	\$ (3,160,399)	\$ (4,270,032)	\$ (4,752,195)	\$ (4,451,202)	\$ (5,129,750)	\$ (4,147,136)	\$ (2,890,823)	\$ (2,983,494)	\$(42,697,718)
3 CTC Costs	\$ 431,086	\$ 759,732	\$ (1,095,160)	\$ 7,076,697	\$ 6,933,577	\$ 6,757,927	\$ 4,993,791	\$ 4,410,916	\$ 4,066,790	\$ (19,668)	\$ (63,247)	\$ 1,695,693	\$ 35,948,133
4 Current Month (over)/under collection (before int.)	\$ (2,512,438)	\$ (1,996,617)	\$ (3,715,006)	\$ 4,483,728	\$ 3,773,178	\$ 2,487,895	\$ 241,596	\$ (40,287)	\$ (1,062,960)	\$ (4,166,804)	\$ (2,954,070)	\$ (1,287,801)	
5 Interest Rate	0.16%	0.13%	0.15%	0.20%	0.23%	0.28%	0.32%	0.27%	0.25%	0.24%	0.23%	0.23%	
6 Interest (Current Month)	\$ (2,851)	\$ (2,561)	\$ (3,312)	\$ (4,353)	\$ (4,215)	\$ (4,402)	\$ (4,668)	\$ (3,917)	\$ (3,743)	\$ (4,117)	\$ (4,628)	\$ (5,036)	\$ (47,803)
7 Current Month Balance With Interest	\$ (2,515,289)	\$ (1,999,178)	\$ (3,718,318)	\$ 4,479,375	\$ 3,768,963	\$ 2,483,493	\$ 236,928	\$ (44,204)	\$ (1,066,703)	\$ (4,170,921)	\$ (2,958,698)	\$ (1,292,837)	
8 Transfers/Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
9 Ending Balance - Cum. Bal. With Interest	\$ (22,640,559)	\$ (24,639,737)	\$ (28,358,055)	\$ (23,878,680)	\$ (20,109,716)	\$ (17,626,223)	\$ (17,389,296)	\$ (17,433,499)	\$ (18,500,202)	\$ (22,671,123)	\$ (25,629,821)	\$ (26,922,658)	

Attachment C

**SAN DIEGO GAS & ELECTRIC CO.
MARKET REDESIGN TECHNOLOGY UPGRADE MEMORANDUM ACCOUNT
FOR THE PERIOD JANUARY 1, 2010 - DECEMBER 31, 2010**

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	TOTAL 2010
O&M EXPENSES	\$ 76,767	\$ 183,109	\$ 182,011	\$ 49,896	\$ 120,452	\$ (147,547)	\$ 38,848	\$ 84,732	\$ 57,425	\$ 345,900	\$ (185,664)	\$ 86,018	\$ 891,946
CAPITAL REVENUE REQUIREMENT:													
Depreciation	\$ 51,009	\$ 50,717	\$ 50,718	\$ 50,717	\$ 50,718	\$ 50,717	\$ 50,717	\$ 50,717	\$ 50,717	\$ 50,717	\$ 50,717	\$ 50,717	\$ 50,717
Return on Rate Base	\$ 13,801	\$ 13,094	\$ 12,435	\$ 11,917	\$ 11,398	\$ 10,880	\$ 10,362	\$ 9,844	\$ 9,326	\$ 8,808	\$ 8,238	\$ 7,617	\$ 7,617
Income Tax on Return	\$ (8,853)	\$ (3,041)	\$ (3,385)	\$ (3,656)	\$ (3,927)	\$ (4,198)	\$ (5,069)	\$ (4,138)	\$ (5,009)	\$ (5,280)	\$ (5,577)	\$ (5,902)	\$ (5,902)
Total Capital Revenue Requirement	\$ 55,957	\$ 60,770	\$ 59,768	\$ 58,978	\$ 58,189	\$ 57,399	\$ 56,011	\$ 56,423	\$ 55,034	\$ 54,245	\$ 53,379	\$ 52,432	\$ 678,585
TOTAL Balancing Account Expenses	\$ 132,724	\$ 243,879	\$ 241,779	\$ 108,874	\$ 178,641	\$ (90,148)	\$ 94,858	\$ 141,155	\$ 112,459	\$ 400,145	\$ (132,286)	\$ 138,450	\$ 1,570,531
Net Current Month Under / (Over) Collection	\$ 132,724	\$ 243,879	\$ 241,779	\$ 108,874	\$ 178,641	\$ (90,148)	\$ 94,858	\$ 141,155	\$ 112,459	\$ 400,145	\$ (132,286)	\$ 138,450	
CUMULATIVE BALANCE	\$ 2,697,336	\$ 2,941,215	\$ 3,182,994	\$ 3,291,868	\$ 3,470,509	\$ 3,380,361	\$ 3,475,219	\$ 3,616,375	\$ 3,728,834	\$ 4,128,979	\$ 3,996,693	\$ 4,135,143	
INTEREST RATE	0.16%	0.13%	0.15%	0.20%	0.23%	0.28%	0.32%	0.27%	0.25%	0.24%	0.23%	0.23%	
INTEREST	\$ 353	\$ 307	\$ 385	\$ 543	\$ 652	\$ 804	\$ 919	\$ 802	\$ 770	\$ 790	\$ 783	\$ 784	
CURRENT MONTH INTEREST	\$ 353	\$ 307	\$ 385	\$ 543	\$ 652	\$ 804	\$ 919	\$ 802	\$ 770	\$ 790	\$ 783	\$ 784	\$ 7,892
CUMULATIVE INTEREST	\$ 16,933	\$ 17,240	\$ 17,625	\$ 18,168	\$ 18,820	\$ 19,624	\$ 20,543	\$ 21,345	\$ 22,115	\$ 22,905	\$ 23,688	\$ 24,472	
CURRENT BALANCE WITH INTEREST	\$ 133,077	\$ 244,186	\$ 242,164	\$ 109,417	\$ 179,293	\$ (89,344)	\$ 95,777	\$ 141,957	\$ 113,229	\$ 400,935	\$ (131,503)	\$ 139,234	\$ 1,578,422
CUMULATIVE BALANCE WITH INTEREST	\$ 2,714,269	\$ 2,958,455	\$ 3,200,619	\$ 3,310,036	\$ 3,489,329	\$ 3,399,985	\$ 3,495,762	\$ 3,637,719	\$ 3,750,948	\$ 4,151,883	\$ 4,020,380	\$ 4,159,614	\$ -

Attachment D

San Diego Gas & Electric Company
Independent Evaluator Memorandum Account
For the Period January 1, 2010 - December 31, 2010

MONTH	TOTAL MONTHLY EXPENSES	UNDER/(OVER) COLLECTION	PRIOR MONTH BALANCE	INTEREST BASE	INTEREST RATE	INTEREST (EXP) INC	ACCOUNT BALANCE
COLUMN #	1	2	3	4	5	6	7
JANUARY	30,615	30,615	1,167,723	1,183,031	0.16%	158	1,198,496
FEBRUARY	42,317	42,317	1,198,496	1,219,655	0.13%	132	1,240,945
MARCH	126,400	126,400	1,240,945	1,304,145	0.15%	163	1,367,508
APRIL	118,400	118,400	1,367,508	1,426,708	0.20%	238	1,486,146
MAY	116,277	116,277	1,486,146	1,544,285	0.23%	296	1,602,719
JUNE	(77,368)	(77,368)	1,602,719	1,564,035	0.28%	272	1,525,623
JULY	(67,210)	(67,210)	1,525,623	1,492,018	0.32%	398	1,458,811
AUGUST	62,472	62,472	1,458,811	1,490,047	0.27%	335	1,521,618
SEPTEMBER	41,601	41,601	1,521,618	1,542,418	0.25%	321	1,563,540
OCTOBER	83,022	83,022	1,563,540	1,605,051	0.24%	321	1,646,883
NOVEMBER	0	0	1,646,883	1,646,883	0.23%	316	1,647,199
DECEMBER	26,164	26,164	1,647,199	1,660,281	0.23%	318	1,673,681
TOTAL 2010	502,690	502,690		17,678,554		3,268	17,933,167

Attachment E

San Diego Gas & Electric
Renewables Portfolio Standard Memorandum Account (RPSMA)
For the Period January 1, 2010 - December 31, 2010

MONTHS	TOTAL MONTHLY EXPENSES	UNDER/(OVER) COLLECTION	PRIOR MONTH BALANCE	INTEREST BASE	INTEREST RATE	INTEREST (EXP) INC	ACCOUNT BALANCE
Column #	1	2	3	4	5	6	7
JANUARY	0	0	82,873	0	0.16%	11	82,884
FEBRUARY	0	0	82,884	0	0.13%	9	82,893
MARCH	550	550	82,893	275	0.15%	10	83,453
APRIL	0	0	83,453	0	0.20%	14	83,467
MAY	0	0	83,467	0	0.23%	16	83,483
JUNE	0	0	83,483	0	0.28%	19	83,502
JULY	523	523	83,502	262	0.32%	22	84,047
AUGUST	0	0	84,047	0	0.27%	19	84,066
SEPTEMBER	0	0	84,066	0	0.25%	18	84,084
OCTOBER	0	0	84,084	0	0.24%	17	84,101
NOVEMBER	40,411	40,411	84,101	20,206	0.23%	20	124,532
DECEMBER	<u>25,431</u>	<u>25,431</u>	<u>124,532</u>	<u>12,716</u>	<u>0.23%</u>	<u>26</u>	149,989
TOTAL 2010	66,915					201	

**BEFORE THE PUBLIC UTILITIES
COMMISSION OF THE STATE OF CALIFORNIA**

**DECLARATION
OF GREGORY D. SHIMANSKY**

A.11-06-XXX

Application of San Diego Gas & Electric Company (U 902-E) for Approval of: (i) Contract Administration, Least Cost Dispatch and Power Procurement Activities in 2010, (ii) Costs Related to those Activities Recorded to the Energy Resource Recovery Account and Transition Cost Balancing Account in 2010 and (iii) Costs Recorded in Related Regulatory Accounts in 2010

I, Gregory D. Shimansky, declare as follows:

1. I am the Financial Services and Regulatory Accounts Manager for San Diego Gas & Electric Company (“SDG&E”). I have included my Direct Testimony (“Testimony”) in support of SDG&E’s Application for Approval of: (i) Contract Administration, Least Cost Dispatch and Power Procurement Activities, and (ii) Costs Related to those Activities Recorded to the Energy Resource Recovery Account, Incurred During the Record Period January 1, 2010 through December 31, 2010, and (iii) the Entries Recorded in Related Regulatory Accounts. Additionally, as the Financial Services and Regulatory Accounts Manager, I am thoroughly familiar with the facts and representations in this declaration and if called upon to testify I could and would testify to the following based upon personal knowledge.

2. I am providing this Declaration to demonstrate that the confidential information (“Protected Information”) in support of the referenced Application falls within the scope of data provided confidential treatment in the IOU Matrix (“Matrix”) attached to the Commission’s Decision D.06-06-066 (the Phase I Confidentiality

decision). Pursuant to the procedures adopted in D.08-04-023, I am addressing each of the following five features of Ordering Paragraph 2 in D.06-06-066:

- that the material constitutes a particular type of data listed in the Matrix;
- the category or categories in the Matrix the data correspond to;
- that SDG&E is complying with the limitations on confidentiality specified in the Matrix for that type of data;
- that the information is not already public; and
- that the data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure.

3. The confidential information contained in my Testimony constitutes material, market sensitive, electric procurement-related information that is within the scope of Section 454.5(g) of the Public Utilities Code.¹ As such, the Protected Information provided by SDG&E is allowed confidential treatment in accordance with Appendix 1 – IOU Matrix in D.06-06-066.

4. Monthly expenses recorded to the Energy Resource Recovery Account (ERRA) included in Attachment A to my testimony are protected under Matrix category XI “Monthly Procurement Costs” and is “confidential for three years”.

5. I am not aware of any instances where the Protected Information has been disclosed to the public. To my knowledge, no party, including SDG&E, has publicly revealed any of the Protected Information.

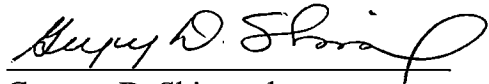
6. I will comply with the limitations on confidentiality specified in the Matrix for the type of data that is provided herewith.

¹ In addition to the details addressed herein, SDG&E believes that the information being furnished in my Testimony is governed by Public Utilities Code Section 583 and General Order 66-C. Accordingly, SDG&E seeks confidential treatment of such data under those provisions, as applicable.

7. The Protected Information cannot be provided in a form that is aggregated, partially redacted, or summarized and continue to provide the level of support to the Application as intended; however SDG&E is certainly willing to work with the Commission regarding possible aggregations if the Commission seeks to make any of the confidential information provided in the Testimony public.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 24th day of May, 2011, at San Diego, California.



Gregory D. Shimansky
Financial Services and
Regulatory Accounts Manager
San Diego Gas & Electric Company