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March 31, 2015

The Honorable Kimberly D. Bose Secretary Federal Energy Regulatory Commission 888 First Street, N.E. Washington, D.C. 20426

Re: San Diego Gas & Electric Company, Transmission Owner Tariff Appendix X, Formula Modification Filing, Docket No. ER15-\_\_-000

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act ("FPA"), 16 U.S.C. § 824d, and Part 35.12 of the Regulations of the Federal Energy Regulatory Commission ("FERC" or "Commission"), San Diego Gas & Electric Company ("SDG&E") hereby submits proposed revisions to the currently-effective Appendix X¹ of its Transmission Owner ("TO") Tariff ("Formula Modification Filing" or "Filing"). SDG&E requests that changes reflected in this Formula Modification Filing become effective on June 1, 2015, concurrently with the effective date of the fourth annual Informational Filing ("Cycle 4")² under Appendix X.

As discussed below, Appendix X is intended to be based on SDG&E's effective TO Formula. The changes reflected in this Formula Modification Filing are necessary to conform Appendix X, which is currently based on SDG&E's Third TO Formula ("TO3 Formula"),<sup>3</sup> to

<sup>&</sup>lt;sup>1</sup> The Commission approved Appendix X in *San Diego Gas & Electric Company Order Conditionally Accepting Tariff Revision*, 139 FERC ¶ 61,188 (June 8, 2012) ("Appendix X Order") and 141 FERC ¶ 61,054 (October 19, 2012) ("Letter Order"). The Letter Order approved SDG&E's July 19, 2012 compliance filing.

<sup>&</sup>lt;sup>2</sup> The term, "Cycle" refers to the number of annual filings, *i.e.*, Informational Filings, made under the applicable formula. Thus, Cycle 4 is SDG&E's fourth annual filing under the Appendix X Formula.

<sup>&</sup>lt;sup>3</sup> Appendix X was based on the TO3 Formula. The TO3 Formula Offer of Settlement was approved by Letter Order, dated May 18, 2007, in *San Diego Gas & Electric Company*, 119 FERC ¶61,169 (2007).

The Honorable Kimberly D. Bose March 31, 2015 Page 2 of 6

SDG&E's Fourth TO Formula ("TO4 Formula") rate mechanism, which became effective on September 1, 2013.<sup>4</sup>

#### I. BACKGROUND

Citizens Sunrise Transmission, LLC ("Citizens"), a wholly-owned subsidiary of Citizens Energy Corporation, has leased 50% of the transfer capability of the Border East Line<sup>5</sup> of the Sunrise Powerlink Transmission Project ("Sunrise").<sup>6</sup>

Citizens prepaid SDG&E \$85.194 million in exchange for a 30-year entitlement to 50% of the Border East Line's transfer capability effectuated through a lease arrangement. SDG&E operates and maintains the Border East Line for Citizens for a charge, *i.e.*, the Border East Line Rate.

The Appendix X Formula rate mechanism sets forth a methodology for calculating a rate for the operation and maintenance service that SDG&E provides on behalf of Citizens. The applicable rate for each Rate Effective Period is specified annually on the basis of certain recorded costs reflected in an Appendix X Informational Filing that SDG&E is required to file just prior to June 1, the first day of the Rate Effective Period. Such rate(s) will remain in effect through May 31 of the subsequent year.

More particularly, Appendix X provides that the Citizens Border East Line Rate shall 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 Costs; (4) True-Up Adjustment and (5) Interest True-Up Adjustment. Appendix X further provides that 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.

The cost components included in the Border East Line Rate for each Rate Effective Period are determined based on the following: a previous Base Period calendar year using data shown in SDG&E's FERC Form 1; a True-Up Adjustment and an Interest True-Up Adjustment. The True-Up Adjustment will be an annual reconciliation of the difference between (a)

<sup>&</sup>lt;sup>4</sup> The Commission approved the TO4 Formula Offer of Settlement by Letter Order, dated May 27, 2014, in *San Diego Gas & Electric Company*, 147 FERC ¶61,150 (2014).

<sup>&</sup>lt;sup>5</sup> The Border East Line segment leased to Citizens is located between SDG&E's Imperial Valley substation and the San Diego County line.

<sup>&</sup>lt;sup>6</sup> Sunrise is a 120-mile, 500 kV transmission line and associated upgrades that will extend from SDG&E's Imperial Valley substation to load-centers in western San Diego County, California.

<sup>&</sup>lt;sup>7</sup> The Commission approved the transaction and established a certain accounting treatment that SDG&E must follow for the Border East Line in *San Diego Gas & Electric Company*, *Order on Petition for Declaratory Order*, 129 FERC ¶61, 233 (December 17, 2009).

<sup>&</sup>lt;sup>8</sup> The capitalized terms are either defined herein or in Appendix VIII or Appendix X of SDG&E's TO Tariff.

The Honorable Kimberly D. Bose March 31, 2015 Page 3 of 6

SDG&E's actual costs of providing the transmission service during the most recent consecutive twelve-month period ("True-Up Period") ending December 31 preceding that Rate Effective Period, less (b) actual revenues received from Citizens for transmission services during the True-Up Period. Appendix X also provides for SDG&E to reflect all Commission directed refunds or adjustments affecting the Border East Line in the true-up adjustment.

## II. SUMMARY OF THE PROPOSED MODIFICATIONS TO THE APPENDIX X FORMULA

The proposed modifications to definitions, terms and calculations are summarized below. As a practical matter, however, the rate effect of reconciling Appendix X with the TO4 Formula will not be known until SDG&E files the Appendix X Cycle 4 Informational Filing on or before May 29, to become effective on June 1, 2015.

Here, as explained more fully in the Prepared Direct Testimony of Leonor Sanchez (Exhibit No. SDG-1), SDG&E is revising (or adding, as noted) the following definitions and terms of Appendix X to conform Appendix X to the TO4 Formula:

- Section I, Introduction, added provision to correct errors;
- o Section II.A. 5, Transmission Wages and Salaries Allocation Factor;
- o Sections II.C.:
  - 8, Citizens Border East Line Allocated Property Taxes,
  - 12, Common Plant Depreciation Expense
  - 17, Federal Income Tax
  - 19, General Plant Depreciation Expense
  - 28, Non-Deductibility of Depreciation on Equity Allowance for Funds Used During Construction ("AFUDC") Revenue Component (added)
  - 35, State Income Tax
  - 36, Sunrise Removal Rate
  - 40, Transmission Plant
  - 47, Transmission Related Payroll Taxes Expense
  - 53, Weighted Cost of Capital
- Section III.C., added Calculation of the Cost Component Containing Other Specific Expenses, revised to reconcile the Citizens share of the Equity AFUDC associated

The Honorable Kimberly D. Bose March 31, 2015 Page 4 of 6

with the Citizens Border-East Line, with the Equity AFUDC calculation mandated by the TO4 Formula for the calculation of Federal and State Income Taxes (added).

o Section III.D., Derivation of a One-Time Four Month True-Up Adjustment (September 1 through December 31, 2013) (added).

#### III. DESCRIPTION OF THE FILING AND LIST OF DOCUMENTS SUBMITTED

This Formula Modification Filing consists of the following:

- Modified Appendix X (clean version);
- Modified Appendix X (redline version);
- Prepared Direct Testimony of Leonor Sanchez (Exhibit No. SDG-1):
  - o Illustrative rate comparison under currently-effective Appendix X and modified Appendix X using 2013 Base Period costs (Exhibit No. SDG-1-1);
  - Statement BK2—shows the numerical results under the currently-effective Appendix X based on illustrative Base Period 2013 costs (Exhibit No. SDG-1-2);
  - o Statement BK2—shows the numerical results under the modified Appendix X based on illustrative Base Period 2013 costs (Exhibit No. SDG-1-3); and
- Cost Statements AD, AF, AG, AH, AI, AJ, AK, AL, AR, AV and BK2, all of which are provided for illustrative purposes using 2013 Base Period costs;
- Workpapers.

## IV. REQUEST FOR ANY NECESSARY WAIVER, NOMINAL SUSPENSION AND EFFECTIVE DATE

SDG&E believes that the information included in this Formula Modification Filing, provides sufficient information to allow the Commission to accept this Filing and to permit it to become effective on June 1, 2015, concurrently with the Appendix X Cycle 4 Informational Filing. This is so especially where, as here, this Formula Modification Filing does not implement any new rates, but instead proposes to reconcile the Appendix X Formula with SDG&E's TO4 Formula. Accordingly, SDG&E does not believe that any suspension is warranted.

To the extent deemed necessary, however, SDG&E requests that the Commission grant any waivers it deems necessary, including a nominal one-day suspension, to permit the proposed modifications to the Appendix X Formula to become effective, as filed, on June 1, 2015, concurrently with the Appendix X Cycle 4 Informational Filing.

The Honorable Kimberly D. Bose March 31, 2015 Page 5 of 6

#### V. SERVICE

Copies of this Filing are being served on all parties to Docket No. ER14-2057. Copies are also being served on the California Public Utilities Commission, the California Independent System Operator, Corporation ("CAISO"), Pacific Gas and Electric Company, Southern California Edison Company and other participating transmission owners that have transferred operational control over their transmission facilities and entitlements to the CAISO.

#### VI. COMMUNICATIONS

Correspondence and other communications concerning this Informational Filing should be addressed to:<sup>9</sup>

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Respectfully submitted,

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San Diego Gas & Electric Company

**Enclosures** 

cc: Debi Le Vine, Director CAISO

General Counsel, California Public Utilities Commission

Donald Allen, Citizens Ashley Bond, Citizens

<sup>&</sup>lt;sup>9</sup> SDG&E requests waiver of Rule 203(b)(3) to the extent necessary to permit each of the individuals identified above to be placed on the Commission's official service list in this proceeding.

## San Diego Gas & Electric Company

## Attestation

# ATTESTATION RE SAN DIEGO GAS & ELECTRIC COMPANY'S FORMULA FOR CALCULATING THE ALLOCATED COSTS TO CITIZEN'S BORDER EAST LINE RATE UNDER SDG&E'S TRANSMISSION OWNER TARIFF

I, Lee Schavrien, attest that I am Senior Vice President – Regulatory Affairs and Operations Support of San Diego Gas & Electric Company ("SDG&E"), and to the best of my knowledge and belief, the cost of service statements and supporting data submitted as part of this filing are true, accurate, and current representations of SDG&E's books and other corporate documents.

March 30, 2015

#### California All-Purpose Acknowledgement

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California	)
	)
County of San Diego	)

On March 30, 2015 before me, <u>Annie V. Ruiz, Notary Public</u>, personally appeared <u>Lee Schavrien</u>, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Annie V. Ruiz, Notary Public

# San Diego Gas & Electric Company Transmission Owner Tariff

Appendix X

Redlined Tariff Pages

#### **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 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. Introduction
- II. Definitions
  - A. Allocation Factors
  - **B.** Carrying Charge Percentages
  - C. Terms
    - 1. [DELETED]
    - 2. Allocated General and Common Accumulated Deferred Income Taxes
    - 3. Administrative and General Expense
    - 4. Base Period Cost of Service
    - 5. Citizens Border East Line Accumulated Deferred Tax Asset
    - 6. Citizens Border East Line Accumulated Deferred Tax Liability
    - 7. Citizens Border East Line Incremental Accumulated Deferred Income Tax Liability
    - 8. Citizens Border East Line Allocated Property Taxes
    - 9. Citizens Border East Line Leased Amount
    - 10. Citizens Border East Line Rate
    - 11. Common Plant
    - 12. Common Plant Depreciation Expense
    - 13. Cost Component Containing Other Specific Expenses
    - 14. Cost of Capital Rate

- 15. Cost of Equity Component
- 16. Direct Maintenance Expense Cost Component
- 17. Federal Income Tax Rate Component
- 18. General Plant
- 19. General Plant Depreciation Expense
- 20. General and Common Plant ADIT
- 21. General and Common Plant Depreciation Rate
- 22. General and Common Plant Fixed Charged Rate
- 23. General and Common Total Gross Plant
- 24. General and Common Plant Revenues
- 25. Interest True Up Adjustment
- 26. Materials and Supplies
- **27.** Municipal Franchise Tax Percentage
- 27.28. Non-Deductibility of Depreciation on Equity Allowance for Funds Used During Construction (AFUDC) Revenue Component
- 28.29. Non Direct Expenses Cost Component
- 29.30. Payroll Taxes
- 30.31. Prepayments
- 31.32. Property Insurance
- 32.33. Property Taxes
- 33.34. Rate Effective Period
- 34.35. State Income Tax Component
- 35.36. Sunrise Removal Rate
- 36.37. Total Plant in Service
- 37.38. Transmission Maintenance Expenses
- 38.39. Transmission Operationg Expenses
- 39.40. Transmission Plant
- 40.41. [DELETED]
- 41.42. [DELETED]
- 42.43. Transmission Related A&G Expenses
- 43.44. Transmission Related A&G Expenses Including Property Insurance

- 44.45. Transmission Related General and Common Plant Revenues
- 45.46. Transmission Related Materials and Supplies
- 46.47. Transmission Related Payroll Taxes Expense
- 47.48. Transmission Related Prepayments
- 48.49. Transmission Related Working Cash
- 49.50. Transmission Related Working Capital Revenue
- 50.51. True Up Adjustment
- 51.52. True-Up Period
- 52.53. Weighted Cost of Capital
- 53.54. Working Cash One Eight O&M Percentage

## 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

#### IV. Table 1

#### 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 ExpensesCosts 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*")<sup>1</sup> 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

<sup>&</sup>lt;sup>1</sup> San Diego Gas & Electric Company, *Order on Petition for Declaratory Order* ("PDO"), 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 (TO43 Formula). Citizens and SDG&E agree that if the costing methodology in the TO43 Formula is modified in future rate fillings, *e.g.*, in an SDG&E TO54 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 30<sup>th</sup> of each month following the service month. Payment should be due no later than 30 days following the issuance date of the invoice.

#### II. Definitions

Capitalized terms and allocation factors not otherwise defined in Section [3] of SDG&E's TO Transmission Owner Tariff, in Appendix VIII, in the California Independent System Operator ("CAISO") Tariff, or in this Appendix X have the following definitions: (the capitalized terms that are not bolded appear in Appendix VIII, the bolded capitalized terms appear only in Appendix X):

#### A. Allocation Factors

- 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. <u>Transmission Plant Allocation Factor</u> 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. <u>Transmission Plant Property Insurance Allocation Factor</u> 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.

#### B. Carrying Charge Percentages

- Transmission Maintenance Expense Carrying Charge Percentage shall equal the ratio of Transmission Maintenance Expenses divided by Transmission Plant.
- Transmission Operations Expense Carrying Charge Percentage shall equal the ratio of Transmission Operating Expenses divided by Transmission Plant.

- 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. <u>Transmission Related General and Common Plant Revenue Carrying</u>
  <u>Charge Percentage</u> shall equal the ratio of Transmission Related General and Common Plant Revenues divided by Transmission Plant.
- 6. <u>Transmission Related Payroll Tax Carrying Charge Percentage</u> 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.
- 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. <u>Citizens Border East Line Accumulated Deferred Tax Asset</u> shall equal Citizens' accumulated deferred income tax asset generated by the net operating loss attributable to bonus depreciation.
- 6. <u>Citizens Border East Line Accumulated Deferred Tax Liability</u> 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. <u>Citizens Border East Line Allocated Property Taxes</u> shall equal Property Taxes, <u>plus Citizens allocated property taxes</u>, 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.
- Citizens Border East Line Leased Amount shall equal the amount of the Border East Line that SDG&E leases to Citizens.
- 10. <u>Citizens Border East Line Rate</u> 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. <u>Common Plant</u> shall equal SDG&E's gross plant balance recorded in FERC Accounts Nos. 303 and 389 through 398 assigned to electric services.

- 12. <u>Common Plant Depreciation Expense</u> 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.authorized by the CPUC.
- 13. <u>Cost Component Containing the Other Specific Expenses</u> allocated to Citizens shall be equal to that as indicated in Section II<u>I.C</u> of Appendix X.
- 14. <u>Cost of Capital Rate</u> 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.** <u>Direct Maintenance Expenses Cost Component</u> shall be equal to that calculated in Section III.A of Appendix X.
- 17. Federal Income Tax Rate Component shall equal

$$(((A) + (C/D)) * FT) - (B/D)$$
  
(1 -\_ FT)

Where:

A = Sum of Preferred Stock and Return on Equity Component

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

<u>C</u> = Equity AFUDC Component of Transmission Depreciation Expense

D = Transmission Rate Base

FT = Federal Income Tax Rate @ 35%

FT is the Federal Income Tax Rate in effect on July 1 of each year;

A is the sum of the weighted cost of common and preferred equity.

- **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. <u>General and Common Plant Depreciation Rate</u> 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. <u>Interest True Up Adjustment</u> shall be equal to that calculated in Section III E of Appendix X.
- 26. <u>Materials and Supplies</u> 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.

- **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.
- **298. Non Direct Expenses Cost Component** shall be equal to that calculated in Section III B of Appendix X.
- 3029. 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.
- 310. <u>Prepayments</u> shall equal SDG&E's prepayment balance recorded in FERC Account No. 165.
- 324. 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.
- 332. 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.
- 343. <u>Rate Effective Period</u> 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

354. State Income Tax Component shall equal

#### 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%

ST is the State Income Tax Rate in effect on July 1 of each year; A is the sum of the weighted cost of common and preferred equity; and B is the Federal Income Tax Rate Component.

- 365. 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.pursuant to FERC approving such rates. Until FERC approves such rates, SDG&E will use the removal rate for these accounts that are applicable to the Southwest Power Link 500 kV line.
- **Total Plant in Service** shall equal SDG&E's total gross plant balance recorded in FERC Account Nos. 301 through 399.
- 387. 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.
- **398. 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.
- 4039. <u>Transmission Plant</u> shall equal SDG&E's Gross Plant balance recorded in FERC Account Nos. 350 359, excluding the portion attributable of to any facilities, the cost of which is directly assigned under of SDG&E's TO-the CAISO Tariff, or is included in Incentive Transmission Plant, plus Citizens Border-East Line Leased Amount.
- 4<u>1</u>0. [DELETED]
- 4<u>2</u>4. [DELETED]
- Administrative and General 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.
- 443. 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. 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.

- **454.** 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.
- **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.
- 476. 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.
- **487.** <u>Transmission Related Prepayments</u> shall be the product of SDG&E's electric plant prepayments 13 month weighted average balance times the Transmission Plant Allocation Factor.
- **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.
- <u>50</u>49. <u>Transmission Related Working Capital Revenue</u> 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.
- 510. <u>True-Up Adjustment</u> shall be equal to that calculated in Section II D of Appendix X.

- 524. <u>True-Up Period</u> 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.
- 532. 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. Base Period Capital Structure and will be equal to the weighted cost of SDG&E's (i) long-term debt, (ii) preferred stock, and (iii) common equity with each cost being weighted by the percentage that each capital component is to SDG&E's total capital. For example, if long term debt represents 40% of total capital and has a cost of 10%, the weighted cost of the long-term debt cost component would be 4%. SDG&E's total capital shall equal the sum of SDG&E's balance of long-term debt, preferred stock issued and outstanding, and common stock issued and outstanding. The respective costs of these components will be calculated as follows:
- Long Term Debt component, shall be the actual weighted average embedded cost to maturity of SDG&E's long-term debt then outstanding. The actual weighted average embedded cost to maturity of SDG&E's long-term debt shall equal: (1) The sum of (a) FERC Account No. 427 (Interest on Long-Term Debt; (b) plus FERC Account No. 428 Amortization of Debt Discount and Expenses; (c) plus FERC Account No. 428.1 Amortization of Unamortized Loss on Reacquired Debt; (d) less FERC Account No. 429 Amortization of Premium on Debt Credit; and (e) less FERC Account No. 429.1 Amortization of Gain on Reacquired Debt Credit

#### Divided by

(2) the sum of the following accounts: (a) FERC Account No. 221 – Bonds; (b)

less FERC Account No. 222 – Reacquired Bonds; (c) plus FERC Account

No. 224 – Other Long-Term Debt; (d) plus FERC Account No. 225 –

Unamortized Premium on Long Term Debt; (e) less FERC Account No.

226 – Unamortized Discount on Long Term Debt.

Preferred Stock component shall be the weighted cost to maturity of SDG&E's preferred stock and shall be computed as the ratio of the total cost recorded in FERC Account No. 437 -Dividends Declared — Preferred Stock to the total Preferred Stock issued and recorded in FERC Account No. 204.

Return on Equity component, shall be as follows:

Return on Equity shall equal 11.35%,

Return on Equity shall be applied to proprietary capital as Shown on page 112 of FERC Form 1, less FERC Account No. 204 – Preferred Stock Issued, found on line 3 of said page.

543. Working Cash One Eight O&M Percentage shall equal 12.5% (45 days/360 days).

#### III. 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 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

- 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.

## 3.4. 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 Annual 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)
<u>True-Up Adjustment</u>

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

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#### San Diego Gas & Electric Co.

### FERC Accounting Guidelines for Recording Citizens' Costs Applicable to Appendix X

**Per Order on Petition for Declaratory Order ("PDO")** 

		(A)	(B)	$(\mathbf{C}) = (\mathbf{A}) + (\mathbf{B})$	
Line		SDG&E Normal	FERC Accounts		Line
No	Description	FERC Accounts	Per PDO	TOTAL	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.

# San Diego Gas & Electric Company Transmission Owner Tariff

Appendix X

Clean Tariff Pages

#### **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 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. Introduction
- II. Definitions
  - A. Allocation Factors
  - **B.** Carrying Charge Percentages
  - C. Terms
    - 1. [DELETED]
    - 2. Allocated General and Common Accumulated Deferred Income Taxes
    - 3. Administrative and General Expense
    - 4. Base Period Cost of Service
    - 5. Citizens Border East Line Accumulated Deferred Tax Asset
    - 6. Citizens Border East Line Accumulated Deferred Tax Liability
    - 7. Citizens Border East Line Incremental Accumulated Deferred Income Tax Liability
    - 8. Citizens Border East Line Allocated Property Taxes
    - 9. Citizens Border East Line Leased Amount
    - 10. Citizens Border East Line Rate
    - 11. Common Plant
    - 12. Common Plant Depreciation Expense
    - 13. Cost Component Containing Other Specific Expenses
    - 14. Cost of Capital Rate

- 15. Cost of Equity Component
- 16. Direct Maintenance Expense Cost Component
- 17. Federal Income Tax
- 18. General Plant
- 19. General Plant Depreciation Expense
- 20. General and Common Plant ADIT
- 21. General and Common Plant Depreciation Rate
- 22. General and Common Plant Fixed Charged Rate
- 23. General and Common Total Gross Plant
- 24. General and Common Plant Revenues
- 25. Interest True Up Adjustment
- 26. Materials and Supplies
- 27. Municipal Franchise Tax Percentage
- 28. Non-Deductibility of Depreciation on Equity Allowance for Funds Used During Construction (AFUDC) Revenue Component
- 29. Non Direct Expenses Cost Component
- 30. Payroll Taxes
- 31. Prepayments
- 32. Property Insurance
- 33. Property Taxes
- 34. Rate Effective Period
- 35. State Income Tax
- 36. Sunrise Removal Rate
- 37. Total Plant in Service
- 38. Transmission Maintenance Expenses
- 39. Transmission Operation Expenses
- 40. Transmission Plant
- 41. [DELETED]
- 42. [DELETED]
- 43. Transmission Related A&G Expenses
- 44. Transmission Related A&G Expenses Including Property Insurance

- 45. Transmission Related General and Common Plant Revenue
- 46. Transmission Related Materials and Supplies
- 47. Transmission Related Payroll Taxes Expense
- 48. Transmission Related Prepayments
- 49. Transmission Related Working Cash
- 50. Transmission Related Working Capital Revenue
- 51. True Up Adjustment
- 52. True-Up Period
- 53. Weighted Cost of Capital
- 54. Working Cash One Eight O&M Percentage

## 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

#### IV. Table 1

#### 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*")<sup>1</sup> 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

<sup>&</sup>lt;sup>1</sup> 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 30<sup>th</sup> of each month following the service month. Payment should be due no later than 30 days following the issuance date of the invoice.

#### II. Definitions

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

- 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. <u>Transmission Plant Allocation Factor</u> 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. <u>Transmission Plant Property Insurance Allocation Factor</u> 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.

# B. Carrying Charge Percentages

- 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.

- 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. <u>Transmission Related General and Common Plant Revenue Carrying</u>
  <u>Charge Percentage</u> shall equal the ratio of Transmission Related General and Common Plant Revenues divided by Transmission Plant.
- 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.
- 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. <u>Base Period Cost of Service</u> 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. <u>Citizens Border East Line Accumulated Deferred Tax Asset</u> shall equal Citizens' accumulated deferred income tax asset generated by the net operating loss attributable to bonus depreciation.
- 6. <u>Citizens Border East Line Accumulated Deferred Tax Liability</u> 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. <u>Citizens Border East Line Allocated Property Taxes</u> 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.
- Citizens Border East Line Leased Amount shall equal the amount of the Border East Line that SDG&E leases to Citizens.
- 10. <u>Citizens Border East Line Rate</u> 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. <u>Common Plant</u> shall equal SDG&E's gross plant balance recorded in FERC Accounts Nos. 303 and 389 through 398 assigned to electric services.

- 12. <u>Common Plant Depreciation Expense</u> 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. <u>Cost of Capital Rate</u> 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.** <u>Direct Maintenance Expenses Cost Component</u> shall be equal to that calculated in Section III.A of Appendix X.
- 17. Federal Income Tax shall equal

$$(((A) + (C/D)) * FT) - (B/D)$$
  
(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.** <u>General and Common Plant Revenue</u> 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. <u>Materials and Supplies</u> 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.

- **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.
- **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.
- **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

((A) + (B/C) + Federal Income Tax) \* (ST) (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%

- **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.
- **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. <u>Transmission Operation Expenses</u> 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]
- Administrative and General 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. <u>Transmission Related General and Common Plant Revenue</u> shall equal the product of General and Common Plant Revenue and Transmission Wages and Salaries Labor Ratio for Citizens.
- **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. <u>Transmission Related Payroll Taxes Expense</u> 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.** <u>Transmission Related Prepayments</u> shall be the product of SDG&E's electric plant prepayments 13 month weighted average balance times the Transmission Plant Allocation Factor.
- **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. <u>Transmission Related Working Capital Revenue</u> 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.
- **True-Up Adjustment** shall be equal to that calculated in Section II D of Appendix X.
- **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).

### III. 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

- 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.

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

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# San Diego Gas & Electric Co.

# FERC Accounting Guidelines for Recording Citizens' Costs Applicable to Appendix X

**Per Order on Petition for Declaratory Order ("PDO")** 

		(A)	(B)	$(\mathbf{C}) = (\mathbf{A}) + (\mathbf{B})$	
Line		SDG&E Normal	FERC Accounts		Line
No	Description	FERC Accounts	Per PDO	TOTAL	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.

# UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

San Diego Gas & Electric Company ) Docket No. ER15-\_\_\_-000

PREPARED DIRECT TESTIMONY OF
LEONOR SANCHEZ
ON BEHALF OF
SAN DIEGO GAS & ELECTRIC COMPANY

1		TABLE OF CONTENTS	
2			
3			
4	I.	INTRODUCTION	2
5	II.	PURPOSE OF TESTIMONY	4
6	III.	ORGANIZATION OF TESTIMONY	5
7 8	IV.	EXPLANATION OF CHANGES TO APPENDIX X AND RESULTING STATEMENT BK-2 RESULTS	6
9		A. Proposed Revision to Section I	6
10		B. Proposed Revision to Sections II.A, C. and III.C. and D	6
11		C. Proposed Revisions to Statement BK-2	10
12	V.	CONCLUSION	11
13			

1		UNITED STATES O	F AMERICA
2		BEFORE T	НЕ
3		FEDERAL ENERGY REGULA	ATORY COMMISSION
4			
5		San Diego Gas & Electric Company	<b>Docket No. ER15000</b>
6			
7		PREPARED DIRECT T	ESTIMONY OF
8		LEONOR SAN	ICHEZ
9		ON BEHAL	F OF
10		SAN DIEGO GAS & ELEC	CTRIC COMPANY
11			
12	I.	INTRODUCTION	
13	Q1.	Please state your name and business addre	SS.
14	A1.	My name is Leonor Sanchez. My business ac	ldress is 8315 Century Park Court – CP21G
15		San Diego California, 92123-1548.	
16	Q2.	By whom are you employed and in what ca	pacity?
17	A2.	I am employed by San Diego Gas & Electric	Company ("SDG&E") as a Principal
18		Business Analyst in the Transmission Revenu	ne group. My responsibilities include
19		assisting in developing and analyzing transmi	ssion revenue requirements.
20	Q3.	Have you previously testified in matters be	fore the Federal Energy Regulatory
21		Commission ("FERC" or "Commission")?	
22	A3.	Yes, I've submitted direct testimony in Docke	et No. ER12-1417. In that proceeding, the
23		Commission adopted the Appendix X Formul	a rate mechanism (Appendix X Formula)
24		for the operation and maintenance service that	t SDG&E provides Citizens Sunrise
25		Transmission LLC ("Citizens"), which is disc	sussed more fully below. The Appendix X
26		Formula pertains to Calculating the Allocated	Costs to the Citizens Border East Line Rate
27		under SDG&E's Transmission Owner ("TO")	Tariff. I've also submitted direct
28		testimony in Docket No. ER13-1866 (which r	modified the Appendix X Formula) and in

<sup>&</sup>lt;sup>1</sup> The Commission approved Appendix X in *San Diego Gas & Electric Company, Order Conditionally Accepting Tariff Revision*, 139 FERC ¶61,188 (June 8, 2012) and *Letter Order*, 141 FERC ¶ 61,054 (October 19, 2012).

1		Docket No. ER13-941, the proceeding establishing SDG&E's Fourth TO Formula ("TO4")
2		Formula") rate mechanism.
3	Q4.	What is the genesis of Appendix X?
4	A4.	Citizens, a wholly-owned subsidiary of Citizens Energy Corporation ("Citizens Energy"),
5		has leased 50% of the transfer capability of the Border East Line <sup>2</sup> of the Sunrise
6		Powerlink Transmission Project ("Sunrise"). <sup>3</sup> Citizens prepaid SDG&E \$85.194 million
7		in exchange for a 30-year entitlement to 50% of the Border East Line's transfer capability
8		effectuated through a lease arrangement. SDG&E operates and maintains the Border-
9		East Line for Citizens for a charge, i.e., the Border East Line Rate. Appendix X
10		specifies how the Border East Line Rate is determined.
11	Q5.	How does Appendix X work?
12	A5.	Appendix X sets forth a formula rate for the service that SDG&E provides on behalf of
13		Citizens. The applicable rate for each Rate Effective Period is specified annually on the
14		basis of certain recorded costs reflected in an Appendix X Informational Filing <sup>5</sup> that
15		SDG&E is required to file just prior to June 1, the first day of the Rate Effective Period.
16		Such rate will remain in effect through May 31 of the subsequent year. Appendix X
17		provides that the Citizens Border East Line Rate shall consist of the following five cost
18		components:
19		(1) Direct Maintenance Expense Cost Component;
20		(2) Non-Direct Expenses Cost Component;
21		(3) Cost Component Containing Other Specific Expenses;
22		(4) True-Up Adjustment and
23		(5) Interest True-Up Adjustment.
24		

The Border East Line segment leased to Citizens is located between SDG&E's Imperial Valley substation and the San Diego County line.

Sunrise is a 120-mile, 500 kV transmission line and associated upgrades that will extend from SDG&E's Imperial Valley substation to load-centers in western San Diego County, California.

<sup>&</sup>lt;sup>4</sup> The Commission approved the transaction and established a certain accounting treatment that SDG&E must follow for the Border East Line in *San Diego Gas & Electric Company*, *Order on Petition for Declaratory Order*, 129 FERC ¶61, 233 (December 17, 2009) (Docket No. EL10-2-000).

<sup>&</sup>lt;sup>5</sup> The capitalized terms are either defined herein or in Appendix VIII or Appendix X of SDG&E's TO Tariff.

Appendix X further provides that 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

3 segment.

14

## 4 Q6. Please briefly describe those cost components.

The annual calculation is based on the previous calendar year's data shown in SDG&E's 5 A6. FERC Form 1, with the True-Up Adjustment cost component for each Rate Effective 6 Period determined through an annual reconciliation of the difference between (a) 7 8 SDG&E's actual costs of providing the transmission service during the most recent 9 consecutive twelve-month period ("True-Up Period") ending December 31 preceding that Rate Effective Period and (b) the actual revenues received from Citizens for 10 transmission services during the True-Up Period. Appendix X also provides for SDG&E 11 12 to reflect all Commission directed refunds or adjustments affecting the Border-East Line 13 in the true-up adjustment.

### II. PURPOSE OF TESTIMONY

## 15 Q7. What is the purpose of your testimony?

16 A7. The purpose of my testimony is to explain the modifications SDG&E is proposing to
17 Appendix X due to the termination of SDG&E's third TO ("TO3") Formula rate
18 mechanism and the commencement of its Fourth TO ("TO4") Formula rate mechanism.
19 The TO4 Formula became effective September 1, 2013.<sup>7</sup>

## 20 Q8. Why are these modifications necessary?

A8. Currently, Appendix X is based on the TO3 Formula rate mechanism's cost allocation procedures. However, the TO3 Formula terminated by its terms on August 31, 2013 and was superseded by TO4 Formula rate mechanism. Appendix X is being modified to reconcile Appendix X's definitions and/or calculations with the TO4 Formula's

<sup>&</sup>lt;sup>6</sup> The Border East Line will be an annual calculation based on the previous calendar year's data as shown in SDG&E's applicable FERC Form 1: Annual report of Major Electric Utilities, Licensees, and Others, and the underlying ledger accounts and work papers.

<sup>&</sup>lt;sup>7</sup> The Commission approved the TO4 Offer of Settlement by Letter Order dated May 27, 2014 in *San Diego Gas & Electric Company*, 147 FERC ¶61, 150 (2014) (Docket No. ER13-941).

- Appendix VIII, consistent with the Commission's directive in the Letter Order accepting
  the Appendix X, third Informational Filing.<sup>8</sup>
- 3 Q9. When are you proposing that these modifications take effect in the Citizens rates?
- 4 A9. As part of the Appendix X Formula, SDG&E must file its fourth Informational Filing
- 5 ("Cycle 4") under Appendix X by the end of May 2015. SDG&E is proposing to
- 6 implement the proposed modifications in the Cycle 4 Informational Filing, to become
- 7 effective June 1, 2015.
- 8 Q10. Are you sponsoring any Cost Statements?
- 9 A.10 Yes, I am sponsoring Cost Statements: AD, AE, AF, AG, AH, AI, AJ, AK, AL, AR, AV,
- and BK2 with supporting work papers that are included in this Filing. These cost
- statements and work papers are based on 2013 data and are provided merely for
- illustrative purposes. As noted above, Citizens' revenue responsibility associated with
- the modified Appendix X Formula will not be changed until SDG&E files the Appendix
- 14 X Cycle 4 Informational Filing on May 29, 2015, to become effective on June 1, 2015.

#### 15 III. ORGANIZATION OF TESTIMONY

- 16 **Q11.** How is your testimony organized?
- 17 A11. My testimony is organized as follows:
- Appendix X modifications;
- Rate comparison under currently-effective Appendix X and modified Appendix X (Exhibit No. SDG-1-1);
  - Statement BK2-- shows the numerical results under the currently-effective Appendix X (Exhibit No. SDG-1-2);
- Statement BK2 shows the numerical results under the modified Appendix X
   (Exhibit No. SDG-1-3).

25

21

<sup>&</sup>lt;sup>8</sup> See the Letter Order dated August 22, 2013 in *San Diego Gas & Electric Company*, 144 FERC ¶61,144 (2013) (Docket No. ER13-1866), in which the Commission expressly contemplated that SDG&E would file this Formula Modification Filing to conform Appendix X to the TO4 Formula.

1 2	IV.	EXPLANATION OF CHANGES TO APPENDIX X AND STATEMENT BK-2 RESULTS
3		A. Proposed Revision to Section I, Introduction
4	Q12.	Please explain the revisions to Section 1, Introduction, of Appendix X.
5	A12.	Consistent with the TO4 Formula, SDG&E is introducing a provision here that allows for
6		correction of errors. That is, should any party identify an error in the recorded numbers
7		of SDG&E's FERC Form 1, or any other errors that might affect the calculation of the
8		True-Up Adjustment, SDG&E will quantify the effects of such error and include the
9		revenue effect in the subsequent Informational Filing.
10		B. Proposed Revisions to Sections II.A. and C. and Sections III.C. and D.
11	Q13.	Please explain the proposed revisions to Appendix X.
12	A13.	SDG&E is proposing revisions or additions to Sections II.A. and C, and III. C. and D. of
13		Appendix X, as follows:
14		• Definitions and Terms in Sections II. A. 5, and C. 8, 12, 17, 19, 35, 36, 40, 47 and 53,
15		respectively;
16		• New term in Section II.C. – Non-Deductibility of Depreciation on Equity Allowance
17		for Funds Used During Construction ("AFUDC") Revenue Component;
18		• Calculation of the Citizens Border East Line Rate in Section III. C. and D.;
19		• Miscellaneous conforming changes (e.g., correcting section references) to Sections I,
20		II and III.
21	Q14.	What are the changes you are proposing to make to the definitions in Section II. A.?
22	A14.	We are proposing to modify Section A. 5, as follows:
23		5. <u>Transmission Wages and Salaries Allocation Factor for Citizens</u> —this term
24		has been modified to correct the calculation of the Citizens wages and salaries allocation
25		factor, by adding the language, "plus direct wages and salaries in Accounts 562, 570,

572, and 571 in the denominator." The exclusion of Accounts 562, 570, 572 and 571

1		resulte	ed in a mis-match of the numerator and the denominator resulting in an incorrect
2		factor	9
3	Q15.	What	is the new Term you are proposing to add to Section II.C?
4	A.15.	I am p	proposing to add "Non-Deductibility of Depreciation on Equity AFUDC Revenue
5		Comp	onent as a new term in Appendix X.
6	Q16.	Why	are you adding the Non- Deductibility of Depreciation on Equity AFUDC
7		Rever	nue?
8	A16.	I am a	adding this provision to conform Appendix X to the TO4 Formula for the reasons I
9		discus	ss in detail later in my testimony.
10	Q17.	What	changes are you proposing to Section II.C?
11	A17.	I am p	proposing the following changes to Section II.C.:
12		8.	Citizens Border East Line Allocated Property Taxes - this term is revised to
13			include "plus Citizens allocated property taxes" in its definition.
14		12.	Common Plant Depreciation Expense – this term is revised to conform to TO4
15			Formula Appendix VIII definition. Deleted "authorized by the CPUC" and
16			inserted "approved by FERC. These rates may not be changed absent a Section
17			205 or 206 filing."
18		17.	Federal Income Tax - this term is revised to reflect the TO4 Formula Rate
19			Spreadsheet calculation of Federal Income Tax Component as shown in Statement
20			AV. The Federal Income Tax Component has been modified to read as follows:
21			(((A) + (C/D)) * FT) - (B/D)
22 23			(1-FT) Where:
24 25 26 27 28 29 30			A = Sum of Preferred Stock and Return on Equity Component B = Transmission Related Amortization of ITC and Excess Deferred Tax Liability C = Equity AFUDC Component of Transmission Depreciation Expenses D = Transmission Rate Base FT = Federal Income Tax Rate @ 35%
31		19.	General Plant Depreciation Expense – this term is revised to conform to TO4
32			Formula Appendix VIII definition similar to Term 12 above.

<sup>&</sup>lt;sup>9</sup> This modification is consistent with the TO4 Formula. It is also intended to address the Six Cities Protest that was filed in connection with the Appendix X, Cycle 3 Informational Filing. *See San Diego Gas & Electric Company, Letter Order*, 148 FERC ¶61, 231 (September 25, 2014).

1		35.	State Income Tax – this term is revised to reflect the TO4 Formula Rate
2			Spreadsheet calculation of State Income Tax Component as shown in Statement
3			AV. The Statement Income Tax Rate Component has been modified to read as
4			follows:
5			((A) + (B/C) + Federal Income Tax) * (ST)
6 7			(1-ST) Where:
8			A = Sum of Preferred Stock and Return on Equity Component
9			B = Equity AFUDC Component of Transmission Depreciation Expense
10			C = Transmission Rate Base
11			FT = Federal Income Tax Expense
12			ST = State Income Tax Rate @ 8.84%
13		36.	Sunrise Removal Rate — this term is revised to read as follows: "FERC Account
14		30.	No. 354 (Towers and Fixtures) and FERC Account No. 356 (Overhead
15			·
16			Conductors and Devices) shall equal the Sunrise Removal rates of zero as set forth in SDG&E's TO4 Formula."
		40.	
17		40.	<u>Transmission Plant</u> – this term is revised to conform to TO4 Formula Appendix
18			VIII definition by deleting "of SDG&E's TO" and inserting "the CAISO Tariff or
19		45	is included in Incentive Transmission Plant."
20		47.	<u>Transmission Related Payroll Taxes</u> – this term is revised to insert "plus the
21			Transmission Payroll Taxes allocated to Citizens" to derive Total Payroll Taxes.
22		53.	Weighted Cost of Capital – this term is revised to read as follows: "shall be
23			based upon December 31 balances in accordance with the format of Statement
24			AV of the TO4 Formula Rate Spreadsheet.
25	Q18.		you proposing any change to the Appendix X Cost Statement AV to conform it
26			e TO4 Formula Cost Statement AV?
27	A18.		the TO4 Formula Cost Statement AV has been updated to conform the federal
28		incon	ne tax and the state income tax components of the cost of capital formula from the
29		TO3 I	Formula to the TO4 Formula. The income tax components of the cost of capital
30		formu	ula include a component for Equity AFUDC embedded in Transmission Plant Costs
31		to pro	ovide a revenue requirement for the non-deductibility for tax purposes of AFUDC
32		Equit	y. The Appendix X Cost Statements AV and BK2 specify the amount of

- depreciation on Equity AFUDC embedded in the TO4 Formula that is attributable to the Citizens portion of the Border East Line.
- Q19. What changes are you proposing to make in Section III.C "Calculation of the Cost
   Component Containing Other Specific Expenses"?
- A19. I am proposing to include and allocate to Citizens its share of the income tax cost associated with the non-deductibility for income tax purposes of depreciation of Equity AFUDC associated with Citizens Border-East Line as a new cost component in Section III. C. This change is consistent with the TO4 Formula.
- 9 Q20. Please explain.
- 10 A20. In SDG&E's TO4 Formula, SDG&E is populating the Equity AFUDC component of
  11 book depreciation in the federal income tax (FIT) and state income tax (SIT) components
  12 of the cost of capital formula (See Statement AV). This ensures recovery a revenue
  13 requirement resulting from the non-deductibility for tax purposes of Equity AFUDC
  14 embedded in the costs that make up Citizens lease payment. The Appendix X Formula
  15 has been modified accordingly.
- 16 Q21. Please explain the source of the Citizens AFUDC equity in depreciation expense 17 referenced above.
- Pursuant to the Order on Petition for Declaratory Order ("PDO"), 10 approving the 18 A21. Citizens transaction, the Commission ordered SDG&E to account for the Citizens leased 19 portion of the 30 mile section of the Sunrise 500 kV line as Electric Plant Leased to 20 Others over the 30 year term of the Lease Agreement. Based upon the PDO, SDG&E 21 must record on its books each year an annual amortization or depreciation expense 22 related with the total lease cost equal to \$85.2 million. Embedded in this annual 23 depreciation is an amount for AFUDC and, thus a corresponding amount of AFUDC 24 equity in depreciation expense. The depreciation on AFUDC equity is not deductible for 25 FIT or SIT, thus resulting in higher taxable net income than book net income. A revenue 26 requirement for this tax cost is calculated in Statement BK2. 27
  - Q22. Have you included work papers in this Filing showing the derivation of the Citizens depreciation attributable to AFUDC?

28

<sup>&</sup>lt;sup>10</sup> See San Diego Gas & Electric Company, Order on Petition for Declaratory Order, 129 FERC ¶61, 233 (December 17, 2009).

1	A22.	Yes. I have included the calculation in the work papers associated with BK2, Section 3,
2		Part C and Section III. C.3 of Appendix X.
3	Q23.	What miscellaneous conforming changes are you proposing?
4	A23.	I am correcting section references in Sections II.C.13 and 50 to refer to Section III.C and
5		Section III.D, respectively. I have also inserted "Border East Line Rate" in the title of
6		Section III.
7	Q24.	What changes have you made to Section III. D.?
8	A24.	I have modified Section D, Derivation of the True-Up Adjustment, to provide for one-
9		time, four-month True-Up Adjustment, to be collected or refunded in the Cycle 4
10		Informational Filing. This four-month True-Up Adjustment, which covers the period
11		September 1, 2013 through December 31, 2013, is necessary to permit SDG&E to
12		reconcile Appendix X with the TO4 Formula, which became effective on September 1,
13		2013. Specifically, the Base Period and True-Up Period for Appendix X, absent the four-
14		month True-Up Adjustment, would be the calendar year 2014. However, as noted, the
15		TO4 Formula went into effect in September 2013. The four-month True-Up Adjustment
16		is necessary to allow SDG&E to develop a four-month True-Up Cost of Service on the
17		basis of four months of recorded revenues for the period September through December
18		2013.
19		C. Proposed Revisions to Statement BK2 Using Illustrative Costs
20	Q25.	Please explain the changes made to Statement BK2, consistent with the changes
21		discussed in Part B above.
22	A25.	SDG&E will file its Appendix X Cycle 4 Informational Filing at the end of May 2015
23		based upon a 2014 Base Period and True-Up Period using the proposed revisions
24		discussed above. For purposes of this Filing, SDG&E has prepared Statement BK2 using
25		2013 cost data to illustrate the effect of the proposed modifications to the Appendix X
26		Formula. Exhibit No. SDG-1-3 reflects this revised Statement BK2, noted with
27		appropriate checkmarks what has changed in Statement BK2 compared to currently-
28		effective Appendix X (Exhibit No. SDG-1-2).
29		SDG&E's proposed modifications pertain to Statement BK2, Section 1 – Direct
30		Maintenance Expense Cost Component, Section 2- Non-Direct Expense Cost Component

and Section 3- Cost Component Containing Other Specific Expenses.

		Q26.	Please expl	ain the	changes	made to	Statement	BK2,	<b>Sections</b>	1 and	2
--	--	------	-------------	---------	---------	---------	-----------	------	-----------------	-------	---

- A26. The modifications made to Statement BK2, Sections 1 and 2 pertain primarily to
  derivation of Cost of Capital Rate methodology reflected in Statement AV, specifically
  the derivation of the Federal and State Income Tax Components. Exhibit No. SDG-1-3,
  page 5 of 7 reflects these changes as noted by the checkmarks.
- 6 **Q27.** Have you prepared an exhibit that reflects the changes in revenues from the current
  7 Appendix X formula (based on the TO3 Formula) and the revised Appendix X Formula
  8 (based on the TO4 Formula)?
- 9 A27. Yes. Exhibit No SDG-1-1 shows this comparison. Page 1, column A, summarizes the revenues for each main section of Statement BK2 under the current Appendix X and column B summarizes the revenues for each section under the modified Appendix X.

  Column C shows the variance in revenues between column A and B. As noted, it is anticipated that Citizens will experience a slight reduction in allocated costs. The reduction is attributable primarily Sunrise's depreciation removal costs being equal to zero, as discussed earlier in the testimony.

Statement BK2, Section 1 (Derivation of Direct Maintenance Expenses Allocated to Citizens), shows two columns. The first column shows the BK2 sections under the current Appendix X and the second column shows the BK2 sections under the modified Appendix X. Statement BK2, Section 2 (Derivation of Non-Direct Expenses Cost Component) and Section 3 (Cost Component Containing Other Specific Expenses) are presented in the same manner.

### 22 V. CONCLUSION

- 23 **Q28.** Does this conclude your testimony?
- 24 A28. Yes, it does.

16

17

18

19

20

## **VERIFICATION**

STATE OF CALIFORNIA	)	
	)	SS
COUNTY OF SAN DIEGO	)	

Leonor Sanchez, being duly sworn, on oath, says that she is the Leonor Sanchez identified in the foregoing prepared direct testimony; that she caused to be prepared such testimony on behalf of San Diego Gas & Electric Company; that the answers appearing therein are true to the best of her knowledge and belief; and that if asked the questions appearing therein, her answers would, under oath, be the same.

Leonor Sanchez

STATE OF CALIFORNIA	)	
	)	SS
COUNTY OF SAN DIEGO	)	

Signature of Notary Public

(Seal of Notary)

# San Diego Gas & Electric Company

# Comparison of Currently Effective and Modified Rate

Exhibit No. SDG-1-1

### CITIZENS SHARE OF THE SUNRISE - BORDER-EAST LINE Variance of Formula Cost Components TO3 vs. TO4 (000'S)

#### For Illustrative Purposes Only

A B C=B-A D=C/A

Ln		Т	O3 <sup>6</sup>	7	ГО4			%		Ln
	A. Citizens Annual Cost	For	rmula	For	rmula	Var	iance	Variance	Reference	No.
1 2 3	1. Direct Maintenace Cost Component <sup>1</sup>	\$	19	\$	19	\$	(0)	-0.1%	Col. A = Exhibit SDG -1-1; Stmt BK2 - Sec 1; Col. 1; Line 11 Col. B = Exhibit SDG -1-1; Stmt BK2 - Sec 1; Col. 2; Line 11	1 2 3 4
5 6 7	Non- Direct Cost Component <sup>2</sup> Cost Component Containing Other Specific Expenses	\$ 2	2,956	\$	2,914	\$	(43)	-1.4%	Col. A = Exhibit SDG -1-1; Stmt BK2 - Sec 2; Pg 1 of 7;Col. 1; Line 48 Col. B = Exhibit SDG -1-1; Stmt BK2 - Sec 2; Pg 1 of 7;Col. 2; Line 48	5 6 7
8 9 10 11		\$	(815)	\$	(742)	\$	73	8.9%	Col. A = Exhibit SDG-1-1; Stmt BK2 - Sec 3 - Part A; Pg 1 of 2; Col. 1; Line 20 Col. B = Exhibit SDG-1-1; Stmt BK2 - Sec 3 - Part A; Pg 1 of 2; Col. 2; Line 20	8 9 10
12 13 14	b. Property Taxes Allocated to Citizens	\$	562	\$	562	\$	-	-	Col. A = Exhibit SDG-1-1; Stmt BK2 - Sec 3 - Part B; Pg 1 of 2; Col. 1; Line 29 Col. B = Exhibit SDG-1-1; Stmt BK2 - Sec 3 - Part B; Pg 1 of 2; Col. 2; Line 29	12 13 14
15 16 17	c. Non- Deductibility of Depreciation on Equity AFUDC	\$	-	\$	135	\$	135	100.0%	Col. A = Exhibit SDG-1-1; Stmt BK2 - Sec 3 - Part C; Pg 1 of 2; Col. 1; Line 34 Col. B = Exhibit SDG-1-1; Stmt BK2 - Sec 3 - Part C; Pg 1 of 2; Col. 2; Line 34	15 16 17
18 19 20		\$	596	\$	-	\$	(596)	-100.0%	Col. A = Exhibit SDG-1-1; Stmt BK2 - Sec 3 - Part D; Pg 2 of 2; Col. 5; Line 17 Col. B = Exhibit SDG-1-1; Stmt BK2 - Sec 3 - Part D; Pg 2 of 2; Col. 6; Line 17	18 19 20
21 22	4. True-Up Period Adjustment (Over) / Undercollection	\$	-	\$	-	\$	-		To be calculated per Appendix X.	21 22
23 24 25		\$	- 3,318	\$	2,887	\$	(431)		To be calculated per Appendix X.  Sum of Lines 1 through 23	23 24 25
26 27										26 27

### Col. C

- Decrease in the O&M costs allocated to Citizens is due to the implementation of TO4 Formula Cost of Capital calculation which consist of the following changes: (1) calculation of Federal and State Income Tax components; (2) inclusion of AFUDC Equity component of Transmission Depreciation expense; (3) development of Transmission Rate Base for Citizens.
- <sup>2</sup> Decrease is due to implementation of TO4 Formula Cost of Capital calculation and change in the calculation of transmission labor ratio for Citizens.
- Decrease is primarily due to the change in the Cost of Capital calculation.
- <sup>4</sup> Increase is due to the inclusion of Non-Deductibility of Depreciation on Equity AFUDC Revenue Component a new cost component (see L.Sanchez Testimony).
- <sup>5</sup> Decrease is due to change in Sunrise removal rate equal to zero.
- <sup>6</sup> Column A reflects Appendix X filing under TO3 Formula. However, two corrections were made to Appendix X to correct for the working cash mathematical error and the Transmission Wages and Salaries Allocation Factor for Citizens.

		San Dieg	o Gas & Ele	ectric Com	npany						Staten	nent BK2	
				Sec	+								
	Section			Page 1 of 1									
		Base Period 12 N											1
			(\$1,000)										
		Calculation is	for Illustrati	ve Purpose	es Only								
													<u> </u>
_								1		2	3 =	: 2 - 1	+
								X					
Ln							TO	3 Formula	TO4	Formula			Ln
No	A. Derivation of Direct M	aintenance Exp	enses Alloc	cated to C	itizens		Δ	mount	A	mount	Var	iance	No
1	Citizens Direct Maintenand	ce @ 50% Relate	d with Bord	er East Lir	ne <sup>1</sup>		\$	18.552	\$	18.552	\$		1
2							-		1		-		2
3	Working Cash One Eight I	Maintenace Perce	entage		\$	2.319							3
4			TO3	TO4									4
5	Return plus FIT and SIT		12.4473%	11.3360%	L 3	* L5	\$	0.289		0.263	\$	(0.026)	
6	0.11.1.1.60%	NA : (					Δ.	10.011	•	40.045		(0.000)	6
7	Subtotal of Citizens Direct	Maintenance	-		L1 +	+ L5	\$	18.841	\$	18.815	\$	(0.026)	8
9	Franchise Fees @ 1.0310	0/2			Calc: L7 X	010310	\$	0.194		0.194		(0.00)	-
10		70			Calc. Li X	.010310	Ψ	0.134		0.134		(0.00)	10
11		ost Plus Franchis	se Fees		L7 +	- L9	\$	19.035	\$	19.009	\$	(0.026)	-
12							-		-			(/	12
13													13
14													14
15													15
1								40= 40	_				
_	Direct O&M expenses incurre	ed during 2013 Bas	se Period is e	equal to				\$37.10	See	Stmt AH; F	age AF	15, L39	-
								50%					-
								\$18.55					-
													-
-	Decrease is primarily due	to the implement	ation of TO4	1 Formula	Cost of Car	ital calcula	ation						

+		San Diago	Gas & Electric Con	mnany		Statement BK2
+		Derivation of Section 2				Section 2
$\top$			Ionths Ending Dece			Page 1 of 7
			(000's)			
+		Calculation is	for Illustrative Pur	noses Only		
			101 11110011101101 111	podes omy		
+				1	2	3 = 2 - 1
1	Summary of Annual Transmission	Carrying		TO3 Formula	TO4 Formula	
ne o.	A	В	C	D	E	Vanionas
1	A	В	C	D	E	Variance
2						
4	A. Non-Direct Annual Carrying Ch	auga Dayaantagas		Annual Carrying	Annual Carrying	
5	A. Non-Direct Annual Carrying Ch	arge referrages		Charge as Applied to	Charge as Applied to	
5			<u>]</u>	Leased Transmission Plant	Leased Transmission Plant	ţ
7	Transmission Operations Frances Co.	ruing Charge Descrit		0.049/	0.0407	0.000/
9	Transmission Operations Expense Car	Tynig Charge Percentage		0.94%	0.94%	0.00%
0	Transmission Maintenance Expense C	arrying Charge Percenta		0.12%	0.12%	0.00%
2	Transmission Related A&G Carrying	Charge Percentage		1.68%	1.68%	0.00%
3	Transmission Related A&G Carrying	Charge referrage		1.00 /6	1.00 70	0.0076
4	Transmission Related Payroll Tax Car	rying Charge Percentage		0.05%	0.05%	0.00%
5	Property Taxes			0.00%	0.00%	0.00%
7	Troperty Taxes			0.0078	0,0070	0.0076
8	Transmission Related General & C	ommon Plt Revenues C	arrying	0.48%	0.45%	-0.03%
0	Charge Percentage					
1	Transmission Depreciation			0.00%	0.00%	N/A to Citizens Service
2						
3 4	Federal and State Income Tax			0.00%	0.00%	N/A to Citizens Service
5	Rate of Return			0.00%	0.00%	N/A to Citizens Service
6						
7 8	Transmission Related Working Cap Charge Percentage	oital Revenue Carrying		0.16%	0.15%	-0.01%
9	Charge Ferentage					
0	ADIT Adjustment			0.00%	0.00%	See Statement BK - Section
2	Total		Sum of (L8:L30)	3.43%	3.39%	Sum of (L8:L30)
3	Total		Built of (Ed.E30)	3.4370	3.3770	Sum of (Ee.E50)
4	Franchise Fees Rate @ 1.0310%	0.01031		0.04%	0.03%	-0.0004%
5	Annual Carrying Charge Rate as a	onlied to transmission n	lant L32 + L	34 3.47%	3.42%	-0.05%
7	Time Charge Trace as a	, p. 10 to transmission p	Low I	511770	J.72 / 0	0.0370
8						
9						
1						
2	B. Derivation of Non-Direct Expens	e Cost Component				
3 4	Citizens Energy Portion of Sunrise Bo	rder-East Line		\$ 85,194	\$85,194	\$0
5	Citizens Energy 1 ortion of Buildisc Bo	.uc. Dust Dille		\$ 03,124	ψ55,174	Ψ0
6	Annual Carrying Charged Rate			3.47%	3.42%	<u>-0.05%</u>
7 8	Annual Transmission Maintenance	and Other Costs Chare	red to Citizens	\$ 2,956.232	\$2,913.635	(\$42.597)
9	TAMENT ATMOSPHISSION PROMITED	a Other Costs Charg	ou to Citizens	Ψ 2,750,252	Ψμ, / 15.055	(ψτ2.391)
0						

		San Diego	Gas & Electric Comp	any			Statement BK2
	D		Non-Direct Expenses				Section 2
		Base Period 12 M	onths Ending Decemb	er 3	1, 2013		Page 2 of 7
			(000's)				
		Calculation is	for Illustrative Purpo	ses C	only		***************************************
					1	2	3 = 2 - 1
					TO3 Formula	TO4 Formula	
Line		В	C	+	D	E	V
No.	A	В	C	+	D Adjusted	Adjusted	Variance
2	Part A. Transmission O&M Expenses:		Total O&M	+	O&M	O&M	
3			2000 00012	$\top$	500112		
4	A. Transmission Operation Expenses		\$35,248				
5							
6	B. Transmission Maintenance Expenses		\$ 4,470				
7 8	Total Transmission O&M	L4 + L6		>	\$39,718	\$39,718	
9	Total Transmission O&W	L4 + L0			\$39,716	\$39,716	
10	Total Transmission Plant			>	\$3,738,157	3,738,157	
11							
12	Transmission Operations Expense Carrying	Charge Percentage	L4 / L10	>	0.94%	0.94%	0.00%
13		CI P	16/110	-	0.100/	0.400/	0.000/
14 15	Transmission Maintenance Expense Carryir	ng Charge Percentage	L6/L10	>	0.12%	0.12%	0.00%
16				+			
17	Part B. Derivation of Transmission Relat	ed A&G Expenses		+			
18							
19	Total Administrative & General Expense: I	ess Exclusions		>	\$523,506	\$523,506	
20				11			
21	Less: Property Insurance			>	<u>\$7,450</u>	<u>\$7,450</u>	
22	Total Adjusted A&G Expenses Excluding P	roperty Incurance	L19 - L21	>	\$516,056	\$516,056	
24	Total Adjusted A&O Expenses Excluding 1	Toperty insurance	E17 - E21		\$510,050	\$310,030	
25				T			
26	Transmission Wages & Salaries Allocation	Factor for Citizens			11.67%	11.67%	0.00%
27				11			
28	Total Transmission Related	A&G Expenses	L23 X L26	>	\$60,224	\$60,224	
30				+			
31	Part C. Derivation of Allocation of Propo	erty Insurance to Tran	smission Plant	$\top$			
32							
33	Transmission Plant Property Insurance Allo	cation Factor		>	36.17%	36.17%	0.00%
34			T 01 1	1.1	05.450	Ø# 450	
35 36	Property Insurance		L21 above	>	\$7,450	\$7,450	
37				+			
38	Property Insurance Allocated to Trans, Gene	eral & Common Plant	L33 X L35	>	\$2,695	\$2,695	
39	, , , , , , , , , , , , , , , , , , , ,					,	
40	Total Transmission Related A&G Expens	ses Including Property	Ins. L28 + L38	>	<u>\$62,918</u>	<u>\$62,918</u>	
41				++			
42	Transmission Poloted A P.C. Committee	awaa Dawaa-ta	T 40 / T 10	+	1 (00/	1 (00/	0.000/
43	Transmission Related A&G Carrying Ch	arge rercentage	L40 / L10	>	1.68%	1.68%	0.00%
45				++			

				ego Gas & Electric C				Statement BK2
				n2 Non-Direct Exper				Section 2
-			Base Per	iod Ending December	er 31, 20	013		Page 3 of 7
-				(000's)				
		100	Calculation	is for Illustrative P	urnoses	Only		
-		100	Calculation	is for mustrative r	ui poses	Olly		
						1	2	3 = 2 - 1
						TO3 Formula	TO4 Formula	
Line								
No.		A	В	C		D	Е	Variance
	Part A - Electri	c Payroll (Electric Only)						
2	T . 1 E1	D 11 T				4 11500	14.500	
3	Total Electric	Payroll Taxes				\$ 14,708	14,708	
5	Dayroll Tay A	Allocated to Transmission I	Par Wages Factor			11.67%	11.67%	0.00%
6	1 aylon 1 ax A	Milocated to Transmission i	er wages racioi			11.0770	11.0770	0.0076
7	Payroll Tax A	Allocated to Transmission		L3 X L5		\$ 1,716	1,716	
8	Tuylon Tunt	Transmission		ES ALES		1,710	1,710	
9	Total Transm	ission Plant				\$ 3,738,157	3,738,157	
10	Total Transin	ISSION T IUIT				Ψ 3,730,137	5,750,157	
11								
12	Transmission	Related Payroll Tax Carry	ving Charge Percentage	L7 / L9		0.05%	0.05%	0.00%
13	1141131111331011	Related Fayron Fax Carry	ing charge i creentage	ETT EX		0.0370	0.0370	0.0070
14								
	Part B - Transn	nission Wages & Salaries	Allocation Factor for C	itizens				
16								
17	A. Transmis	sion Wages Expense			>	\$15,186	15,186	_
18								
19	B. A&G Wa	iges Expense			>	\$30,755	30,755	-
20								
21	C. Total O&	M Wages Expense			>	\$160,922	160,922	-
22	-							
23 24	-							
25	-							
26								
27								
28								
29	Α	= Transmission Wag	es & Salaries Allocation F	Factor for Citizens =		11.67%	11.67%	0.00%
30	(C - B)							
31								
32								
33								
34	-							
35								
36 37								
38	+							
20			The state of the s					

					iego Gas & Electric C				Statement BK
_					on 2 Non-Direct Expen				Section 2
-	-		В	Sase Period 1	2 Months Ending Dec (000's)	embei	31, 2013		Page 4 of 7
+					(000 8)	TT			
				Calculation	n is for Illustrative Pu	rpose	es Only		
_									
-						+	1	2	3 = 2 - 1
							TO3 Formula	TO4 Formula	
ine									
Vo.		A		В	С	+	D	Е	Variance
1 2 <b>F</b>	Part A - DEPR	ECIATION EXPENS	SE:						
3									
4	DEc =	Common Depreciati	ion Expense			>	\$52,067	\$52,067	
5	DEg =	General Depreciatio	n Expense			>	\$7,657	\$7,657	
7	DES	General Sepredation	Expense				Ψ1,001	47,007	
8	C =	Total Common Plan	t Investment			>	\$505,717	\$505,717	
9 10	G =	Total General Plant	Investment			>	\$249,775	\$249,775	
11	0	Total General Flame					42.7,770	42.03,1.10	
12									
13 14	Derivation o	f Common and Gene	eral Plant Deprec	iation Rate		+			
15		(DEc + DEg) / (C +	G)	=		>	7.91%	7.91%	0.00%
16									
17	) (D D :		DI	· C · · · · · · · · · · · · ·	T (A DEIT)				
18 <b>F</b>		ion of Gen and Com nt of Transmission Pl		eterrea inco	ome Taxes (ADFII)	+			
20							(10.520)	(10.5=0)	
21	General and	Common Plant ADFIT				+	(10,673)	(10,673)	-
23	Return Plus I	FIT and SIT					12.45%	11.34%	-1.11%
24									
25	Gen & Cmn	Plant ADFIT Revenue	s 1		L21 X L23		(1,329)	(1,210)	\$119
26 27						-			
28	General & Cı	nn Plant Investment			L8 + L10	++	755,492	755,492	-
29									
30	m	D 1 4 1 C 1 8	Complete	DIT D	125/120	$\perp$	0.100/	0.160/	0.020/
31		n Related General & narge Percentage 2	Common Plant 2	ADII Keven	ue L25 / L28	-	-0.18%	-0.16%	0.02%
32	Carrying Ci	large Fercentage				+			
34									
1 r	Dogrange in the	derivation of Datum as	nd Fadaral and Sta	ta Incomo To	v rate is due to the immal	omont	ation of TO4 Formula Cost o	of Capital calculation	Thereby
		General & Common			x rate is due to the impl	ement	ation of 104 Formula Cost o	apital calculation.	петебу
P	noduces a lower	General & Common	Tant ADITI REV	onaos.					
<sup>2</sup> T	he Transmissio	n Related General & 0	Common Plant AD	OIT Revenue	Carrying Charge Percen	tage d	ecreased by (.02%) due to the	e TO4 Formula Cost	of Capital
С	alculation.								
						+-			
	-		-			-			

						Gas & Electric					Statement BK2			
						Non-Direct Expe					Section 2 Page 5 of 7			
				Bas	Page 5 of 7									
-						(000's)	TT							
				C	alculation is	for Illustrative F	urposes	Only						
+														
								1		2	3 = 2 - 1			
								TO3 Formula	8	TO4 Formula				
ine										P	¥7			
Io. 1			A		В	С		D		Е	Variance			
_	Part A.	RATE O	F RETURN	WORKSHEET	:									
3														
4	1. Common	Stock Cal	culation											
5		Proprieta	ry Capital				>	\$4,629,716		\$4,629,716				
6								•		40				
7 8	Less:	Preferred	Stock				>	\$0	-	\$0				
9	Less:	Account	No. 216.1				>	\$0		\$0				
10														
11	Less:	Account	No. 219					\$9,010		\$9,010				
12		Common	Stools -				>	\$4,620,706		\$4,620,706				
14		Common	Stock -				-	\$4,020,700		\$4,020,700				
15	2. Rate of F	Return Cal	culation											
16		LTD = Lo	ong Term De	ebt (Total)			>	\$4,039,802		\$4,039,802				
17														
8		PF = Pref	erred Stock	(Total)			>	\$0		\$0				
20		Common	Stock				>	\$4,620,706		\$4,620,706				
21		Common	DIOUR					ψ1,020,700		4.,020,700				
22		Total Cap	oital =				>	\$8,660,508		\$8,660,508				
23								¢102.000		6102.006				
24	_	i = LTD i	nterest				>	\$192,086	-	\$192,086				
26	-	d(pf) = Pf	referred Div	idends			>	\$3,615		\$3,615				
27		1-11-7	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,											
28	LTD/CAP	46.65%		Cost:	4.75%			ighted LTD Cost	2.22%	2.22%	0.00%			
29	Pf/CAP	0.00%		Cost:	0.00%			ighted Pf Cost	0.00%	0.00%	0.00% -0.70%			
30	COM/CAP	53.35%		Cost:	11.35%		We	ighted Cmn Cost	6.06%	5.36%	-0.70%			
	Rate of Return o	n	TO3	TO4	OVERA	LL RATE OF R	ETURN	=	8.28%	7.58%	-0.70%			
	Common Equity		11.35%	10.05%										
34														

			on of Section	go Gas & Electric C 2 Non-Direct Expe Months Ending Dec (000's)	nses Cos	st Component		Statement BK2 Section 2 Page 5 of 7
_			Calculation i	s for Illustrative P				
						1	2	3 = 2 - 1
-						TO3 Formula	TO4 Formula	
	Part B - TO3 Derivation of Feder	al and State Income	Tax Compon	ents:	38			
7	A = Sum of Preferred Stock an	d Return on Equity C	omponent		>	6.06%	5.36%	-0.70%
8								
0	FT = Federal Income Tax Rate	9			>	35%	35%	0.00%
1	ST = State Income Tax Rate				>	8.84%	8.84%	0.00%
2								
4	Federal Income Tax =	(A * FT)	= B		>	3.2631%	2.9368%	-0.3263%
5		(1 - FT)	,					
7								
9	State Income Tax =	(A + B) * ST			>	0.9041%	0.8192%	-0.0849%
0	State Hicolife Tax —	(1- ST)				0.504170	0.019270	-0.004770
1								
2								
1	Total Federal & State Income	Tax Rate:		L 44 + L49	>	4.1672%	3.7560%	-0.4112%
5								
	Part B - TO4 Derivation of Feder	al and State Income	Tax Compon	ents:				
8	A = Cym - CDC 1 C4 - 1	d Poture and Parists C	amma=a=+			5 3 6 0 /		
0	A = Sum of Preferred Stock an	a Keturn on Equity C	omponent			5.36%		
1	B = Trans. Related Amort of I	ITC & Excess Deferr	ed Tax Liabi	lity		\$570		
2   3	C = Equity AFUDC Compone	nt of Transmission F	enrec, Exner	nse		\$4,325		
4		III JI TIANSHIISSION L	-сріссі Ехреі					
5	D = Transmission Rate Base					\$2,866,791		
7	FT = Federal Income Tax Rate					35%		
8						0.0121		
9	ST = State Income Tax Rate					8.84%		
1								
2	Federal Income Tax = (((A	(C/D)) * FT) - (I	3 / D)			2.9368%		
4		1 - FT						
5								
6 7	State Income Tax = $((A) + (C))$	C/D) + Federal Incom 1- ST	e Tax) * (ST	)		0.8192%		
8		1-31						
)	Total Federal & State Income	Tax Rate:				3.7560%		
+								
	The decrease in the calculation of the	he Federal and State I	ncome Tax C	omponents is due to	the impl	ementation of TO4 Formul	a Cost of Capital calculation as	nd ROE of 10.05% fro
T	O3 Formula ROE of 11.35%.							

_					Gas & Electric Compar Non-Direct Expenses Compared to English Processing	ost Component		Section 2
_			Base	Period 12 Mo	onths Ending December (000's)	31, 2013		Page 6 of 7
+			Ca	lculation is fo	or Illustrative Purpos	es Only		
				CHIATA	MA DV			
+				SUMN	AARY			
					1		2	3 = 2 - 1
ine Io.		A		В	C	D	E	Variance
1								
2 <b>A.</b> 3	Derivation of	General and Commo	on Plant Annual	Revenue as a	Percent of Transmission	on Plant		
4					TO3 Formula		TO4 Formula	
5					General & Common		General & Common	
7					Plant Costs As a		Plant Costs As a	
9				Per	centage of Gen/Cmn Pl	ant	Percentage of Gen/Cmn Plant	
	Maintenance of	of Gen and Comm Plt			0.00%		0.00%	0.00%
11	Daywell Tayes				0.00%		0.00%	0.00%
13	Payroll Taxes				0.0078		0.0070	0.0070
	A&G				0.00%		0.00%	0.00%
16	General and C	Common Plant Depreci	ation Rate		7.91%		7.91%	0.00%
17								
18	Federal & Star	te Income Tax			4.17%		3.76%	-0.41%
20	Rate of Return	n Adjustment Factor			8.28%		7.58%	-0.70%
21	W 1: 0 :	. 1			0.000/		0.00%	0.00%
22	Working Capi	tai			0.00%		0.00%	0,0076
24	General & Co	mmon Plant ADIT Ad	justment		-0.18%		-0.16%	0.02%
25	Annual Gen a	and Comm Plt Fixed (	Charge Rate 1	(L10:L24)	20.18%		19.09%	-1.09%
27	Annual Gen I		January Comme	(==+,==+,				
28 29 <b>B.</b>	Conoral & C	ommon Plant Rate Ca	alculation					
30	General & C	ominon I lant Rate Ca	alculation.					
31	Total Electric	Common Plant Investi	ment			505,717	505,717	
33	Total Electric	General Plant Investm	ent			249,775	249,775	
34								
35		Total Electric Genera	l and Common P	lant	L31 + L33	755,492	755,492	
37	Annual Gen &	Commn Plt Fixed Ch	arge Rate 1			20.18%	19.09%	-1.09%
38	Electric Con a	and Comm Plt Revenue			L35 X L37	152,458	144,223	(8,235)
39 10	Electric Gen a	nd Comm Pit Revenue			L33 X L37	132,436	144,223	(8,233)
11	Transmission	Wages Allocation Fact	tor for Citizens			11.67%	11.67%	
12 13	Transmission	Related Gen & Comm	Plt Revenue		L39 X L41	17,792	16,831	(961)
14								
15	Total Transm	nission Plant				3,738,157	3,738,157	
16 17		Related General and	Common Plant	Revenue Car	rying Charge	0.48%	0.45%	-0.03%
18	Percentage 2				L43 / L45			
19								
1 De	crease in the A	nnual General and Co	mmon Plant Fixe	d Charge Rate	is due to the implement	ation of TO4 Formula	Cost of Capital calculation. Thereby r	educing the elec
&	common plant	revenues by \$8.235 m	illion as shown or	n line 39. Wh	ich in turn reduces the T	ransmision Related Ger	n & Comm Plant Revenues by \$961K	(line 43)

			D		San Diego Gas			4		Statement BK2 Section 2
			Der		tion 2 Non-Dire Period 12 Month					Page 7 of 7
				Dase	t eriod 12 Monti	(000's)	becember 31, 20	13		1 age / 01 /
				Cal	culation is for I	llustrative	Purposes Only	7		
+							1		2	3 = 2 -1
Line				-		TO3	Formula		TO4 Formula	
No.			A		В		С	D	Е	Variance
1	Derivation of	Working							_	, , , , , , , , , , , , , , , , , , , ,
2										
3	A. Material a	and Suppl	lies							
4										
5				nd Supplies (N	1&S)		64,658		64,658	-
6			Allocation I		157776		33.77%		33.77%	0.00%
7	M&S Allo	cated to T	ransmissio	n	L5 X L6	_	21,835		21,835	-
9	B. Prepayme	nto								
10	b. Trepayme	iits								
11	Total Elect	ric Prepay	ments	1			39,198		39,198	-
12	Transmissi			actor			33.77%		33.77%	0.00%
13	Prepaymen				L11 X L12		13,237		13,237	-
14										
15	C. Working	Cash					8			
16										
17	Citizens Fin	anced Tra	ansmission							
18							****			
19	Transmis		tenance and				\$102,636		102,636	- 0.000
20			t O&M Fac	ransmission	L19 X L20	\$	12.50% 12,830		12.50% 12,830	0.00%
22		working	Cash For 1	ransımssıçıı	L19 X L20	Ф	12,630		12,030	
23	D. Transmiss	ion Work	ing Canita	Las a Percen	t of Transmissio	n Plant				
24	D. Transmiss	lon Work	ing Cupita	l us u i ci con		1 1 11111				
25	1. Citizens Fi	nanced Ti	ransmissio	n Projects						
26			ransmissio				21,835		21,835	-
27	Prepaymen	nts Allocat	ted to Trans	smission			13,237		13,237	-
28	Working C	Cash				\$	12,830		12,830	-
29	Total			Sum (L26:2	8)		47,902		47,902	-
30										
31	2. Derivation		Plus FIT	& SIT		1				
32	Federal Inc			-			3.2631%		2.9368%	-0.3263%
33	State Incom						0.9041%		0.8192%	-0.0849%
34	Rate of Re		0.075	-			8.2800%		7.5800%	-0.7000%
35	Total Return	Plus FIT	& SIT				12.4472%		11.3360%	-1.1112%
36 37	Transmission	Working	Capital Day	enile	L29 X L35		5,962		5,430	(532)
38	Transmission	working C	Japitai Kev	Cirue	L27 A L33	-	3,902		3,430	(332)
39	Total Transm	ission Pla	ınt			\$	3,738,157		3,738,157	
40	2000 21000		•			-	-,,		-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
41	Transmission	Related V	Working C	apital Reven	ue		0.16%		0.15%	-0.01%
42	Carrying Cha					L37 / L3				
43										
1	Decrease in the	e calculation	on of the T	ransmission R	eloted Working (	Capital Day	anua Carrying Ch	arge Derg	entage is due to the impl	ementation of

								ement BK2			
								ection 3			
_							Pa	age 1 of 2			
-											
-			San Diego Gas	& Electric Company	1						
-			Cost Statement								
	Section	on 3 - Cost		ining Other Specific	Expens	es					
-	CCOLL			ding December 31, 20			-				
-		Dasc I CI		.000)							
			(4.)	,000							
		Calcu	lation is for Illustra	ative Purposes Only	San Land	Marie Park					
					T						
						1		2	3	= 2 - 1	
					TO3	Formula	TO	Formula			
						nounts	3.67	mounts			
_n						ilounts		mounto			
	A. Direct Assi	anment of	Accumulated Defe	rred Income Taxes (A	DIT) to	Citizens			Va	ariance	
1	7.1. 2.1. 5517 1.551	J									
	As of Decemb	er 31, 2012									
			o Bonus Depreciation	on	\$	(6,037)	\$	(6,037)	\$	-	
4			by Net Operating L		Ψ	(5,557)	-	(5,557)	4		
5	Chock by ND17	, Jonardiou	, Hot operating t	1102/							
	As of Decemb	er 31, 2013									
			o Bonus Depreciation	on	\$	(6,927)	\$	(6,927)	\$	_	
8			by Net Operating I		Ψ	(0,021)	Ψ	(0,021)	Ψ		
9	Chact by AD17	Concrated	by Net Operating L	-000 (INOL)							
_	Total	-		L3 + L7	\$	(12,964)	\$	(12,964)			
11	ı Ulai			LJ T LI	Ψ	(12,304)	Ψ	(12,304)			
	Annual Aversa	e of Boginni	ng Bal. and End of	Voar Ral	\$	(6,482)	\$	(6,482)	Line	10/2	
_	Aririuai Averag	e or beginn	ng bai. and End of	Teal Dal.	φ	(0,402)	φ	(0,402)	LIIIC	5 10 / 2	
13	Return					8.28%		7.5800%		-0.70%	
	FIT and SIT					4.17%		3.7560%		-0.70%	
		Dete		144.145		12.45%	-	11.3360%		-0.4176	
	Cost of Capital	Rate		L14+ L15		12.45%	-	11.3300%			
17	0::: 40.14	" B	0 1"	140 *140		(007.04)	Φ.	(704.00)	Φ.	72.21	
	Citizens 12 Mo			L12 * L16 L18 * .010310	\$	(807.01)		(734.80) (7.58)		0.74	
	Franchise Fee				Ф		_	(7.38)		72.95	
20	l otal Citizens	Revenues	olus Franchise	L18 + L19		(815.33)	\$	(742.38)	Ф	72.95	
21											
22											
23											
	B Property Ta	xes Allocat	ted to Citizens								
26	D. I Toperty Te	Anoual	to onledio								
	Citizens Alloca	ted Property	Taxes			556		556		0.00	
	Franchise Fee			Line 34 * .010310		5.73		5.73		0.00	
29	Total Citizens			2		561.73236		561.73236		0.00	
30	. Juli Chizono /	outour 1	opolity rando			- C.I OECO	-			5.00	
31											
32											
33											
34			epreciation on Eq	uity AFUDC		0		135.08		135.08	
35	Revenue C	omponent <sup>*</sup>	1								
36											
37											
38	1. See Equity AF	UDC - WP.									
39	i i										
40											
-								ALCOHOLD AND ALCOH			
_	Part A - decrea	ise is primar	ily due to the imple	mentation of the TO4 F	ormula	Cost of Capi	tal ca	lculation.			

			1		Г			THE RESERVE AND DESCRIPTION AND	Statement BK2	
									Section 3	
									Page 2 of 2	
	S	San Diego	Gas & Ele	ctric Com	oan	у				
	Ц.		ost Stateme				<u></u>			+
	Section	3 - Cost	Componen	t Containii	ng	Other Specifi ecember 31,	IC EX	penses		+
	-11	Base Per	(\$1,000)	tns Enaing	ט נ	ecember 31,	2013	)	· ·	+-
			(\$1,000)		-					
		Calcu	lation is for	Illustrativ	e P	urposes Onl	V		THE PERSON NAMED OF THE PERSON NAMED IN	
			II .				ĺ			
1		2	3	4		5		6	7 = 6 - 5	
					(c	ol. 2 * col. 3)	(co	I. 2 * col. 4)		
D D : (' (0'') D - 1 - 5		- D	104-		_		-			-
D. Derivation of Citizens Border E	ast Line	e Kemov	di Costs		-		-			+
			1	2		TO3		TO4		+
Ln		Total	Pomoval	Removal	1	Formula		Formula		Lr
No. FERC Account		Costs	Rate	Rate (2)		Amount		Amount	Variance	No
1		00313	rate	Nate		Allount		Amount	Variance	1
2 354 - Towers & Fixtures	\$	46,971	0.0091	0.0000	\$	427	\$	-	(427)	2
3					Ė					3
4 356 - Overhead Cond & Devices	\$	16,615	0.0098	0.0000	\$	163	\$	-	(163)	4
5										5
6 359 - Road and Trails	\$	19,939	0	0	\$	-	\$		0	6
7			0	0	\$		\$		0	8
8   350.1 - Land   9	\$	-	U	U	Ф	-	Φ		0	9
10 350.2 - Land Rights	-	1,669	0	0					0	10
11	\$	85,194								1
12	- 11 *									12
13 Subtotal Annual Removal Costs			Sum (L2:L	10)	\$	590	\$	-		13
14										14
15 Franchise Fees @ 1.0310%			L13 X .01	0310	\$	6	\$	-		15
16						E00 0 10E1	•		(0500)	16
17 Total Annual Removal Costs					\$	596.34871	\$	-	(\$596)	17
18 19					-		-			19
20 Total Other Specific Costs					\$	343	\$	(45.56)	Part A, L20 + Part B, L29 +	20
21					_	2.10	-	(13.00)	Part C, L34 + Part D, L17	21
									, ====, ===,	
1. Authorized TO3 Removal Rate										
2. Authorized TO4 Removal Rate									×	
							-			+
					_		-			+
Decrease is primarily due to the Sunr	ico rom	oval rata	oqual to zar	o in TO4 E	orm	vulo				+
Decrease is primarily due to the Suni	ise rem	iovai rate	equal to zer	0 III 104 F	OHI	iuia.	-			+
					-		-			

Currently Effective BK2

Exhibit No. SDG-1-2

				AND DOLLAR OF A CANADA AND CONTRACTORS OF THE CONTR			
	San	Diego Gas & Electr		any			Statement BK2
		Cost Statement	BK2				Section 1
		t Maintenance Expe					Page 1 of 1
	For Base Perio	d 12 Months Ending	- Decem	ber 31, 2013			
		(\$1,000)					
_	Calcula	tion is for Illustrative F	Pumpoooo (	Only			
	Calcula	uon is ioi mustrative r	urposes	Office			
_		TO3 Formula	C. Like				
_n.			11.00				
NO	. A. Derivation of Direct Maintenan	ce Expenses Allocat	ted to Cit	izens		Amount	Reference
1	Citizens Direct Maintenance @ 50%	Related with Border	East Line	1	\$	0.019	See calculation below
3	Working Cash One Eight Maintenac	ce Percentage	\$	0.0	02		L 1 / 8
4		or or or or mage	· ·	0.0	-		
5	Return plus FIT and SIT	12.45%	L 3	* L5	\$	0.000	Stmt BK2-Sec. 2; Page 7; Col. C; L45
6							
7	Subtotal of Citizens Direct Maintena	ince			\$	0.019	L1 + L5
8	Franchise Fees @ 1.0310%				\$	0.000	Cala: 1.7. V. 040240
10					4	0.000	Calc: L7 X .010310
11	Total Direct Maintenace Cost Plus F	Franchise Fees			\$	0.019	L7 + L9
12						0.0.10	
13							
	Monthly Direct Maintenances Assign	ned to Citizens			\$	0.002	L11 / 12 Months
15							
16							
1	Direct O&M expenses incurred during 2	2013 Base Period is equ	al to			\$37.10	See WP- AH5, Line 39
						50%	Citizen 50% Share -Direct Maintenance
						\$18.55	
	,						

				,					
					n of Section 2 N	Gas & Electric Com Non-Direct Expenses	Cost Component		Statement BK2 Section 2
-				Bas	e Period 12 Mo	onths Ending Decem (000's)	ber 31, 2013		Page 1 of 7
-				C	alculation is fo	or Illustrative Purp	oses Only		
				Sun	nmary of Annu	al Transmission Ca	rrying Cost		
-					TO	3 Formula			
Line								-	D.C.
No.			A		В	С	D	E	Reference
2									
3 4	A. Non-Direct	Annual C	Carrying C	harge Percenta	ges		Annual Carrying		
5							Charge as Applied		
7							Leased Transmission 1	Plant	
8	Transmission O	perations	Expense C	arrying Charge P	ercentage		0.94%		See Pg 2; Col. D; Line 12
9				g : g:			0.100/		
10	Transmission N	laintenand	e Expense	Carrying Charge	Percentage		0.12%		See Pg 2; Col. D; Line 14
12	Transmission R	elated A&	cG Carrying	Charge Percent	age		1.68%		See Pg 2; Col. D; Line 48
14 15	Transmission R	elated Pay	yroll Tax Ca	arrying Charge P	ercentage		0.05%		See Pg 3; Col. D; Line 12
16 17	Property Taxes						0.00%		See Statement BK2 - Section 3
18 19	Transmission I Charge Percen		General & G	Common Plt Re	venues Carryii	ng	0.48%		See Pg 6; Col. D; Line 45
20	Transmission D	enreciatio	n .				0.00%		N/A to Citizens Service
22									
23	Federal and Sta	te Income	Tax				0.00%		N/A to Citizens Service
25 26	Rate of Return						0.00%		N/A to Citizens Service
27	Transmission l	Related V	Vorking Ca	pital Revenue	Carrying		0.16%		See Pg 7; Col. D; Line 53
28	Charge Percen								
30	ADIT Adjustme	ent					0.00%		See Statement BK - Section 3
31							2 420/		G (40120)
32	Total						3.43%		Sum of (L8:L30)
34	Franchise Fees	Rate @ 1.	0310%		0.01031		0.04%		Calculation = (.0343 x .010310)
35 36	Annual Carryi	ng Charg	ge Rate as a	applied to trans	mission plant		3.47%		Line 32 + Line 34
37 38 39									
40 41									
42	B. Derivation of	of Non-Di	rect Exper	se Cost Compo	nent				
43 44 45	Citizens Energy	Portion o	of Sunrise E	order-East Line			\$ 85,194		See AD6-A
46 47	Annual Carryi	ng Charg	ged Rate				3.47%		See Line 36 above
48	Annual Transi	nission M	Iaintenanc	e and Other Co	sts Charged to	Citizens	\$ 2,956.232		Line 44 X Line 46
49 50									
51									
52 53	-								

T							
			Gas & Electric Compa				Statement BK2
_			Non-Direct Expenses Conths Ending December				Section 2 Page 2 of 7
+	Ba	ise Period 12 M	(000's)	r 31	, 2013		Page 2 of 7
$\forall$			(000 s)	П			
		Calculation is	for Illustrative Purpos	es O	Only		
_							
		T	O3 Formula	+			
ine Io.	A	В	C	$\vdash$	D	Е	Reference
i l	The state of the s				Adjusted		
2	Part A. Transmission O&M Expenses:		Total O&M		<u>O&amp;M</u>		
3	A Township Open time Frances		\$35.248	$\vdash$			Stmt AH; Pg AH2; Pg 1 of 2; Col.6; Line 17
1 5	A. Transmission Operation Expenses		\$33,248	+			Stillt Art, Fg Artz, Fg 1 of 2, Col.o, Lille 17
5	B. Transmission Maintenance Expenses		\$ 4,470				Stmt AH; Pg AH2; Pg 1 of 2; Col.6; Line 32
7	· ·						
3	Total Transmission O&M			>	\$39,718		Line 4 + Line 6
)					e2 520 155		Court AD. D. AD. Live 15
0	Total Transmission Plant			>	\$3,738,157		Stmt AD; Pg AD; Line 15
2	Transmission Operations Expense Carrying Charge	Parcentage		5	0.94%		Calculation: L4 / L10
3	Transmission Operations Expense Carrying Charge	Tercemage			0.74 /0		Calculation, D4 / D10
4	Transmission Maintenance Expense Carrying Charg	ge Percentage		>	0.12%		Calculation: L6 / L10
5							
6	7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7			1			
7 8	Part B. Derivation of Transmission Related A&	G Expenses		-			
9	Total Administrative & General Exp	pense: Less Excl	usions	>	\$523,506		Stmt AH; Pg AH3; Col. D; Line 20
0.0							
1	Less: Property Insurance			>	\$7,450		Stmt AH; Pg AH3; Line 6
2	Total Adjusted A&G Expenses Excl	uding Property I	Inquirance	>	\$516,056		Line 19 - Line 21
4	Total Adjusted A&O Expenses Exci	uding Froperty i	insurance		\$310,030		Line 19 - Line 21
5							
6	Transmission Wages & Salaries Allo	ocation Factor fo	or Citizens		11.67%		Stmt AI; Pg AI; Line 21
7	Total Transmission Related A&G E			>	\$60,224		Line 23 X Line 26
9	Total Transmission Related A&G Ex	kpenses			\$00,224		Line 25 X Line 20
0							
1				Ш			
2	Part C. Derivation of Allocation of Property Ins	surance to Tran	smission Plant	+			
3				+			
5	Transmission Plant Property Insuran	ce Allocation Fa	actor	>	36.17%		Stmt AH; Pg AH; Line 17
6	Transmission Francisco Historia	i modution i t			20.1770		
7	Property Insurance			>	\$7,450		See Line 21 above.
8				1			
9	D	0 10.0	l Dlanf		62.605		Line 25 V Line 27
0	Property Insurance Allocated to Tran	ns, General & Co	ommon Plant	>	\$2,695		Line 35 X Line 37
2		-					
3							
4	Total Transmission Related A&G Expenses Incl	uding Property	Ins.	>	<u>\$62,918</u>		Line 28 + Line 40
5		-		-			
6		-		+			
8	Transmission Related A&G Carrying Charge P	ercentage		>	1.68%		Line 44 / Line 10
9	Transmission Related Acc Carrying Charge 1	cicinage		Ĥ	1.0070		
0							
1							

-		San Diago C	as & Electric Company			Statement BK2
		Derivation of Section 2 No				Section 2
+			ths Ending December 3			Page 3 of 7
T			(000's)	-,		
		Calculation is for	Illustrative Purposes	Only		
_						
ine		103	Formula			
lne lo.	A	В	С	D	Е	Reference
10.	A	В	C	D	Е	Reference
	Part A - Electric Payroll (Electric On	ly)				
2						
3	Total Electric Payroll Taxes			\$ 14,708		Stmt AK; Pg AK; Line 17
5	Payroll Tax Allocated to Transmission	on Dor Wagas Factor		11.67%		Stmnt AI; Pg AI; Line 21
6	rayion Tax Anocated to Transmissio	on Fer wages Factor		11.07%		Stillit AI, Pg AI, Lille 21
7	Payroll Tax Allocated to Transmission	on		\$ 1,716		Line 3 X Line 5
8	Tunismosi.			,		
9	Total Transmission Plant			\$ 3,738,157		See Pg 2; Line 10
0				-,,		
1						
2	Transmission Related Payroll Tax Co	arrying Charge Percentage		0.05%		Line 7 / Line 9
13						
14						
	Part B - Transmission Wages & Salar	ries Allocation Factor for Citize	ns			
16				******		
7	A. Transmission Wages Expense		>	\$15,186		Stmnt AI; Pg AI; Line 3
19	B. A&G Wages Expense		>	\$30,755		Stmnt AI; Pg AI; Line 17
20	B. A&G Wages Expense			\$30,733		Stillit AI, I g AI, Line 17
21	C. Total O&M Wages Expense		>	\$160,922		Stmnt AI; Pg AI; Line 19
2						, , , , , , , , , , , , , , , , , , , ,
3						
4						
5						
7						
8						
9	A = Transmission W	Vages & Salaries Allocation Factor	for Citizens =	11.67%		
0	(C - B)	I La		12.07.73		
1	, ,					
2						
3						
4						
5						
36						
38						

			1			1		orden and the desire of the second and the desire of the second	
				San Diego	Gas & Electric Comp	anv			Statement BK2
			Derivati		Non-Direct Expenses				Section 2
			Ba	ase Period 12 Mo	onths Ending Decemb	er 3	1, 2013		Page 4 of 7
					(000's)				
				Calculation is fo	or Illustrative Purpo	ses	Only		
				TO	3 Formula				
Line			-	10	3 Formula	-			
No.		A		В	С	T	D	E	Reference
1									
	DEPRECIAT	TON EXPENS	E:			4			
3 DEc	- Com	non Depreciation	on Evnonce			>	\$52,067		Stmt AJ; Pg AJ; Line 2
4 DEc	- Comi	non Depreciatio	on expense			-	\$32,007		Suit AJ, Fg AJ, Lille 2
6 DEg	= Gener	ral Depreciation	Expense			>	\$7,657		Stmt AJ; Pg AJ; Line 4
7 8 C =	= Total	Common Plant	Investment			>	\$505,717		Stmt AD; Pg AD; Line 23
9				-		-	0040 555		la de la constanta de la const
10 G =	= Total	General Plant I	nvestment			>	\$249,775		Stmt AD; Pg AD; Line 21
12						+			
	ation of Comi	mon and Gener	ral Plant Depr	eciation Rate					
14			<u></u>						
15 16	(DEc	+ DEg) $/$ (C $+$ 0	G)	=	7.91%	o			
17			1	+		+			
18 Part B. D	Derivation of (	Gen and Comn	n Plant Accum	.Deferred Incom	e Taxes (ADFIT)				
	percent of Tr	ansmission Pla	ant						
20   Genera	al and Commo	n Plant ADFIT				+	(10,673)		Stmt AF; Pg AF; Line 5
22	ar and Commo	II T lant 71D111					(10,073)		State 1 at
	n Plus FIT and	SIT					12.45%		See Page 7; Line 45
24	O Di Al	DEIT D		-		-	(1.220)		Line 21 X Line 23
25 Gen & 26	Cmn Plant Al	DFIT Revenues				+	(1,328)		Line 21 X Line 23
27									
28 Genera	al & Cmn Plan	t Investment					755,492		Line 8 + Line 10 above
29						$\perp$			
30	mission Dalas	ed General &	Common Plan	t ADIT Revenue		+	-0.18%		Line 25 / Line 28
	ing Charge P		Common I lan	. ADII Revenue		+	-0.1070		Dillo 25 / Dillo 20
33									
34									
				-		+			
				-		+			
				1		+			
				-		+			
						+			
			-	-		+			

+	+			1	San Diago	as & Flantuia Com	nen-	,		Statement DV2
+	-			Derivation		Gas & Electric Con on-Direct Expense				Statement BK2 Section 2
+						nths Ending Decen				Page 5 of 7
				240		(000's)				
+	-			C	alculation is fo	r Illustrative Pur	poses	Only		
+	-	-			TO	Formula				
ine				-	10.	Tormula				
0.			A		В	C		D	Е	Reference
1									~	
	Part A.	RATE O	FRETUR	N WORKSHEE	Т:					
1	1. Common	Stock Cal	culation					-		
	1. Common							21.500.215		
5	-	Proprietar	y Capital	-			>	\$4,629,716		Stmt AV;Pg AV1; Line 25
,	Less:	Preferred	Stock				>	\$0		Stmt AV;Pg AV1; Line 26
)	Less:	Account 1	No. 216.1				>	\$0		Stmt AV;Pg AV1; Line 27
0	Loggi	Annount 3	In 210	-				\$0.010		Ctust AV-Do AVI Line 20
1 2	Less:	Account N	NO. 219	-			+	\$9,010		Stmt AV;Pg AV1; Line 28
3		Common	Stock =				>	\$4,620,706		Stmt AV;Pg AV1; Line 29
4								,		.,, 8,
5	2. Rate of R	eturn Calc	ulation							
6		LTD = Lo	ng Term D	Debt (Total)			>	\$4,039,802		Stmt AV;Pg AV1; Line 7
7										
8	-	PF = Pref	erred Stock	(Total)			>	\$0		Stmt AV;Pg AV1; Line 20
0	-	Common	Stock				>	\$4,620,706		Stmt AV;Pg AV1; Line 29
1		Common	O.OOR					Ψτ,020,700		Sum 117,1 g 117 1, Dine 27
2		Total Cap	ital =				>	\$8,660,508		Sum of L16 + L18 +L20
3										
4	-	i = LTD in	iterest				>	\$192,086		Stmt AV;Pg AV1; Line 15
6	-	d(pf) = Pr	eferred Div	vidends			>	\$3,615		Stmt AV;Pg AV1; Line 21
7		и(рг) 11	cicirca Div	ridelids			ŕ	\$5,015		Stillt Av,1 g Av 1, Ellie 21
8	LTD/CAP	46.65%		Cost:	4.75%		W	Veighted LTD Cost	2.22%	Stmt AV;Pg AV1; Line 36
9	Pf/CAP	0.00%		Cost:	0.00%			Veighted Pf Cost	0.00%	Stmt AV;Pg AV1; Line 37
0	COM/CAP	53.35%		Cost:	11.35%		W	Veighted Cmn Cost	6.06%	Stmt AV;Pg AV1; Line 38
1 2 F	Rate of Return on				OVERA	LL RATE OF RE	THE	N =	8.28%	Stmt AV;Pg AV1; Line 39
	Common Equity			11.35%	OVERA	LL KATE OF KE	IUKI	, –	8,2870	Stmt AV;Pg AV1; Line 39
4										, , , , , , , , , , , , , , , , , , , ,
	art B - Derivat	ion of Fed	eral and St	tate Income Tax	Components:					
6	A = 6 CT	)	a ala a 1 D	atum an E - 't C				6.000		Chart AND AND AND Line 41
7 8	A = Sum of I	referred S	ock and R	eturn on Equity C	omponent		>	6.06%	-	Stmt AV;Pg AV1; Line 41
9	FT = Federa	1 Income T	ax Rate				>	35%		Federal Income Tax Rate
0								/-		
1	ST = State In	come Tax	Rate				>	8.84%		State Income Tax Rate
2	-						-			
3	Federal Incom	e Tay =		(A * FT)	= B		>	3.26%		
5	r cuciai incom	c rax -		(1 - FT)	-ъ		+	3.40/0		
6										
		F		(A   D) * CT				0.0007		
8		ıax =		(A + B) * ST (1- ST)			>	0.90%		
8	State Income			(1-31)			-			
8 9 0	State Income			1						
8 9 0	State Income									
7 8 9 0 1 2 3										
8 9 0 1 2	Total Federal	& State I	ncome Tax	x Rate:			>	4.17%		Line 44 + Line 49

		angorioregiponoregiponicos con en acentro en				- Pro-
+		San Diego	Gas & Electric Comp	any		Statement BK2
	Der	ivation of Section 2	Non-Direct Expenses	Cost Component		Section 2
+		Base Period 12 M	onths Ending Decemb	per 31, 2013		Page 6 of 7
-		Calculation is f	or Illustrative Purpo	oses Only		
		SUM	MARY			
-		ТО	3 Formula			
Line					-	D.C.
No.	A	В	С	D	Е	Reference
	A. Derivation of General and Common Plant	Annual Revenue as a	Percent of Transmis	sion Plant		
4						
5			eral & Common Plan Percentage of Gen/Cm			
7		Asai				
9	Maintenance of Gen and Comm Plt		0.00%			Captured in trans plant A&G allocation
10	Payroll Taxes		0.00%			Captured in Transmission Plant Payroll Taxes
11 12	A&G		0.00%			Captured in trans plant A&G allocation
13 14	General and Common Plant Depreciation Rate		7.91%			See Pg 4; Col. C; Line 15
15 16	Federal & State Income Tax		4.17%			See Pg 5; Col. D; Line 54
17						
18 19	Rate of Return Adjustment Factor		8.28%			See Pg 5; Col. E; Line 32
20 21	Working Capital		0.00%			Captured in trans plant allocation
22	General & Common Plant ADIT Adjustme	nt	-0.18%			See Page 4; Col. D; Line 31
23 24	Annual Gen and Comm Plt Fixed Charge R	late	20.18%			Sum of (Line8 thru L22)
25 26						
27	B. General & Common Plant Rate Calculation	1:				
28 29	Total Electric Common Plant Investment			505,717		See Page 4; Col. D; Line 8
30	Total Electric General Plant Investment			249,775		See Page 4; Col. D; Line 10
32				775 100		Line 20 - Line 21
33 34	Total Electric General and Com	mon Plant		755,492		Line 29 + Line 31
35 36	Annual Gen & Commn Plt Fixed Charge Rate			20.18%		See Line 24 above
37	Electric Gen and Comm Plt Revenue			152,437		Line 33 X Line 35
38 39	Transmission Wages Allocation Factor for Cit	izens		11.67%		See Page 3; Line 29
40 41	Transmission Related Gen & Comm Plt Reven	nue		17,789		Line 37 X Line 39
42						See Page 2; Line 10
43 44	Total Transmission Plant			3,738,157		Sec 1 age 2, Line 10
45	Transmission Related General and Commo	n Plant Revenue Car	rrying Charge	0.48%		Line 41 / Line 43
46 47	Percentage					

I		San Diego	Gas & Electric Company			Statement BK2
+	Deriva E	tion of Section 2 Base Period 12 M	Non-Direct Expenses Cost onths Ending December 3	Component 1, 2013		Section 2 Page 7 of 7
+			(000's)			
1		Calculation is f	or Illustrative Purposes	Only		
+		TC	3 Formula			
ne						
0.	A	В	С	D	Е	Reference
2	Derivation of Working Capital					
1	A. Material and Supplies					
5	Total Electric Plant Materials and Supplies (M	(&S)	64,658			Stmt AL; Line 1
7						
9	Transmission Plant Allocation Factor		33.77%			Stmt AD; Page AD; Line 39
0	M&S Allocated to Transmission		21,835			L6 X L8
1 2	B. Prepayments					
3						
5	Total Electric Prepayments		39,198			Stmt AL; Line 7
6	Transmission Plant Allocation Factor		33.77%			Stmt AD; Page AD; Line 39
7	D. Alleri i. T.		12.005			Line 14 White 16
9	Prepayments Allocated to Transmission		13,237			Line 14 X Line 16
0	C. Working Cash					
1 2	Citizens Financed Transmission					
3	Transmission Maintenance and A&G		\$102,636			See Pg 2; Line 8 + 44
5						See Fg 2, Line 8 + 44
7	One Eight O&M Factor		12.50%			
8	Working Cash For Transmission		\$ 12,830			Line 24 X Line 26
0	D. Transmission Working Capital as a Percent	of Transmission	Plant			
1						·
3	1. Citizens Financed Transmission Projects					
4						
6	M&S Allocated to Transmission  Prepayments Allocated to Transmission		21,835 13,237			Line 10 above Line 18 above
7	Working Cash		\$ 12,830			Line 28 above
8	Total		47,902			Sum (L35:37)
9	2. Derivation of Return Plus FIT & SIT					
1			2.2(210)			0.0.0101:44
3	Federal Income Tax State Income Tax		3.2631% 0.9041%			See Page 5 above; Col. C; Line 44 See Page 5 above; Col. C; Line 49
14	Rate of Return		8.2800% 12.4472%			See Page 5 above; Col. E; Line 32
6	Total Return Plus FIT & SIT					
8	Transmission Working Capital Revenue		5,962			Line 38 X Line 45
19						
0	Total Transmission Plant		\$ 3,738,157			See Page 2, Line 10
1 2						
3	Transmission Related Working Capital Revenu	ie		0.16%		Line 47 / Line 50
5	Carrying Charge Percentage					
+						

								Statement BK2
								Section 3
						-		Page 1 of 2
_		-				+		
		San Dieg	go Gas	& Elect	ric Comp	any		
		Cost S	Stateme	nt BK2				
	Section 3 - Cos							
	Base Per	iod 12 Mon			cember 3	1, 201	13	
			(\$1,0	00)				
_	Calcul	ation is for	Illustrat	tivo Pu	moses O	nly		
_	Oalcui	ation is ioi	mustra	LIVE I UI	poses c	illy		
		F 7 (5)	TO3 Fo	rmula				
Ln	A D: (A .						(ADIT) ( 0'''	Reference
_	A. Direct Assignment	of Accumu	nated De	ererred	income	ıaxes	(ADIT) to Citi	zens
2	As of December 31, 20	012				-		
	ADIT Liability Attributab		Denreci	ation		\$	(6.037)	Stmt AF; AF1; Col. B; Line 13
4	Offset by ADTA Genera				(NOL)	Ψ	(0,037)	Cuntal, Al I, Col. D, Lille 10
5	Chock by ADTA Genera	atou by Net	Speratili	19 L033	(102)	+		
	As of December 31, 20	013				+		
	ADIT Liability Attributab		Depreci	ation		\$	(6,927)	Stmt AF; AF1; Col. F; Line 13
8	Offset by ADTA Genera				(NOL)	1	(-)/	, , , , , , , , , , , , , , , , , , , ,
9								
10	Total					\$	(12,964)	Line 3 + Line 7
11								
12	Annual Average of Beg	inning Bal. a	and End	of Year	Bal.	\$	(6,482)	Line 10 / 2
13								
	Return							Stm BK2 - Section 2; Pg 5; Col.E; Line 32
	FIT and SIT						4.17%	Stm BK2 - Section 2; Pg 5; Col.D; Line 54
_	Cost of Capital Rate						12.45%	
17	Oiting and Alexander Dec					-	(007)	Line 40 * Line 40
	Citizens 12 Months Rev		010310			0		Line 12 * Line 16
	Franchise Fee @ 1.031 Total Citizens Revenu					\$	(815 32026)	Line 18 * .010310 Line 18 + Line 19
20 21	Total Citizens Revenu	es plus Fial	ICHISE			-	(010.02920)	LINE TO T LINE 18
22						+		
23	Citizens Monthly Reven	ues Plus Fr	anchise				(67.94)	Line 20 /12 Months
24							,,	
25								
26	5 5 7 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5					-		
27	B. Property Taxes Allo	cated to C	itizens			-		
28 29						+		
	Citizens Allocated Prop	erty Taxes				-	556	Stmt AK; AK1; Line 24
	Franchise Fee @ 1.031							Line 30 * .010310
	Total Citizens Allocated		axes			1	561.73236	
33								
34	Citizens Allocated Mont	hly Property	Taxes				47	Line 32 / 12 Months
						1		
_						+		
						+		

		TI			Т		Statement BK2	T
					1		Section 3	+-
		1			T		Page 2 of 2	+
								1
		5		Gas & Elec				
1				ost Stateme				
	Section	on 3 -	Cost Com	ponent Cor	ntair	ning Other S	pecific Costs	-
		Base I	Period 12		ding	December 3	31, 2013	-
				(\$1,000)	-			+
					+			+-
		Ca	lculation	ie for Illustr	ativ	e Purposes C	Only	will be
		Ca	iculation	is for musti	aliv	e ruiposes c		
				TO3 Form	ıla			-
		-		100101111				+
	A	-	В	С		D	Е	+
		1			(co	ol. B * col. C)	-	
						,		
	C. Derivation of Citizens Border Ea	st Line	Remova	I Costs				
Ln			Total	Removal				Ln
No	FERC Account		Costs	Rate (1)		Amount	Reference	No
1								1
	354 - Towers & Fixtures	\$	46,971	0.0091	\$	427		2
3			10.015	0.000				3
	356 - Overhead Cond & Devices	\$	16,615	0.0098	\$	163		5
5	359 - Road and Trails	\$	19,939	0	\$		No Removal Rate	6
7	339 - Road and Trails	Ф	19,939	0	φ	-	No Removal Rate	7
	350.1 - Land	\$	-	0	\$	_	No Removal Rate	8
9	OOO.1 Land	Ψ-			Ψ		·	9
	350.2 - Land Rights		1,669	0		-	No Removal Rate	10
11		\$	85,194					11
12			,					12
13	Subtotal Annual Removal Costs				\$	590	Sum (L2:L10)	13
14								14
	Franchise Fees @ 1.0310%				\$	6	L13 X .010310	15
16					•	500 04074	140 . 145	16
	Total Annual Removal Costs				\$	596.34871	L13 + L15	17 18
18					-			19
19	Monthly Removal Costs				\$	50	Line 17 /12 Months	20
21					Ψ	30	Line 17 / 12 Months	21
22					+			22
	Total Other Specific Costs				\$	343	Part A, Line 20 + Part B, Line 32 + Part C,	23
24		1			Ė		Line 17	24
25		1						25
	1. Authorized TO3 Removal Rate							

Modified BK2

Exhibit No. SDG-1-3

		go Gas & Elect					Statement BK2
		<b>Cost Statemer</b>					Section 1
	Section 1- Direct Ma						Page 1 of 1
	BasePeriod 12 M		Dec	ember 31, 2013			
		(\$1,000)					
	Calculation i	s for Illustrative	Purpo	oses Only		FE T-201 82" 5	
		TO4 Formula					
Ln.							
	A. Derivation of Direct Maintenance Ex	xpenses Alloca	ted t	Citizens	<u> </u>	Mount	Reference
1	Citizens Direct Maintenance @ 50% Rela	ated with Border	r East	Line		\$0.0	
2							
3	Working Cash One Eight Maintenace Pe	rcentage '		\$ 0.00	)		L1/8
4							
5	Return plus FIT and SIT	11.3360%	٧	L 3 * L5	\$	0.00	Stmt BK2-Sec. 2; Page 7; Col. C; L45
6	0.14.4.1.60%					0.0	1.4.15
8	Subtotal of Citizens Direct Maintenance				\$	0.0	L1 + L5
9	Franchise Fees @ 1.0310%				\$	0.00	Calc: L7 X .010310
10					-		
11	Total Direct Maintenace Cost Plus Franc	hise Fees			\$	0.02	L7 + L9
12							
13	Monthly Direct Maintenances Assigned to	o Citizens			\$	0.002	L11 / 12 Months
14							
15							
1	Direct O&M expenses were incurred during 2	2013 Base Period	is equ	ıal to		\$37.10	See WP- AH5, Line 39
						50%	Citizen 50% Share -Direct Maintenance
						\$18.55	

		San Diego ( Derivation of Section 2 N	Gas & Electric Compan			Statement BK2 Section 2
			nths Ending December			Page 1 of 7
-			(000's)	1		
		Calculation is fo	or Illustrative Purposes	Only		
-				-		
		Summary of Annu	al Transmission Carry	ing Cost		
-		TO	4 Formula			
Line						
No.	A	В	C	D	E	Reference
2						
3 4	A. Non-Direct Annual Carrying Charge	e Percentages		Annual Carrying		
5				Charge as Applied to ased Transmission P		
7			Le	ascu 1 rausmission P	iailt	
8	Transmission Operations Expense Carryin	g Charge Percentage		0.94%		See Pg 2; Col. D; Line 12
10	Transmission Maintenance Expense Carry	ing Charge Percentage		0.12%		See Pg 2; Col. D; Line 14
12	Transmission Related A&G Carrying Char	rge Percentage		1.68%	٧	See Pg 2; Col. D; Line 48
14 15	Transmission Related Payroll Tax Carryin	g Charge Percentage	,	0.05%	٧	See Pg 3; Col. D; Line 12
16 17	Property Taxes			0.00%		See Statement BK2 - Section 3
18 19	Transmission Related General & Comn Charge Percentage	non Plt Revenues Carryin	g	0.45%	٧	See Pg 6; Col. D; Line 45
20	Charge Percentage					
21	Transmission Depreciation			0.00%		N/A to Citizens Service
23	Federal and State Income Tax			0.00%		N/A to Citizens Service
24	Rate of Return			0.00%		N/A to Citizens Service
26						
27	Transmission Related Working Capital Charge Percentage	Revenue Carrying		0.15%	V	See Pg 7; Col. D; Line 53
29						
30	ADIT Adjustment			0.00%		See Statement BK - Section 3
32	Total			3,39%	٧	Sum of (L8:L30)
34 35	Franchise Fees Rate @ 1.0310%	0.01031		0.03%	٧	Calculation = (.0339 x .010310)
36 37	Annual Carrying Charge Rate as applied	ed to transmission plant		3.42%	٧	Line 32 + Line 34
38						
40 41 42	B. Derivation of Non-Direct Expense Co	ost Component				
43						0. 1261
44 45	Citizens Energy Portion of Sunrise Border	-East Line		\$ 85,194		See AD6-A
46 47	Annual Carrying Charged Rate			3.42%	٧	See Line 36 above
48 49	Annual Transmission Maintenance and	Other Costs Charged to	Citizens	\$ 2,913.635	٧	Line 44 X Line 46
50 51						
52						
53						

1-				Gas & Electric Con		lampapar4		Statement BK2
				Non-Direct Expense onths Ending Dece				Section 2 Page 2 of 7
+			545C 1 C110U 12 [VIC	(000's)	moei 31,	W013		1 age 2 of 7
Ţ			Calculation is f	or Illustrative Pur	poses On	ly		
+			mo	4 Formula				
ne	-		10	4 FORMUIA				
0		A	В	С		D	Е	Reference
						Adjusted		
-	Part A. Transn	nission O&M Expenses:		Total O&M		<u>O&amp;M</u>		
	A Transmissio	on Operation Expenses		\$35,2	248			Stmt AH, Pg AH2, Pg 1 of 2, Col 6, Line 17
	21 1141151111551	on Operation Expenses		, , , , , , , , , , , , , , , , , , ,				, , , , , , , , , , , , , , , , , , ,
,	B Transmission	on Maintenance Expenses		\$ 4,4	170			Stmt AH, Pg AH2, Pg 1 of 2, Col 6, Line 32
4		T-4-1 T				\$20.710		Line 4 + Line 6
-		Total Transmission O&M			>	\$39,718		Line 4 T Line 0
0	Total Transmis	ssion Plant			>	\$3,738,157		Stmt AD, Pg AD, Line 15
1	- 500 1100					,,		, 0,
2	Transmission (	Operations Expense Carrying Charg	ge Percentage		>	0.94%		Calculation L4 / L10
3								
4	Transmission 1	Maintenance Expense Carrying Cha	rge Percentage		>	0.12%		Calculation L6 / L10
5 6								
7	Part B. Deriv	ation of Transmission Related A	&G Expenses					
8								
9		Total Administrative & General E	xpense Less Exclu	isions	>	\$523,506		Stmt AH, Pg AH3, Col D, Line 20
0		Less Property Insurance			>	\$7,450		Stmt AH, Pg AH3, Line 6
2						273.150		
3		Total Adjusted A&G Expenses Ex	cluding Property Ir	surance	>	\$516,056		Line 19 - Line 21
4								
6		Transmission Wages & Salaries A	llocation Factor for	Citizens		11 67%	٧	Stmt AI, Pg AI, Line 21
7		Transmission wages et suraries in	liocution r uctor 101	CALLONS		110,,0		-,-,-,-,-,-
8		Total Transmission Related A&G	Expenses		>	\$60,224	√	Line 23 X Line 26
9								
0								
2	Part C. Deriv	vation of Allocation of Property I	nsurance to Trans	mission Plant				
3								
4	-					26.150/		Court All D. All I 17
6		Transmission Plant Property Insur-	ance Allocation Fac	ctor	>	36 17%		Stmt AH, Pg AH, Line 17
7		Property Insurance			>	\$7,450		See Line 21 above
8								
9					$-\!\!+\!\!\!-$			
0		Property Insurance Allocated to Tr	ans, General & Co	mmon Plant	>	\$2,695		Line 35 X Line 37
1	-			1				
2   3								
4	Total Transm	ission Related A&G Expenses In	cluding Property	Ins.	>	\$62,918		Line 28 + Line 40
5								
6 7								
8	Transmission	Related A&G Carrying Charge	Percentage		>	1,68%	٧	Line 44 / Line 10
9								
0								

				as & Electric Com				Statement BK2
			Derivation of Section 2 N					Section 2
			Base Period 12 Mor		ber 31	, 2013		Page 3 of 7
				(000's)	TT			
			Calculation is fo	r Illustrative Purp	oses O	nly		
					4			
ıne			104	Formula	+			
No		A	В	С		D	Е	Reference
1	Part A - Electric	Payroll (Electric Only)						
2								
3	Total Electric l	Payroll Taxes				\$ 14,708		Stmt AK, Pg AK, Line 17
4								
5	Payroll Tax Al	located to Transmission Per	Wages Factor			11 67%	<b>V</b>	Stmnt AI, Pg AI1, Line 21
7	Payroll Toy A1	located to Transmission				\$ 1,716	<b>√</b>	Line 3 X Line 5
8	Payron Tax Ai	located to Transmission			+	ā 1,710	·V	Line 3 X Line 3
9	Total Transmis	eron Plant			$\dashv$	\$ 3,738,157		See Pg 2, Line 10
10	Total Transmis	SSIOII I Idill		-	+	\$ 3,730,137		See 1 g Z , Eme 10
11				- Aller Address				
12	Transmission I	Related Payroll Tax Carrying	Charge Percentage			0.05%		Line 7 / Line 9
13								
14								
	Part B - Transm	ission Wages & Salaries A	llocation Factor for Citize	ns				
16						015.106		Contact D. Al I 2
17 18	A Transmiss	ion Wages Expense			>	\$15,186		Stmnt AI, Pg AI, Line 3
19	B A&G Wag	es Evnense				\$30,755		Stmnt AI, Pg AI, Line 17
20	D rice was	es Expense				450,755		Smarth, 151th, 2me 17
21	C Total O&N	M Wages Expense			>	\$160,922		Stmnt AI, Pg AI, Line 19
22								
23					+			
24								
25 26					$\dashv +$			
27					+			
28								
29	A	= Transmission Wages	& Salaries Allocation Facto	r for Citizens =		11.67%	٧	
30	(C - B)							
31								
32								
34	-				$\dashv +$			
35					$\pm \pm \pm$			
36								
37							-	
38								

					as & Electric Compa				Statement BK2
1					n-Direct Expenses C				Section 2
+			Bas	e Period 12 Mon	ths Ending December	er 31	, 2013		Page 4 of 7
+					(000 8)	П			
			12 12 13 14 E	Calculation is for	Illustrative Purpose	es Oı	nly		
I						П			
				TO4	Formula				
ne o.				В	C	+	D	E	Reference
=	_	A		В	C	H	D	Е	Reference
]	Part A - DEPI	RECIATION EXPENSE	Z:			H			
3									
1	DEc =	Common Depreciation	n Expense			>	\$52,067		Stmt AJ; Pg AJ; Line 1
5		0 15 11	_				фд <i>(5</i> Д		Court AT. D. AT. Line 2
7	DEg =	General Depreciation	Expense			>	\$7,657		Stmt AJ; Pg AJ; Line 3
3	C =	Total Common Plant	Investment		*	>	\$505,717		Stmt AD; Pg AD; Line 23
,		Total Common Fidal	, , , , , , , , , , , , , , , , , , , ,				,		
0	G =	Total General Plant In	vestment			>	\$249,775		Stmt AD; Pg AD; Line 21
1						1			
2	Davisation	of Common and Genera	al Plant Danus	niation Data		++			
4	Derivation	of Common and Genera	ai Fiant Depre	ciation Rate		$^{\dagger\dagger}$			
5		(DEc + DEg) / (C + G	3)	=	7.91%				
6									
7					T (1 D F)(T)	1			
8 ]	Part B. Deriva	ation of Gen and Comm ent of Transmission Plan	Plant Accum.l	Deferred Income	Taxes (ADFTT)	+			
0	as a perc	cit of Transmission Fia							
1	General and	l Common Plant ADFIT				Н	(10,673)		Stmt AF; Pg AF2; Line 5
2	Datama Dia	is FIT and SIT				++	11.3360%	٧	See Page 7; Line 45
4	Return Piu	is F11 and S11				+	11.3300 76	v	See Fage 7, Line 45
5	Gen & Cm	n Plant ADFIT Revenue	es			$^{\dagger\dagger}$	(1,210)	٧	Line 21 X Line 23
6									
7									
8	General & 0	Cmn Plant Investment				+	755,492		Line 8 + Line 10 above
9									
1	Transmiss	ion Related General & C	Common Plant	ADIT Revenue		tt	-0.16%	٧	Line 25 / Line 28
2		Charge Percentage							
3						$\Box$			
1						++			
+						++			
+						++			
+						+			
						$\Box$			
1						+			
+						++			
+	-					+			

i							<u>                                     </u>			1		_	
					Douber 4		Gas & Electric Compa Non-Direct Expenses C		Component	1			Statement BK2 Section 2
							onths Ending December			+			Page 5 of 7
							(000's)			Ţ			
ı						Calculation is f	or Illustrative Purpose	s C	Only	1		_	
						TO	4 E			-			
Line						10	4 Formula	Н		+			
No				A		В	С		D		E		Reference
2	Pa	rt A.	RATE O	F RETUR	N WORKSHEI	ET:		Н		+-			
3										1			
4		1. Common							¢4.620.716	+		_	Ctunt AV Do AVI Luc 25
6			Proprieta	ry Capıtal				_	\$4,629,716	+			Stmt AV,Pg AV1, Line 25
7		Less	Preferred	Stock				>	\$0				Stmt AV,Pg AV1, Line 26
9		Less	Account	No 2161				>	\$0				Stmt AV,Pg AV1, Line 27
10		Lace	Account	No. 210					\$9,010	+-		_	Stmt AV,Pg AV1, Line 28
11		Less											
13			Common	Stock =				>	\$4,620,706	+-			Stmt AV,Pg AV1, Line 29
15		2. Rate of Re	turn Cal	culation									
16			LTD = Lo	ong Term D	ebt (Total)			>	\$4,039,802	T			Stmt AV,Pg AV1, Line 7
17			PF = Pref	ferred Stock	(Total)			>	\$0	-		-	Stmt AV,Pg AV1, Line 20
19										1		_	
20			Common	Stock				>	\$4,620,706	+			Stmt AV,Pg AV1, Line 29
22			Total Car	oital =				>	\$8,660,508				Sum of L16 + L18 +L20
23			1 = LTD 1	nterest				>	\$192,086	+-		-	Stmt AV,Pg AV1, Line 15
25			1/- 0 D	. C I D.				>	\$2.615	I			Start AV De AVI Lanc 21
26 27			a(pi) = Pi	referred Div	idends			1	\$3,615	1			Stmt AV,Pg AV1, Line 21
28 29		LTD/CAP Pf/CAP	46 65% 0 00%		Cost Cost	4 75% 0 00%			eighted LTD Cost eighted Pf Cost	-	2 22% 0 00%	-	Stmt AV,Pg AV1, Line 36 Stmt AV,Pg AV1, Line 37
30		COM/CAP	53 35%		Cost	10 05%			eighted Cmn Cos	31		٧	Stmt AV,Pg AV1, Line 37 Stmt AV,Pg AV1, Line 38
31	D-	4 CD -4				OVED	ALL RATE OF RETU	DA	T		7 500/	-,	Stmt AV,Pg AV1, Line 39
		te of Return on mmon Equity			10.05%		ement in FERC Docket			+-	7,30 76	٧ ٧	Stillt Av, rg Av1, Line 39
34	D.	4 D. D. d. 4	675.4	1 1 64	-4- T T.	C		4		_			
35 36	Pa	rt B - Derivati	on of Fed	eral and St	ate income i a	Components:							
37		A = Sum of F	referred S	stock and Re	turn on Equity	Component		>	5.36%	V			Stmt AV,Pg AV1, Line 41
38		B = Trans, F	elated A	mort of ITC	& Excess Def	erred Tax Liabi	lity	>	570	٧		-	Stmt AV,Pg AV2, Line 7
40									4 225	Ļ		4	
41		C = Equity A	AFUDC C	omponent	oi i ransmissio	n Deprec. Expe	ise	>	4,325	٧			Stmt AV,Pg AV2, Line 8
43		D = Transm	ssion Rat	e Base				>	\$ 2,866,791	٧		7	Stint AV,Pg AV2, Line 9
44		FT = Federal	Income T	Γax Rate				>	35%	$\perp$			Federal Income Tax Rate
46								>		<u> </u>		4	
47 48		ST = State In	come lax	Kate					8 84%	1			State Income Tax Rate
49		Federal I.	To	(((4)):	(C / D )) * FT)	(P / D)		>	2 03/00/	٧		4	
50		Federal Incon	ie rax =	+ (((A) +	1 - FT	- (Β/ Β)			2.9368%	ľ			
52								4		-		4	
53 54								$\exists$					
55		State Income	Tax =	((A) + (C /		icome Tax) * (S	T)	>	0.8192%	٧		-	
56 57					1- ST								
58 59								7				7	
60		Total Federal	& State l	Income Tax	Rate:			>	3.7560%	٧		1	Line 50 + Line 55
								7		F		4	
1	-		j					ı		1	1		

	1		Ionths Ending Decen	s Cost Component aber 31, 2013		Section 2 Page 6 of 7
			(000's)			
<u> </u>		Calculation is	for Illustrative Purp	oses Only		
+		SUM	MARY			
-		T	04 Formula			
е	A	В	С	D	Е	Reference
1	A. Derivation of General and Commo	on Plant Annual Revenue as	a Percent of Transm	ission Plant		
	S DETITATION OF GENERAL AND COMMIN	JI I IIII I IIII I IIII I III I I I I I				
-		Ge	neral & Common Pla	nt Costs		
			Percentage of Gen/C			
-	Maintenance of Gen and Comm Plt		0 00%			Captured in trans plant A&G allocation
	Payroll Taxes		0 00%			Captured in Transmission Plant Payroll Taxes
	A&G		0 00%			Captured in trans plant A&G allocation
	General and Common Plant Deprecia	ation Rate	7 91%			See Pg 4, Col C, Line 15
-	Federal & State Income Tax		3.76%	v		See Pg 5, Col D, Line 60
	Rate of Return Adjustment Factor	•	7.58%	v		See Pg 5, Col E, Line 32
	Working Capital		0 00%			Captured in trans plant allocation
	General & Common Plant ADIT A	Adjustment*.	-0.16%	V		See Page 4, Col D, Line 31
+	Annual Gen and Comm Plt Fixed	Charge Rate	19.09%	v		Sum of (Line8 thru L22)
B.	3. General & Common Plant Rate C	alculation:				
	Total Electric Common Plant Investr	nent		505,717		See Page 4, Col D, Line 8
1	Total Electric General Plant Investme	ent		249,775		See Page 4, Col D, Line 10
	Total Electric General	and Common Plant		755,492		Line 29 + Line 31
	Annual Gen & Commn Plt Fixed C	Charge Rate		19.09%	<b>v</b>	See Line 24 above
	Electric Gen and Comm Plt Reven	ue		144,223	v	Line 33 X Line 35
	Transmission Wages Allocation Fact	or for Citizens		11 67%	V	See Page 3, Line 29
	Transmission Related Gen & Com	m Plt Revenue		16,831	٧	Line 37 X Line 39
+	Total Transmission Plant			3,738,157		See Page 2, Line 10
			1 0			
	Transmission Related General and Percentage	Common Plant Revenue C	arrying Charge	0.45%	V	Line 41 / Line 43
	1 Ci centage					
$\perp$						
+-						
I						
+			<del>- </del>			

		Derivation of Section 2 I	Gas & Electric Compar Non-Direct Expenses Co	st Component		Statement BK2 Section 2
		Base Period 12 Mo	onths Ending December	31, 2013		Page 7 of 7
			(000's)			
		C-l-ul-ti-ui-ti-	or Illustrative Purposes	Only		
+		Calculation is i	or mustrative Purposes	Uniy		
++		ТО	4 Formula			
e						
	A	В	C	D	Е	Reference
+	Derivation of Working Capital					
+- -	Derivation of Working Capital					
A	A. Material and Supplies					
++	Total Electric Plant Materials and Supp	olies (M&S)	64,658	_		Stmt AL, Line 1
++	Transmission Plant Allocation Factor		33 77%			Stmt AD, Page AD, Line 39
+	Transmission Flant Anocation Factor		33 1170	-		Stiff ND, 1 age ND, Elife 33
11	M&S Allocated to Transmission		21,835			L6 X L8
	Trices i miceated to Transmission					
	B. Prepayments					
	T I I I		20.100			Strut AI I mo 7
;	Total Electric Prepayments		39,198			Stmt AL, Line 7
	Transmission Plant Allocation Factor		33 77%			Stint AD, Page AD, Line 39
	Tanismission Funt Amountain Factor		22,770			,,
	Prepayments Allocated to Transmission		13,237	The state of the s		Line 14 X Line 16
	C. Working Cash					
-	Citizens Financed Transmission					
2	Citizens Financed Transmission					
	Transmission Maintenance and A&G		\$102,636	٧		See Pg 2, Line 8 + 44
7	One Eight O&M Factor		12 50%			
3	Working Cash For Transmi	ssion	\$ 12,830	v		Line 24 X Line 26
	Working Cash For Transmis	331011	Ψ 12,000	<u> </u>		
	D. Transmission Working Capital as a F	Percent of Transmission	Plant			
Ш						
2   3   1	1. Citizens Financed Transmission Proje	octe				
	1. Chizens Financeu Transmission Frog					
	M&S Allocated to Transmission		21,835			Line 10 above
	Prepayments Allocated to Transmission	n	13,237			Line 18 above
	Working Cash		\$ 12,830	V		Line 28 above
3	Total		47,902	V		Sum (L35 37)
	2. Derivation of Return Plus FIT & SIT					
2	Federal Income Tax		2,9368%	V		See Page 5 above, Line 43
3	State Income Tax		0.8192%	V		See Page 5 above, Line 46
í	Rate of Return		<u>7.5800%</u>	v		Stmt AV, Page AV1, Line 39
	Total Return Plus FIT & SIT		11.3360%	٧		
7	T. Walan C. Al D.		5,430	<b>V</b>		Line 38 X Line 45
	Transmission Working Capital Revenue		3,430		<del></del>	Eine 30 A Eine 43
	Total Transmission Plant		\$ 3,738,157			See Page 2, Line 10
2						
	Transmission Related Working Capital	Revenue		0.15%	٧	Line 47 / Line 50
	Carrying Charge Percentage					
5						
++					1	
+					1	

										Τ	Statement BK2
										t	Section 3
										<b>†</b>	Page 1 of 2
										ļ.,	
				C	Diama Caa	O Flast	via Caman			+	
					Diego Gas ost Stateme		ric Comp	any		+	
	6.	otion 2	Coot		nent Contai		hor Cnoo	ific Ev	,nonoo	+	3
	Se				Months End					+	
		D(	156 FEII	10u 121	(\$1,0		remper 2	1, 201	<u> </u>	H	
					(ψ 1, υ	,00,				+	
		<u> </u>	Calcul	ation is	for Illustra	tive Pu	rposes Oi	nly		1	
					TO4 Fo	rmula		ļ		1	
Ln								<u></u>		<u>.</u>	Reference
	A. Dire	ct Assig	nment	of Acc	umulated D	eferred	Income 7	axes	(ADIT) to Ci	itiz	ens
1										-	
2	As of L	ecemb	er 31, 20	012				ļ.,	(0.007)	-	0, 10, 10, 10, 10, 10, 10, 10, 10, 10, 1
3	ADII L	iability A	ttributab	le to Bo	onus Deprec	iation	(NIOL)	\$	(6,037)	4	Stmt AF, AF3, Col B, Line 13
	Offset	DY ADTA	Genera	ated by	Net Operatir	ng Loss	(NOL)	<u> </u>		$\vdash$	
5	A		04.0	240				-		+	
			er 31, 20						(0.007)	-	Object A.E. A.E.O. O. J. E. Levis 4.0
					onus Depred		(NOL)	\$	(6,927)	-	Stmt AF, AF3; Col F, Line 13
	Offiset	by ADTA	Genera	ated by	Net Operatir	ng Loss	(NOL)			-	
9	Total							d d	(12.064)	-	lung 2 t ling 7
	Total	<u> </u>						\$	(12,964)	+	Line 3 + Line 7
11	Annual	Average	o of Dog	innına l	∃ Bal. and End	of Voc	r Dol	\$	(6,482)	+	Line 10 / 2
13	Annuai	Average	e or beg	mang i	Dai. and End	i Oi Tea	Dai	Ψ	(0,462)	+	Line 1072
	Return							-	7 5900%	.,	Stm BK2 - Section 2, Pg 5, Col E; Line 32
	FIT and	ICIT									Stm BK2 - Section 2, Pg 5, Col D, Line 60
		Capital	Doto					-	11.3360%		
17	Cost of	Capitai	Nate					-	11.5500 /6	V	
	Citizon	2 12 1/0	nths Rev	ionuo C	rodit				(734 80)	.,	Line 12 * Line 16
			@ 1 031		0 010310			\$			Line 18 * .010310
20					Franchise			Ψ			Line 18 + Line 19
21	Total	JIIIZEIIS	Nevenu	es pius	Trancinse				(142.313)	-	Line 10 + Line 19
22										-	
	Citizens	: Month!	v Rever	ues Pli	us Franchise	`			(61.865)	1/	Line 20 /12 Months
24	Onizen	3 WIOTHIT	y INCVO	140311	as i ranomse				(01.000)	•	EITIC 20712 MORITIO
25								-		$\vdash$	
	R Pror	perty Ta	YAS Alla	ncated	to Citizens					+-	
27	J. 1 101	July 1a	AUG AIR	Jacou	C CIMEOIIG					+	
	Citizens	s Allocat	ed Prop	erty Ta	xes				556	+	Stmt AK; AK1, Line 24
			@ 1 031						6	+	Line 28 * 010310
					rty Taxes				561 732		
31	. 5.01	,,,,			,			<del>                                     </del>	2332	-	
	Citizens	s Allocat	ed Mont	thly Pro	perty Taxes				47	+	Line 32 / 12 Months
33	J.1.2011			,	- 5.1, Tano				.,	+	
34								-		$^{+}$	
	C. Non	- Deduc	tibility (	of Denr	eciation on	Equity	AFUDC			v	New Cost Component
36			ompone		23.44.011 311					Ė	
37		J.1.40 J.						-		+	
	Annual	Fauty 4	AFLIDC :	Allocate	ed to Citizen	s			135 080	v	See Non-Deductibility on Equity AFUDC - WP
39	runual	Equity F	0007	ooale	o to Oldzell			-	100 000	+	255 Boddollamity on Equity 711 OBO - VVI
	Monthly	/ Fauity	AFLIDC	Allocat	ed to Citizer			-	11 257	1	Line 37 / 12 Months
	INTOTILITY	, Lquity.	, 11 ODO	mocal	CO TO CITIZEI	ı J			11201		Late Of / 12 MORALS

							Т	Statement BK2	T
					1		T	Section 3	
								Page 2 of 2	
							L		
		5		Gas & Elect			₽		
	S4	2		st Statemer			-:6	is Evensus	-
	Secti	on 3 -	Cost Com	2 Months E	nta	aining Other Sped ding December 3	CIT	onto	-
		Das	e Periou	(\$1,000)	110	unig December 3	١,	2013	+
-				(ψ1,000)	+		+		-
T		(	Calculatio	n is for Illus	tr	ative Purposes C	n	У	ST.
				TO4 Form	ıu	la			
_		_	_		_		-		-
	A		В	С	4	(  D *  C)	+	E	-
-					+	(col. B * col. C)	$\vdash$		+
-	D. Derivation of Citizens Border Ea	et Line	Pomova	Costs	+		+		+
-	D. Derivation of Citizens Border La	IST LINE	Remova	100313	+		+		+
Ln			Total	Removal	+		t		Lr
No.	FERC Account		Costs	Rate (1)	7	Amount	t	Reference	No
1	1 Elto Account		0000	ruco	1	ranount		Reference	1
	354 - Towers & Fixtures	\$	46,971	0	٧	\$ -	V	see Statement AJ WP	2
3			,						3
4	356 - Overhead Cond & Devices	\$	16,615	0	٧	\$ -	٧	see Statement AJ WP	4
5									5
	359 - Road and Trails	\$	19,939	0	1	\$ -		No Removal Rate	6
7					4	•			7
-	350.1 - Land	\$	-	0	4	\$ -		No Removal Rate	8
9	350.2 - Land Rights		1,669	0	+		H	No Removal Rate	9
11	350.2 - Land Rights	\$	85,194	U	+		$\vdash$	No Removal Rate	11
12		Ψ	00,104		+				12
	Subtotal Annual Removal Costs				$^{\dagger}$	\$ -	V	Sum (L2:L10)	13
14		1			$\dagger$	·	Ė	(==:=:0)	14
	Franchise Fees @ 1.0310%				T	\$ -	٧	L13 X .010310	15
16									16
17	Total Annual Removal Costs					\$ -	٧	L13 + L15	17
18									18
19									19
	Monthly Removal Costs					\$ -	٧	Line 17 /12 Months	20
21					1				21
22					1			B 4 60 B 44 II 22 E 15	22
	Total Other Specific Expenses				ļ	\$ (45.56)	٧	Page 1 of 2: Part A, Line 20 + Part B, Line	23
24					1			Line 30 + Part C, Line 38 + Page 2 of 2,	24
25		Ш.,			4			Part D, Line 17	25
26	1. Authorized TO4 Sunrise Removal	l Rate i	s zero.						26

### Cost Statements and Work papers

- a) Modified
- b) Currently Effective

# Base Period Statement AD - Cost of Plant Workpaper

Modified

#### SAN DIEGO GAS AND ELECTRIC COMPANY

#### Statement AD - Workpapers

#### Cost of Plant - For Illustrative Purposes Only Base Period 12 - Months Ending December 31, 2013 (\$1,000)

Line No	- -	3	(a) 1-Dec-12	3	(b) 1-Dec-13		= [(a)+(b)]/2 erage Balance	Reference	Line No
1 2	Total Electric Miscellaneous Intangible Plant a, 1	\$	77,890	\$	93,154	\$	85,522	Stmt AD WP, Page AD1, Line 3	1 2
3	Total Steam Production Plant <sup>b</sup>						505,741	Stmt AD WP, Page AD2, Line 17	3
5	Total Nuclear Production Plant <sup>b</sup>						695,859	Stmt AD WP; Page AD3; Line 17	5 6
7	Total Hydraulic Production Plant <sup>b</sup>						-	Stmt AD WP, Page AD	7 8
9 10	Total Other Production Plant <sup>b</sup>						473,895	Stmt AD WP; Page AD4, Line 17	9 10
11 12	Total Production Plant and Intangible Plant					_\$	1,761,017	Sum Lines 1 thru 9	11 12
13 14	Total Distribution Plant <sup>a</sup>		5,002,109		5,209,303		5,105,706	Stmt AD WP; Page AD5; Line 3	13 14
15 16	Transmission Plant b, 2						3,738,157	Stmt AD WP; Page AD6; Line 19	15 16
17 18	Incentive Transmission Plant <sup>3</sup>							Stmt AD WP; Page AD; Line 15	17 18
19 20	Total Transmission Plant & Incentive Transmission Plant						3,738,157	Sum Lines 15 thru 17	19 20
21 22	Total General Plant a, 1		232,594		266,956		249,775	Stmt AD WP, Page AD7; Line 3	21 22
23 24	Total Common Plant a, 1		477,436		533,999		505,717	Stmt AD WP; Page AD8; Line 3	23 24
25 26	Total Plant in Service					\$	11,360,372	Sum Lines 11; 13, 19; 21; 23	25 26
27 28	Transmission Wages and Salaries Allocation Factor						11.67%	Statement AI, Line 21	27 28
29 30	Total Transmission Plant & Incentive Transmission Plant					\$	3,738,157	See Line 19 Above	29 30
31 32	Transmission Related Electric Miscellaneous Intangible Plant	t					9,980	Line 1 x Line 27	31 32
33 34	Transmission Related General Plant						29,149	Line 21 x Line 27	33 34
35 36	Transmission Related Common Plant						59,017	Line 23 x Line 27	35 36
37 38	Transmission Related Total Plant in Service						3,836,303	Sum Lines 29, 31; 33; 35	37 38
39	Transmission Plant Allocation Factor <sup>4</sup>					====	33.77%	Line 37 / Line 25	39

The balances for Electric Miscellaneous Intangible, Distribution, General and Common plant are derived based on a simple average balance using beginning and ending year balances.

b The balances for Steam, Nuclear, Hydraulic, Other Production, and Transmission plant are derived based on a 13-month average balance

Electric Miscellaneous Intangible Plant, General Plant, and Common Plant are not affected by the "Seven-Element Adjustment Factor" because there's no transfer of transmission or distribution plant among these categories

The amounts stated above are ratemaking utility plant in service and a result of implementing the "Seven-Element Adjustment Factor" which reflects transfers between generation and distribution functions

<sup>&</sup>lt;sup>3</sup> Indicate cost of Transmission Incentive Project.

<sup>&</sup>lt;sup>4</sup> Used to allocate all elements of working capital, other than working cash.

(\$1,000)

#### **INTANGIBLE PLANT**

Line		Adjusted FERC Intangible Plant	Reference	Line
No.		Balance	From	No.
1	Dec-12	77,890	l-wp2	1
2	Dec-13	93,154	l-wp1	2
3	Beginning and End Period Average	85,522		3

#### STEAM PRODUCTION

		(1) Total		(2) Steam		
_ine	Month	Steam	Reference	Production	Reference	Li
No.		Production	From	Ratemaking	From	N
		Per Book			ļ	
1	Dec-12	483,937	SP-wp2	498,210	SP-wp2	<b>─</b>
2	Jan-13	484,924		499,197	"	2
3	Feb	485,004	TI TI	499,277	-	3
4	Mar	485,031		499,305	"	4
5	Apr	485,183	m .	499,456	"	{
6	May	493,168	,,	507,441	, ,	(
7	Jun	493,363		507,636		7
8	Jul	493,253		507,526		- ∦ 8
9	Aug	493,709	**	507,982	, ,,	9
10	Sep	492,101		506,375		1
11	Oct	496,705	m	510,978	"	_ ∥ 1
12	Nov	497,582	w	511,856	"	∥ 1
13	Dec-13	505,116	SP-wp1	519,390	SP-wp1	-  ¹
14	Total 13 Months	6,389,076		6,574,631		1
15						1
16						-  1
17	13-Month Average	491,467		505,741	Line 14 / 13 Months	1

#### **NUCLEAR PRODUCTION**

		——————————————————————————————————————		T		_
;		(1) Total		(2) Nuclear		1
Line	Month	Nuclear	Reference	Production	Reference	Line
No.		Production	From	Adjusted Book	From	No.
		Per Book				
1	Dec-12	1,499,180	NP-wp2	1,505,124	NP-wp2	<b>□</b>   1
2	Jan-13	1,501,122	qu.	1,507,066		2
3	Feb	1,501,126	10	1,507,070	**	3
4	Mar	1,502,892	11	1,508,836	•	4
5	Apr	1,503,070	ye.	1,509,014	, , ,	∥ 5
6	Мау	1,503,116	WE	1,509,059	**	6
7	Jun	-		-	**	7
8	Jul	-	**	<b> </b>	**	8
9	Aug	-	**	-	स	9
10	Sep	-		-	**	10
11	Oct	-	**	<b>-</b>	98	11
12	Nov	-	w	-	tr	12
13	Dec-13		NP-wp1		NP-wp1	_ 13
14	Total 13 Months	9,010,506		9,046,169	I	14
14	Total 13 Worters	9,010,300		9,040,109		-∥ '`
15						15
10					<u> </u>	٦ .٠
16						_ 16
17	13-Month Average	693,116		695,859	Line 14 / 13 Months	17

#### **OTHER PRODUCTION**

Line No.	Month	(1) Total Other Production Per Book	Reference From	(2) Other Production Ratemaking	Reference From	Line No.
1	Dec-12	508,362	OP-wp2	473,434	OP-wp2	<b>-</b>   ₁
	Jan-13	508,685	"	473,757	"	2
3	Feb	508,575		473,102		3
4	Mar	508,660	**	473,187		4
5	Apr	511,624	**	473,478		5
6	May	511,855	**	473,559	**	6
7	Jun	511,900	**	473,570	"	7
8	Jul	512,464	**	473,563	"	8
	Aug	512,782	**	473,564	"	9
10	Sep	513,046	**	473,647	π	∥ 10
11	Oct	513,136	**	473,737	<b>"</b>	11
12	Nov	514,151	w	473,916		12
13	Dec-13	518,525	OP-wp1	478,117	OP-wp1	13
14 15	Total 13 Months	6,653,763		6,160,631		14
13				<u> </u>		<b>⊣</b>   '`
16						16
17	13-Month Average	511,828		473,895	Line 14 / 13 Months	17

#### **DISTRIBUTION PLANT**

Line No.	Month	(1) Total Distribution Plant Per Book	Reference From	(2) Distribution Plant Ratemaking	Reference From	Line No.
1	Dec-12	4,928,232	D-wp2	5,002,109	D-wp2	1
2	Dec-13	5,127,373	D-wp1	5,209,303	D-wp1	2
3	Beginning and End Period Average	5,027,802		5,105,706		3

#### TRANSMISSION PLANT

		(1) Total		(2) Transmission		
Line	Month	Transmission	Reference	Plant	Reference	Line
No.		Plant	From	Ratemaking	From	No.
		Per Book				1
1	Dec-12	3,621,573	T-wp2	3,562,629	T-wp2	1
2	Jan-13	3,632,138		3,573,153	"	2
3	Feb	3,643,133	**	3,583,799		∥ 3
4	Mar	3,662,840		3,603,039		4
5	Apr	3,679,257		3,619,376	,,	5
6	May	3,693,793	,,	3,633,909	**	6
7	Jun	3,705,995	n	3,645,849	W.	7
8	Jul	3,710,122		3,649,977	u u	8
9	Aug	3,739,303	**	3,679,149	u u	∥ 9
10	Sep	3,758,020	"	3,698,036	ш	10
11	Oct	3,769,379	**	3,708,854		11
12	Nov	3,808,040		3,746,801		12
13	Dec-13	3,845,465	T-wp1	3,783,949	T-wp1	13
14	Total 13 Months	48,269,059		47,488,520		14
						┨
15			<u></u>			_ 15
16						16
17	13-Month Average	3,713,005		3,652,963	Line 14 / 13 Months	17
18				85,194	See AD6-A	18
19				3,738,157	Line 17 + Line 18	19

Column 2 represents the monthly ratemaking plant balances for the base period. These plant balances reflect the amounts shifted between functions (transmission to distribution, transmission to generation, distribution to transmission, etc.) as required by FERC Order 888: Seven - Element Adjustment Factor.

(1) Col. 2, Line 17 ties to FERC Form 1 (see AD-9) 13-month average.

#### TRANSMISSION PLANT

Line No.		(1) Total Transmission Plant Per Book	Reference From	(2) Transmission Plant Ratemaking	Reference From	Line No.
1	Dec-12			85,194		1
2	Jan-13	-		85,194		2
3	Feb			85,194		3
4	Mar			85,194		4
5	Apr			85,194		∥ 5
6	May			85,194		6
7	Jun	∦		85,194		7
8	Jul			85,194		∥ 8
	Aug			85,194	ļ	9
10	Sep			85,194		10
11	Oct			85,194		11
12	Nov			85,194		12
13	Dec-13			85,194		13
14	Total 13 Months	-		1,107,522	Sum (Lines 1 thru 13)	14
15						15
16						16
17	13-Month Average	o		85,194	Line 14 / 13 Months	17

Column 2, Line 17 represents the weighted average of \$85,194 Citizens Lease Amount for the term of service.

# SAN DIEGO GAS & ELECTRIC COMPANY STATEMENT AD COST OF PLANT BASE PERIOD- 12/31/2013 PER BOOK

(\$1,000)

#### **GENERAL PLANT**

Line No.		Adjusted FERC General Plant Balance	Reference From	Line No.
1	Dec-12	232,594	G-wp2	1
2	Dec-13	266,956	G-wp1	2
3	Beginning and End Period Average	249,775		3

#### SAN DIEGO GAS & ELECTRIC COMPANY STATEMENT AD COST OF PLANT BASE PERIOD- 12/31/2013 PER BOOK (\$1,000)

#### **COMMON PLANT**

Line No.	Month	Total Common Plant to Electric Per Book	Reference From	Line No.
1	Dec-12	477,436	C-wp2	1
2	Dec-13	533,999	C-wp1	2
3	Beginning and End Period Average	505,717		3

# Base Period Statement AE – Accumulated Depreciation and Amortization Workpaper

#### Statement AE - Workpapers

#### Accumulated Depreciation and Amortization - For Illustrative Purposes Only Base Period 12 - Months Ending December 31, 2013 (\$1,000)

Line No		(a) 31-Dec-12	(b) 31-Dec-13		[(a)+(b)]/2 ge Balance	Reference	Line No
1 2	Transmission Plant Depreciation Reserve <sup>a, 1</sup>			_\$	627,339	Stmt AE WP, Page AE1, Line 17	1 2
3	Electric Misc Intangible Plant Amortization Reserve b, 2	8,471	19,994	<del></del>	14,232	Stmt AE WP, Page AE2, Line 3	3 4
5 6	General Plant Depreciation Reserve b, 2	96,526	103,539		100,033	Stmt AE WP, Page AE3, Line 3	5 6
7	Common Plant Depreciation Reserve b, 2	226,969	270,623		248,796	Stmt AE WP, Page AE4, Line 3	7 8
9 10	Transmission Wages and Salaries Allocation Factor				11 67%	Statement AI, Line 21	9 10
11 12	Transmission Related Electric Misc Intangible Plant Amortization Rese	rve		\$	1,661	Line 3 x Line 9	11 12
13 14	Transmission Related General Plant Depreciation Reserve			\$	11,674	Line 5 x Line 9	13 14
15 16	Transmission Related Common Plant Depreciation Reserve			-	29,034	Line 7 x Line 9	15 16
17 18	Total Transmission Related Depreciation Reserve				669,708	Sum Lines 1, 11, 13, 15	17 18
19	Incentive Transmission Plant Depreciation Reserve			\$		Stmt AE WP, Page AE, Line 15	19

<sup>&</sup>lt;sup>a</sup> The depreciation reserve for transmission plant is derived based on a 13-month average balance

b The depreciation reserve for Electric Miscellaneous Intangible, General and Common plant is derived based on a simple average of beginning and end of year balances

The amounts stated above are ratemaking utility plant in service and a result of implementing the "Seven-Element Adjustment Factor" which reflects transfers between generation and distribution functions

Electric Miscellaneous Intangible Plant, General Plant, and Common Plant are not affected by the "Seven-Element Adjustment Factor" because there's no transfer of transmission or distribution plant among these categories

#### TRANSMISSION PLANT

			(1)			(2)		
			Total		Tra	ansmission		
Line	Month	∥ Tr	ansmission	Reference		Reserves	Reference	Line
No.			Reserves	From	R	atemaking	From	No.
			Per Book					
1	Dec-12	\$	608,270	T-wp2	\$	590,575	T-wp2	1
2	Jan-13		610,125			592,366	,,	2
3	Feb		616,106	"		598,242		3
4	Mar		623,211			605,244	99	4
5	Apr	[[	629,538	"		611,477	<b>"</b>	5
6	May		636,480	"		618,341	m I	6
7	Jun		637,677	"		625,380		7
8	Jul	Ϊ	645,420		ĺ	633,015	•	8
9	Aug		652,994	"		640,470	*	9
10	Sep	1	662,187			649,712	"	10
11	Oct	il	670,293			657,717	**	11
12	Nov		678,694	"		666,013		12
13	Dec-13		679,574	T-wp1	1850	666,808	T-wp1	13
14	Total 13 Months	\$	8,350,567		\$	8,155,359		14
15	13-Month Average Balance	\$	642,351		\$	627,335		15
16		и				3	See AE-1A, L15	16
17					\$	627,339	L15 + L16	17

Column 2 represents the monthly ratemaking depreciation reserve balances for the base period. These depreciation reserve balances reflect the amounts shifted between functions (transmission to distribution, transmission to generation, distribution to transmission, etc.) as required by FERC Order 888: Seven-Element Adjustment Factor.

#### TRANSMISSION PLANT

		(1)		(2)		
		Total		Transmission		
Line	Month	Transmission	Reference	Reserves	Reference	Line
No.		Reserves	From	Ratemaking	From	No.
		Per Book				
1	Dec-12	\$ 2	T-wp2	\$ 2	T-wp2	1
2	Jan-13	2	"	2	"	2
3	Feb	2	"	2	•	3
4	Mar	2	"	2	**	4
5	Apr	3	"	3	"	5
6	May	3	"	3	"	6
7	Jun	3	"	3	"	7
8	Jul	4	"	4	"	8
9	Aug	4		4		9
10	Sep *	4	"	4		10
11	Oct	4		4		11
12	Nov	5		5	**	12
13	Dec-13	5	T-wp1	5	T-wp1	13
14	Total 13 Months	\$ 43		<b>\$</b> 43		14
		_		_		
15	13-Month Average Balance	\$ 3		\$ 3		15
		l				]

Column (2), Line 15 represents the weighted average of Citizens Border-East Line accumulated depreciation and amortization.

#### **ELECTRIC MISCELLANEOUS INTANGIBLE PLANT**

Line No.	Month	Intang	sted FERC ible Reserve salance	Reference From	Line No.
1	Dec-12	\$	8,471	I-wp2	1
2	Dec-13		19,993	l-wp1	2
3	Beginning and End Period Average	\$	14,232		3

#### **GENERAL PLANT**

Line No.	Month	Gene	usted FERC eral Reserve Balance	Reference From	Line No.
1	Dec-12	\$	96,526	G-wp2	1
2	Dec-13		103,539	G-wp1	2
3	Beginning and Year End Average	\$	100,033		3

#### **COMMON PLANT**

Line No.	Month	te	Total non Reserves o Electric Per Book	Reference From	Line No.
1	Dec-12	\$	226,969	C-wp2	1
2	Dec-13		270,623	C-wp1	2
3	Beginning and Year End Average	\$	248,796		3

Base Period

Statement AF - Specified Deferred

Credits

Workpaper

# SAN DIEGO GAS AND ELECTRIC COMPANY Statement AF - Workpapers Deferred Credits - Illustrative Purposes Only Base Period 12 - Months Ending December 31, 2013 (\$1,000)

Line No		(a) 31-Dec-12	(b) 31-Dec-13	(c) = [(a)+(b)]/2 Average Balance	Reference	Line No
1 2	Transmission Related ADIT- Excluding Bonus Depreciation	\$ (211,827)	\$ (277,709)	\$ (244,768)	Stmt AF WP, Page AF1, Line 15	1 2
3 4	Transmission Related ADIT from Bonus Depreciation	(69,474)	(149,141)	(109,308)	Stmt AF WP, Page AF1, Line 17	3 4
5 6 7	Total Transmission Related ADIT	\$ (281,301)	\$ (426,850)	\$ (354,076)	Sum of Lines 1 thru 3	5 6 7
8 9	Incentive Transmission Plant ADIT	\$ -	<u> </u>	<u> </u>	Stmt AF WP, Page AF-2, Line 1	8 9
10 11	Transmission Plant Abandoned ADIT	\$ -	<u>\$</u> -	\$ -	Stmt AF WP, Page AF-2, Line 4	10 11
12	Incentive Transmission Plant Abandoned Project Cost ADIT	\$ -	\$ -	<u> </u>	Stmt AF WP, Page AF-2, Line 7	12

	T	·	-	<u> </u>	<del></del> 1				· · · · · · · · · · · · · · · · · · ·	$\Box$
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-		Rase Perio			ling Decemb	er 31, 2013				$\Box$
	(\$1,000)									
				(42,44	7					
Line					(a)	(b)	(c)=	= [(a)+(b)]/2		Line
No					31-Dec-12	31-Dec-13		rage Balance	Reference	No
1	Non-Citizens Transmission Related	ADIT- Excluding	Bonus De	preciatio	\$(211,753)	\$(276,123)	\$	(243,938)		1
2										2
3	Non-Citizens Transmission Related	ADIT from Bonus	s Deprecia	tion	(62,516)	(140,932)		(101,724)		3
4										4
5	Total Non-Citizens Transmission Re	lated ADIT			(274,269)	(417,055)		(345,662)	Line 1 + Line 3	5
6										6
7				<u> </u>	<b>/=</b> 0	(4.70.0)		(000)		7
8	Citizens Transmission Related ADIT	-Excluding Bonu	is Deprecia	ition	(74)	(1,586)	\$	(830)		8
9					(6.070)	(0.200)	Φ	(7.504)		9
10	Citizens Transmission Related ADIT	-From Bonus D			(6,958)	(8,209)	\$	(7,584)		10
11	m . I G				(7,022)	(0.705)		(0.414)	Line 8 + Line 10	12
12	Total Citizens Related ADIT				(7,032)	(9,795)		(8,414)	Line 8 + Line 10	13
13										14
15	Total Transmission Related ADIT-E	waludina Danus T	) Janaragiati	on	(211,827)	(277,709)		(244,768)	Line 1 + Line 8	15
16	Total Transmission Related ADIT-E.	xcluding Bonus L	лерегестан 	OII	(211,027)	(211,109)		(244,700)	Line i + Line 6	16
17	Total Transmission Related ADIT fr	om Bonus Denre	iation		(69,474)	(149,141)		(109,308)	Line 3 + Line 10	17
18	Total Hallsimssion Related ADIT II	om Bonus Bepree	Jacion .		(02,177)	(1,7,1,11)		(105,500)		18
19	Total Transmission Related ADIT				(281,301)	(426,850)		(354,076)	Line 15 + Line 17	19

Statement AF - Workpapers

Deferred Credits - For Illustrative Purposes Only Base Period 12 - Months Ending December 31, 2013 (\$1,000)

Line No		(a) 31-Dec-12	(b) 31-Dec-13	 = [(a)+(b)]/2 rage Balance	Reference	Line No
1 2 3	Allocated General and Common ADIT	\$ (2,571)	\$ (18,774)	\$ (10,673)	Form 1; Pg. 450.1; Sch. Pg. 274; Ln 2; Cols b and k	1 2 3
4 5 6	Total General/Common Transmission Related ADIT	\$ (2,571)	\$ (18,774)	\$ (10,673)	Sum of Lines 1 thru 3	4 5 6

See FERC Form 1 supporting the beginning Allocated General and Common ADIT balance.

See FERC Form 1 supporting the ending Allocated General and Common ADIT balance

Citizens Income Accumulated Deferred Income Tax Comparison With and Without Bonus Depreciation Base Period 12 Months Ending December 31, 2013 1,000's

#### For Illustrative Purposes Only

A B C D E F

12/31/2013 12/31/2012 Line Federal Federal Net Line State ADTL ADIT **ADIT** No. Description ADIT ADTA No. Sunrise With Bonus D 311,919 (141,618) (117,870)(450,243)(3,294)1 2 2 (3,294)(60,487)3 Sunrise Without Bonus D (19,120)(57,193)4 Difference With and Without Bonus Depre. (98,750) 311,919 (81,131)5 (L1 - L3) (393,050)6 6 7 7 8 8 Citizens With Bonus D (7,032)(24,944)(9,795)9 15,287 (138)10 10 (995)(2,730)(2,868)Citizens Without Bonus D (138)11 12 12 13 13 Difference With and Without Bonus Depre. (L9 - L11) (6,037) (22,214)15,287 (6,927)

#### Legend:

ADIT = Accumulated Deferred Income Tax

ADTL = Accumulated Deferred Tax Liability

ADTA = Accumulated Deferred Tax Asset

<sup>1.</sup> For further explanation of these calculations see R.Rose testimony in Docket No. ER12-14-17-000 filed March 30, 2012.

Base Period

Statement AG - Specified Plant

Accounts (other than plant in service)

and Deferred Debits

Workpaper

Statement AG - Workpapers

Specified Plant Account (Other than Plant in Service) and Deferred Debits

Base Period 12 - Months Ending December 31, 2013 (\$1,000)

#### For Illustrative Purposes Only

Line	(a)	(b)	(c) = [(a)+(b)]/2	Reference	Line
No	31-Dec-12	31-Dec-13	Average Balance		No
1 Transmission Plant Held for Future Use <sup>1</sup>	•		\$ 5,973	Stmt AG WP, Page AG1; Line 15	1

The balances for Transmission Plant Held for Future Use are derived based on a 13-month average balance

### SAN DIEGO GAS & ELECTRIC COMPANY STATEMENT AG

# SPECIFIED PLANT ACCOUNTS (OTHER THAN PLANT IN SERVICE) AND DEFERRED DEBITS BASE PERIOD- 12/31/2013 PER BOOK (\$1,000)

#### TRANSMISSION PLANT

		Transmission Plant	
Line	Month	Held For Future Use	Line
No.			No.
1	Dec-12	\$ 4,076	1
2	Jan-13	4,076	2
3	Feb	4,076	3
4	Mar *	6,505	4
5	Apr *	6,546	5
6	May	6,546	6
7	Jun	6,546	7
8	Jul	6,546	8
9	Aug	6,546	9
10	Sep	6,546	10
11	Oct	6,546	11
12	Nov	6,546	12
13	Dec-13	6,546	13
14	Total 13 Months	77,650	14
15	13-Month Average	\$ 5,973	15
			ļ

\* The assets included in Electric Plant Held for Future Use is shared at 50/50 by Transmission and Distribution. Ocean Ranch was initially recorded in the books for \$4,858k in March 2013 that increased the March balance by \$2,429k (50% \* \$4,858). An additional amount to true-up the purchase cost was recorded in April 2013 at \$83k increasing the April balance by \$41k (50% \* \$83).

**Base Period** 

Statement AH

Operations and Maintenance

Expenses

Workpaper

### Statement AH - Workpapers Derivation of Transmission Plant Property Insurance Allocation Factor Base Period 12 - Months Ending December 31, 2013 (\$1,000)

#### For Illustrative Purposes Only

Line				Line
No.	_	Amounts	Reference	No.
1	Derivation of Transmission Plant Property Insurance Allocation Factor			1
2	Transmission Plant & Incentive Transmission Plant	\$ 3,738,157	Stmnt AD WP; Page AD; Line 29	2
3	Transmission Related Electric Miscellaneous Intangible Plant	0	Shall be Zero	3
4	Transmission Related General Plant	29,149	Stmnt AD WP, Page AD; Line 33	4
5	Transmission Related Common Plant	59,017_	Stmnt AD WP, Page AD, Line 35	5
6	Total Transmission Related Investment in Plant	\$ 3,826,323	Sum Lines 2 thru 5	6
7		<del></del>		7
8	Total Transmission Plant & Incentive Transmission Plant	\$ 3,738,157	Stmnt AD WP; Page AD, Line 29	8
9	Total Steam Production Plant	505,741	Stmnt AD WP, Page AD; Line 3	9
11	Total Nuclear Production Plant	0	Shall be Zero	11
10	Total Other Production Plant	473,895	Stmnt AD WP, Page AD, Line 9	10
12	Total Distribution Plant	5,105,706	Stmnt AD WP, Page AD; Line 13	12
13	Total General Plant	249,775	Stmnt AD WP, Page AD, Line 21	13
14	Total Common Plant	505,717	Stmnt AD WP, Page AD, Line 23	14
15	Total Plant in Service Excluding SONGS	\$ 10,578,990	Sum Lines 8 thru 14	15
16				16
17	Transmission Plant Property Insurance Allocation Factor <sup>1</sup>	36.17%	Line 6 / Line 15	17
18				18
19	Total Property Insurance	\$ 7,450	See Page AH3, Col D, Line 6	19
21				21
22	Property Insurance Allocated to Transmission, General, and Common Plant	\$ 2,695	Line 17 x Line 19	22
23				23

Used to allocate property insurance in comformance with TO3 settlement.

### SAN DIEGO GAS AND ELECTRIC COMPANY Electric Transmission O&M Expenses 12 Months Ending December 31, 2013 (\$1,000)

				(a)	(b)	Π-	(c)	(d) = (a) + (b) + (c)		
T : a	FERC		1	al Per	Citizens 1	160	xcluded	Total		Line
Line No.	Acet	Description		Form 1	Allocated Costs		xpenses	Adjusted	Reference	No.
1	Acci	Electric Transmission Operation	Linke	<u> </u>	TAMOUNDU COURS	<del>  -</del>				1
2	560	Operation Supervision and Engineering	s	7,379		\$	_	\$ 7,379	Col. (a) = Form 1, p 321; Line 83	2
3		Load Dispatch - Reliability	*	459			_		Col (a) = Form 1, p 321, Line 85	3
4		Load Dispatch - Monitor and Operate Transmission System		5,821			_		Col. (a) = Form 1, p 321, Line 86	4
5		Load Dispatch - Transmission Service and Scheduling		_			-	-	Col (a) = Form 1, p 321; Line 87	5
6		Scheduling, System Control and Dispatch Services		8,314			(8,314)	-	Col (a) = Form 1, p 321, Line 88	6
7		Reliability, Planning and Standards Development		-,			-	-	Col. (a) = Form 1, p. 321, Line 89	7
8		Transmission Service Studies		_			-	-	Col (a) = Form 1, p. 321, Line 90	8
ا و ا		Generation Interconnection Studies		-		ļ	-	-	Col. (a) = Form 1, p 321, Line 91	9
10		Reliability, Planning and Standards Development Services		1,137			(1,137)	-	Col (a) = Form 1, p. 321, Line 92	10
11		Station Expenses		2,016			-	2,016	Col (a) = Form 1, p. 321, Line 93	11
12		Overhead Line Expenses		5,575			-	5,575	Col. (a) = Form 1, p. 321, Line 94	12
13		Underground Line Expenses		-		١.	-	-	Col (a) = Form 1, p. 321, Line 95	13
14	565	Transmission of Electricity by Others		5,140			(5,140)	-	Col. (a) = Form 1, p 321; Line 96	14
15		Misc Transmission Expenses		18,432	812		(5,097)	14,147	Col. (a) = Form 1, p. 321, Line 97	15
16		Rents		1,867			-	1,867	1 '	16
17		Total Transmission Operation	\$	56,140	\$ 812	\$	(19,688)	\$ 37,264	Sum Lines 2 thru 16	17
18										18
19		Electric Transmission Maintenance	1							19
20	568	Maintenance Supervision and Engineering		826			-		Col. (a) = Form 1, p. 321, Line 101	20
21		Maintenance of Structures	l	1			-	1	Col (a) = Form 1, p 321; Line 102	21
22	569 1	Maintenance of Computer Hardware	İ	1,723			-		Col (a) = Form 1, p 321, Line 103	22
23	569 2	Maintenance of Computer Software		1,757				1,757	Col (a) = Form 1, p 321; Line 104	23
24	569 3	Maintenance of Communication Equipment		-			-	-	Col (a) = Form 1, p. 321, Line 105	24
25	569 4	Maintenance of Misc Regional Transmission Plant	1	74			-		Col (a) = Form 1, p 321, Line 106	25
26	570	Maintenance of Station Equipment		6,443			-		Col. (a) = Form 1, p 321, Line 107	26
27	571	Maintenance of Overhead Lines		28,655			-		Col (a) = Form 1, p 321, Line 108	27
28	572	Maintenance of Underground Lines	ļ	150			-		Col (a) = Form 1, p. 321, Line 109	28
29	573	Maintenance of Misc Transmission Plant	L	90		<u> </u>			Col. (a) = Form 1, p. 321; Line 110	29
30		Total Transmission Maintenance	\$	39,719	\$ -	\$	-	\$ 39,719	Sum Lines 20 thru 29	30
31			1							31
32		Total Transmission O&M Expenses	\$	95,859	\$ 812	\$	(19,688)	\$ 76,983	Line 17 + Line 30	32
33			ļ							33
34										34
35		Expenses (recovery method in parentheses)								35
36	561 4	Scheduling, System Control and Dispatch Services (ERRA)				\$	8,314			36
37		Reliability, Planning and Standards Development Services (ERF	RA)				1,137			37
38		Transmission of Electricity by Others (ERRA)					5,140			38
39	566	Misc Transmission Expenses	_							40
40		ISO Grid Management Costs (ERRA)	\$	2,439						41
41		Reliability Services (RS rates)		3,815		•	5.000			42
42		Other (TRBAA, TACBAA)		(1,164)		\$	5,090			43
43		Sunrise dedication ceremony (a)		7		_	7	•		44
44	Total Ex	cluded Expenses					19,688	•		
45										45
46	(a)	Sunrise dedication ceremony trailing charges in January 2013 is	exclude	ed in the	transmission O&M	exp	enses since	ratepayers are not		46
47		supposed to pay for it.								47
48										1 1
49		Committee, this 13 represents from Direct Octave expenses office to Citizens during 2015 office of Committee								49
50		to derive 2013 Total O&M expenses								50
51										51
52										52
53										53

				SDG&E Transmi						
				12 Months Endin		, 2013				
			<del></del>	(\$:	1,000)				T	
			1	2	3	4	5	66		
						sum (col.1:col.3)		col. 4 + col. 5		
								Formula		
			2013				Less:	Adjusted		
Line	FERC		FERC Form 1	Citizens <sup>2</sup>	Excluded 1	Total	Trans O&M 3	Transmission		Line
No.	Acct	Description	O&M	Allocated Costs	Expenses	Adjusted	Adjustments	O&M	Reference	No.
1		Electric Transmission Operation								1
2	560	Operation Supervision and Engineering	\$ 7,379		\$ -	\$ 7,379		\$ 7,379	Col 6 = Stmt AH1, Col (d), Line 2	2
3		Load Dispatch - Reliability	459		_	\$ 459		\$ 459	Col 6 = Stmt AH1, Col (d), Line 3	3
4	561 2	Load Dispatch - Monitor and Operate Transmission System	5,821		-	\$ 5,821		\$ 5,821	Col 6 = Stmt AH1, Col (d), Line 4	4
5	561 3	Load Dispatch - Transmission Service and Scheduling	-		-	-		\$ -	Col 6 = Stmt AH1, Col (d), Line 5	5
6	561 4	Scheduling, System Control and Dispatch Services	8,314		(8,314)	-		\$ -	Col 6 = Stmt AH1, Col (d), Line 6	6
7		Reliability, Planning and Standards Development				-		\$ -	Col 6 = Stmt AH1, Col (d), Line 7	7
8	561 6	Transmission Service Studies	-		-	-		\$ -	Col 6 = Stmt AH1, Col (d), Line 8	8
9	561 7	Generation Interconnection Studies	-					\$ -	Col 6 = Stmt AH1, Col (d), Line 9	9
10	561 8	Reliability, Planning and Standards Development Services	1,137		(1,137)	-		\$ -	Col 6 = Stmt AH1, Col, (d), Line 10	10
11	562	Station Expenses	2,016			2,016	(2,016)	\$ -	Col 4 = Stmt AH1, Col (d), Line 11	11
12	563	Overhead Line Expenses	5,575		_	5,575		\$ 5,575	Col 6 = Stmt AH1, Col (d), Line 12	12
13	564	Underground Line Expenses	-		-			\$ -	Col 6 = Stmt AH1, Col (d), Line 13	13
14	565	Transmission of Electricity by Others	5,140		(5,140)	-		\$ -	Col 6 = Stmt AH1, Col (d), Line 14	14
15	566	Misc Transmission Expenses	18,432	812	(5,097)	14,147		\$ 14,147	Col 6 = Stmt AH1, Col (d), Line 15	15
16	567	Rents	1,867		- 1	1,867		\$ 1,867	Col 6 = Stmt AH1, Col (d), Line 16	16
17		Total Transmission Operation	\$ 56,140	\$ 812	\$ (19,688)	\$ 37,264	\$ (2,016)	\$ 35,248	Sum Lines 2 thru 16	17
18						<b>A</b>				18
19		Reconciles to Page AH1; Col. (d); Line 17								19
20							-			20
21		Electric Transmission Maintenance								21
22	568	Maintenance Supervision and Engineering	826		-	826		826	Col 6 = Stmt AH1, Col (d), Line 20	22
23	569	Maintenance of Structures	1			1	(1)	-	Col 4 = Stmt AH1, Col (d), Line 21	23
24	569 1	Maintenance of Computer Hardware	1,723		-	1,723	```	1,723	Col 6 = Stmt AH1, Col (d), Line 22	24
25	569 2	Maintenance of Computer Software	1,757		-	1,757			Col 6 = Stmt AH1; Col (d); Line 23	25
26	569 3	Maintenance of Communication Equipment	-		-	-		-	Col 6 = Stmt AH1, Col (d), Line 24	26
27	569 4	Maintenance of Misc Regional Transmission Plant	74		-	. 74		74	Col 6 = Stmt AH1, Col (d), Line 25	27
28	570	Maintenance of Station Equipment	6,443		-	6,443	(6,443)	-	Col 4 = Stmt AH1, Col (d), Line 26	
29	571	Maintenance of Overhead Lines	28,655		-	28,655	(28,655)	-	Col 4 = Stmt AH1; Col (d), Line 27	29
30	572	Maintenance of Underground Lines	150		-	150	(150)	-	Col 4 = Stmt AH1, Col (d), Line 28	30
31	573	Maintenance of Misc Transmission Plant	90			90		90	Col 6 = Stmt AH1, Col (d), Line 29	31
32		Total Transmission Maintenance	\$ 39,719	\$ -	\$ -	\$ 39,719	\$ (35,249)		Sum Lines 22 thru 31	32
33										33
34		Total Adjusted Transmission O&M Expenses	\$ 95,859	\$ 812	\$ (19,688)	\$ 76,983	\$ (37,265)	\$ 39,718	Line 17 + Line 32	34
35										35
36						•				36
37		Reconciles to Page AH1; Col. (d); Line 32								37
38										38
39										39

Name  Scheduling, System Control and Dispatch Services (ERRA) b1 Reliability, Planning and Standards Development Services (ERRA) b2	Description	Where		
Name  Scheduling, System Control and Dispatch Services (ERRA) b1  Reliability, Planning and Standards Development Services (ERRA) b2	Description	Where		
Name  Scheduling, System Control and Dispatch Services (ERRA) b1  Reliability, Planning and Standards Development Services (ERRA) b2	Description	Where		1
Name  Scheduling, System Control and Dispatch Services (ERRA) b1  Reliability, Planning and Standards Development Services (ERRA) b2	Description	Where		
Scheduling, System Control and Dispatch Services (ERRA) b1 Reliability, Planning and Standards Development Services (ERRA) b2	Description			
Reliability, Planning and Standards Development Services (ERRA) b2		Recovered	Amount	Reference
Reliability, Planning and Standards Development Services (ERRA) b2	ISO Grid Mgt	ERRA	\$ 8.314	Page AH1; Col. (c); Line 36
		ERRA		Page AH1; Col. (c); Line 37
Transmission of Electricity by Others (ERRA) (a)	Boardman	ERRA		Page AH1; Col. (c); Line 38
Misc. Transmission Expenses:			3,1.0	rage riffr, con (c), nine so
ISO Grid Management Costs (ERRA) b3	ISO Grid Mgt	ERRA	2,439	Page AH1; Col. (a); Line 40
Reliability Services (RS rates) b4	Reliability Services	RS		Page AH1; Col. (a); Line 41
Other (TRBAA, TACBAA) b5			\$ (1,164)	Page AH1; Col. (a); Line 42
Sunrise dedication ceremony (c)				Page AH1; Col. (a); Line 43
Excluded Expenses			\$ 19,688	
e exclusion for FERC Account 565 is the amount paid to Portland Gene	eral Electric for tranmisssion wh	eeling expenses fr	om its Boardr	nan plant.
ntains amounts recovered in TRBAA, TACBA, and ERRA (vaious CA)	ISO charges)			
Italiis allioulus recovered ili TRBAA, TACBA, and ERRA (valous CA)	iso charges)			
uary 2013 Sunrise ceremony trailing charges should not be paid by rate	payers, is being excluded in the	transmission O&N	√ expenses.	
ote 2				
			J	
12K shown in column 2, line 15 represents non-direct O&M expenses				
extent that Col. 1 in AH2 does not include Citizens Direct and Non-Dir	rect O&M expenses, they must be	be added to col. 1.	Thus, column	1 I serves as a basis to
e Total O&M expenses to Citizens.			<del> </del>	
ote 3				
T				
n 5 represents adjustments made to the operations and maintenance exp	penses that are not applicable to	Citizens, such as s	substations, u	nderground, and
ad lines. As a result, of these adjustments column 6 reflects that portion	n of the operations and maintena	ance expenses appl	icable in the	derivation of the O&M

Page AH2 Page 2 of 2

#### SAN DIEGO GAS AND ELECTRIC COMPANY Administrative & General Expenses 12 Months Ending December 31 2013 (1,000)

			A	В	C	<b>D</b> = Sum (A:C)		$\top$
Line	FERC		Total Per	Citizens 1	Excluded	Total		Line
No.	Acct	Description	FERC Form 1	Allocated Cost	Expenses	Adjusted	Reference	No.
1		Administrative & General						1
2	920	A&G Salaries	\$ 24,202		\$ -	\$ 24,202	Form 1, p 323, Line 181	2
3	921	Office Supplies & Expenses	11,803	480	-	\$ 12,283	Form 1, p 323, Line 182	3
4	922	Less Administrative Expenses Transferred-Credit	(7,659)		-	\$ (7,659)	Form 1, p 323, Line 183	4
5	923	Outside Services Employed	90,933			90,933	Form 1, p 323, Line 184	5
6	924	Property Insurance	8,259		(809)	7,450	Form 1, p 323, Line 185	6
7	925	Injuries & Damages - Non Wildfire Related	11,747		(315)		Form 1, p 323, Line 186	7
8	925	Injuries & Damages - Wildfire Damage Claims	215,738		-	215,738	Form 1, p 323, Line 186	8
9	925	Injuries & Damages - Wildfire Insurance Premiums	85,232		] -	85,232	Form 1, p. 323, Line 186	9
10	926	Employee Pension & Benefits	51,402		(388)		Form 1, p 323, Line 187	10
11	926	Post-Employment Benefits Other than Pensions (PBOP)	5,769		-	5,769	Form 1, p 323, Line 187	11
12	927	Franchise Requirements	-		-	-	Form 1, p 323, Line 188	12
13	928	Regulatory Commission Expenses	17,713		(5,255)	12,458	Form 1, p 323, Line 189	13
14		Company Energy Use	(1,950)		``- `	(1,950)	Form 1, p 323, Line 190	14
15		General Advertising Expenses	-		_	` - 1	Form 1, p 323, Line 191	15
16		Miscellaneous General Expenses	4,410		(3,198)	1,212	Form 1, p 323, Line 192	16
17	1	Rents	9,048		(357)		Form 1, p 323, Line 193	17
18	,	Maintenance of General Plant	6,725		(24)		Form 1, p 323, Line 196	18
19	),,,	Trainionalise of Constain Auto					,,	19
20		Total Administrative & General Expenses	\$ 533,372	\$ 480	\$ (10,346)	\$ 523,506	Sum Lines 2 thru 18	20
21		·			Ī			21
22				·	<u> </u>	<u> </u>		22
23	Exclud	ed Expenses (1):						23
24		Nuclear property insurance expense			\$ (809)	1		24
25	925	Injuries & Damages - Non Wildfire Related	\$ (230)					25
26		Injuries & Damages - Wildfire Damage Claims	-					26
27		Injuries & Damages - Wildfire Insurance Premiums	-					27
28	925	CPUC energy efficiency programs	(85)	_	(315)	)		28
29	926	CPUC energy efficiency programs			(388)	)		29
30	928	CPUC energy efficiency programs	(79)					30
31	928	CPUC Intervenor Funding Expense - Transmission	-					31
32	928	CPUC Intervenor Funding Expense - Distribution	(514)					32
33	928	CPUC reimbursement fees	(4,591)					33
34	928	Litigation expenses - Litigation Cost Memorandum Account (LCMA)	(71)	_	(5,255)	)		34
35	930 1	General Advertising Expenses			-			35
36		CPUC energy efficiency programs			(3,198)	)		36
37		Advanced Metering Infrastructure (AMI) lease facilities	(98)					37
38		CPUC energy efficiency programs	(259)	<u>-</u>	(357)			38
39	935	Hazardous Substances-Hazardous Substance Cleanup Cost Account			(24)			39
40		Total Excluded Expenses			\$ (10,346)	<u>)</u>		40
41								41_

Column B, Line 3 represents Non-Direct A&G expenses billed to Citizens during 2013 equal to \$480,008 (see AH4, col. C, line 6) that is added back to derive 2013 Total A&G expenses.

	2013 Allocated O&M Costs to	Citizens	-			
		A	В	Ш	C	
L		Cycle 1	Cycle 2	Ш		
_				Ш	C = A + B	
L		1	2	Ц	Total	
Ln		Jan - Jun 2013	Jul - Dec 2013	Ц	2013	
No	Allocation of Direct and Non-Direct O&M and A&G Expense	Invoice	Invoice	Ц	Billing	Reference
<u> </u>			****	Н		
1	A. Direct Maintenance Cost Component	90,947	(49,332)	Н	41,615	See AH4-A and AH4-B, Line 3, respectively
$\vdash$				Н		
2	B. Non-Direct Expense Cost Component			Н		
┝	B. Non-Direct Expense Cost Component			H		
3	Transmission Operations Carry Charge Rate	412,503	244,152	H	656.655	See AH4-A and AH4-B, Line 5, respectively
ř	Transmission Operations carry charge rate	1,2,000		Ħ		
4	Transmision Maintenance Carry Charge Rate	97,274	16,206		113,480	See AH4A and AH4-B, Line 6, respectively
5	L1 + L3 + L4			3	811,750	
_				П	· · · · · · · · · · · · · · · · · · ·	
				П		
┢				П		
6	Transmission Related A&G Carry Charge Rate	585,614	(105,606)	4	480,008	See AH4-A and AH4-B, Line 7 & 8,
Ť				П		respectively
				П		
Г						
1	Column A reflects Citizens Cycle 1 Filing Allocated Cost, Docket No E	R12-1417-000,	dated March 30	, 2	012	
2	Column B reflects Citizens Cycle 2 Filing Allocated Cost which include	s 6 month true-u	ıp adjustment, I	200	cket No.ER1	3-1596-000,
	dated June 28, 2013			Ц		
L			a:u:			
3	The O&M amounts are added back to transmission O&M to allocate tot	al system costs t	o Citizens	H		
_	The A.C. amounts are added heals to transmission A.C. to allegate total	1 A & G avnance		H		
4	The A&G amounts are added back to transmission A&G to allocate total	n A&G expense	5	H		
1				<u> </u>		

		A	В	C	D	
			3/30/2012			
Ln			Est Prepaid			Ln
No	Description		Lease Amt			No
1	Citizens Border-East Line Prepaid Lease Cost		84,747,000			1
_						-
_				G 1 D / 10	CID CIC +C	
<u> </u>			4 1	Col. B / 12	Col D = Col.C * 6	$\vdash$
_		Carry	Annual	Monthly	T T 0010	$\vdash$
<u> </u>		Charge	Cost	Cost	Jan - Jun 2013	<u> </u>
2	Allocation of Direct and Non-Direct O&M Expense	Percentage	Allocation	Allocation	Invoice	2
3	A. Direct Maintenance Cost Component		181,893	15,157.75	90,946 50	3
4	B. Non-Direct Expense Cost Component			 <del> </del>		4
5	Transmission Operations Carry Charge Rate	0.97%	825,006.96	68,750.58	412,503.48	5
6	Transmision Maintenance Carry Charge Rate	0.23%	194,547.76	16,212.31	97,273.88	6
7	Transmission Related A&G Carry Charge Rate	1.38%	1,171,229	97,602.41	585,614.48	7
	Col D reflects Citizens Billing Invoice for Direct Maintenance and No	n-Direct O&M	I and A&G Expe	nses for Jan-Jun	2013	
	<u> </u>		<u> </u>			

_	A	В	С	D	E	F	G	н	
-	A		7/3/2012	<u> </u>		F	G	<u> </u>	+
Ln		ļ	Prepaid				G = Col D + Col E +		Ln
No	Description	<u> </u>	Lease Amt				Col F		No
1	Citizens Border-East Line Prepaid Lease Cost -Cycle 1	<del> </del>	39,320,000	<del></del>			Col F	<del></del>	1
<u> </u>	These amounts are used as recorded revenues in the true-up adjustme		39,320,000						++
<u> </u>	calculations	5Ut		11 Months			<del></del>		╁
├	Calculations	C2	Total	11 Months	Allocation	Allocation of	Citizens Billing	H = G * 6 Months	+
-			C2 Annual	C2 M4-1	of C2 TUP			H = G " 6 Months	╁╌╎
<u> </u>		Carrying		C2 Monthly		Monthly	July 2013- May 2014	m	₩
<u> </u>	A-t1 Pilling of City 1 C + C	Charge	Billing	Billing	(Over) / Under-	Interest	Monthly	Total	
2	Actual Billings to Citizens by Cost Component	Rates	Amount	Amount	collection	(204.67)	Journal Entries	Jul-Dec 2013	2
<u> </u>									<b>↓</b> -
3	A. Direct Maintenance Expense Cost Component		-	<u>-</u>	(8,221.95)	-	(8,222)	(49,332)	3
4	B. Non-Direct Expense Cost Component								4
5	Transmission Operations Carry Charge Rate	1 12%	440,384	40,034 91	658 04	(1 00)	40,692	244,152	5
-									$\Box$
6	Transmision Maintenance Carry Charge Rate	0 17%	66,844	6,076 73	(3,375 21)	(0 14)	2,701	16,206	6
H	, , , , , , , , , , , , , , , , , , ,			3,010.10	(0,071 21)	(6.2.7)	2,7.11		۲
├									-
<u> </u>									⊢⊢
7	Transmission Related A&G Carry Charge Rate	1.27%	499,364	45,396 73	(62,997 65)	0 27	(17,601)	(105,604)	7
L									
	Col H reflects Citizens Billing Invoice for Direct Maintenance and N	on-Direct O	&M and A&G	Expenses for J	uly- December 201	3.			

						T
Line		Total			_	-
	Cost Elements	2013				<del>                                     </del>
	6110030 SALARIES-MANAGEMENT TIME AND ONE HALF	898.51		-		
	6110110 SALARIES-UNION STRAIGHT-TIME	8,118.74		+		
3	6110120 SALARIES-UNION TIME AND ONE HALF	1,333.94		+		
4	6110130 SALARIES-UNION DOUBLE TIME	3,216.69		<del> </del>		<del>                                     </del>
	6130011 EMP TRAVEL-INCIDENTALS (PHONES AND TIPS)	5.00		<del>                                     </del>		-
6	6130013 EMP TRAVEL-INCIDENTALS (FITONES AND 1173)	600.00		-		
7	6130015 EMP TRAVEL-MEALS (INCL TIPS)%ENT 50%	83.21		<del>                                     </del>		<u> </u>
	6213085 MATL-MISCELLANEOUS	5.39		<del>                                     </del>	-	<del> </del>
9	6220850 SRV-VEHICLE & EQUIP RENTAL W/OPERATOR	7,250.00		-		
	6261050 VEHICLE UTILIZATION-LABOR	603.96				
	6262050 VEHICLE UTILIZATION-LABOR	6,761.67		<del> </del>		+
	9121100 Vacation & Sick (Costing sheet)	1,714.99		-		
	9121200 ICP (Costing Sheet)	235.56				
	9121400 Public Liab.& Property Damage-Lab(CS)	21.28		-		
	9121500 Worker's Comp -Labor (Costing sheet)	8.55				
	9121600 Pension & Benefits - Labor	11.88		-		<del> </del>
	9122300 Payroll Taxes (Costing sheet)	1,112.08			-	<del> </del>
	9122400 Public Liab.& Property Damage-NonLab(CS)	414.06				
	9122500 Worker's Comp -Non Labor (Costing sheet)	135.76				
	9122600 Pension & Benefit - NonLabor	2,542.88				
	9122900 PENSION & BENEFIT - REFUNDABLE - NL	1,182.69				
	9123100 VACATION & SICK (CL)	26.78		<del> </del>		
	9123200 VACATION & SICK (CL)	37.72				
	9123400 PUBLIAB PROPDAM L(CL)	0.33				
	9123500 WK COMP-LABOR (CL)	0.13				<del>                                     </del>
	9123600 PENSION & BENEFIT-NONREF-LBR (CL)	0.18		<del>                                     </del>		<del> </del>
	9124300 PAYROLL TAXES (CL)	33.94				
	9124400 PUBLIAB PROPDAM NL(CL)	6.46		<u> </u>		
	9124500 WK COMP-NONLABOR (CL)	2.08			<del> </del>	
	9124600 PENSION & BENEFIT-NONREF-NL (CL)	39.71			<del>                                     </del>	
	9124900 PENSION & BENEFIT-REF-NL (CL)	18.47				
	9131150 Purchasing Labor (Costing sheet)	32.65				
	9131700 Shop Order Labor (costing sheet)	38.01		-	-	
	9131850 Small Tools Labor (Costing sheet)	114.02			1	1
	9132150 Purchasing NonLabor (Costing sheet)	9.43				1
	9132300 Exempt Matl Elec NonLabor (Costing sheet	0.16				
	9132700 Shop Order NonLabor (costing sheet)	22.80				
	9132850 Small Tools NonLabor (Costing sheet)	463.90				
	Total 2013 Border-East Line Direct Maintenance Costs	37,103.61				
1	The above \$37K reflects direct maintainence expenses incurr	ed on the 30 mile li	ne segme	nt of the S	unrise 500 k	(V Line
	known as the Sunrise Border-East Line. These costs are track					
	with routine maintenance checks on the Border-East line and					
2	To the extent Citizen's leases 50% of the transfer capability o	f the Border-East Li	ne, 50% o	these cos	ts is reflecte	ed in
	Statement BK2 - Section 1, page 1 of 1.					

**Base Period** 

Statement AI
Wages and Salaries
Workpaper

#### Statement AI - Workpapers Wages and Salaries

### Base Period 12 - Months Ending December 31, 2013 (\$1,000)

#### For Illustrative Purposes Only

Line				Line
No.		 Amounts	Reference	No.
1 2	Production Wages & Salaries (Includes Steam & Other Power Supply)	\$ 11,909	Form 1, Page 354, Line 20, Col. b	1 2
3 4	Transmission Wages & Salaries <sup>1</sup>	15,186	See WP AII; Col 4, Line 34	3 4
5 6	Transmission Wages & Salaries (substation, overhead and underground lines) <sup>2</sup>	6,270	See WP AI1; Col 4, Line 33	5 6
7 8	Distribution Wages & Salaries	53,970	Form 1; Page 354; Line 23; Col b	7 8
9 10	Customer Accounts Wages & Salaries	23,302	Form 1, Page 354; Line 24; Col b	9 10
11 12	Customer Services and Informational Wages & Salaries	19,530	Form 1, Page 354; Line 25; Col b	11 12
13 14	Sales Wages & Salaries	 	Form 1, Page 354; Line 26; Col. b	13 14
15 16	Sub-Total	\$ 130,167	Sum Lines 1 thru 11	15 16
17 18	Administrative and General Wages & Salaries	 30,755	Form 1; Page 354; Line 27; Col b	17 18
19 20	Total Operating & Maintenance Wages & Salaries	\$ 160,922	Sum Lines 13; 15	19 20
21	Transmission Wages and Salaries Allocation Factor	 11.67%	Line 3 / Line 13	21

Line 3 -Transmission Wages & Salaries, does not tie to FERC Form 1 because it does not include any wages and salaries not applicable to Citizens, such as substation, underground, and overhead wages and salaries. The Wages & Salaries associated with substation, underground, and overhead lines are shown on line 5 below.

Line 5 -represents the transmission wages & salaries associated with substation, underground, and overhead line wages and salaries excluded from the derivation of the Transmission Wages & Salaries Allocation Factor as shown on line 21.

1 2 3 4

					· · · · · · · · · · · · · · · · · · ·	
					bstation, Under-	
Line	FERC				und & Overhead	Line
No.	Account	Description	Amount	La	bor Exclusions	No.
1	560100E	ET OPERATIONS SUPV	3,409,912.15			1
2	560200E	ET OPER ENG	1,167,274.48			2
3	561100E	LOAD DISP - RELIAB	336,814.39			3
4	561200E	LOAD DISP - MONITOR	2,409,155.43			4
5	562000E	STA EXPENSE	43,257.19		(43,257.19)	5
6	562100E	STA OPER EXPENSE	661,133.31		(661,133.31)	
7	563100E	OPER OVERHD LINES	388,678.98			7
8	563200E	ENCROACHMNTS O/H R/W	48,236.80			8
9	566000E	MISC TRANSM EXPENSE	4,594,108.47			9
10	568100E	MAINT SUPV	500,873.12			10
11	569000E	MAINT OF STRUCTURES	29.41			11
12	569100E	MAINT OF PC HARDWARE	908,194.36			12
13	569200E	MAINT OF PC SOFTWARE	827,856.74			13
14	569400E	MAINT MISC REG TRANSM PLNT	4,993.62			14
15	570000E	MAINT OF STA EQ	299,941.22		(299,941.22)	15
16	570100E	MAINT STA EQ GENERAL	2,420,276.95		(2,420,276.95)	16
17	570121E	RTU SUPERVISORY EQ	405,311.93			17
18	570122E	TELEMETER SYS MAINT	122,646.92			18
19	570200E	MNT STA EQ CLN TREAT	213,305.01		(213,305.01)	19
20	570600E	MAINT STA EQUIP	132,840.70		(132,840.70)	20
21	570700E	SAN ONOFRE SUBSTATION	24,756.47		(24,756.47)	21
22	571000E	MAINT OH LINES	625,062.34		(625,062.34)	22
23	571100E	MAINT OH LINES GENERAL	953,768.47		(953,768.47)	23
24	571120E	TRNG IN HOTSTICK MNT	110,861.61		(110,861.61)	24
25	571200E	MAINT OH LINES - TREE	77,102.11		(77,102.11)	25
26	571310E	MNT OH INSUL WASHING	479,191.82		(479,191.82)	26
27	571700E	ACCESS&PTRL RD MAINT	132,005.07		(132,005.07)	27
28	571800E	LEGACY FERC 571800E	-			28
29	571930E	OH PREV MNT - ETM INSP	-			29
30	571960E	OH PREV MNT - ETM F/U	1,486.21		(1,486.21)	30
31	572000E	MAINT UG LINES	95,255.12		(95,255.12)	31
32	573000E	MAINT MISC TRANSM	61,868.71			32
						-
33	Total Trans	mission Wages & Salaries <sup>1</sup>	\$ 21,456,199.11	\$	(6,270,243.60)	33
34		mission Wages & Salaries Less: <sup>2</sup>		\$	15,185,956	34
	Substation,	Underground and Overhead Maintena	nce vvages			

<sup>1</sup> Transmisssion Wages & Salaries in Col. 3, line 33 ties to FERC Form 1

Transmission Wages & Salaries should not include substation, underground, and overhead wages & salaries for which is not applicable to Citizens.

**Base Period** 

Statement AJ

Depreciation and Amortization

Expenses

Workpaper

## Statement AJ - Workpapers Depreciation and Amortization Expense Base Period 12 - Months Ending December 31, 2013 (\$1,000)

#### For Illustrative Purposes Only

Line No.		Amounts	Reference	Line No.
1	Common Plant Depreciation Expense	52,067	Stmt AJ WP; Page AJ1; Line 1	1 2
2 3 4	General Plant Depreciation Expense	7,657	Stmt AJ WP; Page AJ2; Line 1	3 4

#### SAN DIEGO GAS & ELECTRIC COMPANY STATEMENT AJ DEPRECIATION AND AMORTIZATION EXPENSE Base Period - 12/31/2013 PER BOOK (\$1,000)

#### **COMMON PLANT**

Line No.	Description	Total Common Expense to Electric Per Book	Reference From	Line No.
1	December 31, 2013 Expense	52,067	AJ1-Cwp1	1

# SAN DIEGO GAS & ELECTRIC COMPANY STATEMENT AJ DEPRECIATION AND AMORTIZATION EXPENSE BASE PERIOD - 12/31/2013 PER BOOK

(\$1,000)

#### **GENERAL PLANT**

Line No.		FERC General Plant Expense		Line No.
1	December 31, 2013 Expense	7,657	AJ1-Gwp1	1

**Base Period** 

Statement AK

Taxes Other Than Income Taxes
Workpaper

### Statement AK - Workpapers Taxes Other Than Income Taxes Base Period 12 - Months Ending December 31, 2013 (\$1,000)

#### For Illustrative Purposes Only

Line					Line
No.	_	A	Amounts	Reference	
1 2	Total Property Taxes	\$	74,084	Form 1; Page 263; Line 2; Col. i	1 2
3 4	Add: Citizens Allocated Portion of Property Taxes <sup>1</sup>	_\$	411	Stmt AK WP; Page AK2, Col. C, Line 4	3 4
5 6	Adjusted Property Taxes	\$	74,495	(L1 + L3)	5 6
7 8	Less: SONGS Property Taxes <sup>2</sup>	·	5,007	Form 1; Page 450.1; Sch. Pg. 262; Line 2	7 8
9	Total Property Taxes Expense (Less SONGS)	\$	69,488	Line 5- Line 7	9
10 11					10 11
12					12
13 14	Total Payroll Taxes Expense	\$	14,670	Form 1; Pg. 263; Lns 10;18;19;20; Col. i	13 14
15 16	Add: Citizens Allocated Portion of Payroll Taxes <sup>3</sup>	_\$	38	Stmt AK WP; Page AK2, Col. C, Line 2	15 16
17 18	Total Transmission Payroll Tax Expense	\$	14,708	Line 17 + Line 19	17 18
19 20	Transmission Wages and Salaries Allocation Factor		11.67%	Statement AI; Line 19	19 20
21	Transmission Related Payroll Taxes Expense	\$	1,716	Line 16 x Line 18	21

Line 3 represents the Property Taxes allocated and charged to Citizens during 2013 base period equal to \$410,652 (see AK2, col. C, Line 4) that is added back to derive Total 2013 Property Taxes.

<sup>&</sup>lt;sup>2</sup> The amount of property tax expense reflected in FERC Form 1 for SONGS Facilities is \$5.007 million.

<sup>&</sup>lt;sup>3</sup> Line 15 represents Payroll Taxes allocated and charged to Citizens during 2013 base period equal to \$37,920 (see AK2, Line 2) that is added to derive 2013 Total Payroll Taxes.

#### SAN DIEGO GAS AND ELECTRIC COMPANY

#### Statement AK

# Taxes Other Than Income Taxes For Base Period 12-Months Ending - December 31, 2013 (\$1,000)

Line				<b>n</b> 0	Line
No.	-	<i>P</i>	Amounts	Reference	No
1	Total Property Taxes	\$	74,495	Stmnt AK WP, Page-AK, Line 5	1
2	Your Topolly Tuilou	•	,	, ,	2
3	SONGS Property Taxes		5,007	Stmnt AK WP, Page-AK, Line 7	3
4					4
5	Property Taxes Less SONGS	_\$	69,488	Line 1 - Line 3	5
6	•				6
7					7
8	Derivation of Citizens Border-East Line Transmission Property Tax Allocation Factor				8
9					9
10	Citizens Border-East Line (Ferc Acct No 104)		85,194	Lease Agreement	10
11					11
12	Total Nuclear Plant	\$	-	N/A in Ratio Development	12
13	Total Steam Plant		505,741	Statement AD, Page AD, Line 3	13
14	Total Other Production Plant		473,895	Statement AD, Page AD, Line 9	14
15	Total Transmission plant <sup>1</sup>		3,738,157	Statement AD, Page AD, Line 15	15
16	Total Miscellaneous Intangible Plant		85,522	Statement AD, Page AD, Line 1	16
17	Total Distribution plant		5,105,706	Statement AD, Page AD, Line 13	17
18	Total General Plant		249,775	Statement AD, Page AD, Line 21	18
19	Total Common Plant		505,717	Statement AD, Page AD, Line 23	19
20	Total Investment in Plant Excluding SONGS	\$	10,664,513	Sum Lines (12 19)	20
21					21
22	Citizens Border-East Line Property Tax Allocation Factor		0 80%	Line 10 / Line 20	22
23					23
24	Citizens Border-East Line Property Taxes Expense		556	Line 5 x Line 22	24
25					25
26					26

1 Total Transmission Plant amount includes \$85,194 of 13-Month weighted average of \$85,194 Citizens Lease Amount (see AD-6A)

3,652,963 85,194 3,738,157

		11			T
$\vdash$		<del>  </del>			
		A	В	С	
		A	<b>D</b>	C	
				C = A + B	
		1	2	Total	
Ln		Jan - Jun 2013	Jul - Dec 2013	2013	
	Allocation of Payroll and Property Taxes to Citizens	Invoice	Invoice	Billing	Reference
1	B. Non-Direct Expense Cost Component				
1	b. Non-Direct Expense Cost Component				
		24.440	2.400	25.020	G AKO A R AKO D TO
2	Transmission Related Payroll Carry Charge Rate	34,440	3,480	37,920	See AK2-A & AK2-B, L3,
⊢		-			respectively
3	C. Other Specific Cost Component				
4	Property Taxes	223,819.50	186,832	410,652	See AK2-A & AK2-B, L5,
	Tropoley Tuited	220,017,00	100,002	120,002	respectively
-					
1	Column A reflects Citizens Cycle 1 Filing Allocated Cost, Docket No.ER	12-1417-000, date	ed March 30, 20	12.	
2	Column B reflects Citizens Cycle 2 Filing Allocated Cost, Docket No.ER				
3	Column C reflects Total Payroll and Property Taxes Allocated and Billed				
_					
L_		II			

		A	В	C	D			
			3/30/2012					
Ln			Est. Prepaid			Ln		
No	Description		Lease Amt			No		
	Citizens Border-East Line Prepaid Lease Cost		84,747,000			_		
					Col. D =			
				Col. B / 12	Col.C * 6 Months			
		Carry	Annual	Monthly				
		Charge	Cost	Cost	Jan - Jun 2013			
1	Allocation of Payroll & Property Taxes to Citizens	Percentage	Allocation	Allocation	Invoice	1		
2	B. Non- Direct Expense Cost Component					2		
3	Transmission Related Payroll Carrying Charge Rate	0 08%	68,881	5,740	34,440	3		
4	C. Other Specific Cost Component					4		
5	Property Taxes		447,639	37,303	223,820	5		
						$\vdash$		
	Col D reflects Citizens Billing Invoice for Non-Direct Payroll Taxes and Other Cost Component Property Taxes for Jan-Jun 2013							

	A	В	С	D	E	F	G	Н	
			7/3/2012						
Ln			Prepaid				G = Col D + Col E +		Ln
No	Description		Lease Amt				Col F		No
	Citizens Border-East Line Prepaid Lease Cost -Cycle 1		39,320,000						
	These amounts are used as recorded revenues in the true-up adju	stment							
	calculations			11 Months				Col. H =	
		C2	Total		Allocation	Allocation of		Col. G * 6 Months	
		Carrying	C2 Annual	C2 Monthly	of C2 TUP	Monthly	Citizens Billing		
		Charge	Billing	Billing	(Over) / Under-	Interest	July 2013- Dec 2013	Total	
1	Actual Billings to Citizens by Cost Component	Rates	Amount	Amount	collection	(204.67)	Monthly Billing	Jul-Dec 2013	1
									Ш
2	B. Non-Direct Expense Cost Component								2
3	Transmission Related Payroll Carry Charge Rate	0 06%	23,592	2,144 73	(1,564 73)	(0 04)	580	3,480	3
4	C. Other Specific Cost Component								4
5	Property Taxes		255,608	23,237	7,926	(24 69)	31,139	186,832	5
	Col H reflects Citizens Billing Invoice for Non-Direct Payroll Taxes and Other Specific Cost Component Property Taxes for July- December 2013								

**Base Period** 

Statement AL

Working Capital

Workpaper

Modified

# SAN DIEGO GAS AND ELECTRIC COMPANY Statement AL - Workpapers Working Capital Base Period 12 - Months Ending December 31, 2013 (\$1,000)

#### For Illustrative Purposes Only

1 A Plant Materials and Operating Supplies a \$ 64,658 Stmt AL WP, Page AL1, Line 17 1 2 3 Transmission Plant Allocation Factor 33 77% Stmnt AD WP, Page AD, Line 39 3 4 5 Transmission Related Materials and Supplies \$ 21,835 Line 1 x Line 3 5 6 7 B Prepayments a \$ 39,198 Stmt AL WP, Page AL2, Line 17 7 8 9 Transmission Related Prepayments \$ 13,237 Line 3 x Line 7 9 10 11 C Derivation of Transmission Related Cash Working Capital - Retail 12 Transmission O&M Expense - Excl Intervenor Funding Expense \$ 39,718 Stmnt AH, Pg AH2, Page 1 of 2, Col 6, Line 34 12 13 Transmission Related Administrative & General Expense 62,918 Stmnt BK-Sec 2, Page 2 of 7, Col D, Line 44 13 14 CPUC Intervenor Funding Expense - Transmission
Transmission Related Materials and Supplies  \$ 21,835
Transmission Related Materials and Supplies  \$ 21,835
7 B Prepayments a \$ 39,198 Stmt AL WP, Page AL2, Line 17 7  8 Transmission Related Prepayments \$ 13,237 Line 3 x Line 7 9  10 11 C Derivation of Transmission Related Cash Working Capital - Retail 12 Transmission O&M Expense - Excl Intervenor Funding Expense \$ 39,718 Stmnt AH, Pg AH2, Page 1 of 2, Col 6, Line 34 12  13 Transmission Related Administrative & General Expense \$ 39,718 Stmnt BK-Sec 2,Page 2 of 7, Col D, Line 44 13  14 CPUC Intervenor Funding Expense - Transmission
Transmission Related Prepayments  \$\frac{1}{3}\$ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
Transmission Related Prepayments  \$\frac{1}{3}\$ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
Transmission Related Prepayments  Stmnt AH, Pg AH2, Page 1 of 2, Col 6, Line 34  Transmission Related Administrative & General Expense CPUC Intervenor Funding Expense - Transmission  Transmission Related Prepayments  \$\frac{\\$13,237}{\\$13,237}\$\$\$ Line 3 x Line 7  Stmnt AH, Pg AH2, Page 1 of 2, Col 6, Line 34  Stmnt AH, Pg AH2, Page 1 of 2, Col 6, Line 34  Stmnt BK-Sec 2, Page 2 of 7, Col D, Line 44  Transmission Related Administrative & General Expense CPUC Intervenor Funding Expense - Transmission
10 11 C Derivation of Transmission Related Cash Working Capital - Retail 12 Transmission O&M Expense - Excl Intervenor Funding Expense \$ 39,718 Stmnt AH, Pg AH2, Page 1 of 2, Col 6, Line 34 12 13 Transmission Related Administrative & General Expense \$ 62,918 Stmnt BK-Sec 2,Page 2 of 7, Col D, Line 44 13 14 CPUC Intervenor Funding Expense - Transmission
11 C Derivation of Transmission Related Cash Working Capital - Retail 12 Transmission O&M Expense - Excl Intervenor Funding Expense \$ 39,718 Stmnt AH, Pg AH2, Page 1 of 2, Col 6, Line 34 12 13 Transmission Related Administrative & General Expense 62,918 Stmnt BK-Sec 2,Page 2 of 7, Col D, Line 44 13 14 CPUC Intervenor Funding Expense - Transmission - 14
Transmission O&M Expense - Excl Intervenor Funding Expense \$ 39,718 Stmnt AH, Pg AH2, Page 1 of 2, Col 6, Line 34 12 Transmission Related Administrative & General Expense 62,918 Stmnt BK-Sec 2,Page 2 of 7, Col D, Line 44 13 CPUC Intervenor Funding Expense - Transmission 14
Transmission Related Administrative & General Expense 62,918 Stmnt BK-Sec 2,Page 2 of 7, Col D, Line 44 13 CPUC Intervenor Funding Expense - Transmission - 14
14 CPUC Intervenor Funding Expense - Transmission 14
- 100 COC
15 Total \$ 102,636 Sum Lines 12 thru 14 15
16
17 One Eighth O&M Rule 12 50% FERC Method = 1/8 of O&M Expense 17
18 19 Transmission Related Cash Working Capital - Retail Customers \$ 12,830 Line 15 x Line 17 19
19 Transmission Related Cash Working Capital - Retail Customers \$ 12,830 Line 15 x Line 17 19 20

The balances for Materials & Supplies and Prepayments are derived based on a 13-month average balance

# SAN DIEGO GAS AND ELECTRIC COMPANY STATEMENT AL

#### **WORKING CAPITAL**

# BASE PERIOD - 12/31/2013 PER BOOKS (\$1,000)

# ACCOUNT 154 PLANT MATERIALS AND OPERATING SUPPLIES ELECTRIC ALLOWABLE PER FERC FORMULA

Line No.	Month	Total Electric Plant Materials & Supplies	Line No.
1	Dec-12	68,536	1
2	Jan-13	68,561	2
3	Feb	69,067	3
4	Mar	69,780	4
5	Apr	68,036	5
6	May	68,718	6
7	Jun	59,011	7
8	Jul	58,060	8
9	Aug	58,497	9
10	Sep	59,451	10
11	Oct	60,018	11
12	Nov	61,872	12
13	Dec-13	70,946	13
14	Total 13 Months	840,553	14
15			_ 15
16			16
17	13-Month Average (L14 / 13)	64,658	17

#### SAN DIEGO GAS AND ELECTRIC COMPANY STATEMENT AL

#### **WORKING CAPITAL**

BASE PERIOD - 12/31/2013 PER BOOKS (\$1,000)

#### **ACCOUNT 165 PREPAYMENTS - ELECTRIC**

Line No.	Month	Total Electric Plant Prepayments	Line No.
1	Dec-12	40,354	1
2	Jan-13	35,433	2
3	Feb	28,022	3
4	Mar	27,924	4
5	Apr	38,227	5
6	May	28,740	6
7	Jun	17,912	7
8	Jul	46,817	8
9	Aug	54,471	9
10	Sep	55,370	10
11	Oct	48,243	11
12	Nov	43,381	12
13	Dec-13	44,685	13
14	Total 13 Months	509,579	14
15			15
16			16
17	13-Month Average (Line 14 / 13)	39,198	17

**Base Period** 

Statement AR

Federal Tax Adjustments

Workpaper

Modified

#### SAN DIEGO GAS AND ELECTRIC COMPANY

Statement AR - Workpapers
Federal Tax Adjustments
Base Period 12 - Months Ending December 31, 2013
(\$1,000)

#### For Illustrative Purpose Only

Line No.		An	nounts	Reference	Line No.
1 2	Transmission Related Amortization of Investment Tax Credits	\$	(265)	Form 1; Page 450.1; Sch. Pg 266; Line 8; Col. f	1
3	Transmission Related Amortization of Excess Deferred Tax Liabilities		(305)	Form 1; Page 450.1; Sch. Pg 234; Line 2; Col. c	3
5	Total	\$	(570)	Sum Lines 1; 3	5

### Base Period

# Statement AV - Rate of Return Workpaper

Modified

#### SAN DIEGO GAS AND ELECTRIC COMPANY Statement AV - Workpapers

## Cost of Capital and Fair Rate of Return Base Period 12 - Months Ending December 31, 2013 (\$1,000)

#### For Illustrative Purposes Only

Line No		Amounts	Reference	Line No
1 2 3 4 5 6	Long-Term Debt Component - Denominator (Plus) Bonds (Acct 221) (p112 Line18c) (Less) Reacquired Bonds (Acct 222) (p112 Line19c) (Plus) Other Long-Term Debt (Acct 224) (p112 Line21c) (Plus) Unamortized Premium on Long-Term Debt (Acct 225) (p112 Line22c) (Less) Unamortized Discount on Long-Term Debt-Debit (Acct 226) (p112 Line23c)	\$ 3,926,855 - 123,900 - 10,953	Form 1, Page 112, Line 18c Form 1, Page 112, Line 19c Form 1, Page 112, Line 21c Form 1, Page 112, Line 22c Form 1, Page 112, Line 23c	1 2 3 4 5 6
7 8	LTD = Long Term Debt (p112, sum of Line17d thru Line22d, details on p256-257)	\$ 4,039,802	Line 2 Minus Line 3 Plus Lines 4 & 5 Minus Line 6	7 8
9 10 11 12 13 14	Long-Term Debt Component - Numerator (Plus) Interest on Long-Term Debt (427) (p117 Line62c) (Plus) Amort of Debt Disc and Expense (428) (p117 Line63c) (Plus) Amortization of Loss on Reacquired Debt (428 1) (p117 Line64c) (Less) Amort of Premium on Debt-Credit (429) (p117 Line65c) (Less) Amortization of Gain on Reacquired Debt-Credit (429 1) (p117 Line66c)	\$ 186,465 3,084 2,537 - - \$ 192,086	Form 1, Page 117, Line 62c Form 1, Page 117, Line 63c Form 1, Page 117, Line 64c Form 1, Page 117, Line 65c Form 1, Page 117, Line 66c Sum Lines 10, 11, 12 Minus Lines 13 & 14	9 10 11 12 13 14 15
15 16 17	1 = LTD interest (p117, sum of Line56c thru Line60c, details on p257))  Cost of Long-Term Debt	4 75%	Line 15 / Line 7	16 17
18 19 20 21 22 23	Preferred Equity Component PF = Preferred Stock - Acct 204 (p112 3c) d(pf) = Total Dividends Declared-Preferred Stocks (Acct 437) (p118 29c) Cost of Preferred Equity	\$ - \$ 3,615 0 00%	Form 1, Page 112, Line 3c Form 1, Page 118, Line 29c Line 21 / Line 20	18 19 20 21 22 23
24 25 26 27 28 29	Common Equity Component Proprietary Capital (p112 16c) (Less) Preferred Stock - Acct 204 (p112 3c) (Less) Unappropriated Undistributed Subsidiary Earnings (Acct 216 1) (p112 12c) (Less) Accumulated Other Comprehensive Income (Acct 219) (p112 15c) CS = Common Stock	\$ 4,629,716 - - - 9,010 \$ 4,620,706	Form 1, Page 112, Line 16c Form 1, Page 112, Line 3c Form 1, Page 112, Line 12c Form 1, Page 112, Line 15c Line 25 Minus Lines 26, 27 & 28	24 25 26 27 28 29 30
30 31 32 33	Return on Common Equity  (a) (b) (c)  Cap Struct Cost of	$\frac{10.05\%}{\text{(d) = (b) x (c)}}$ Weighted	Offer of Settlement in FERC Docket No ER13-941-001	31 32 33
34 35	Weighted Cost of Capital Amount 1 Ratio Capital	Cost of Capital 2 22%	Col C = Line 17 Above	34 35 36
36 37 38 39	Long-Term Debt       \$ 4,039,802       46 65%       4 75%         Preferred Equity       -       0 00%       0 00%         Common Equity       4,620,706       53 35%       10 05%         Total Capital       \$ 8,660,508       100 00%	0 00% 5 36% 7 58%	Col C = Line 22 Above Col C = Line 31 Above Sum Lines 36 thru 38	37 38 39
40 41 42	Cost of Equity Component (Preferred & Common)	5 36%	Sum Lines 37, 38, Col (d)	40 41 42
43 44 45 46 47	Incentive Return on Common Equity 2           (a)         (b)         (c)           Cap Struct         Cost of           Weighted Cost of Capital         Amount 1         Ratio         Capital	0 00% (d) = (b) x (c) Weighted Cost of Capital	Stmt AV WP, Page AV-1, Line 1	43 44 45 46 47
48 49 50 51 52	Long-Term Debt         \$ 4,039,802         46 65%         4 75%           Preferred Equity         -         0 00%         0 00%           Common Equity         4,620,706         53 35%         0 00%           Total Capital         \$ 8,660,508         100 00%	2 22% 0 00% 0 00% 2 22%	Col C = Line 17 Above Col C = Line 22 Above Col C = Line 44 Above Sum Lines 49 thru 51	48 49 50 51 52 53
53 54	Incentive Cost of Equity Component (Preferred & Common)	0 00%	Sum Lines 50, 51, Col (d)	54

<sup>&</sup>lt;sup>1</sup> Amount is based upon December 31 balances

The Incentive Return on Common Equity will be tracked and shown separately for each project. As a result, lines 44 through 54 will be repeated for each project.

ROE is pursuant to SDG&E's TO4 Formula Offer of Settlement in Docket No ER13-941-001

Information from Statement AV is used in Statement BK Section 2, Page 4 of 7 to derive Return plus Federal and State Income Tax applicable to Common and General ADIT allocated to Citizens

#### SAN DIEGO GAS AND ELECTRIC COMPANY

### Statement AV Cost of Capital and Fair Rate of Return Base Period 12 - Months Ending December 31, 2013 (\$1,000)

#### For Illustrative Purposes Only

Lıne				Line
No	-	 Amounts	Reference	No
1	Cost of Capital Rate (COCR) Calculation			1
2	Cost of Capital Rate (COCR) Calculation			2
3	a Federal Income Tax Component			3
4	a rederal income tax component			4
5	Where			5
6	A = Sum of Preferred Stock and Return on Equity Component	5 36%	Stmnt AV WP, Page AV1, Line 41	6
7	B = Trans Related Amort of ITC and Excess Deferred Tax Liab	\$ 570	Statement AR, Page 12, Line 5	7
8	C = Equity AFUDC Component of Transmission Depreciation Expense <sup>1</sup>	\$ 4,325	Stmt AV WP, Page AV-1, Line 4	8
9	D = Transmission Rate Base	\$ 2,866,791	See Citizens Transmission Rate Base WP	9
10	FT = Federal Income Tax Rate @ 35%	35 00%	Federal Income Tax Rate	10
11				11
12	Federal Income Tax = $(((A) + (C/D)) * FT) - (B/D)$	2 9368%	Federal Income Tax Expense	12
13	(1 - FT)			13
14				14
15	B State Income Tax Component			15
16	TVI			16
17	Where	5.260/	O AXXXXID D AXX1 I 41	17
18	A = Sum of Preferred Stock and Return on Equity Component	5 36%	Stmnt AV WP, Page AV1, Line 41	18
19	B = Equity AFUDC Component of Transmission Depreciation Expense	\$ 4,325	Line 8 Above	19
20	C = Transmission Rate Base	\$ 2,866,791	Statement BK1, Page 2, Line 26	20
21	FT = Federal Income Tax Expense	2 9368% 8 84%	Line 12 Above State Income Tax Rate	21
22 23	ST = State Income Tax Rate @ 8 84%	8 84%	State income Tax Rate	22 23
24	State Income Tax = $((A) + (B / C) + Federal Income Tax)*(ST)$	0 8192%	State Income Tax Expense	23 24
25	State medicine Tax = $\frac{((A) + (B + C) + \text{Federal medicine Tax})}{(1 - \text{ST})}$	0 819270	State meonic Tax Expense	25
26	(1 - 51)			26
27	C Total Federal & State Income Tax Rate	3 7560%	Sum Lines 12, 24	27
28	2 John 2 Date Moonto Int. Amb	2 ,20070	to to an a manager and and	28
29	D Total Weighted Cost of Capital	7 5800%	Stmnt AV WP, Page AV1, Line 39	29
30		 	, ,	30
31	E Cost of Capital Rate (COCR)	 11 3360%	Sum Lines 27, 29	31

Line 8 - embedded in the Equity AFDUC Component of Transmission Depreciation Expense of \$4 3M is the Equity AFUDC of \$149 4K associated with Citizens Portion of the Border East Line (see WP- AV3)

	Sa	nn Diego Gas & Electric Comp	pany	······································			
	TO4-Cycle 2 Annual Tranmission Formula Filing						
	Transmissio	on Depreciation Expense on A	AFUDC Equity				
	Base	Period Ending December 31	., 2013				
12							
Line No.	Description			Amount	Line No.		
1	Citizens' Allocation Ratio Calculation:			Amount	1		
2					2		
3	Citizen's Lease of Sunrise Power Link			\$ 85,194,000	3		
4					4		
5	Total Sunrise Power Link Spend Less 350, 108.4 and O&M			\$ 1,684,952,033	5		
6					6		
7	Citizen's / Total Sunrise Power Link Spend Less 350, 108.4 and O	D&M		5.0562%	7		
8					8		
9				, -	9		
10	2013 - BASE PERDIOD TOTAL ONLY:	1/1/2013 - 12/31/2013		1/1/2013 - 12/31/2013	10		
11	Voor	Sunrise Depr Exp on AFUDC Equity	Citizens' Sunsire Ratio	Depr Exp on AFUDC Equity  Assoc with Citizen's	4.4		
11	Year				11		
12 13	2010	\$ 1,487.45	5.0562%	\$ 75.21	12		
14	2011	22,272.69	5.0562%	1,126.14	13 14		
15	2011	22,272.03	3.036276	1,120.14	15		
16	2012	2,916,065.39	5.0562%	147,441.16	16		
17			3.030270	117,111.10	17		
18	2013	15,311.47	5.0562%	774.17	18		
19			•		19		
20	Total Sunrise Depr Exp on AFUDC Equity	\$ 2,955,136.99		\$ 149,416.68	20		
20					21		
21					21		
	Total Depr Exp on AFUDC Equity Assoc with Citizen's			\$ 149,416.68	22		
21	Total Depr Exp on AFUDC Equity Assoc with Citizen's			\$ 149,416.68			

# Derivation of Citizens Transmission Rate Base Workpaper

### San Diego Gas & Electric Company Derivation of End Use Transmission Rate Base For the Base Period Ending December 31, 2013 (\$1,000)

#### For Illustrative Purposes Only

Net Transmission Rate Base:   1   Net Transmission Plant   2   Transmission Plant   2   Transmission Plant   2   Transmission Related Electric Miscellaneous Intangible Plant   8,319   Page 2 of 2, Line 16   2   3   4   Transmission Related Electric Miscellaneous Intangible Plant   17,475   Page 2 of 2, Line 17   3   4   Transmission Related General Plant   17,475   Page 2 of 2, Line 19   5   5   Transmission Related General Plant   29,983   Page 2 of 2, Line 19   5   5   7   7   7   7   7   7   7   7	Line		A ma asserta	Reference	Line No
NetTransmission Plant	NO	A. Derivbation of Transmission Rate Base:	Amounts	Reference	NO
Transmission Plant   S					
Transmission Related Electric Miscellaneous Intangible Plant	1				
Transmission Related General Plant   17,475   Page 2 of 2, Line 18   4   5   Transmission Related Common Plant   29,983   Page 2 of 2, Line 19   5   6   Total Net Transmission Plant   29,983   Page 2 of 2, Line 19   6   7   7   7   7   7   7   7   7   7	_				
Transmission Related Common Plant   29.983   Page 2 of 2, Line 19   6   7   7   7   7   7   7   7   7   7	3	· · · · · · · · · · · · · · · · · · ·	•		
Total Net Transmission Plant   S 3,166,595   Sum Lines 2 thru 5   6   7   7   8   Rate Base Additions   S 5,973   Statement AG, Pg AG, Line 1   9   9   10   Transmission Plant Abeld for Future Use   S 5,973   Sum Lines 9 thru 10   11   11   11   12			-		-
Rate Base Additions         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$         \$	-				_
8 Rate Base Additions         \$ 5,973         Statement AG, Pg AG, Line 1         9           9 Transmission Plant Held for Future Use         5,973         Misc Stint, Pg Misc Statement, Line 4         10           10 Transmission Plant Abandoned Project Cost         -         Misc Stint, Pg Misc Statement, Line 4         10           11 Total Rate Base Additions         5,973         Sum Lines 9 thru 10         11           12 Transmission Related Accum Def Inc Taxes         13         14         Transmission Related Accum Def Inc Taxes         13           14 Transmission Related Accum Def Inc Taxes         -         Statement AF, Pg AF, Col (c), Line 5         14           15 Transmission Related Abandoned Accum Def Inc Taxes         3 (354,076)         Statement AF, Pg AF, Col (c), Line 10         15           16 Total Rate Base Reductions         2 (354,076)         Statement AF, Pg AF, Col (c), Line 10         15           17 Transmission Related Materials and Supplies         2 (354,076)         Statement AL, Pg AL, Line 5         19           18 Transmission Related Prepayments         2 (3,34)         Statement AL, Pg AL, Line 5         19           20 Transmission Related Propayments         2 (3,42)         Statement AL, Pg AL, Line 5         19           21 Transmission Related Propayments         2 (3,42)         Statement AL, Pg AL, Line 19         21		Total Net Transmission Plant	- \$ 3,166,595	Sum Lines 2 thru 5	
Params	-				
Transmission Plant Abandoned Project Cost   S	8				
Total Rate Base Additions	9		\$ 5,973		
Rate Base Reductions			н		
Rate Base Reductions		Total Rate Base Additions	\$ 5,973	Sum Lines 9 thru 10	
Transmission Related Accum Def Inc Taxes	12				
Transmission Plant Abandoned Accum Def Inc Taxes   -   Statement AF, Pg AF, Col (c), Line 10   15   16   Total Rate Base Reductions   \$ (354,076)   Sum Lines 14 thru 15   16   17   17   18   Working Capital   17   18   Working Capital   18   19   Transmission Related Materials and Supplies   \$ 21,835   Statement AL, Pg AL, Line 5   19   19   19   19   19   19   19	13				-
Total Rate Base Reductions   \$ (354,076)   Sum Lines 14 thru 15   16   17   18   Working Capital   17   18   Working Capital   18   18   18   19   Transmission Related Materials and Supplies   \$ 21,835   Statement AL, Pg AL, Line 5   19   19   19   19   19   19   19	14		\$ (354,076)		
17	15	Transmission Plant Abandoned Accum Def Inc Taxes		, , , , , ,	
Norking Capital   18   18   19   19   19   19   19   19	_	Total Rate Base Reductions	\$ (354,076)	Sum Lines 14 thru 15	
Transmission Related Materials and Supplies   \$21,835   Statement AL, Pg AL, Line 5   19     Transmission Related Prepayments   13,253   Statement AL, Pg AL, Line 9   20     Transmission Related Cash Working Capital   13,211   Statement AL, Pg AL, Line 19   21     Total Working Capital   \$48,299   Sum Lines 19 thru 21   22     Total Working Capital					
Transmission Related Prepayments 13,253 Statement AL, Pg AL, Line 9 20 Transmission Related Cash Working Capital 13,211 Statement AL, Pg AL, Line 19 21 Total Working Capital \$48,299 Sum Lines 19 thru 21 22 Total Working Capital - Misc Stmt, Pg Misc Statement, Line 7 24 Other Regulatory Assets/Liabilities - Misc Stmt, Pg Misc Statement, Line 7 24 Total Transmission Rate Base \$2,866,791 Sum Lines 6, 11, 16, 22, 24 26 Total Transmission Rate Base \$2,866,791 Sum Lines 6, 11, 16, 22, 24 26 Total Transmission Plant 1 \$ S - Page 2 of 2, Line 25 29 Incentive Transmission Plant Accum Def Income Taxes - Statement AF, Pg AF, Col (c), Line 8 30 Total Incentive ROE Project Transmission Rate Base \$ S - Sum Lines 29 thru 30 31 Total Incentive Transmission Plant Abandoned Project Rate Base: 3 Statement AF, Pg AF, Col (c), Line 10 34 Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes - Statement AF, Pg AF, Col (c), Line 10 34 Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes - Statement AF, Pg AF, Col (c), Line 12 35 Total Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes - Statement AF, Pg AF, Col (c), Line 12 35 Total Incentive Transmission Plant Abandoned Project Cost Rate Base \$ S - Statement AF, Pg AF, Col (c), Line 12 35 Total Incentive Transmission Plant Abandoned Project Cost Rate Base \$ S - Statement AF, Pg AF, Col (c), Line 12 35 Total Incentive Transmission Plant Abandoned Project Cost Rate Base \$ S - Statement AF, Pg AF, Col (c), Line 12 35					
Transmission Related Cash Working Capital  Total Uncertive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes  Total Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes  Total Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Wiscontine Plant Abandoned Project Cost Accum Def Inc Taxes  Total Wiscontine Plant Abandoned Project Cost Accum Def Inc Taxes  Total Wiscontine Plant Abandoned Project Cost Accum Def Inc Taxes  Total Wiscontine Plant Abandoned Project Cost A	19		,		
Total Working Capital  Total Working Capital  Total Transmission Rate Base  Total Transmission Rate Base  B. Incentive ROE Project Transmission Rate Base:  Net Incentive Transmission Plant Accum Def Income Taxes  Incentive ROE Project Transmission Rate Base  Total Incentive ROE Project Transmission Rate Base  Total Incentive ROE Project Transmission Rate Base  Total Incentive Transmission Plant Abandoned Project Rate Base:  Total Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes  Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes  Total Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes  Total Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes  Total Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes  Total Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant A					
23 24 Other Regulatory Assets/Liabilities  — Misc Stmt, Pg Misc Statement, Line 7 24 25 26 Total Transmission Rate Base  27 28 B. Incentive ROE Project Transmission Rate Base:  28 29 Net Incentive Transmission Plant Accum Def Income Taxes  30 Incentive ROE Project Transmission Rate Base  31 Total Incentive ROE Project Transmission Rate Base  32 C. Incentive Transmission Plant Abandoned Project Rate Base:  33 C. Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes  34 Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes  35 Total Incentive Transmission Plant Abandoned Project Cost Rate Base  36 Total Incentive Transmission Plant Abandoned Project Cost Rate Base  37 Total Incentive Transmission Plant Abandoned Project Cost Rate Base  38 Sum Lines 34 thru 35 39 Sum Lines 34 thru 35 30 Sum Lines 34 thru 35 30 Sum Lines 34 thru 35 30 Sum Lines 34 thru 35 31 Sum Lines 34 thru 35 32 Sum Lines 34 thru 35 36 Total Incentive Transmission Plant Abandoned Project Cost Rate Base  39 Sum Lines 34 thru 35 30 Sum Lines 34 thru 35 31 Sum Lines 34 thru 35 31 Sum Lines 34 thru 35 32 Sum Lines 34 thru 35 33 Sum Lines 34 thru 35 34 Sum Lines 34 thru 35 35 Sum Lines 34 thru 35 36 Sum Lines 34 thru 35		Transmission Related Cash Working Capital			
Other Regulatory Assets/Liabilities  - Misc Stmt, Pg Misc Statement, Line 7 24 25 26 Total Transmission Rate Base  8 2,866,791 Sum Lines 6, 11, 16, 22, 24 26 27 28 B. Incentive ROE Project Transmission Rate Base: 28 29 Net Incentive Transmission Plant Accum Def Income Taxes 30 Incentive Transmission Plant Accum Def Income Taxes 31 Total Incentive ROE Project Transmission Rate Base 32 C. Incentive Transmission Plant Abandoned Project Rate Base: 33 C. Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes 34 Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes 35 Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes 36 Total Incentive Transmission Plant Abandoned Project Cost Rate Base 37 Sum Lines 34 thru 35 36 Total Incentive Transmission Plant Abandoned Project Cost Rate Base 38 Sum Lines 34 thru 35 39 Sum Lines 34 thru 35 30 Sum Lines 34 thru 35 30 Sum Lines 34 thru 35 31 Sum Lines 34 thru 35 32 Sum Lines 34 thru 35 33 Sum Lines 34 thru 35 34 Sum Lines 34 thru 35 35 Sum Lines 34 thru 35 36 Sum Lines 34 thru 35 37 Sum Lines 34 thru 35	22	Total Working Capital	<u>\$ 48,299</u>	Sum Lines 19 thru 21	22
25 26 Total Transmission Rate Base 27 28 B. Incentive ROE Project Transmission Rate Base: 28 29 Net Incentive Transmission Plant Accum Def Income Taxes 30 Incentive ROE Project Transmission Rate Base 31 Total Incentive ROE Project Transmission Rate Base 32 C. Incentive Transmission Plant Abandoned Project Rate Base: 33 C. Incentive Transmission Plant Abandoned Project Cost 34 Incentive Transmission Plant Abandoned Project Cost 35 Incentive Transmission Plant Abandoned Project Cost 36 Total Incentive Transmission Plant Abandoned Project Cost Rate Base 37 Sum Lines 34 thru 35 36 Total Incentive Transmission Plant Abandoned Project Cost Rate Base 37 Sum Lines 34 thru 35 36 Total Incentive Transmission Plant Abandoned Project Cost Rate Base 37 Sum Lines 34 thru 35 36 Total Incentive Transmission Plant Abandoned Project Cost Rate Base 38 Sum Lines 34 thru 35 39 Sum Lines 34 thru 35 30 Sum Lines 34 thru 35 31 Sum Lines 34 thru 35	23				23
Total Transmission Rate Base  Total Transmission Rate Base  Sum Lines 6, 11, 16, 22, 24  26  27  28  B. Incentive ROE Project Transmission Rate Base:  Page 2 of 2, Line 25  Pag	24	Other Regulatory Assets/Liabilities		Misc Stmt, Pg Misc Statement, Line 7	24
27 28 B. Incentive ROE Project Transmission Rate Base:  28 29 Net Incentive Transmission Plant 1  30 Incentive Transmission Plant Accum Def Income Taxes  31 Total Incentive ROE Project Transmission Rate Base  32 Statement AF, Pg AF, Col (c), Line 8  33 C. Incentive Transmission Plant Abandoned Project Rate Base:  34 Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes  35 Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes  36 Total Incentive Transmission Plant Abandoned Project Cost Rate Base  37 Sum Lines 34 thru 35  38 Sum Lines 34 thru 35  39 Sum Lines 34 thru 35  30 Sum Lines 34 thru 35  31 Sum Lines 34 thru 35  32 Sum Lines 34 thru 35	25				
28B. Incentive ROE Project Transmission Rate Base:2829Net Incentive Transmission Plant I\$ - Page 2 of 2, Line 252930Incentive Transmission Plant Accum Def Income Taxes- Statement AF, Pg AF, Col (c), Line 83031Total Incentive ROE Project Transmission Rate Base\$ - Sum Lines 29 thru 3031323233C. Incentive Transmission Plant Abandoned Project Rate Base:3234Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes- Misc Stmt, Pg Misc Statement, Line 103535Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes- Statement AF, Pg AF, Col (c), Line 123536Total Incentive Transmission Plant Abandoned Project Cost Rate Base\$ - Sum Lines 34 thru 353637Total Incentive Transmission Plant Abandoned Project Cost Rate Base\$ - Sum Lines 34 thru 3536	26	Total Transmission Rate Base	\$ 2,866,791	Sum Lines 6, 11, 16, 22, 24	26
Net Incentive Transmission Plant I  Net Incentive Transmission Plant I  Net Incentive Transmission Plant Accum Def Income Taxes  Incentive Transmission Plant Accum Def Income Taxes  Total Incentive ROE Project Transmission Rate Base  Sum Lines 29 thru 30  Incentive Transmission Plant Abandoned Project Rate Base:  Incentive Transmission Plant Abandoned Project Cost  Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Sum Lines 34 thru 35  36  37	27				27
Incentive Transmission Plant Accum Def Income Taxes   - Statement AF, Pg AF, Col (c), Line 8   30     Total Incentive ROE Project Transmission Rate Base   \$ - Sum Lines 29 thru 30   31     32   33   C. Incentive Transmission Plant Abandoned Project Rate Base:   33     Incentive Transmission Plant Abandoned Project Cost   \$ - Misc Stmt, Pg Misc Statement, Line 10   34     Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes   - Statement AF, Pg AF, Col (c), Line 12   35     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35   36     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35   36     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35   36     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35   36     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35   36     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35   36     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35     Total Incentive Transmission Pla	28	B. Incentive ROE Project Transmission Rate Base:			28
Incentive Transmission Plant Accum Def Income Taxes   - Statement AF, Pg AF, Col (c), Line 8   30     Total Incentive ROE Project Transmission Rate Base   \$ - Sum Lines 29 thru 30   31     32   33   C. Incentive Transmission Plant Abandoned Project Rate Base:   33     Incentive Transmission Plant Abandoned Project Cost   \$ - Misc Stmt, Pg Misc Statement, Line 10   34     Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes   - Statement AF, Pg AF, Col (c), Line 12   35     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35   36     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35   36     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35   36     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35   36     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35   36     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35   36     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35     Total Incentive Transmission Plant Abandoned Project Cost Rate Base   \$ - Sum Lines 34 thru 35     Total Incentive Transmission Pla	29	Net Incentive Transmission Plant 1	\$ -	Page 2 of 2. Line 25	29
Total Incentive ROE Project Transmission Rate Base  Total Incentive ROE Project Transmission Rate Base  Total Incentive Transmission Plant Abandoned Project Rate Base:  Incentive Transmission Plant Abandoned Project Cost  Total Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base  Total Incentive Transmission Plant Abandoned Project Cost Rate Base	30	Incentive Transmission Plant Accum Def Income Taxes	<u>-</u>		30
32 33 C. Incentive Transmission Plant Abandoned Project Rate Base: 33 Incentive Transmission Plant Abandoned Project Cost 34 Incentive Transmission Plant Abandoned Project Cost 35 Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes 36 Total Incentive Transmission Plant Abandoned Project Cost Rate Base 37 Sum Lines 34 thru 35 38 Sum Lines 34 thru 35 39 Sum Lines 34 thru 35 30 Sum Lines 34 thru 35	31		\$ -		31
33C. Incentive Transmission Plant Abandoned Project Rate Base:3334Incentive Transmission Plant Abandoned Project Cost\$ -Misc Stmt, Pg Misc Statement, Line 103435Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes-Statement AF, Pg AF, Col (c), Line 123536Total Incentive Transmission Plant Abandoned Project Cost Rate Base\$ -Sum Lines 34 thru 353637					32
34 Incentive Transmission Plant Abandoned Project Cost     \$ -     Misc Statement, Line 10     34       35 Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes     -     Statement AF, Pg AF, Col (c), Line 12     35       36 Total Incentive Transmission Plant Abandoned Project Cost Rate Base     \$ -     Sum Lines 34 thru 35     36       37		C. Incentive Transmission Plant Abandoned Project Rate Base:			33
35 Incentive Transmission Plant Abandoned Project Cost Accum Def Inc Taxes 36 Total Incentive Transmission Plant Abandoned Project Cost Rate Base 37 Statement AF, Pg AF, Col (c), Line 12 35 36 37 37	34		\$ -	Misc Stmt, Pg Misc Statement, Line 10	34
36 Total Incentive Transmission Plant Abandoned Project Cost Rate Base \$ - Sum Lines 34 thru 35 36 37			· -		35
37			\$ -		36
		·····	<del>- · · · · · · · · · · · · · · · · · · ·</del>		
38 D. Incentive Transmission Construction Work In Progress 2 S - N/A 38		D. Incentive Transmission Construction Work In Progress <sup>2</sup>	\$ -	N/A	38

<sup>1</sup> The Incentive ROE Transmission Plant will be tracked and shown for each incentive project and lines 29 through 31 will be repeated for each project 2 Incentive CWIP projects will be tracked separately and line 38 will be shown for each project

#### San Diego Gas & Electric Company Derivation of End Use Transmission Rate Base For the Base Period Ending December 31, 2013 (\$1,000)

#### For Illustrative Purposes Only

Line				Line
No		Amounts	Reference	No
	A. Derivation of Net Transmission Plant:			
1	Gross Transmission Plant			1
2	Transmission Plant	\$ 3,738,157	Statement AD, Pg AD, Line 19	2
3	Transmission Related Electric Misc Intangible Plant	9,980	Statement AD, Pg AD, Line 31	3
4	Transmission Related General Plant	29,149	Statement AD, Pg AD, Line 33	4
5	Transmission Related Common Plant	59,017	Statement AD, Pg AD, Line 35	5
6	Total Gross Transmission Plant	\$ 3,836,303	Sum Lines 2 thru 5	6
7	Total Olobo Timidinibologi Timin		2 4 2 2 · · · · · ·	7
8	Transmission Related Depreciation Reserve			8
9	Transmission Plant Depreciation Reserve	\$ 627,339	Statement AE, Pg AE, Line 1	9
10	Transmission Related Electric Misc Intangible Plant Amortization Reserve	1,661	Statement AE, Pg AE, Line 11	10
11	Transmission Related General Plant Depr Reserve	11,674	Statement AE, Pg AE, Line 13	11
12	Transmission Related Common Plant Depr Reserve	29,034	Statement AE, Pg AE, Line 15	12
13	Total Transmission Related Depreciation Reserve	\$ 669,708	Sum Lines 9 thru 12	13
14	•			14
15	Net Transmission Plant			15
16	Transmission Plant	\$ 3,110,818	Line 2 Minus Line 9	16
17	Transmission Related Electric Miscellaneous Intangible Plant	8,319	Line 3 Minus Line 10	17
18	Transmission Related General Plant	17,475	Line 4 Minus Line 11	18
19	Transmission Related Common Plant	29,983	Line 5 Minus Line 12	19
20	Total Net Transmission Plant	\$ 3,166,595	Sum Lines 16 thru 19	20
21				21
22	B. Incentive Project Net Transmission Plant:			22
23	Incentive Transmission Plant 1	\$ -	N/A	23
24	Incentive Transmission Plant Depreciation Reserve 1	_	N/A	24
25	Total Net Incentive Transmission Plant	\$ -	Line 23 Minus Line 24	25

<sup>1</sup> The Incentive ROE Transmission Plant and depreciation reserve will be tracked and shown for each incentive project and lines 23 and 24 will be repeated for each proje

Non-Deductibility of Depreciation on Equity AFUDC Revenue Component

Workpaper

	Calculation of Revenue Requirement for Non-Deductibility of A	FUDC Equity		
			_	
Line		(x 1,000)		Line
No.	Description	Amount	Reference	No.
1	AFUDC embedded in the Lease Payment on the Border-East Line	8,358		1
2	AFUDC Equity Percentage as of July 2012	70.83%		2
3	AFUDC Equity Embedded in the Border-East Line	\$5,920	L1 X L2	3
4	Annual Depreciation Rate (30 year Lease)	3.33%	1 / 30 years	4
5	Annual Book Depreciation on AFUDC Equity	197.33	L3 X L4	5
6	Federal and State Combined Tax Rate	40.746%		6
7	Tax Cost of Non-Deductibility of AFUDC Equity	80	L5 X L6	7
8	Gross up Factor	1.680		8
9	Revenue Requirement	\$135.080	L7 X L8	9
10				10
11				11
12				12

# Base Period Statement AD - Cost of Plant Workpaper

Currently Effective

#### SAN DIEGO GAS AND ELECTRIC COMPANY

#### Statement AD - Workpapers

#### Cost of Plant For Illustrative Purpose Only Base Period 12 - Months Ending December 31, 2013 (\$1,000)

		`					
	31	(a) -Dec-12	31	(b) 1-Dec-13	` '	= [(a)+(b)]/2 rage Balance	Reference
, 1	\$	77,890	\$	93,154	\$	85,522	Stmt AD WP; Page AD1, Line 3

Line No		31	(a) 1-Dec-12	3	(b) 1-Dec-13		= [(a)+(b)]/2 erage Balance	Reference	Line No
1 2	Total Electric Miscellaneous Intangible Plant a, 1	\$	77,890	\$	93,154	\$	85,522	Stmt AD WP; Page AD1, Line 3	1 2
3	Total Steam Production Plant <sup>b</sup>						505,741	Stmt AD WP; Page AD2, Line 17	3 4
5 6	Total Nuclear Production Plant <sup>b</sup>						695,859	Stmt AD WP, Page AD3; Line 17	5 6
7 8	Total Hydraulic Production Plant <sup>b</sup>						-		7 8
9 10	Total Other Production Plant <sup>b</sup>						473,895	Stmt AD WP; Page AD4, Line 17	9 10
11 12	Total Production Plant and Intangible Plant						1,761,017	Sum Lines 1 thru 9	11 12
13 14	Total Distribution Plant <sup>a</sup>		5,002,109		5,209,303		5,105,706	Stmt AD WP; Page AD5; Line 3	13 14
15 16	Transmission Plant b, 2						3,738,157	Stmt AD WP; Page AD6, Line 19	15 16
17 18	Incentive Transmission Plant <sup>3</sup>						-		17 18
19 20	Total Transmission Plant & Incentive Transmission Plant						3,738,157	Sum Lines 15 thru 17	19 20
21 22	Total General Plant a, 1		232,594		266,956		249,775	Stmt AD WP, Page AD7, Line 3	21 22
23 24	Total Common Plant a, 1		477,436		533,999		505,717	Stmt AD WP; Page AD8, Line 3	23 24
25 26	Total Plant in Service						11,360,372	Sum Lines 11, 13, 19, 21; 23	25 26
27 28 29	Transmission Wages and Salaries Allocation Factor  Total Transmission Plant & Incentive Transmission Plant					\$	3,738,157	Statement AI, Line 21  See Line 19 Above	27 28 29
30 31	Transmission Related Electric Miscellaneous Intangible Plant	t				Ψ	9,980	Line 1 x Line 27	30 31
32 33	Transmission Related General Plant	•					29,149	Line 21 x Line 27	32 33
34 35	Transmission Related Common Plant						59,017	Line 23 x Line 27	34 35
36 37	Transmission Related Total Plant in Service					\$	3,836,303	Sum Lines 29, 31, 33, 35	36 37
38 39	Transmission Plant Allocation Factor <sup>4</sup>						33.77%	Line 37 / Line 25	38 39

The balances for Electric Miscellaneous Intangible, Distribution, General and Common plant are derived based on a simple average balance using beginning and ending year balances

The balances for Steam, Nuclear, Hydraulic, Other Production, and Transmission plant are derived based on a 13-month average balance.

Electric Miscellaneous Intangible Plant, General Plant, and Common Plant are not affected by the "Seven-Element Adjustment Factor" because there's no transfer of transmission or distribution plant among these categories.

The amounts stated above are ratemaking utility plant in service and a result of implementing the "Seven-Element Adjustment Factor" which reflects transfers between generation and distribution functions

The purpose of this footnote is to indicate for incentive projects the cost of the project.

Used to allocate all elements of working capital, other than working cash.

(\$1,000)

#### **INTANGIBLE PLANT**

Line No.		Adjusted FERC Intangible Plant Balance	Reference From	Line No.
1	Dec-12	77,890	I-wp2	1
2	Dec-13	93,154	I-wp1	2
3	Beginning and End Period Average	85,522		3

#### **STEAM PRODUCTION**

		(1) Total		(2) Steam		
Line	Month	Steam	Reference	Production	Reference	Line
No.	1011611	Production	From	Ratemaking	From	No.
110.		Per Book				
1	Dec-12	483,937	SP-wp2	498,210	SP-wp2	<b>□</b>   1
2	Jan-13	484,924	n	499,197	19	2
3	Feb	485,004		499,277	tr.	∥ 3
4	Mar	485,031	n	499,305	•	4
5	Apr	485,183	11	499,456	w w	5
6	May	493,168	w	507,441	**	6
7	Jun	493,363	п	507,636	**	7
8	Jul	493,253		507,526	"	8
9	Aug	493,709		507,982	w	9
10	Sep	492,101		506,375	"	∥ 10
11	Oct	496,705	•	510,978	n	11
12	Nov	497,582	u	511,856	и	12
13	Dec-13	505,116	SP-wp1	519,390	SP-wp1	_ 13
14	Total 13 Months	6,389,076		6,574,631		14
15						15
16						16
17	13-Month Average	491,467		505,741	Line 14 / 13 Months	17

#### **NUCLEAR PRODUCTION**

		(1) Total		(2) Nuclear		
Line	Month	Nuclear	Reference	Production	Reference	Line
No.		Production	From	Adjusted Book	From	No.
		Per Book				ll l
1	Dec-12	1,499,180	NP-wp2	1,505,124	NP-wp2	<b> </b>
2	Jan-13	1,501,122		1,507,066	u u	2
3	Feb	1,501,126		1,507,070	iri	3
4	Mar	1,502,892	**	1,508,836	n	4
5	Apr	1,503,070	**	1,509,014		5
6	May	1,503,116	'n	1,509,059	n	6
7	Jun	-	**	-	·	7
8	Jul	-	¥	-	••	8
9	Aug	] -	**	-	u	9
10	Sep	-	w	-	"	10
11	Oct	-	u	-	"	11
12	Nov	-	w	<b>-</b>	п	12
13	Dec-13	•	NP-wp1	-	NP-wp1	_ 13
4.4	T. I. I. 40 M II	0.040.500		0.040.400		
14	Total 13 Months	9,010,506		9,046,169		14
15						15
10						վ ՝Ց
16						16
						╣
17	13-Month Average	693,116		695,859	Line 14 / 13 Months	17
	_					

#### **OTHER PRODUCTION**

Line No.	Month	(1) Total Other Production Per Book	Reference From	(2) Other Production Ratemaking	Reference From	Line No.
1	Dec-12	508,362	OP-wp2	473,434	OP-wp2	<b>-</b>    ₁
2	Jan-13	508,685		473,757	"	2
3	Feb	508,575		473,102	**	3
4	Mar	508,660	er .	473,187	u u	4
5	Apr	511,624	**	473,478	11	5
	May	511,855		473,559	***	6
7	Jun	511,900		473,570	99	7
8	Jul	512,464		473,563	"	8
9	Aug	512,782	te	473,564	"	9
10	Sep	513,046	**	473,647	11	10
11	Oct	513,136	**	473,737		11
12	Nov	514,151	¥¥	473,916	"	12
13	Dec-13	518,525	OP-wp1	478,117	OP-wp1	13
14	Total 13 Months	6,653,763		6,160,631		_ 14
15						15
16						16
17	13-Month Average	511,828		473,895	Line 14 / 13 Months	17

#### **DISTRIBUTION PLANT**

Line No.	Month	(1) Total Distribution Plant Per Book	Reference From	(2) Distribution Plant Ratemaking	Reference From	Line No.
1	Dec-12	4,928,232	D-wp2	5,002,109	D-wp2	1
2	Dec-13	5,127,373	D-wp1	5,209,303	D-wp1	2
3	Beginning and End Period Average	5,027,802		5,105,706		3

#### TRANSMISSION PLANT

		(1) Total		(2) Transmission		
Line	Month	Transmission	Reference	Plant	Reference	Line
No.		Plant	From	Ratemaking	From	No.
		Per Book				
1	Dec-12	3,621,573	T-wp2	3,562,629	T-wp2	<b>□</b>    1
2	Jan-13	3,632,138	n	3,573,153	"	2
3	Feb	3,643,133	**	3,583,799	"	∥ 3
4	Mar	3,662,840	"	3,603,039	"	4
5	Арг	3,679,257	"	3,619,376	w	5
6	May	3,693,793	44	3,633,909	"	6
7	Jun	3,705,995	21	3,645,849	u	7
8	Jul	3,710,122		3,649,977	"	8
9	Aug	3,739,303	11	3,679,149	"	9
10	Sep	3,758,020	"	3,698,036	n	10
11	Oct	3,769,379	n	3,708,854	11	11
12	Nov	3,808,040	11	3,746,801	**	12
13	Dec-13	3,845,465	T-wp1	3,783,949	T-wp1	13
14	Total 13 Months	48,269,059		47,488,520		14
1-1	Total To Months	10,200,000		,,		
15						15
16				_		16
17	13-Month Average	3,713,005		3,652,963	Line 14 / 13 Months	17
18		н		85,194	See AD6-A	18
19				3,738,157	Line 17 + Line 18	19

Column 2 represents the monthly ratemaking plant balances for the base period. These plant balances reflect the amounts shifted between functions (transmission to distribution, transmission to generation, distribution to transmission, etc.) as required by FERC Order 888: Seven - Element Adjustment Factor.

(1) Col. 2, Line 17 ties to FERC Form 1 (see AD-9) 13-month average.

#### TRANSMISSION PLANT

		(1) Total		(2) Transmission		
Line	Month	Transmission	Reference	Plant	Reference	Lin
No.		Plant	From	Ratemaking	From	No
		Per Book				
1	Dec-12			85,194		<b>□</b>   1
2	Jan-13	11		85,194		2
3	Feb	1		85,194		3
4	Mar			85,194		4
5	Apr			85,194		5
6	May	il i		85,194		6
7	Jun	1		85,194		7
8	Jul	i i		85,194	į	8
9	Aug	<b>I</b>		85,194		9
10	Sep	11		85,194		10
11	Oct	1		85,194		11
12	Nov			85,194		12
13	Dec-13			85,194		_ 13
4.4	T 1-140 May 11-			4 407 500		
14	Total 13 Months			1,107,522	Sum (Lines 1 thru 13)	_  14
15						15
16	×1					16
10						ا '`
17	13-Month Average	o		85,194	Line 14 / 13 Months	17

Column 2, Line 17 represents the weighted average of \$85,194 Citizens Lease Amount for the term of service.

(\$1,000)

#### **GENERAL PLANT**

Line No.		Adjusted FERC General Plant Balance	Reference From	Line No.
1	Dec-12	232,594	G-wp2	1
2	Dec-13	266,956	G-wp1	2
3	Beginning and End Period Average	249,775		3

#### **COMMON PLANT**

Line No.	Month	Total Common Plant to Electric Per Book	Reference From	Line No.
1	Dec-12	477,436	C-wp2	1
2	Dec-13	533,999	C-wp1	2
3	Beginning and End Period Average	505,717		3

# Base Period Statement AF - Specified Deferred Credits Workpaper

Currently Effective

# SAN DIEGO GAS AND ELECTRIC COMPANY Statement AF - Workpapers Deferred Credits - For Illustrative Purposes Only Base Period 12 - Months Ending December 31, 2013

(\$1,000)	
-----------	--

Line No	, -	(a) 31-Dec-12	(b) 31-Dec-13	 [(a)+(b)]/2 age Balance	Reference	Line No
1 2	Allocated General and Common ADIT	\$ (2,571)	\$ (18,774)	\$ (10,673)	Form 1; Pg. 450.1; Sch. Pg. 274; Ln 2; Cols. b and k	1 2
3				-		3
4						4
5	Total General/Common Transmission Related ADIT	\$ (2,571)	\$ (18,774)	\$ (10,673)	Sum of Lines 1 thru 3	5
6		<u> </u>				6

Citizens Income Accumulated Deferred Income Tax Comparison With and Without Bonus Depreciation Base Period 12 Months Ending December 31, 2013 1,000's

A B C D E F

12/31/2012 12/31/2013

			_ ,		_		1 1
			Federal	Federal	State	Net	Line
Description		ADIT	ADTL	ADTA	ADIT	ADIT	No.
unrise With Bonus D		(117,870)	(450,243)	311,919	(3,294)	(141,618)	1
							2
Sunrise Without Bonus D		(19,120)	(57,193)	-	(3,294)	(60,487)	3
	_						4
Difference With and Without Bonus Depre.	(L1 - L3)	(98,750)	(393,050)	311,919	-	(81,131)	5
							6
					_		7
					_	-	8
Citizens With Bonus D		(7,032)	(24,944)	15,287	(138)	(9,795)	9
							10
Citizens Without Bonus D		(995)	(2,730)		(138)	(2,868)	11
	<del>-</del>						12
Difference With and Without Bonus Depre.	(L9 - L11)	(6,037)	(22,214)	15,287	-	(6,927)	13
·				·		-	
	unrise With Bonus D  unrise Without Bonus D  ifference With and Without Bonus Depre.  itizens With Bonus D  itizens Without Bonus D	unrise With Bonus D  unrise Without Bonus D  ifference With and Without Bonus Depre. (L1 - L3)  itizens With Bonus D  itizens Without Bonus D	unrise With Bonus D (117,870)  unrise Without Bonus D (19,120)  ifference With and Without Bonus Depre. (L1 - L3) (98,750)  itizens With Bonus D (7,032)  itizens Without Bonus D (995)	unrise With Bonus D (117,870) (450,243)  unrise Without Bonus D (19,120) (57,193)  ifference With and Without Bonus Depre. (L1 - L3) (98,750) (393,050)  itizens With Bonus D (7,032) (24,944)  itizens Without Bonus D (995) (2,730)	unrise With Bonus D (117,870) (450,243) 311,919 unrise Without Bonus D (19,120) (57,193) - ifference With and Without Bonus Depre. (L1 - L3) (98,750) (393,050) 311,919 itizens With Bonus D (7,032) (24,944) 15,287 itizens Without Bonus D (995) (2,730)	unrise With Bonus D (117,870) (450,243) 311,919 (3,294)  unrise Without Bonus D (19,120) (57,193) - (3,294)  ifference With and Without Bonus Depre. (L1 - L3) (98,750) (393,050) 311,919 -  itizens With Bonus D (7,032) (24,944) 15,287 (138)  itizens Without Bonus D (995) (2,730) (138)	unrise With Bonus D (117,870) (450,243) 311,919 (3,294) (141,618) (19,120) (57,193) - (3,294) (60,487) (60,487) (141,618) (19,120) (141,618) (19,120) (141,618) (19,120) (141,618) (19,120) (141,618) (19,120) (141,618) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (19,120) (1

#### Legend:

ADIT = Accumulated Deferred Income Tax

ADTL = Accumulated Deferred Tax Liability

ADTA = Accumulated Deferred Tax Asset

1. For further explanation of these calculations see R.Rose testimony in Docket No. ER12-14-17-000 filed March 30, 2012.

Base Period

Statement AH
Operations and Maintenance

Expenses

Workpaper

**Currently Effective** 

#### SAN DIEGO GAS AND ELECTRIC COMPANY

#### Statement AH - Workpapers

#### Derivation of Transmission Plant Property Insurance Allocation Factor Base Period 12 - Months Ending December 31, 2013 (\$1,000)

#### For Illustrative Purposes Only

Line				Line
No	_	Amounts	Reference	No
1	Derivation of Transmission Plant Property Insurance Allocation Factor:			1
2	Transmission Plant & Incentive Transmission Plant	\$ 3,738,157	Stmnt AD WP; Page AD; Line 29	2
3	Transmission Related Electric Miscellaneous Intangible Plant	0	Shall be Zero	3
4	Transmission Related General Plant	29,149	Stmnt AD WP, Page AD; Line 33	4
5	Transmission Related Common Plant	59,017_	Stmnt AD WP, Page AD, Line 35	5
6	Total Transmission Related Investment in Plant	\$ 3,826,323	Sum Lines 2 thru 5	6
7				7
8	Total Transmission Plant & Incentive Transmission Plant	\$ 3,738,157	Stmnt AD WP, Page AD, Line 29	8
9	Total Steam Production Plant	505,741	Stmnt AD WP, Page AD; Line 23	9
11	Total Nuclear Production Plant	0	Shall be Zero	11
10	Total Other Production Plant	473,895	Stmnt AD WP; Page AD; Line 9	10
12	Total Distribution Plant	5,105,706	Stmnt AD WP; Page AD, Line 13	12
13	Total General Plant	249,775	Stmnt AD WP, Page AD; Line 21	13
14	Total Common Plant	505,717	Stmnt AD WP; Page AD; Line 23	14
15	Total Plant in Service Excluding SONGS	\$ 10,578,991	Sum Lines 8 thru 14	15
16				16
17	Transmission Plant Property Insurance Allocation Factor <sup>1</sup>	36.17%	Line 6 / Line 15	17
18	• •			18
19	Total Property Insurance	\$ 7,450	See Page AH3, Line 6, Col D	19
20	Total Tropolog Indutation		,,	20
21	Property Insurance Allocated to Transmission, General, and Common Plant	\$ 2,695	Line 17 x Line 19	21
22				22
23				23

Used to allocate property insurance in conformance to TO3 settlement.

#### SAN DIEGO GAS AND ELECTRIC COMPANY

Electric Transmission O&M Expenses
12 Months Ending December 31, 2013
(\$1,000)

			(a)	(b)	(c)	(d) = (a) + (b) + (c)		$\Box$
Line	FERC		Total Per	Citizens 1	Excluded	Total		Line
No.	Acct	Description	FERC Form		Expenses	Adjusted	Reference	No.
1		Electric Transmission Operation	TERC Form	Anocateu Costs	Expenses	Aujusteu	Reference	1
2		Operation Supervision and Engineering	\$ 7,379		\$ -	\$ 7,379	Col (a) = Form 1, p 321, Line 83	2
3		Load Dispatch - Reliability	459		_	\$ 459	Col (a) = Form 1, p 321, Line 85	3
4		Load Dispatch - Monitor and Operate Transmission System	5,821	i	_		Col (a) = Form 1, p 321, Line 86	4
5		Load Dispatch - Transmission Service and Scheduling	3,021	i	_	ψ 5,021 -	Col (a) = Form 1, p 321, Line 87	5
-	_		9 21 4		(9.214)	1	Col (a) = Form 1, p 321, Line 88	6
6		Scheduling, System Control and Dispatch Services	8,314		(8,314)	-	Col (a) = Form 1, p 321, Line 89	7
7		Reliability, Planning and Standards Development	-	İ	-	-		8
8	561 6	Transmission Service Studies	-	•	_	-	Col (a) = Form 1, p 321, Line 90 Col (a) = Form 1, p 321, Line 91	9
9	561 7	Generation Interconnection Studies	1 127	<del> </del>	(1.127)	-	Col (a) = Form 1, p 321, Line 92	10
10	561 8	Reliability, Planning and Standards Development Services	1,137		(1,137)		1 1	1 1
11	562	Station Expenses	2,016		-		Col (a) = Form 1, p 321, Line 93	11
12		Overhead Line Expenses	5,575		-	3,373	Col (a) = Form 1, p 321, Line 94	12
13	564	Underground Line Expenses	-		-	-	Col (a) = Form 1, p 321, Line 95	13
14	565	Transmission of Electricity by Others	5,140		(5,140)		Col (a) = Form 1, p 321, Line 96	14
15	566	Misc Transmission Expenses	18,432		(5,097)		Col (a) = Form 1, p 321, Line 97	15
16	567	Rents	1,867		-		Col (a) = Form 1, p 321, Line 98	16
17		Total Transmission Operation	\$ 56,140	\$ 812	\$ (19,688)	\$ 37,264	Sum Lines 2 thru 16	17
18								18
19		Electric Transmission Maintenance				1		19
20	568	Maintenance Supervision and Engineering	826		-	E .	Col (a) = Form 1, p 321, Line 101	20
21	569	Maintenance of Structures	1		-	1	Col (a) = Form 1, p 321, Line 102	21
22	569 1	Maintenance of Computer Hardware	1,723		_	1,723	Col (a) = Form 1, p 321, Line 103	22
23	569 2	Maintenance of Computer Software	1,757		-	1,757	Col (a) = Form 1, p 321, Line 104	23
24	569 3	Maintenance of Communication Equipment	-		_	-	Col (a) = Form 1, p 321, Line 105	24
25	569 4	Maintenance of Misc Regional Transmission Plant	74		-	74	Col (a) = Form 1, p 321, Line 106	25
26	570	Maintenance of Station Equipment	6,443		-	6,443	Col (a) = Form 1, p 321, Line 107	26
27	571	Maintenance of Overhead Lines	28,655		-		Col (a) = Form 1, p 321, Line 108	27
28	572	Maintenance of Underground Lines	150		_	150	Col (a) = Form 1, p 321, Line 109	28
29	573	Maintenance of Misc Transmission Plant	90		-	90	Col (a) = Form 1, p 321, Line 110	29
30		Total Transmission Maintenance	\$ 39,719	\$ -	\$ -	\$ 39,719	Sum Lines 20 thru 29	30
31								31
32		Total Transmission O&M Expenses	\$ 95,859	\$ 812	\$ (19,688)	\$ 76,983	Line 17 + Line 30	32
33		*					1	33
34		<u> </u>	<u> </u>	<u> </u>			·	34
35	Evelude	Expenses (recovery method in parentheses)						35
36		Scheduling, System Control and Dispatch Services (ERRA)			\$ 8,314			36
37		Reliability, Planning and Standards Development Services (ERRA)	(A)		1,137			37
38		Transmission of Electricity by Others (ERRA)	)		5,140			38
39		Misc Transmission Expenses			5,140			39
40	200	<u>-</u>	\$ 2,439					40
1 1		ISO Grid Management Costs (ERRA)	3,815					41
41 42		Reliability Services (RS rates) Other (TRBAA, TACBAA)	(1,164		\$ 5,090			42
1 1			(1,104	•	\$ 3,090 7			43
43	TotalE	Sunrise dedication ceremony (a)		-		-		44
44	1 otal Ex	cluded Expenses			\$ 19,688	=		1 1
45		G 11 (			·			45
46	(a)	Sunrise dedication ceremony trailing charges in January 2013 is	excluded in the	transmission O&M	expenses sinc	e ratepayers are not		46
47		supposed to pay for it						47
48								48
49	1	Column b, line 15 represents Non-Direct O&M expenses billed	to Citizens dur	ng 2013 base period	equal to \$811,	,750 (see AH4, Col C,	line 5) that is added back	49
50		to derive 2013 Total O&M expenses						50
51								51
52								52
53								53

	SDG&E Transmission O&M Expenses												
ļ													
<u> </u>					12 Months Endin		mber 31	1, 2	2013				
			_		(5)	1,000)							1
													4
				1	2		3	<u> </u>	4	5	6		
								1	sum (col.1:col.3)		col. 4 + col. 5		1
								<u> </u>			Formula		<u> </u>
				2013				_		Less:	Adjusted		
Line	FERC		FER	RC Form 1	Citizens <sup>2</sup>	Exclu	uded 1		Total	Trans O&M 3	Transmission		Line
No.	Acct	Description		O&M	Allocated Costs	Exp	enses		Adjusted	Adjustments	O&M	Reference	No.
1		Electric Transmission Operation						<u> </u>					1
2	560	Operation Supervision and Engineering	\$	7,379		\$	-	\$	7,379		\$ 7,379	Col 6 = Stmt AH1, Col (d); Line 2	2
3	561 1	Load Dispatch - Reliability		459			-	\$	459		\$ 459	Col 6 = Stmt AH1, Col (d), Line 3	3
4	561.2	Load Dispatch - Monitor and Operate Transmission System		5,821			-	\$	5,821		\$ 5,821	Col 6 = Stmt AH1, Col (d), Line 4	4
5		Load Dispatch - Transmission Service and Scheduling	1	<u> </u>			-		-		\$ -	Col 6 = Stmt AH1, Col (d), Line 5	5
6		Scheduling, System Control and Dispatch Services		8,314			(8,314)		_		\$ -	Col 6 = Stmt AH1, Col (d), Line 6	6
7		Reliability, Planning and Standards Development		- 0,511			-		-		\$ -	Col 6 = Stmt AH1, Col (d), Line 7	7
8	561 6	Transmission Service Studies						H			\$ -	Col 6 = Stmt AH1, Col (d), Line 8	8
9	561 7	Generation Interconnection Studies					_	t			\$ -	Col 6 = Stmt AH1, Col (d), Line 9	9
10	561 8	Reliability, Planning and Standards Development Services		1,137			(1,137)	H	-		\$ -	Col 6 = Stmt AH1, Col (d), Line 10	10
11	562	Station Expenses		2,016		_	- (1,137)	$\vdash$	2,016	(2,016)	\$ -	Col 4 = Stmt AH1, Col (d), Line 11	11
12	563	Overhead Line Expenses		5,575	-		_	$\vdash$	5,575	(2,010)	Ψ	Col 6 = Stmt AH1, Col (d), Line 12	12
13	564	Underground Line Expenses		2,373				╁			\$ 5,575	Col 6 = Stmt AH1, Col (d), Line 13	13
14	565			5,140		-	(5,140)	├		<del></del>	\$ -	Col 6 = Stmt AH1, Col (d), Line 14	14
	<del>                                     </del>	Transmission of Electricity by Others			812		(5,140)	<u> </u>	14,147			Col 6 = Stmt AH1, Col (d), Line 15	15
15	566	Misc Transmission Expenses		18,432	812	ļ		<del> </del>	1.867				16
16	567	Rents		1,867		L .	- (10, (00)	_		(2.016)		Col 6 = Stmt AH1, Col (d), Line 16	
17		Total Transmission Operation	\$	56,140	\$ 812	2 (	(19,688)	2	37,264	\$ (2,016)	\$ 35,248	Sum Lines 2 thru 16	17
18								-	<b>T</b>				18
19		Reconciles to Page AH1; Col. (d); Line 17				1							19
20						ļ							20
_21		Electric Transmission Maintenance						_					21
22	568	Maintenance Supervision and Engineering		826		ļ .		<u> </u>	826		826	Col 6 = Stmt AH1, Col (d), Line 20	22
23	569	Maintenance of Structures		1		<u> </u>	-	_	1	(1)	-	Col $4 = Stmt AH1$ , Col $(d)$ , Line $21$	23
24	569 1	Maintenance of Computer Hardware		1,723			-	┖	1,723			Col $6 = Stmt AH1$ , Col (d), Line 22	24
25	569 2	Maintenance of Computer Software		1,757			-	$\perp$	1,757		1,757	Col $6 = Stmt AH1$ , Col (d), Line 23	25
26	569 3	Maintenance of Communication Equipment		-			-		-		-	Col 6 = Stmt AH1, Col (d), Line 24	26
27	569 4	Maintenance of Misc Regional Transmission Plant		74			-	L	74		74	Col 6 = Stmt AH1, Col (d), Line 25	27
28	570	Maintenance of Station Equipment		6,443					6,443	(6,443)	-	Col 4 = Stmt AH1, Col (d), Line 26	28
29	571	Maintenance of Overhead Lines		28,655			-		28,655	(28,655)	-	Col 4 = Stmt AH1, Col (d); Line 27	29
30	572	Maintenance of Underground Lines		150			-		150	(150)	-	Col 4 = Stmt AH1, Col (d); Line 28	30
31	573	Maintenance of Misc Transmission Plant		90			-		90		90	Col 6 = Stmt AH1, Col (d), Line 29	31
32		Total Transmission Maintenance	\$	39,719	\$ -	\$	-	\$	39,719	\$ (35,249)		Sum Lines 22 thru 31	32
33				<del></del>				Τ					33
34		Total Adjusted Transmission O&M Expenses	\$	95,859	\$ 812	\$ (	(19,688)	\$	76,983	\$ (37,265)	\$ 39,718	Line 17 + Line 32	34
35		•	-			Ť		Ť	7	<u> </u>			35
36			+			<del> </del>		╁	•				36
37		Reconciles to Page AH1; Col. (d); Line 32						1					37
38		Accondition to 1 age mill, Con (u), Diffe 32						Г					38
39			-	***		+		+					39
37	Į.	1	- 1		L	1				l			39

				-	
ootnot	e 1				
Colum	3 - Amounts Excluded From Formula Rate Recovery				
FERC			Where		
No	Name	Description	Recovered	Amount	Reference
561.4	Scheduling, System Control and Dispatch Services (ERRA) b1	ISO Grid Mgt	ERRA	\$ 8,314	Page AH1; Col. (c); Line 36
561.8	Reliability, Planning and Standards Development Services (ERRA) b2	ISO Grid Mgt	ERRA	1,137	Page AH1; Col. (c); Line 37
565	Transmission of Electricity by Others (ERRA) (a)	Boardman	ERRA	5,140	Page AH1; Col. (c); Line 38
566	Misc. Transmission Expenses:				
566.21	ISO Grid Management Costs (ERRA) b3	ISO Grid Mgt	ERRA	2,439	Page AH1; Col. (a); Line 40
566.22	Reliability Services (RS rates) b4	Reliability Services	RS	3,815	Page AH1; Col. (a); Line 41
566.23	Other (TRBAA, TACBAA) b5			\$ (1,164)	Page AH1; Col. (a); Line 42
566	Sunrise dedication ceremony (c)			7	Page AH1; Col. (a); Line 43
Total E	xcluded Expenses			\$ 19,688	
		<u> </u>			
(a) The	exclusion for FERC Account 565 is the amount paid to Portland General El	ectric for tranmisssion wh	neeling expenses fro	om its Boardi	nan plant.
(b) Con	tains amounts recovered in TRBAA, TACBA, and ERRA (vaious CAISO c	harges)			
(b) Con	amounts recovered in Trestar, Treesta, and Erdar (valous Crises e				
(c) Janu	ary 2013 Sunrise ceremony trailing charges should not be paid by ratepayers	s, is being excluded in the	transmission O&N	1 expenses.	
Footno	te 2				
Th. 001	2K shown in column 2, line 15 represents non-direct O&M expenses billed	to Citi-one Issues. Dec	2012 1	1-11	1- 2 ( ATIA T 5)
	extent that Col. 1 in AH2 does not include Citizens Direct and Non-Direct O				
	Total O&M expenses to Citizens.	expenses, mey must	be added to col. 1.	Thus, column	1 1 Serves as a dasis to
Footno	te 3				
	5 represents adjustments made to the operations and maintenance expenses				
	d lines. As a result, of these adjustments column 6 reflects that portion of the				
Carryin	g Charge Rate. Account 571 is also being subtracted because Citizens is cha	rged for this through dire	ct maintenance (BK	2- Section 1	).

Page AH2 Page 2 of 2

#### Administrative & General Expenses 12 Months Ending December 31 2013 (1,000)

			A	В	С	<b>D</b> = Sum (A:C)		$\top$
Line	FERC		Total Per	Citizens 1	Excluded	Total		Line
No.	Acct	Description	FERC Form 1	Allocated Cost	Expenses	Adjusted	Reference	No.
1		Administrative & General						1
2	920	A&G Salaries	\$ 24,202		\$ -	\$ 24,202	Form 1, p 323, Line 181	2
3	921	Office Supplies & Expenses	11,803	480	-	\$ 12,283	Form 1, p 323, Line 182	3
4	922	Less Administrative Expenses Transferred-Credit	(7,659)		-	\$ (7,659)	Form 1, p 323, Line 183	4
5	923	Outside Services Employed	90,933		-	90,933	Form 1, p 323, Line 184	5
6	924	Property Insurance	8,259		(809)	7,450	Form 1, p 323, Line 185	6
7	925	Injuries & Damages - Non Wildfire Related	11,747		(315)	11,432	Form 1, p 323, Line 186	7
8	925	Injuries & Damages - Wildfire Damage Claims	215,738		-	215,738	Form 1, p 323, Line 186	8
9	925	Injuries & Damages - Wildfire Insurance Premiums	85,232		-	85,232	Form 1, p 323, Line 186	9
10	926	Employee Pension & Benefits	51,402		(388)	51,014	Form 1, p 323, Line 187	10
11	926	Post-Employment Benefits Other than Pensions (PBOP)	5,769		-	5,769	Form 1, p 323, Line 187	11
12	927	Franchise Requirements	-		-	-	Form 1, p 323, Line 188	12
13		Regulatory Commission Expenses	17,713		(5,255)	12,458	Form 1, p 323, Line 189	13
14		Company Energy Use	(1,950)		(0,200)	(1,950)	1	14
15		General Advertising Expenses	-		-	-	Form 1, p 323, Line 191	15
16	930.2	Miscellaneous General Expenses	4,410		(3,198)	1,212	Form 1, p 323, Line 192	16
17		Rents	9,048		(357)		Form 1, p 323, Line 193	17
18		Maintenance of General Plant	6,725		(24)	6,701	Form 1, p 323, Line 196	18
19					Ì		1	19
20		Total Administrative & General Expenses	\$ 533,372	\$ 480	\$ (10,346)	\$ 523,506	Sum Lines 2 thru 18	20
21		•						21
22								22
23	Exclud	led Expenses (1):						23
24	924	Nuclear property insurance expense			\$ (809)			24
25	925	Injuries & Damages - Non Wildfire Related	\$ (230)					25
26	925	Injuries & Damages - Wildfire Damage Claims	-					26
27	925	Injuries & Damages - Wildfire Insurance Premiums	-					27
28	925	CPUC energy efficiency programs	(85)		(315)			28
29	926	CPUC energy efficiency programs			(388)			29
30		CPUC energy efficiency programs	(79)					30
31	928	CPUC Intervenor Funding Expense - Transmission	-					31
32	928	CPUC Intervenor Funding Expense - Distribution	(514)					32
33	928	CPUC reimbursement fees	(4,591)					33
34	928	Litigation expenses - Litigation Cost Memorandum Account (LCMA)	(71)		(5,255)			34
35	930 1	General Advertising Expenses			-			35
36	930 2	CPUC energy efficiency programs			(3,198)			36
37	931	Advanced Metering Infrastructure (AMI) lease facilities	(98)					37
38	931	CPUC energy efficiency programs	(259)		(357)			38
39	935	Hazardous Substances-Hazardous Substance Cleanup Cost Account			(24)			39
40		<b>Total Excluded Expenses</b>			\$ (10,346)			40
41								41

Column B, Line 3 represents Non-Direct A&G expenses billed to Citizens during 2013 equal to \$480,008 (see AH4, col. C, line 6) that is added back to derive 2013 Total A&G expenses.

	2013 Allocated O&M Costs to G	Citizens			•	
┝		A	В	H	C	
		Cycle 1	Cycle 2	Ħ		
		<b>3</b>		П	C = A + B	
		1	2	П	Total	
Ln		Jan - Jun 2013	Jul - Dec 2013	П	2013	
No	Allocation of Direct and Non-Direct O&M and A&G Expense	Invoice	Invoice	П	Billing	Reference
				Ш		
1	A. Direct Maintenance Cost Component	90,947	(49,332)	H	41,615	See AH4-A and AH4-B, Line 3, respectively
<u> </u>				H		
-	B. Non-Direct Expense Cost Component			Н		
-	D. Non-Direct Expense Cost Component			$\forall$		
3	Transmission Operations Carry Charge Rate	412,503	244,152	Н	656,655	See AH4-A and AH4-B, Line 5, respectively
۲	Transmission operations out y change trans	112,000		Ħ	000,000	
4	Transmision Maintenance Carry Charge Rate	97,274	16,206	П	113,480	See AH4A and AH4-B, Line 6, respectively
5	L1 + L3 + L4			3	811,750	- 100
				П		
6	Transmission Related A&G Carry Charge Rate	585,614	(105,606)	4	480,008	See AH4-A and AH4-B, Line 7, respectively
匚				Ц		
L				Ц		
1	Column A reflects Citizens Cycle 1 Filing Allocated Cost, Docket No E	R12-1417-000,	dated March 30	, 2	012	
<u> </u>	Column D reflects Ceturana Civils 2 Edwar Allegated Control of the column	a 6 month to	m odujatmant T	Ш	alrot No ED 1	2 1506 000
2	Column B reflects Citizens Cycle 2 Filing Allocated Cost which include dated June 28, 2013	ss o monun true-	up aujustment, I	100	eket INO EKI	3-1370-000,
	uaicu June 20, 2013			H		
3	The O&M amounts are added back to transmission O&M to allocate to	tal system costs	to Citizens	$\dagger\dagger$		
				$\Box$	*	
4	The A&G amounts are added back to transmission A&G to allocate total	l A&G expense	S			
				П		

		A	В	C	D			
			3/30/2012					
Ln			Est Prepaid			Ln		
No	Description		Lease Amt			No		
1	Citizens Border-East Line Prepaid Lease Cost		84,747,000			1		
				Col. B / 12	Col D = Col.C * 6			
$\vdash$		Carry	Annual	Monthly	COLD = COLC 0	$\vdash$		
		Charge	Cost	Cost	Jan - Jun 2013			
2	Allocation of Direct and Non-Direct O&M Expense	Percentage	Allocation	Allocation	Invoice	2		
3	A. Direct Maintenance Cost Component		181,893	15,157.75	90,946.50	3		
4	B. Non-Direct Expense Cost Component					4		
5	Transmission Operations Carry Charge Rate	0 97%	825,006 96	68,750 58	412,503.48	5		
6	Transmision Maintenance Carry Charge Rate	0 23%	194,547 76	16,212.31	97,273.88	6		
7	Transmission Related A&G Carry Charge Rate	1 38%	1,171,229	97,602.41	585,614 48	7		
	Col D reflects Citizens Billing Invoice for Direct Maintenance and Non-Direct O&M and A&G Expenses for Jan-Jun 2013							
	5		1					

Г	À	В	С	D	E	F	G	Н	П
			7/3/2012				-		
Ln			Prepaid				G = Col D + Col E +		Ln
No	Description		Lease Amt				Col F		No
1	Citizens Border-East Line Prepaid Lease Cost -Cycle 1		39,320,000						1
	These amounts are used as recorded revenues in the true-up adjustin	ent							Ш
	calculations			11 Months					<u></u>
		C2	Total		Allocation	Allocation of	Citizens Billing	H = G * 6 Months	Ш
		Carrying		C2 Monthly	of C2 TUP	Monthly	July 2013- May 2014		_
		Charge	Billing	Billing	(Over) / Under-	Interest	Monthly	Total	_
2	Actual Billings to Citizens by Cost Component	Rates	Amount	Amount	collection	(204.67)	Journal Entries	Jul-Dec 2013	2
									Ш
3	A. Direct Maintenance Expense Cost Component		-	-	(8,221 95)	-	(8,222)	(49,332)	3
_									
4	B. Non-Direct Expense Cost Component								4
5	Transmission Operations Carry Charge Rate	1 12%	440,384	40,034 91	658 04	(1 00)	40,692	244,152	5
6	Transmision Maintenance Carry Charge Rate	0 17%	66,844	6,076 73	(3,375 21)	(0 14)	2,701	16,206	6
7	Transmission Related A&G Carry Charge Rate	1 27%	499,364	45,396 73	(62,997 65)	0 27	(17,601)	(105,604)	7
<u> </u>	Transmission resulted rices carry charge rate	1 27.73	,	,	(,)			` ` ` `	
			-						
	Col H reflects Citizens Billing Invoice for Direct Maintenance and I	Non-Direct C	)&M and A&0	Expenses for J	uly- December 201	3			

1 61 2 61 3 61 4 61 5 61 6 62 7 61 8 62 9 62 10 62 11 62 11 62 11 62 11 62 12 91 13 91 14 91 15 91 16 91 17 91 20 91 21 91 22 91 24 91 25 91 26 91 27 91 28 91 30 91 31 91 32 91 33 91	COST Elements  110030 SALARIES-MANAGEMENT TIME AND ONE HALF 110110 SALARIES-UNION STRAIGHT-TIME 110120 SALARIES-UNION TIME AND ONE HALF 110130 SALARIES-UNION DOUBLE TIME 130011 EMP TRAVEL-INCIDENTALS (PHONES AND TIPS) 130013 EMP TRAVEL-PER DIEM 130015 EMP TRAVEL-MEALS (INCL TIPS)%ENT 50% 213085 MATL-MISCELLANEOUS 220850 SRV-VEHICLE & EQUIP RENTAL W/OPERATOR 261050 VEHICLE UTILIZATION-LABOR 262050 VEHICLE UTILIZATION-NONLABOR 121100 Vacation & Sick (Costing sheet) 121200 ICP (Costing Sheet) 121400 Public Liab. & Property Damage-Lab(CS) 121500 Worker's Comp -Labor (Costing sheet) 122300 Payroll Taxes (Costing sheet) 122400 Public Liab. & Property Damage-NonLab(CS) 122500 Worker's Comp -Non Labor (Costing sheet) 122600 Pension & Benefit - NonLabor 122900 PENSION & BENEFIT - REFUNDABLE - NL	Total 2013 898.51 8,118.74 1,333.94 3,216.69 5.00 600.00 83.21 5.39 7,250.00 603.96 6,761.67 1,714.99 235.56 21.28 8.55 11.88 1,112.08 414.06 135.76 2,542.88 1,182.69 26.78				
1 61 2 61 3 61 4 61 5 61 6 62 7 61 8 62 9 62 10 62 11 62 11 62 11 62 11 62 12 91 13 91 14 91 15 91 16 91 17 91 20 91 21 91 22 91 24 91 25 91 26 91 27 91 28 91 30 91 31 91 32 91 33 91	110030 SALARIES-MANAGEMENT TIME AND ONE HALF 110110 SALARIES-UNION STRAIGHT-TIME 110120 SALARIES-UNION TIME AND ONE HALF 110130 SALARIES-UNION DOUBLE TIME 130011 EMP TRAVEL-INCIDENTALS (PHONES AND TIPS) 130013 EMP TRAVEL-PER DIEM 130015 EMP TRAVEL-MEALS (INCL TIPS)%ENT 50% 213085 MATL-MISCELLANEOUS 220850 SRV-VEHICLE & EQUIP RENTAL W/OPERATOR 261050 VEHICLE UTILIZATION-LABOR 262050 VEHICLE UTILIZATION-NONLABOR 121100 Vacation & Sick (Costing sheet) 121200 ICP (Costing Sheet) 121400 Public Liab.& Property Damage-Lab(CS) 121500 Worker's Comp -Labor (Costing sheet) 122300 Payroll Taxes (Costing sheet) 122400 Public Liab.& Property Damage-NonLab(CS) 122500 Worker's Comp -Non Labor (Costing sheet) 122600 Pension & Benefit - NonLabor 122900 PENSION & BENEFIT - REFUNDABLE - NL	898.51 8,118.74 1,333.94 3,216.69 5.00 600.00 83.21 5.39 7,250.00 603.96 6,761.67 1,714.99 235.56 21.28 8.55 11.88 1,112.08 414.06 135.76 2,542.88 1,182.69				
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3 61 4 61 5 61 6 62 7 61 8 62 9 62 10 62 11 62 12 91 13 91 14 91 15 91 17 91 18 91 20 91 21 91 22 91 23 91 24 91 25 91 26 92 27 91 28 93 29 92 30 93 31 93 32 93 33 93	110120 SALARIES-UNION TIME AND ONE HALF 110130 SALARIES-UNION DOUBLE TIME 130011 EMP TRAVEL-INCIDENTALS (PHONES AND TIPS) 130013 EMP TRAVEL-PER DIEM 130015 EMP TRAVEL-MEALS (INCL TIPS)%ENT 50% 213085 MATL-MISCELLANEOUS 220850 SRV-VEHICLE & EQUIP RENTAL W/OPERATOR 261050 VEHICLE UTILIZATION-LABOR 262050 VEHICLE UTILIZATION-NONLABOR 121100 Vacation & Sick (Costing sheet) 121200 ICP (Costing Sheet) 121400 Public Liab. & Property Damage-Lab(CS) 121500 Worker's Comp -Labor (Costing sheet) 121600 Pension & Benefits - Labor 122300 Payroll Taxes (Costing sheet) 122400 Public Liab. & Property Damage-NonLab(CS) 122500 Worker's Comp -Non Labor (Costing sheet) 122600 Pension & Benefit - NonLabor 122900 PENSION & BENEFIT - REFUNDABLE - NL	1,333.94 3,216.69 5.00 600.00 83.21 5.39 7,250.00 603.96 6,761.67 1,714.99 235.56 21.28 8.55 11.88 1,112.08 414.06 135.76 2,542.88 1,182.69				
4 61 5 61 6 61 7 61 8 62 9 62 10 62 11 62 12 91 13 91 14 91 15 91 18 91 19 91 20 91 21 91 22 91 23 91 24 91 25 91 26 91 27 91 28 91 30 91 31 91 32 91 33 91	110130 SALARIES-UNION DOUBLE TIME 130011 EMP TRAVEL-INCIDENTALS (PHONES AND TIPS) 130013 EMP TRAVEL-PER DIEM 130015 EMP TRAVEL-MEALS (INCL TIPS)%ENT 50% 213085 MATL-MISCELLANEOUS 220850 SRV-VEHICLE & EQUIP RENTAL W/OPERATOR 261050 VEHICLE UTILIZATION-LABOR 261050 VEHICLE UTILIZATION-NONLABOR 121100 Vacation & Sick (Costing sheet) 121200 ICP (Costing Sheet) 121400 Public Liab. & Property Damage-Lab(CS) 121500 Worker's Comp -Labor (Costing sheet) 121600 Pension & Benefits - Labor 122300 Payroll Taxes (Costing sheet) 122400 Public Liab. & Property Damage-NonLab(CS) 122500 Worker's Comp -Non Labor (Costing sheet) 122600 Pension & Benefit - NonLabor 122900 PENSION & BENEFIT - REFUNDABLE - NL	3,216.69 5.00 600.00 83.21 5.39 7,250.00 603.96 6,761.67 1,714.99 235.56 21.28 8.55 11.88 1,112.08 414.06 135.76 2,542.88 1,182.69				
5 61 6 61 7 61 8 62 9 62 11 62 11 62 12 91 13 91 14 91 15 91 17 91 18 91 20 91 21 91 22 91 23 91 24 91 25 91 26 91 27 91 28 91 30 91 31 92 31 91 32 91 33 91 33 91	130011 EMP TRAVEL-INCIDENTALS (PHONES AND TIPS) 130013 EMP TRAVEL-PER DIEM 130015 EMP TRAVEL-MEALS (INCL TIPS)%ENT 50% 213085 MATL-MISCELLANEOUS 220850 SRV-VEHICLE & EQUIP RENTAL W/OPERATOR 261050 VEHICLE UTILIZATION-LABOR 262050 VEHICLE UTILIZATION-NONLABOR 121100 Vacation & Sick (Costing sheet) 121200 ICP (Costing Sheet) 121400 Public Liab.& Property Damage-Lab(CS) 121500 Worker's Comp -Labor (Costing sheet) 121600 Pension & Benefits - Labor 122300 Payroll Taxes (Costing sheet) 122400 Public Liab.& Property Damage-NonLab(CS) 122500 Worker's Comp -Non Labor (Costing sheet) 122600 Pension & Benefit - NonLabor 122900 PENSION & BENEFIT - REFUNDABLE - NL	5.00 600.00 83.21 5.39 7,250.00 603.96 6,761.67 1,714.99 235.56 21.28 8.55 11.88 1,112.08 414.06 135.76 2,542.88 1,182.69				
5 61 6 61 7 61 8 62 9 62 11 62 11 62 12 91 13 91 14 91 15 91 17 91 18 91 20 91 21 91 22 91 23 91 24 91 25 91 26 91 27 91 28 91 30 91 31 92 31 91 32 91 33 91 33 91	130011 EMP TRAVEL-INCIDENTALS (PHONES AND TIPS) 130013 EMP TRAVEL-PER DIEM 130015 EMP TRAVEL-MEALS (INCL TIPS)%ENT 50% 213085 MATL-MISCELLANEOUS 220850 SRV-VEHICLE & EQUIP RENTAL W/OPERATOR 261050 VEHICLE UTILIZATION-LABOR 262050 VEHICLE UTILIZATION-NONLABOR 121100 Vacation & Sick (Costing sheet) 121200 ICP (Costing Sheet) 121400 Public Liab.& Property Damage-Lab(CS) 121500 Worker's Comp -Labor (Costing sheet) 121600 Pension & Benefits - Labor 122300 Payroll Taxes (Costing sheet) 122400 Public Liab.& Property Damage-NonLab(CS) 122500 Worker's Comp -Non Labor (Costing sheet) 122600 Pension & Benefit - NonLabor 122900 PENSION & BENEFIT - REFUNDABLE - NL	600.00 83.21 5.39 7,250.00 603.96 6,761.67 1,714.99 235.56 21.28 8.55 11.88 1,112.08 414.06 135.76 2,542.88 1,182.69				
6 61 7 61 8 62 9 62 10 62 11 62 11 62 11 62 11 91 15 91 16 91 17 91 20 91 21 91 22 91 24 91 25 91 26 91 27 91 28 91 29 92 30 91 31 91 32 91 33 91	130013 EMP TRAVEL-PER DIEM 130015 EMP TRAVEL-MEALS (INCL TIPS)%ENT 50% 213085 MATL-MISCELLANEOUS 220850 SRV-VEHICLE & EQUIP RENTAL W/OPERATOR 261050 VEHICLE UTILIZATION-LABOR 262050 VEHICLE UTILIZATION-NONLABOR 121100 Vacation & Sick (Costing sheet) 121200 ICP (Costing Sheet) 121400 Public Liab.& Property Damage-Lab(CS) 121500 Worker's Comp -Labor (Costing sheet) 121600 Pension & Benefits - Labor 122300 Payroll Taxes (Costing sheet) 122400 Public Liab.& Property Damage-NonLab(CS) 122500 Worker's Comp -Non Labor (Costing sheet) 122600 Pension & Benefit - NonLabor 122900 PENSION & BENEFIT - REFUNDABLE - NL	83.21 5.39 7,250.00 603.96 6,761.67 1,714.99 235.56 21.28 8.55 11.88 1,112.08 414.06 135.76 2,542.88 1,182.69				
8 62 9 62 10 62 11 62 12 91 13 91 14 91 15 91 16 91 17 91 20 91 21 91 22 91 23 91 24 91 25 91 26 91 27 91 28 91 30 91 31 92 31 92 33 91 33 91 33 91	213085 MATL-MISCELLANEOUS 220850 SRV-VEHICLE & EQUIP RENTAL W/OPERATOR 261050 VEHICLE UTILIZATION-LABOR 262050 VEHICLE UTILIZATION-NONLABOR 121100 Vacation & Sick (Costing sheet) 121200 ICP (Costing Sheet) 121400 Public Liab.& Property Damage-Lab(CS) 121500 Worker's Comp -Labor (Costing sheet) 121600 Pension & Benefits - Labor 122300 Payroll Taxes (Costing sheet) 122400 Public Liab.& Property Damage-NonLab(CS) 122500 Worker's Comp -Non Labor (Costing sheet) 122600 Pension & Benefit - NonLabor 122900 PENSION & BENEFIT - REFUNDABLE - NL	5.39 7,250.00 603.96 6,761.67 1,714.99 235.56 21.28 8.55 11.88 1,112.08 414.06 135.76 2,542.88 1,182.69				
8 62 9 62 10 62 11 62 12 91 13 91 14 91 15 91 16 91 17 91 20 91 21 91 22 91 23 91 24 91 25 91 26 91 27 91 28 91 30 91 31 92 31 92 33 91 33 91 33 91	213085 MATL-MISCELLANEOUS 220850 SRV-VEHICLE & EQUIP RENTAL W/OPERATOR 261050 VEHICLE UTILIZATION-LABOR 262050 VEHICLE UTILIZATION-NONLABOR 121100 Vacation & Sick (Costing sheet) 121200 ICP (Costing Sheet) 121400 Public Liab.& Property Damage-Lab(CS) 121500 Worker's Comp -Labor (Costing sheet) 121600 Pension & Benefits - Labor 122300 Payroll Taxes (Costing sheet) 122400 Public Liab.& Property Damage-NonLab(CS) 122500 Worker's Comp -Non Labor (Costing sheet) 122600 Pension & Benefit - NonLabor 122900 PENSION & BENEFIT - REFUNDABLE - NL	7,250.00 603.96 6,761.67 1,714.99 235.56 21.28 8.55 11.88 1,112.08 414.06 135.76 2,542.88 1,182.69				
9 62 10 62 11 62 12 91 13 91 14 91 15 91 16 91 17 91 20 91 21 91 22 91 23 91 24 91 25 91 26 92 27 91 28 93 30 91 31 92 33 93	220850 SRV-VEHICLE & EQUIP RENTAL W/OPERATOR 261050 VEHICLE UTILIZATION-LABOR 262050 VEHICLE UTILIZATION-NONLABOR 121100 Vacation & Sick (Costing sheet) 121200 ICP (Costing Sheet) 121400 Public Liab.& Property Damage-Lab(CS) 121500 Worker's Comp -Labor (Costing sheet) 121600 Pension & Benefits - Labor 122300 Payroll Taxes (Costing sheet) 122400 Public Liab.& Property Damage-NonLab(CS) 122500 Worker's Comp -Non Labor (Costing sheet) 122600 Pension & Benefit - NonLabor 122900 PENSION & BENEFIT - REFUNDABLE - NL	603.96 6,761.67 1,714.99 235.56 21.28 8.55 11.88 1,112.08 414.06 135.76 2,542.88 1,182.69				
10 62 11 62 12 91 13 91 14 91 15 91 17 91 18 91 20 91 21 91 22 91 23 91 24 91 25 91 26 91 27 91 28 91 30 91 31 91 32 91 33 91	261050 VEHICLE UTILIZATION-LABOR 262050 VEHICLE UTILIZATION-NONLABOR 121100 Vacation & Sick (Costing sheet) 121200 ICP (Costing Sheet) 121400 Public Liab.& Property Damage-Lab(CS) 121500 Worker's Comp -Labor (Costing sheet) 121600 Pension & Benefits - Labor 122300 Payroll Taxes (Costing sheet) 122400 Public Liab.& Property Damage-NonLab(CS) 122500 Worker's Comp -Non Labor (Costing sheet) 122600 Pension & Benefit - NonLabor 122900 PENSION & BENEFIT - REFUNDABLE - NL	603.96 6,761.67 1,714.99 235.56 21.28 8.55 11.88 1,112.08 414.06 135.76 2,542.88 1,182.69				
11 62 12 91 13 91 14 93 15 91 16 91 17 91 18 93 20 91 21 93 22 91 23 91 24 93 25 93 26 93 27 93 28 93 30 93 31 93 32 93	262050 VEHICLE UTILIZATION-NONLABOR 121100 Vacation & Sick (Costing sheet) 121200 ICP (Costing Sheet) 121400 Public Liab.& Property Damage-Lab(CS) 121500 Worker's Comp -Labor (Costing sheet) 121600 Pension & Benefits - Labor 122300 Payroll Taxes (Costing sheet) 122400 Public Liab.& Property Damage-NonLab(CS) 122500 Worker's Comp -Non Labor (Costing sheet) 122600 Pension & Benefit - NonLabor 122900 PENSION & BENEFIT - REFUNDABLE - NL 123100 VACATION & SICK (CL)	1,714.99 235.56 21.28 8.55 11.88 1,112.08 414.06 135.76 2,542.88 1,182.69				
12 91 13 91 14 91 15 91 16 91 17 91 18 91 20 91 21 91 22 91 23 91 24 91 25 91 26 91 27 91 28 91 30 91 31 91 33 91	121100 Vacation & Sick (Costing sheet) 121200 ICP (Costing Sheet) 121400 Public Liab.& Property Damage-Lab(CS) 121500 Worker's Comp -Labor (Costing sheet) 121600 Pension & Benefits - Labor 122300 Payroll Taxes (Costing sheet) 122400 Public Liab.& Property Damage-NonLab(CS) 122500 Worker's Comp -Non Labor (Costing sheet) 122600 Pension & Benefit - NonLabor 122900 PENSION & BENEFIT - REFUNDABLE - NL 123100 VACATION & SICK (CL)	1,714.99 235.56 21.28 8.55 11.88 1,112.08 414.06 135.76 2,542.88 1,182.69				
13 91 14 92 15 91 16 91 17 92 18 91 20 91 21 91 22 92 23 91 24 92 25 92 26 92 27 92 28 92 29 92 30 92 31 92 32 92	121200 ICP (Costing Sheet) 121400 Public Liab.& Property Damage-Lab(CS) 121500 Worker's Comp -Labor (Costing sheet) 121600 Pension & Benefits - Labor 122300 Payroll Taxes (Costing sheet) 122400 Public Liab.& Property Damage-NonLab(CS) 122500 Worker's Comp -Non Labor (Costing sheet) 122600 Pension & Benefit - NonLabor 122900 PENSION & BENEFIT - REFUNDABLE - NL 123100 VACATION & SICK (CL)	235.56 21.28 8.55 11.88 1,112.08 414.06 135.76 2,542.88 1,182.69				
14 91 15 92 16 91 17 92 18 91 20 91 21 91 22 92 23 92 24 92 25 92 26 92 27 92 28 93 29 92 30 92 31 92 33 92	121400 Public Liab.& Property Damage-Lab(CS) 121500 Worker's Comp -Labor (Costing sheet) 121600 Pension & Benefits - Labor 122300 Payroll Taxes (Costing sheet) 122400 Public Liab.& Property Damage-NonLab(CS) 122500 Worker's Comp -Non Labor (Costing sheet) 122600 Pension & Benefit - NonLabor 122900 PENSION & BENEFIT - REFUNDABLE - NL 123100 VACATION & SICK (CL)	21.28 8.55 11.88 1,112.08 414.06 135.76 2,542.88 1,182.69				
15 91 16 91 17 91 18 91 20 91 21 91 22 91 23 91 24 91 25 91 26 92 27 91 28 93 30 91 31 91 33 91	121500 Worker's Comp -Labor (Costing sheet) 121600 Pension & Benefits - Labor 122300 Payroll Taxes (Costing sheet) 122400 Public Liab. & Property Damage-NonLab(CS) 122500 Worker's Comp -Non Labor (Costing sheet) 122600 Pension & Benefit - NonLabor 122900 PENSION & BENEFIT - REFUNDABLE - NL 123100 VACATION & SICK (CL)	8.55 11.88 1,112.08 414.06 135.76 2,542.88 1,182.69				
16 91 17 92 18 91 20 91 21 92 23 91 24 93 25 91 26 92 27 92 28 93 29 93 30 93 31 93 33 93	121600 Pension & Benefits - Labor 122300 Payroll Taxes (Costing sheet) 122400 Public Liab. & Property Damage-NonLab(CS) 122500 Worker's Comp -Non Labor (Costing sheet) 122600 Pension & Benefit - NonLabor 122900 PENSION & BENEFIT - REFUNDABLE - NL 123100 VACATION & SICK (CL)	11.88 1,112.08 414.06 135.76 2,542.88 1,182.69				
17 91 18 91 19 91 20 91 21 91 22 91 23 91 24 91 25 91 26 91 27 91 28 91 30 91 31 91 33 91	122300 Payroll Taxes (Costing sheet) 122400 Public Liab.& Property Damage-NonLab(CS) 122500 Worker's Comp -Non Labor (Costing sheet) 122600 Pension & Benefit - NonLabor 122900 PENSION & BENEFIT - REFUNDABLE - NL 123100 VACATION & SICK (CL)	1,112.08 414.06 135.76 2,542.88 1,182.69				
18 91 19 91 20 91 21 91 22 91 23 91 25 91 26 91 27 91 28 91 30 91 31 91 33 91	122400 Public Liab.& Property Damage-NonLab(CS) 122500 Worker's Comp -Non Labor (Costing sheet) 122600 Pension & Benefit - NonLabor 122900 PENSION & BENEFIT - REFUNDABLE - NL 123100 VACATION & SICK (CL)	414.06 135.76 2,542.88 1,182.69				
19 91 20 91 21 91 22 91 23 91 24 91 25 91 26 91 27 91 28 91 30 91 31 91 32 91 33 91	122500 Worker's Comp -Non Labor (Costing sheet) 122600 Pension & Benefit - NonLabor 122900 PENSION & BENEFIT - REFUNDABLE - NL 123100 VACATION & SICK (CL)	135.76 2,542.88 1,182.69				<del></del>
20 91 21 91 22 91 23 91 24 91 25 91 26 91 27 91 28 91 30 91 31 91 32 91 33 91	122600 Pension & Benefit - NonLabor 122900 PENSION & BENEFIT - REFUNDABLE - NL 123100 VACATION & SICK (CL)	2,542.88 1,182.69				1
21 91 22 91 23 91 24 91 25 91 26 91 27 91 28 91 30 91 31 91 32 91 33 91	122900 PENSION & BENEFIT - REFUNDABLE - NL 123100 VACATION & SICK (CL)	1,182.69				
22 91 23 91 24 91 25 91 26 91 27 91 28 91 30 91 31 91 32 91 33 91	123100 VACATION & SICK (CL)			-		
23 91 24 91 25 91 26 91 27 91 28 91 30 91 31 91 32 91 33 91						
24 91 25 91 26 91 27 91 28 91 29 91 30 91 31 91 32 91 33 91	123200 ICP (CL)	37.72				
25 91 26 92 27 92 28 92 29 93 30 91 31 93 32 93 33 93	123400 PUBLIAB PROPDAM L(CL)	0.33				
26 91 27 91 28 91 30 91 31 91 32 91 33 91	123500 WK COMP-LABOR (CL)	0.13				
27 91 28 91 29 91 30 91 31 91 32 91 33 91	123600 PENSION & BENEFIT-NONREF-LBR (CL)	0.18				
28 91 29 91 30 91 31 91 32 91 33 91	124300 PAYROLL TAXES (CL)	33.94				
29 91 30 91 31 91 32 91 33 91	124400 PUBLIAB PROPDAM NL(CL)	6.46				
30 91 31 91 32 91 33 91	124500 WK COMP-NONLABOR (CL)	2.08				
31 91 32 91 33 91	124600 PENSION & BENEFIT-NONREF-NL (CL)	39.71				
32 91 33 91	124900 PENSION & BENEFIT-REF-NL (CL)	18.47				
33 91	131150 Purchasing Labor (Costing sheet)	32.65		<u> </u>		
	131700 Shop Order Labor (costing sheet)	38.01				
- <b>3</b> Δ 1 G 1	131850 Small Tools Labor (Costing sheet)	114.02				
	132150 Purchasing NonLabor (Costing sheet)	9.43				
	132300 Exempt Matl Elec NonLabor (Costing sheet)	0.16		<del>                                     </del>		
	132700 Shop Order NonLabor (costing sheet)	22.80				
	132850 Small Tools NonLabor (Costing sheet)	463.90				
	otal 2013 Border-East Line Direct Maintenance Costs	37,103.61		<del> </del>		
39 10	Otal 2015 Border-Last Line Birect Mantenance Costs	37,203.02				
1 Th	he above \$37K reflects direct maintainence expenses incur	ed on the 30 mile li	ne segme	nt of the	Sunrise 5	500 KV Line
	nown as the Sunrise Border-East Line. These costs are track					
	nown as the Sunrise Border-East Line. These costs are track vith routine maintenance checks on the Border-East line an					
2 To						flacted in
St		f the Border-East Lii	ne, 50% o	f these c	osts is ref	necteu III

Base Period

Statement AI
Wages and Salaries
Workpaper

# Statement AI - Workpapers Wages and Salaries Base Period 12 - Months Ending December 31, 2013 (\$1,000)

Line				Line
No.		 mounts	Reference	No.
1 2	Production Wages & Salaries (Includes Steam & Other Power Supply)	\$ 11,909	Form 1; Page 354; Line 20; Col b	1 2
3 4	Transmission Wages & Salaries <sup>1</sup>	15,186	See WP AI1; Col. 4, Line 34	3 4
5 6	Transmission Wages & Salaries (substation, overhead, and underground lines) <sup>2</sup>	6,270	See WP AI1, Col. 4, Line 33	5 6
7 8	Distribution Wages & Salaries	53,970	Form 1; Page 354, Line 23; Col b	7 8
9 10	Customer Accounts Wages & Salaries	23,302	Form 1, Page 354, Line 24, Col. b	9 10
11 12	Customer Services and Informational Wages & Salaries	19,530	Form 1; Page 354; Line 25, Col. b	11 12
13 14	Sales Wages & Salaries	 	Form 1; Page 354; Line 26; Col b	13 14
15 16	Sub-Total	\$ 130,167	Sum Lines 1 thru 13	15 16
17 18	Administrative and General Wages & Salaries	30,755	Form 1, Page 354; Line 27, Col b	17 18
19 20	Total Operating & Maintenance Wages & Salaries	\$ 160,922	Sum Lines 15; 17	19 20
21	Transmission Wages and Salaries Allocation Factor for Citizens	 11.67%	Line 3 / Line 15	21

Line 3 - Transmission Wages & Salaries does not tie to FERC Form 1 because it does not include any wages and salaries not applicable to Citizens, such as substations, underground, and overhead wages and salaries. The Wages & Salaries associated with substation, underground and overhead lines are shown on line 5.

Line 5 represents the transmission wages & salaries associated with substation, underground, and overhead wages & salaries is included the denominator in derivation Transmission Wages & Salaries Allocation Factor for Citizens as shown on line 21.

1 2 3 4

	Г					
Line No.	FERC Account	Description	Amount	gro	bstation, Under- und & Overhead bor Exclusions	Line No.
1	560100E	ET OPERATIONS SUPV	3,409,912.15		<del></del>	1
2	560200E	ET OPER ENG	1,167,274.48			2
3	561100E	LOAD DISP - RELIAB	336,814.39			3
4	561200E	LOAD DISP - MONITOR	2,409,155.43			4
5	562000E	STA EXPENSE	43,257.19		(43,257.19)	5
6	562100E	STA OPER EXPENSE	661,133.31		(661,133.31)	6
7	563100E	OPER OVERHD LINES	388,678.98		,	7
8	563200E	ENCROACHMNTS O/H R/W	48,236.80			8
9	566000E	MISC TRANSM EXPENSE	4,594,108.47			9
10	568100E	MAINT SUPV	500,873.12			10
11	569000E	MAINT OF STRUCTURES	29.41			11
12	569100E	MAINT OF PC HARDWARE	908,194.36			12
13	569200E	MAINT OF PC SOFTWARE	827,856.74			13
14	569400E	MAINT MISC REG TRANSM PLNT	4,993.62			14
15	570000E	MAINT OF STA EQ	299,941.22		(299,941.22)	15
16	570100E	MAINT STA EQ GENERAL	2,420,276.95		(2,420,276.95)	16
17	570121E	RTU SUPERVISORY EQ	405,311.93		(=, :=0,=: 0:00)	17
18	570122E	TELEMETER SYS MAINT	122,646.92			18
19	570200E	MNT STA EQ CLN TREAT	213,305.01		(213,305.01)	19
20	570600E	MAINT STA EQUIP	132,840.70		(132,840.70)	20
21	570700E	SAN ONOFRE SUBSTATION	24,756.47		(24,756.47)	21
22	571000E	MAINT OH LINES	625,062.34		(625,062.34)	22
23	571100E	MAINT OH LINES GENERAL	953,768.47		(953,768.47)	23
24	571120E	TRNG IN HOTSTICK MNT	110,861.61		(110,861.61)	24
25	571200E	MAINT OH LINES - TREE	77,102.11		(77,102.11)	25
26	571310E	MNT OH INSUL WASHING	479,191.82		(479,191.82)	26
27	571700E	ACCESS&PTRL RD MAINT	132,005.07		(132,005.07)	27
28	571800E	LEGACY FERC 571800E	102,000.07		(102,000.07)	28
29	571930E	OH PREV MNT - ETM INSP				29
30	571960E	OH PREV MNT - ETM F/U	1,486.21		(1,486.21)	30
31	572000E	MAINT UG LINES	95,255.12		(95,255.12)	31
32	573000E	MAINT MISC TRANSM	93,233.12 61,868.71		(93,233.12)	32
32	373000E	WAINT WISC TRANSW	01,000.71			32
33	Total Trans	mission Wages & Salaries <sup>1</sup>	\$ 21,456,199.11	\$	(6,270,243.60)	33
34	Total Trans	mission Wages & Salaries Less: <sup>2</sup>		\$	15,185,956	34
:	Substation,	Underground and Overhead Maintenar	nce Wages			

<sup>1</sup> Transmisssion Wages & Salaries in Col. 3, line 33 ties to FERC Form 1

<sup>2</sup> Transmission Wages & Salaries should not include substation, underground, and overhead wages & salaries for which is not applicable to Citizens.

**Base Period** 

Statement AJ

Depreciation and Amortization

Expenses

Workpaper

## Statement AJ - Workpapers Depreciation and Amortization Expense Base Period 12 - Months Ending December 31, 2013 (\$1,000)

Line No.	_	Amounts	Reference	Line No.
1				1
2	General Plant Depreciation Expense	52,067	Stmt AJ WP; Page AJ1; Line 1	2
3				3
4	Common Plant Depreciation Expense	7,657	Stmt AJ WP; Page AJ2; Line 1	4
5			<b>o</b> ,	5

# SAN DIEGO GAS & ELECTRIC COMPANY STATEMENT AJ DEPRECIATION AND AMORTIZATION EXPENSE Base Period - 12/31/2013 PER BOOK (\$1,000)

## **COMMON PLANT**

Line No.	Description	Total Common Expense to Electric Per Book	Reference From	Line No.
1	December 31, 2013 Expense	52,067	AJ1-Cwp1	1

# SAN DIEGO GAS & ELECTRIC COMPANY STATEMENT AJ DEPRECIATION AND AMORTIZATION EXPENSE BASE PERIOD - 12/31/2013 PER BOOK

(\$1,000)

#### **GENERAL PLANT**

Line No.		FERC General Plant Expense	Reference From	Line No.
1	December 31, 2013 Expense	7,657	AJ1-Gwp1	1

Base Period

Statement AK

Taxes Other Than Income Taxes
Workpaper

## Statement AK - Workpapers Taxes Other Than Income Taxes

## Base Period 12 - Months Ending December 31, 2013 (\$1,000)

Line No		A	mounts	Reference	Line No	
1	Total Property Taxes	\$	74,084	Form 1, Page 263; Line 2; Col 1	1	
2	Add: Citizens Allocated Portion of Property Taxes <sup>1</sup>		411	Stmt AK WP; Page AK2, Col C, Line 4	2	
4	• •		711		4	
5 6	Adjusted Property Taxes	\$	74,495	Line 1 + Line 3	5 6	
7	Less SONGS Property Taxes <sup>2</sup>		5,007	Form 1, Page 450.1; Sch Pg 262; Line 2; Col. 1	7	
8 9	Total Property Taxes Expense (Less SONGS)	\$	69,488	Line 5- Line 7	8 9	
10		<u> </u>			10	
11 12					$\frac{11}{12}$	
13	Total Payroll Taxes Expense	\$	14,670	Form 1; Pg. 263; Lns 10;18;19;20,26 Col. i	13	
14 15	Add. Citizens Allocated Portion of Payroll Taxes <sup>3</sup>	\$	38	Stmt AK WP, Page AK2; Col C; Line 2	14 15	
16 17	Total Transmission Payroll Tax Expense	\$	14,708	Line 13 + Line 15	16 17	
18 19	Transmission Wages and Salaries Allocation Factor		11.67%	Statement AI, Line 19	18 19	
20 21	Transmission Related Payroll Taxes Expense	\$	1,716	Line 17 x Line 19	20 21	
	· · ·					

Line 3 represents the Property Taxes allocated and charged rto Citizens during 2013 base period equal to \$410,652 that is added back to derive Total 2013 Property Taxes

<sup>&</sup>lt;sup>2</sup> The amount of property taxes reflected in FERC Form 1 for SONGS Facilities is \$5.007 million

<sup>&</sup>lt;sup>3</sup> Line 15 represents Payroll Taxes allocated and charged to Citizens during 2013 base period equal t \$37,920 that is added back to derive Total 2013 Payroll Taxes

#### Statement AK

## Taxes Other Than Income Taxes For Base Period 12-Months Ending - December 31, 2014 (\$1,000)

Line					Line
No.	_	A	mounts	Reference	No.
1 2	Total Property Taxes	\$	74,495	Stmnt AK WP, Page-AK, Line 5	1 2
3	SONGS Property Taxes		5,007	Stmnt AK WP, Page-AK, Line 7	3
4 5 6	Property Taxes Less SONGS		69,488	Line 1 - Line 3	5 6 7
8 9	<u>Derivation of Citizens Border-East Line Transmission Property Tax Allocation Factor</u>				8
10	Citizens Border-East Line (Ferc Acct No 104)	\$	85,194	Lease Agreement	10
11					11
12	Total Nuclear Plant	\$	-	N/A in Ratio Development	12
13	Total Steam Plant		505,741	Statement AD, Page 1, Line 3	13
14	Total Other Production Plant		473,895	Statement AD, Page 1, Line 9	14
15	Total Transmission plant <sup>1</sup>		3,738,157	Statement AD-6, Col (2), Line 19	15
16	Total Miscellaneous Intangible Plant		85,522	Statement AD, Page 1, Line 1	16
17	Total Distribution plant		5,105,706	Statement AD, Page 1, Line 13	17
18	Total General Plant		249,775	Statement AD, Page 1, Line 21	18
19	Total Common Plant		505,717	Statement AD, Page 1, Line 23	19
20	Total Investment in Plant Excluding SONGS	\$	10,664,513	Sum Lines (12 19)	20
21					21
22	Citizens Border-East Line Property Tax Allocation Factor		0 80%	Line 10 / Line 20	22
23	, ,				23
24	Citizens Border-East Line Property Taxes Expense	\$	556	Line 5 x Line 22	24
25					25
26					26

1 Total Transmission Plant amount includes \$85,194 of 13-Month weighted average of \$85,194 Citizens Lease Amount (see AD-6A)

3,652,963 85,194 3,738,157

		ll and a second			
-					
		A	В	C	
<u> </u>		1	2	$\mathbf{C} = \mathbf{A} + \mathbf{B}$	
_		1		Total	
Ln	Aller de CD II ID 4 TE 4 C'd	Jan - Jun 2013	Jul - Dec 2013 Invoice	2013	Reference
INO	Allocation of Payroll and Property Taxes to Citizens	Invoice	invoice	Billing	Reference
1	B. Non-Direct Expense Cost Component				
2	Transmission Related Payroll Carry Charge Rate	34,440	3,480	37,920	See AK2-A & AK2-B, L3,
					respectively
3	C. Other Specific Cost Component				
4	Property Taxes	223,819.50	186,832	410,652	See AK2-A & AK2-B, L5,
					respectively
1	Column A reflects Citizens Cycle 1 Filing Allocated Cost, Docket No.EF	 	ed March 30, 20	12.	
2	Column B reflects Citizens Cycle 2 Filing Allocated Cost, Docket No.EF	113-1596-000, date	ed June 28, 2013	•	
3	Column C reflects Total Payroll and Property Taxes Allocated and Billec	to Citizens in 201	3.		
-		-			

		A	В	C	D					
			3/30/2012							
Ln			Est Prepaid			Ln				
No.	Description		Lease Amt			No				
	Citizens Border-East Line Prepaid Lease Cost		84,747,000			-				
					Col, D =					
				Col. B / 12	Col.C * 6 Months					
		Carry	Annual	Monthly						
		Charge	Cost	Cost	Jan - Jun 2013					
1	Allocation of Payroll & Property Taxes to Citizens	Percentage	Allocation	Allocation	Invoice	1				
2	B. Non- Direct Expense Cost Component					2				
3	Transmission Related Payroll Carrying Charge Rate	0.08%	68,881	5,740	34,440	3				
4	C. Other Specific Cost Component					4				
5	Property Taxes		447,639	37,303	223,820	5				
$\vdash$						+				
	C. Other Specific Cost Component 4									

	A	В	С	D	E	F	G	Н	
			7/3/2012						
Ln			Prepaid				G = Col. D + Col. E +		Ln
No	Description		Lease Amt				Col F		No
	Citizens Border-East Line Prepaid Lease Cost -Cycle 1		39,320,000						
	These amounts are used as recorded revenues in the true-up adjus-	stment							
	calculations.			11 Months				Col. H =	<u> </u>
		C2	Total		Allocation	Allocation of		Col. G * 6 Months	<u> </u>
		Carrying	C2 Annual	C2 Monthly	of C2 TUP	Monthly	Citizens Billing		ــــــ
		Charge	Billing	Billing	(Over) / Under-	Interest	July 2013- Dec 2013	Total	<u> </u>
1	Actual Billings to Citizens by Cost Component	Rates	Amount	Amount	collection	(204.67)	Monthly Billing	Jul-Dec 2013	1
2	B. Non-Direct Expense Cost Component								2
3	Transmission Related Payroll Carry Charge Rate	0 06%	23,592	2,144 73	(1,564 73)	(0 04)	580	3,480	3
4	C. Other Specific Cost Component							i	4
5	Property Taxes		255,608	23,237	7,926	(24.69)	31,139	186,832	5
	Floperty Taxes		233,000	23,231	7,520	(24.05)	51,157	100,052	Ť
									$\sqcup$
_	Col H reflects Citizens Billing Invoice for Non-Direct Payroll Ta	xes and Otl	ner Specific Co	st Component I	Property Taxes for	July- December	L		
_	To a second Dining Milosed for Front Direct Layton La								

## Base Period

# Statement AL - Working Capital Workpaper

Statement AL - Workpapers
Working Capital
Base Period 12 - Months Ending December 31, 2013
(\$1,000)

Line No.			orking Cash		Months ge Balance	Reference	Line No.
1 2	A. Plant Materials and Operating Supplies <sup>a</sup>			\$	64,658	Stmt AL WP; Page AL1; Line 17	1 2
3	Transmission Plant Allocation Factor				33.77%	Stmnt AD WP, Page AD, Line 39	3 4
5	Transmission Related Materials and Supplies			\$	21,835	Line 1 x Line 3	5 6
7	B Prepayments <sup>a</sup>			_\$	39,198	Stmt AL WP, Page AL2, Line 17	7
8 9	Transmission Related Prepayments			\$	13,237	Line 3 x Line 7	9 10
10 11	C Derivation of Transmission Related Cash Working Capital - Retail.	_				2	11
12 13	Transmission O&M Expense - Excl Intervenor Funding Expense Transmission Related Administrative & General Expense	\$	39,718 62,918			Stmnt AH WP; Page AH2, Pg 1 of 2; Col 6 Line 34 Stmnt BK2 - Sec2; Pg 2 of 7, Col. D, Line 44	13
14 15	CPUC Intervenor Funding Expense - Transmission Total	\$	102,636			Stmnt AH WP; Page AH, Line 17 Sum Lines 12 thru 14	14 15
16 17	One Eighth O&M Rule		12 50%			FERC Method = 1/8 of O&M Expense	16 17
18 19	Transmission Related Cash Working Capital - Retail Customers	\$	12,830			Line 15 x Line 17	18 19
20 21	D. Ad <sub>1</sub> to Back Out CPUC Intervenor Funding Exp Embedded in Retail W	Vorkını	Z Cash				20 21
22 23	CPUC Intervenor Funding Expense - Transmission	\$	-			See Line 14 Above	22 23
24 25	One Eighth O&M Rule		12 50%			FERC Method = 1/8 of O&M Expense	24 25
26	Adj. to Transmission Related Cash Working Capital - Wholesale Customer	\$	-			Line 22 x Line 24	26 27
27 28	Cost of Capital Rate (COCR)		#DIV/0!			Stmnt AV WP; Page AV2, Line 31	28
29 30	CPUC Intervenor Funding Exp. Revenue Adj. b		#DIV/0!			Line 26 x Line 28	29 30

<sup>&</sup>lt;sup>a</sup> The balances for Materials & Supplies and Prepayments are derived based on a 13-month average balance

b This adjustment is being made to BK-2, page 1, line 6 to show that wholesale customers should not pay for this working cash item

## SAN DIEGO GAS AND ELECTRIC COMPANY STATEMENT AL

## **WORKING CAPITAL**

## BASE PERIOD - 12/31/2013 PER BOOKS (\$1,000)

## ACCOUNT 154 PLANT MATERIALS AND OPERATING SUPPLIES ELECTRIC ALLOWABLE PER FERC FORMULA

Line No.	Month	Total Electric Plant Materials & Supplies	Line No.
1	Dec-12	68,536	1
2	Jan-13	68,561	2
3	Feb	69,067	3
4	Mar	69,780	4
5	Apr	68,036	5
6	May	68,718	6
7	Jun	59,011	7
8	Jul	58,060	8
9	Aug	58,497	9
10	Sep	59,451	10
11	Oct	60,018	11
12	Nov	61,872	12
13	Dec-13	70,946	13
14	Total 13 Months	840,553	14
15			15
16			16
17	13-Month Average (L14 / 13)	64,658	17

## SAN DIEGO GAS AND ELECTRIC COMPANY **STATEMENT AL**

## **WORKING CAPITAL**

BASE PERIOD - 12/31/2013 PER BOOKS (\$1,000)

## **ACCOUNT 165 PREPAYMENTS - ELECTRIC**

Line No.	Month	Total Electric Plant Prepayments	Line No.
1	Dec-12	40,354	1
2	Jan-13	35,433	2
3	Feb	28,022	3
4	Mar	27,924	4
5	Apr	38,227	5
6	May	28,740	6
7	Jun	17,912	7
8	Jul	46,817	8
9	Aug	54,471	9
10	Sep	55,370	10
11	Oct	48,243	11
12	Nov	43,381	12
13	Dec-13	44,685	13
14	Total 13 Months	509,579	14
15			15
16			16
17	13-Month Average (Line 14 / 13)	39,198	<u> </u>

# Base Period Statement AV - Rate of Return Workpaper

#### SAN DIEGO GAS AND ELECTRIC COMPANY Statement AV - Workpapers

#### Cost of Capital and Fair Rate of Return Base Period 12 - Months Ending December 31, 2013 (\$1,000)

	Line						Amounta	Reference	Line No
2   Cless  Resequented Bands (Actes 221) (g)   12 Lme/180   2	_No_	-					Amounts	Reference	140
2 (Flus) Bonds (Accu 221) (p112 Lane 18e) 2 (Less) Reacquared Bonds (Accu 222) (p112 Lane 19e) - Form 1, Page 112, Lane 18e 2 (Plus) Other Long-Term Debt (Accu 223) (p112 Lane 22e) - Form 1, Page 112, Lane 21e 4 (Plus) Other Long-Term Debt (Accu 225) (p112 Lane 22e) - Form 1, Page 112, Lane 22e 5 (Less) Usanortuzed Discount on Long-Term Debt (Accu 225) (p112 Lane 22e) - Form 1, Page 112, Lane 23e 6 (Less) Usanortuzed Discount on Long-Term Debt (Accu 225) (p112 Lane 22e) - Form 1, Page 112, Lane 23e 6 (Less) Usanortuzed Discount on Long-Term Debt (Lone 22e) - Sale 24	1	Long-Term Debt Component - Denomin	ator						1
Section   Resequence   Bordes (Accet   222) (pil 12 Line   19c)   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000   123,000						\$	3,926,855	Form 1, Page 112, Line 18c	2
4 (Plus) Other Long-Term Debt (Acet 224) (pl.12 Line21c)   123,900   Form 1, Page 112, Line 21c   5 (Plus) Unimortized Premium on Long-Term Debt (Locat 225) (pl.12 Line22c)   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553   1,0553							_		3
5 (Piss) Unamortized Premum on Long-Term Debt (Acet 225) (pl.12 Line225)				1			123,900	Form 1, Page 112, Line 21c	4
Cases   Unamortized Discount on Long-Term Debt/ Debt   (Acet   226) (pl112 Line23c)   \$ 4,039,802   Line 2 Minus Line 3 Plus Lines 4 & S Minus Line 5   \$ 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None 1   None	5				2c)		-	Form 1, Page 112, Line 22c	5
Time   Long   Term   Debt Component   Numerator   Security   Sec	6						10,953	Form 1, Page 112, Line 23c	6
Description Deht Commonent - Numerator   9   186,465   Form 1, Page 117, Lane 62e   10   10   Pibs) Interest on Long-time Debt (427) (p117 Lane54e)   3,084   Form 1, Page 117, Lane 63e   11   (Pibs) Amont of Debt Disc and Expenses (428) (p117 Lane54e)   2,537   Form 1, Page 117, Lane 63e   12   (Pibs) Amont of Debt Disc and Expenses (428) (p117 Lane54e)   2,537   Form 1, Page 117, Lane 63e   13   (Less) Amont of Premium on Debt-Credit (429) (p117 Lane55e)   - Form 1, Page 117, Lane 65e   14   Lane 54e   15   - Lane 17   Lane 55e   14   Lane 54e   Lane	7					\$	4,039,802	Line 2 Minus Line 3 Plus Lines 4 & 5 Minus Line 6	7
10   Pilva   Interest on Long-Term Debt (427) (p117 Lune62c)   \$ 186.465   Form 1, Page 117, Lune 62c   10	8	u,			•				8
11	9	Long-Term Debt Component - Numerate	or_						9
12   Cless   Amontraztion of Loss on Resequired Debt (428 1) (p117 Line64c)   2,537   Form 1, Page 117, Line 64c   12	10	(Plus) Interest on Long-Term Debt (427)	(p117 Line62c)			\$	186,465		
Less) Amort action of Gam on Reacured Debt-Credit (429) (p117 Line65c)   13	11	(Plus) Amort of Debt Disc and Expense	e (428) (p117 Lin	e63c)					
Cless) Amortization of Gain on Reacquired Debt-Credit (429.1) (p117 Line6c)   Form 1, Page 117, Line 66c   14   15   1   1   1   1   1   1   1   1	12	(Plus) Amortization of Loss on Reacquir	red Debt (428 1)	p117 Line64c)			2,537		
S   1	13	(Less) Amort of Premium on Debt-Cred	ıt (429) (p117 Lı	ne65c)			-		
16	14	(Less) Amortization of Gain on Reacquir	red Debt-Credit (	429.1) (p117 Line	e66c)				
Total Cost of Long-Term Debt	15	1 = LTD interest (p117, sum of Line56c	thru Line60c, det	aıls on p257))		_\$	192,086	Sum Lines 10, 11, 12 Minus Lines 13 & 14	
18   19   Preferred Equity Component   19   19   19   19   19   19   19   1	16								
Perferred Equity Component   19   20   PF = Preferred Equity Component   19   20   PF = Preferred Equity Component   19   20   20   3   3   5   5   5   5   5   6   20   20   20   20   20   20   20	17	Cost of Long-Term Debt					4 75%	Line 15 / Line 7	17
PF = Preferred Stock - Acet 204 (p112 3e)	18								18
1	19	Preferred Equity Component							19
Cost of Preferred Equity	20	PF = Preferred Stock - Acct 204 (p112 3	c)				-		
23   24   25   25   26   27   27   27   28   29   27   28   29   27   28   29   27   28   29   27   28   29   27   28   29   28   29   29   28   29   29	21	d(pf) = Total Dividends Declared-Prefer	red Stocks (Acct	437) (p118 29c)		_\$	3,615		
Common Equity Component   24   Common Equity Component   25   Form 1, Page 112, Line 16c   25	22	Cost of Preferred Equity					0 00%	Line 21 / Line 20	22
Softward Capital (pl12 16c)   S	23								23
Class   Preferred Stock - Acct 204 (p112 3c)   Form 1, Page 112, Line 3c   26	24	Common Equity Component							
Class   Unappropriated Undistributed Subsidiary Earnings (Acct 216 1) (p112 12c)   Form 1, Page 112, Line 12c   27	25	Proprietary Capital (p112 16c)				\$	4,629,716		
Class   Accumulated Other Comprehensive Income (Acct 219) (p112 15c)   \$ 4,620,706   Line 25 Minus Lines 26, 27 & 28   29	26						-		
CS = Common Stock   S 4,620,706   Line 25 Minus Lines 26, 27 & 28   29   30	27	(Less) Unappropriated Undistributed Su	bsidiary Earnings	(Acct 216 1) (p	112 12c)		-		
30   31   Return on Common Equity   (a) (b) (c) (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)   (d) = (b) x (c)	28	(Less) Accumulated Other Comprehensi	ve Income (Acct	219) (p112 15c)					
Return on Common Equity	29	CS = Common Stock				_\$	4,620,706	Line 25 Minus Lines 26, 27 & 28	
Cap Struct   Cost of Capital   Amount   Ratio   Cap Struct   Cost of Weighted   Cost of Capital   Co	30								
Cap Struct   Cost of   Weighted   Same   S	31	Return on Common Equity					11 35%		
Meighted Cost of Capital   Amount   Ratio   Capital   Cost of Capital   Cost of Capital   34   35   35   36   Long-Term Debt   \$4,039,802   46 65%   475%   222%   Col C = Line 17 Above   36   37   Preferred Equity   - 0 00%   000%   000%   Col C = Line 22 Above   37   38   Common Equity   4,620,706   53 35%   11 35%   6 06%   Col C = Line 31 Above   38   39   Total Capital   \$8,660,508   100 00%   8 28%   Sum Lines 36 thru 38   39   40   41   Cost of Equity Component (Preferred & Common)   6 06%   Sum Lines 37, 38, Col (d)   41   42   43   44   Incentive Return on Common Equity   4   (a)   (b)   (c)   (d) = (b) x (c)   45   46   47   48   49   Long-Term Debt   \$4,039,802   46 65%   475%   2 22%   Col C = Line 17 Above   49   49   Long-Term Debt   \$4,039,802   46 65%   475%   2 22%   Col C = Line 17 Above   49   49   Long-Term Debt   \$4,039,802   46 65%   475%   2 22%   Col C = Line 17 Above   49   48   49   Long-Term Debt   \$4,039,802   46 65%   475%   2 22%   Col C = Line 17 Above   49   48   49   Long-Term Debt   \$4,039,802   46 65%   475%   2 22%   Col C = Line 17 Above   49   48   49   Long-Term Debt   \$4,039,802   46 65%   475%   2 22%   Col C = Line 17 Above   49   49   49   49   49   40   40   40	32		(a)	(b)	(c)				
35   36   37   38   39   39   30   36   37   38   39   38   39   39   39   39   39	33			Cap Struct	Cost of	,	Weighted		33
35   36   37   38   39   39   39   30   30   30   30   30	34	Weighted Cost of Capital	Amount 1	Ratio	Capıtal	Co	st of Capıtal		
27   Preferred Equity   1	35	<del></del>							35
38   Common Equity   4,620,706   53 35%   11 35%   6 06%   Sum Lines 36 thru 38   39	36	Long-Term Debt	\$ 4,039,802	46 65%			2 22%	Col $C = Line 17$ Above	
Total Capital   \$ 8,660,508   100 00%   8 28%   Sum Lines 36 thru 38   39	37		-						
A0	38	Common Equity	4,620,706	53 35%	11 35%				
1   Cost of Equity Component (Preferred & Common)   6 06%   Sum Lines 37, 38, Col (d)   41	39	Total Capital	\$ 8,660,508	100 00%			8 28%	Sum Lines 36 thru 38	
A2	40	•							
A	41	Cost of Equity Component (Preferred &	Common)				6 06%	Sum Lines 37, 38, Col (d)	
Ad   Incentive Return on Common Equity   2	42					•			
45									43
45	44	Incentive Return on Common Equity <sup>2</sup>					11 35%	Stmt AV WP, Page AV-1, Line 1	44
Cap Struct   Cost of   Weighted   Weighted   Amount   Ratio   Capital   Cost of Capital   Cost of Capital   47   Weighted Cost of Capital   Amount   Ratio   Capital   Cost of Capital   48   48   49   Long-Term Debt   \$4,039,802   46.65%   4.75%   2.22%   Col C = Line 17 Above   49   49   49   49   49   49   49   4			(a)	(b)	(c)	(d)	= (b) x (c)		45
47       Weighted Cost of Capital       Amount 1       Ratio       Capital       Cost of Capital       47         48       48         49       Long-Term Debt       \$4,039,802       46.65%       4.75%       2.22%       Col C = Line 17 Above       49         50       Preferred Equity       -       0.00%       0.00%       0.00%       Col C = Line 22 Above       50         51       Common Equity       4,620,706       53.35%       11.35%       6.06%       Col C = Line 44 Above       51         52       Total Capital       \$8,660,508       100.00%       8.28%       Sum Lines 49 thru 51       52         53       53			. ,						46
48 49 Long-Term Debt \$ 4,039,802 46 65% 4 75% 2 22% Col C = Line 17 Above 49 50 Preferred Equity - 0 00% 0 00% Col C = Line 22 Above 50 51 Common Equity 4,620,706 53 35% 11 35% 6 06% Col C = Line 44 Above 51 52 Total Capital \$ 8,660,508 100 00% 8 28% Sum Lines 49 thru 51 52 53		Weighted Cost of Capital	Amount 1	•	Capital	Co	st of Capital		47
49 Long-Term Debt       \$ 4,039,802       46 65%       4 75%       2 22%       Col C = Line 17 Above       49         50 Preferred Equity       -       0 00%       0 00%       0 00%       Col C = Line 22 Above       50         51 Common Equity       4,620,706       53 35%       11 35%       6 06%       Col C = Line 44 Above       51         52 Total Capital       \$ 8,660,508       100 00%       8 28%       Sum Lines 49 thru 51       52         53									48
50       Preferred Equity       -       0 00%       0 00%       0 00%       Col C = Line 22 Above       50         51       Common Equity       4,620,706       53 35%       11 35%       6 06%       Col C = Line 44 Above       51         52       Total Capital       \$ 8,660,508       100 00%       8 28%       Sum Lines 49 thru 51       52         53       53		Long-Term Debt	\$ 4,039,802	46 65%	4 75%		2 22%	Col $C = Line 17$ Above	49
51 Common Equity     4,620,706     53 35%     11 35%     6 06%     Col C = Line 44 Above     51       52 Total Capital     \$ 8,660,508     100 00%     \$ 28%     Sum Lines 49 thru 51     52       53			-				0 00%	Col $C = Line 22$ Above	50
52 Total Capital \$ 8,660,508 100 00% 8 28% Sum Lines 49 thru 51 52 53			4,620,706					Col $C = Line 44$ Above	51
53							8 28%	Sum Lines 49 thru 51	52
54 <u>Incentive Cost of Equity Component (Preferred &amp; Common)</u> 54 Sum Lines 50, 51, Col (d) 54		•							53
		Incentive Cost of Equity Component (Pr	eferred & Comm	on)			6 06%	Sum Lines 50, 51, Col (d)	54

<sup>&</sup>lt;sup>1</sup> Amount is based upon December 31 balances

The Incentive Return on Common Equity will be tracked and shown separately for each project. As a result, lines 44 through 54 will be repeated for each project.

#### CERTIFICATE OF SERVICE

I hereby certify that I have this day served an electronic copy of the foregoing document upon each person designated on the official service list compiled by the Secretary in Docket Nos. ER-14-2057. In addition, I certify that I have also caused the foregoing to be served by overnight delivery upon the following:

General Counsel California Public Utilities Commission 505 Van Ness Avenue San Francisco, CA 94102

General Counsel California Independent System Operator Corporation 151 Blue Ravine Road Folsom, CA 95630

Dated at San Diego, California, this 31st day of March, 2015.

/s/ Tamara Grabowski

Tamara Grabowski