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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”),³ to

¹ 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.

² 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.

³ 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).

SDG&E's Fourth TO Formula ("TO4 Formula") rate mechanism, which became effective on September 1, 2013.⁴

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 Line⁵ of the Sunrise Powerlink Transmission Project ("Sunrise").⁶

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.⁷ SDG&E operates and maintains the Border East Line for Citizens for a charge, *i.e.*, the Border East Line Rate.⁸

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)

⁴ 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).

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

⁶ 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.

⁷ 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).

⁸ The capitalized terms are either defined herein or in Appendix VIII or Appendix X of SDG&E's TO Tariff.

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;
- Section II.A. 5, Transmission Wages and Salaries Allocation Factor;
- 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

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).

- 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):
 - 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);
 - 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
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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

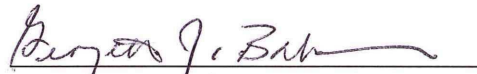
Correspondence and other communications concerning this Informational Filing should be addressed to:⁹

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Respectfully submitted,



Georgetta J. Baker
Attorney for
San Diego Gas & Electric Company

Enclosures

cc: Debi Le Vine, Director CAISO
General Counsel, California Public Utilities Commission
Donald Allen, Citizens
Ashley Bond, Citizens

⁹ 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


Lee Schavrien

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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, Annie V. Ruiz, Notary Public, personally appeared **Lee Schavrien**, 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 ~~Expenses~~Costs 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”)*¹ 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

¹ 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 (TO~~43~~ Formula). Citizens and SDG&E agree that if the costing methodology in the TO~~43~~ Formula is modified in future rate filings, e.g., in an SDG&E TO~~54~~ Formula, this Appendix X will be modified accordingly.

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

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

II. Definitions

Capitalized terms and allocation factors not otherwise defined in Section ~~13~~ 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

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

B. Carrying Charge Percentages

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

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

C. TERMS

1. **[DELETED]**
2. **Allocated General and Common Accumulated Deferred Income Taxes** shall equal the net of the deferred tax balance recorded in FERC Account Nos. 281- 283 and the deferred tax balance recorded in FERC Account No. 190.
3. **Administrative and General Expense** shall equal SDG&E’s expenses recorded in FERC Account Nos. 920-935 plus the recorded Transmission Related A&G Expenses allocated and charged to Citizens as reflected in FERC Account 413, Expenses from Electric Plant Leased to Others, excluding FERC Account No. 930.1 (General Advertising Expense).
4. **Base Period Cost of Service** – except for the initial Rate Effective Period, the Base Period cost of service shall be the calendar year prior to

the following year's Rate Effective Period. The initial Base Period cost of service shall be the 12-month period ending September 30, 2011 adjusted for certain estimated expenses applicable to the initial Rate Effective period.

5. **Citizens Border East Line Accumulated Deferred Tax Asset** shall equal Citizens' accumulated deferred income tax asset generated by the net operating loss attributable to bonus depreciation.
6. **Citizens Border East Line Accumulated Deferred Tax Liability** shall equal Citizens' accumulated deferred income tax liability attributable to bonus depreciation.
7. **Citizens Border East Line Incremental Accumulated Deferred Income Tax Liability** shall be the difference between the sum of the deferred income tax liability and the deferred income tax asset computed with bonus depreciation less the deferred income tax liability computed without bonus tax depreciation.
8. **Citizens Border East Line Allocated Property Taxes** shall equal Property Taxes, plus Citizens allocated property taxes, excluding property taxes directly assigned to SONGS, multiplied by Citizens Border-East Line Property Tax Allocation Factor. SDG&E shall footnote in its annual FERC Form 1 the directly assigned property taxes attributable to SONGS, which SDG&E shall reference by page in its Informational Filing.
9. **Citizens Border East Line Leased Amount** shall equal the amount of the Border East Line that SDG&E leases to Citizens.
10. **Citizens Border East Line Rate** shall be equal to the sum of the following: Direct Maintenance Expenses Cost Component, plus Non Direct Expenses Cost Component; plus Cost Component Containing Other Specific Expenses, plus the True Up Adjustment, plus the Interest True Up Adjustment.
11. **Common Plant** shall equal SDG&E's gross plant balance recorded in FERC Accounts Nos. 303 and 389 through 398 assigned to electric services.

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

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

Where:

A = Sum of Preferred Stock and Return on Equity Component

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

C = Equity AFUDC Component of Transmission Depreciation Expense

D = Transmission Rate Base

FT = Federal Income Tax Rate @ 35%

~~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 GPUG.
20. **General and Common Plant ADIT** shall equal to the amount reflected in the footnote to the annual FERC Form 1 filing.
21. **General and Common Plant Depreciation Rate** shall equal the ratio of the sum of SDG&E’s General and Common Plant Depreciation expense and General and Common Gross Plant.
22. **General and Common Plant Fixed Charge Rate** shall be the Annual Fixed Charge Rate for purposes of determining the amount of revenue requirement associated with General and Common Plant calculated as follows: (1) General and Common Plant Depreciation Rate; plus (2) Federal and State Income Tax Rate; plus (3) Rate of Return; plus (4) General and Common ADIT Adjustment Rate.
23. **General and Common Total Gross Plant** shall equal the sum of Common Plant and General Plant.
24. **General and Common Plant Revenue** – shall be the product of General and Common Gross Plant and the Annual General and Common Plant Fixed Charged Rate.
25. **Interest True Up Adjustment** shall be equal to that calculated in Section III E of Appendix X.
26. **Materials and Supplies** shall equal SDG&E’s balance of total electric Materials and Supplies recorded in FERC Account No. 154, excluding those materials and supplies assigned to construction as reflected on SDG&E Form 1.

- 27. Municipal Franchise Tax Percentage** shall be equal to the most current Municipal Franchise Tax Expense percentage approved by the CPUC.
- 28. Non-Deductibility of Depreciation on Equity Allowance for Funds Used During Construction (AFUDC) Revenue Component** shall be the product of the annual book depreciation of Equity AFUDC multiplied by the combined federal and state tax rate and the result multiplied by a gross up factor to determine the amount of revenue requirement associated with the non-deductibility of Equity AFUDC embedded in the Plant cost of Citizens Border East Line, which shall be calculated as shown in Section III.C.3.
- 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. Prepayments** 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. 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

354. State Income Tax Component shall equal
$$\frac{-(A) + (B/C) + \text{Federal Income Tax}}{1 - ST} * (ST)$$

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%

~~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.

376. 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. Transmission Plant – 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.

410. [DELETED]

421. [DELETED]

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

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. 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.

- 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.
- 465. 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. Transmission Related Prepayments** – shall be the product of SDG&E's electric plant prepayments 13 month weighted average balance times the Transmission Plant Allocation Factor.
- 498. 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.
- 5049. Transmission Related Working Capital Revenue** shall equal the sum of Transmission Related M&S, Transmission Related Prepayments, and Transmission Related Working Cash, multiplied by the sum of Rate of Return, Federal Income Tax, and State Income tax.
- 510. True-Up Adjustment** shall be equal to that calculated in Section II D of Appendix X.

521. 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.

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

1. The Non-Direct Expense Cost Component shall be equal to the sum of the following carrying charge percentages:
 - (a) Transmission Maintenance Expense Carrying Charge Percentage,plus

- (b) Transmission Operations Expense Carrying Charge Percentage,
plus
- (c) Transmission Related A&G Carrying Charge Percentage, plus
- (d) Transmission Related Payroll Tax Carrying Charge Percentage,
plus
- (e) Transmission Related General and Common Plant Revenue
Carrying Charge Percentage, plus
- (f) Transmission Related Working Capital Revenue Carrying Charge
Percentage, multiplied by the Municipal Franchise Tax Percentage,
whose product is multiplied by the Citizens Border East Line
Leased Amount.

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

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

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

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

2. Calculation of the Property Taxes Allocated to Citizens

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

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

|

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

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

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) True-Up Adjustment

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

E. Derivation of the Interest True-Up Adjustment

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

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

IV. Table 1

[Remainder of page intentionally left blank]

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

Line No	Description	(A)	(B)	(C) = (A) + (B)	Line No
		SDG&E Normal FERC Accounts	FERC Accounts Per PDO	TOTAL	
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”)*¹ 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

¹ San Diego Gas & Electric Company, *Order on Petition for Declaratory Order*, 129 FERC ¶61, 233 (2009).

date of implementation of the correction.

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

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

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

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

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

II. 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

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

B. Carrying Charge Percentages

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

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

C. TERMS

1. **[DELETED]**
2. **Allocated General and Common Accumulated Deferred Income Taxes** shall equal the net of the deferred tax balance recorded in FERC Account Nos. 281- 283 and the deferred tax balance recorded in FERC Account No. 190.
3. **Administrative and General Expense** shall equal SDG&E’s expenses recorded in FERC Account Nos. 920-935 plus the recorded Transmission Related A&G Expenses allocated and charged to Citizens as reflected in FERC Account 413, Expenses from Electric Plant Leased to Others, excluding FERC Account No. 930.1 (General Advertising Expense).
4. **Base Period Cost of Service** – except for the initial Rate Effective Period, the Base Period cost of service shall be the calendar year prior to

the following year's Rate Effective Period. The initial Base Period cost of service shall be the 12-month period ending September 30, 2011 adjusted for certain estimated expenses applicable to the initial Rate Effective period.

5. **Citizens Border East Line Accumulated Deferred Tax Asset** shall equal Citizens' accumulated deferred income tax asset generated by the net operating loss attributable to bonus depreciation.
6. **Citizens Border East Line Accumulated Deferred Tax Liability** shall equal Citizens' accumulated deferred income tax liability attributable to bonus depreciation.
7. **Citizens Border East Line Incremental Accumulated Deferred Income Tax Liability** shall be the difference between the sum of the deferred income tax liability and the deferred income tax asset computed with bonus depreciation less the deferred income tax liability computed without bonus tax depreciation.
8. **Citizens Border East Line Allocated Property Taxes** shall equal Property Taxes, plus Citizens allocated property taxes, excluding property taxes directly assigned to SONGS, multiplied by Citizens Border-East Line Property Tax Allocation Factor. SDG&E shall footnote in its annual FERC Form 1 the directly assigned property taxes attributable to SONGS, which SDG&E shall reference by page in its Informational Filing.
9. **Citizens Border East Line Leased Amount** shall equal the amount of the Border East Line that SDG&E leases to Citizens.
10. **Citizens Border East Line Rate** shall be equal to the sum of the following: Direct Maintenance Expenses Cost Component, plus Non Direct Expenses Cost Component; plus Cost Component Containing Other Specific Expenses, plus the True Up Adjustment, plus the Interest True Up Adjustment.
11. **Common Plant** shall equal SDG&E's gross plant balance recorded in FERC Accounts Nos. 303 and 389 through 398 assigned to electric services.

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

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

Where:

A = Sum of Preferred Stock and Return on Equity Component

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

C = Equity AFUDC Component of Transmission Depreciation Expense

D = Transmission Rate Base

FT = Federal Income Tax Rate @ 35%

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

27. **Municipal Franchise Tax Percentage** shall be equal to the most current Municipal Franchise Tax Expense percentage approved by the CPUC.
28. **Non-Deductibility of Depreciation on Equity Allowance for Funds Used During Construction (AFUDC) Revenue Component** shall be the product of the annual book depreciation of Equity AFUDC multiplied by the combined federal and state tax rate and the result multiplied by a gross up factor to determine the amount of revenue requirement associated with the non-deductibility of Equity AFUDC embedded in the Plant cost of Citizens Border East Line, which shall be calculated as shown in Section III.C.3.
29. **Non Direct Expenses Cost Component** shall be equal to that calculated in Section III B of Appendix X.
30. **Payroll Taxes** shall equal those payroll tax expenses recorded in FERC Account No. 408.1. The total Payroll Taxes expense is the sum of SDG&E's total Payroll Taxes expense plus that portion of the payroll tax expense which was allocated and charged to Citizens.
31. **Prepayments** shall equal SDG&E's prepayment balance recorded in FERC Account No. 165.
32. **Property Insurance** shall equal SDG&E's expenses recorded in FERC Account No. 924 plus the Transmission Related Property Insurance Expense allocated and charged to Citizens as recorded in FERC Account 413, Expenses from Electric Plant Leased to Others.
33. **Property Taxes** shall equal SDG&E's expenses recorded in FERC Account No. 408.1. Property Taxes Expense is the sum of SDG&E's property taxes expense and that portion of the property tax expense which was allocated and charged to Citizens.
34. **Rate Effective Period** The Initial Rate Effective Period is for 12-months, commencing with the date that Sunrise goes into service, currently projected to be June 1, 2012, through May 31, 2013. However, if Sunrise

goes into service either earlier or later than June 1, the Initial Rate Effective Period will commence on that date and end May 31, 2013

35. **State Income Tax** shall equal

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

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%

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

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

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

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

40. **Transmission Plant** – shall equal SDG&E's Gross Plant balance recorded in FERC Account Nos. 350 – 359, excluding the portion attributable to any facilities, the cost of which is directly assigned under

the CAISO Tariff, or is included in Incentive Transmission Plant, plus Citizens Border-East Line Leased Amount.

41. **[DELETED]**

42. **[DELETED]**

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

44. **Transmission Related A&G Expenses Including Property Insurance** – shall equal (1) SDG&E's Administrative and General Expenses included in FERC Account Nos. 920-935 plus the Transmission Related A&G Expenses allocated and charged to Citizens as recorded in FERC Account 413, Expenses from Electric Plant Leased to Others, excluding non-transmission related expenses, which include but are not limited to non-transmission related expenses in FERC Account No. 924 (Property Insurance), FERC Account No. 925 (Damages and Injuries), FERC Account No. 927 (Franchise Requirements), FERC Account No. 930.2 (Miscellaneous General Expenses), and FERC Account No. 935 (Maintenance of General Plant), and any CPUC Intervener Funding Expense recorded in FERC Account No. 928 (Regulatory Commission Expenses), multiplied by the Transmission Wages and Salaries Allocation Factor for Citizens, plus (2) Property Insurance in FERC Account No. 924,

excluding insurance costs related to nuclear plant serving SDG&E's bundled retail customers, multiplied by the Transmission Plant Property Insurance Allocation Factor.

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

- 53. Weighted Cost of Capital** shall be based upon December 31 balances in accordance with the format of Statement AV of the TO4 Formula Rate Spreadsheet.
- 54. Working Cash One Eight O&M Percentage** shall equal 12.5% (45 days/360 days).

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

1. The Non-Direct Expense Cost Component shall be equal to the sum of the following carrying charge percentages:
 - (a) Transmission Maintenance Expense Carrying Charge Percentage,
plus
 - (b) Transmission Operations Expense Carrying Charge Percentage,
plus
 - (c) Transmission Related A&G Carrying Charge Percentage, plus
 - (d) Transmission Related Payroll Tax Carrying Charge Percentage,
plus
 - (e) Transmission Related General and Common Plant Revenue
Carrying Charge Percentage, plus

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

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

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

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

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

2. Calculation of the Property Taxes Allocated to Citizens

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

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

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

The allocation of the annual book depreciation on the Equity AFUDC allocated to Citizens Border-East Line shall be calculated as follows: The annual book depreciation on Equity AFUDC multiplied by the Federal and State Income Tax

Rate, the product of which is multiplied by the Gross-Up Factor.

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

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

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

D. Derivation of the True-Up Adjustment

1. Derivation of the Annual True-Up Adjustment

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

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

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

E. Derivation of the Interest True-Up Adjustment

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

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

IV. Table 1

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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")

Line No	Description	(A)	(B)	(C) = (A) + (B)	Line No
		SDG&E Normal FERC Accounts	FERC Accounts Per PDO	TOTAL	
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**

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1 UNITED STATES OF AMERICA
2 BEFORE THE
3 FEDERAL ENERGY REGULATORY COMMISSION
4

5 San Diego Gas & Electric Company

Docket No. ER15-__-000

6
7 PREPARED DIRECT TESTIMONY OF
8 LEONOR SANCHEZ
9 ON BEHALF OF
10 SAN DIEGO GAS & ELECTRIC COMPANY
11

12 I. INTRODUCTION

13 Q1. Please state your name and business address.

14 A1. My name is Leonor Sanchez. My business address is 8315 Century Park Court – CP21G
15 San Diego California, 92123-1548.

16 Q2. By whom are you employed and in what capacity?

17 A2. I am employed by San Diego Gas & Electric Company (“SDG&E”) as a Principal
18 Business Analyst in the Transmission Revenue group. My responsibilities include
19 assisting in developing and analyzing transmission revenue requirements.

20 Q3. Have you previously testified in matters before the Federal Energy Regulatory
21 Commission (“FERC” or “Commission”)?

22 A3. Yes, I’ve submitted direct testimony in Docket No. ER12-1417. In that proceeding, the
23 Commission adopted the Appendix X Formula rate mechanism (Appendix X Formula)
24 for the operation and maintenance service that SDG&E provides Citizens Sunrise
25 Transmission LLC (“Citizens”), which is discussed more fully below.¹ 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 modified the Appendix X Formula) and in

¹ 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 Line² of the Sunrise
6 Powerlink Transmission Project (“Sunrise”).³ 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.⁴ 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 Filing⁵ 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

² The Border East Line segment leased to Citizens is located between SDG&E’s Imperial Valley substation and the San Diego County line.

³ 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.

⁴ 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).

⁵ The capitalized terms are either defined herein or in Appendix VIII or Appendix X of SDG&E’s TO Tariff.

1 Appendix X further provides that the Citizens Border East Line Rate shall be designed to
2 reflect SDG&E's cost to own, operate and maintain the Border-East transmission line
3 segment.

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

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

14 **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, 2013.⁷

20 **Q8. Why are these modifications necessary?**

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

⁶ 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.

⁷ 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).

1 Appendix VIII, consistent with the Commission’s directive in the Letter Order accepting
2 the Appendix X, third Informational Filing.⁸

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,
10 and BK2 with supporting work papers that are included in this Filing. These cost
11 statements and work papers are based on 2013 data and are provided merely for
12 illustrative purposes. As noted above, Citizens’ revenue responsibility associated with
13 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:

- 18 • Appendix X modifications;
- 19 • Rate comparison under currently-effective Appendix X and modified Appendix X
20 (Exhibit No. SDG-1-1);
- 21 • Statement BK2-- shows the numerical results under the currently-effective Appendix
22 X (Exhibit No. SDG-1-2);
- 23 • Statement BK2 – shows the numerical results under the modified Appendix X
24 (Exhibit No. SDG-1-3).

25

⁸ 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 **IV. EXPLANATION OF CHANGES TO APPENDIX X AND STATEMENT BK-2**
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. Transmission Wages and Salaries Allocation Factor for Citizens**—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,
26 572, and 571 in the denominator.” The exclusion of Accounts 562, 570, 572 and 571

1 resulted 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 proposing to add “Non-Deductibility of Depreciation on Equity AFUDC Revenue
5 Component as a new term in Appendix X.

6 **Q16. Why are you adding the Non- Deductibility of Depreciation on Equity AFUDC
7 Revenue?**

8 A16. I am adding this provision to conform Appendix X to the TO4 Formula for the reasons I
9 discuss in detail later in my testimony.

10 **Q17. What changes are you proposing to Section II.C?**

11 A17. I am 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:

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

21
22
23 Where:

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

25 B = Transmission Related Amortization of ITC and Excess Deferred Tax Liability

26 C = Equity AFUDC Component of Transmission Depreciation Expenses

27 D = Transmission Rate Base

28 FT = Federal Income Tax Rate @ 35%

29
30
31 19. **General Plant Depreciation Expense** – this term is revised to conform to TO4
32 Formula Appendix VIII definition similar to Term 12 above.

⁹ 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:

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

7 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 No. 354 (Towers and Fixtures) and FERC Account No. 356 (Overhead
15 Conductors and Devices) shall equal the Sunrise Removal rates of zero as set
16 forth in SDG&E’s TO4 Formula.”

17 **40. Transmission Plant** – 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 is included in Incentive Transmission Plant.”

20 **47. Transmission Related Payroll Taxes** – 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. Are you proposing any change to the Appendix X Cost Statement AV to conform it
26 to the TO4 Formula Cost Statement AV?**

27 A18. Yes, the TO4 Formula Cost Statement AV has been updated to conform the federal
28 income tax and the state income tax components of the cost of capital formula from the
29 TO3 Formula to the TO4 Formula. The income tax components of the cost of capital
30 formula include a component for Equity AFUDC embedded in Transmission Plant Costs
31 to provide a revenue requirement for the non-deductibility for tax purposes of AFUDC
32 Equity. The Appendix X Cost Statements AV and BK2 specify the amount of

1 depreciation on Equity AFUDC embedded in the TO4 Formula that is attributable to the
2 Citizens portion of the Border East Line.

3 **Q19. What changes are you proposing to make in Section III.C “Calculation of the Cost**
4 **Component Containing Other Specific Expenses”?**

5 A19. I am proposing to include and allocate to Citizens its share of the income tax cost
6 associated with the non-deductibility for income tax purposes of depreciation of Equity
7 AFUDC associated with Citizens Border-East Line as a new cost component in Section
8 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.**

18 A21. Pursuant to the *Order on Petition for Declaratory Order* (“*PDO*”),¹⁰ approving the
19 Citizens transaction, the Commission ordered SDG&E to account for the Citizens leased
20 portion of the 30 mile section of the Sunrise 500 kV line as Electric Plant Leased to
21 Others over the 30 year term of the Lease Agreement. Based upon the *PDO*, SDG&E
22 must record on its books each year an annual amortization or depreciation expense
23 related with the total lease cost equal to \$85.2 million. Embedded in this annual
24 depreciation is an amount for AFUDC and, thus a corresponding amount of AFUDC
25 equity in depreciation expense. The depreciation on AFUDC equity is not deductible for
26 FIT or SIT, thus resulting in higher taxable net income than book net income. A revenue
27 requirement for this tax cost is calculated in Statement BK2.

28 **Q22. Have you included work papers in this Filing showing the derivation of the Citizens**
29 **depreciation attributable to AFUDC?**

¹⁰ 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
31 and Section 3- Cost Component Containing Other Specific Expenses.

- 1 **Q26. Please explain the changes made to Statement BK2, Sections 1 and 2.**
- 2 A26. The modifications made to Statement BK2, Sections 1 and 2 pertain primarily to
- 3 derivation of Cost of Capital Rate methodology reflected in Statement AV, specifically
- 4 the derivation of the Federal and State Income Tax Components. Exhibit No. SDG-1- 3,
- 5 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
- 10 revenues for each main section of Statement BK2 under the current Appendix X and
- 11 column B summarizes the revenues for each section under the modified Appendix X.
- 12 Column C shows the variance in revenues between column A and B. As noted, it is
- 13 anticipated that Citizens will experience a slight reduction in allocated costs. The
- 14 reduction is attributable primarily Sunrise’s depreciation removal costs being equal to
- 15 zero, as discussed earlier in the testimony.
- 16 Statement BK2, Section 1 (Derivation of Direct Maintenance Expenses Allocated
- 17 to Citizens), shows two columns. The first column shows the BK2 sections under the
- 18 current Appendix X and the second column shows the BK2 sections under the modified
- 19 Appendix X. Statement BK2, Section 2 (Derivation of Non-Direct Expenses Cost
- 20 Component) and Section 3 (Cost Component Containing Other Specific Expenses) are
- 21 presented in the same manner.
- 22 **V. CONCLUSION**
- 23 **Q28. Does this conclude your testimony?**
- 24 A28. Yes, it does.

VERIFICATION

STATE OF CALIFORNIA)
)
COUNTY OF SAN DIEGO) ss.

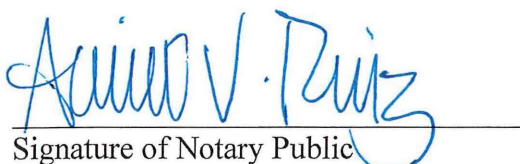
Leonor Sanchez, being duly sworn, on oath, says that she is the Leonor Sanchez identified in the foregoing prepared direct testimony; that she caused to be prepared such testimony on behalf of San Diego Gas & Electric Company; that the answers appearing therein are true to the best of her knowledge and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



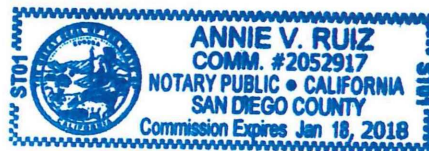
Leonor Sanchez

STATE OF CALIFORNIA)
)
COUNTY OF SAN DIEGO) ss.

SUBSCRIBED AND SWORN to me this 30th day of March, 2015, by Leonor Sanchez personally known to me or proved to me on the basis of satisfactory evidence to be the person who appeared before me.



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

Ln No.		A TO3 ⁶ Formula	B TO4 Formula	C = B - A Variance	D = C / A %	Reference	Ln No.
1	A. Citizens Annual Cost						1
2	1. Direct Maintenance Cost Component ¹	\$ 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	2
3							3
4							4
5	2. Non- Direct Cost Component 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							6
7	3. Cost Component Containing Other Specific Expenses						7
8							8
9	a. ADIT Allocated to Citizens ³	\$ (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	9
10							10
11							11
12	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							13
14							14
15	c. Non- Deductibility of Depreciation on Equity AFUDC Revenue Component ⁴	\$ -	\$ 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							16
17							17
18	d. Removal Costs - Border East Line ⁵	\$ 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							19
20							20
21	4. True-Up Period Adjustment (Over) / Undercollection	\$ -	\$ -	\$ -		To be calculated per Appendix X.	21
22							22
23	5. Interest True -Up Adjustment	\$ -	\$ -	\$ -		To be calculated per Appendix X.	23
24							24
25	Total Citizens Annual Costs	\$ 3,318	\$ 2,887	(431)		Sum of Lines 1 through 23	25
26							26
27							27

Col. C

- ¹ 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.
- ² Decrease is due to implementation of TO4 Formula Cost of Capital calculation and change in the calculation of transmission labor ratio for Citizens.
- ³ Decrease is primarily due to the change in the Cost of Capital calculation.
- ⁴ Increase is due to the inclusion of Non-Deductibility of Depreciation on Equity AFUDC Revenue Component a new cost component (see L.Sanchez Testimony).
- ⁵ Decrease is due to change in Sunrise removal rate equal to zero.
- ⁶ 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 Diego Gas & Electric Company						Statement BK2						
Cost Statement BK2						Section 1						
Section 1- Direct Maintenance Expense Cost Component						Page 1 of 1						
For Base Period 12 Months Ending - December 31, 2013												
(\$1,000)												
Calculation is for Illustrative Purposes Only												
						1	2	3 = 2 - 1				
Ln.						TO3 Formula	TO4 Formula		Ln.			
No.	A. Derivation of Direct Maintenance Expenses Allocated to Citizens					Amount	Amount	Variance	No.			
1	Citizens Direct Maintenance @ 50% Related with Border East Line ¹					\$ 18.552	\$ 18.552	\$ -	1			
2									2			
3	Working Cash One Eight Maintenace Percentage					\$ 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)	5
6											6	
7	Subtotal of Citizens Direct Maintenance					L1 + L5	\$ 18.841	\$ 18.815	\$ (0.026)	7		
8											8	
9	Franchise Fees @ 1.0310%					Calc: L7 X .010310	\$ 0.194	0.194	(0.00)	9		
10											10	
11	Total Direct Maintenace Cost Plus Franchise Fees					L7 + L9	\$ 19.035	\$ 19.009	\$ (0.026)	11		
12											12	
13											13	
14											14	
15											15	
¹	Direct O&M expenses incurred during 2013 Base Period is equal to					\$37.10	See Stmt AH; Page AH5, L39					
						50%						
						\$18.55						
Decrease is primarily due to the implementation of TO4 Formula Cost of Capital calculation.												

San Diego Gas & Electric Company					Statement BK2		
Derivation of Section 2 Non-Direct Expenses Cost Component					Section 2		
Base Period 12 Months Ending December 31, 2013					Page 1 of 7		
(000's)							
Calculation is for Illustrative Purposes Only							
					1	2	3 = 2 - 1
Summary of Annual Transmission Carrying					TO3 Formula	TO4 Formula	
Line No.	A	B	C	D	E	Variance	
1							
2							
3							
4	A. Non-Direct Annual Carrying Charge Percentages			Annual Carrying Charge as Applied to Leased Transmission Plant	Annual Carrying Charge as Applied to Leased Transmission Plant		
5							
6							
7							
8	Transmission Operations Expense Carrying Charge Percentage			0.94%	0.94%	0.00%	
9							
10	Transmission Maintenance Expense Carrying Charge Percentage			0.12%	0.12%	0.00%	
11							
12	Transmission Related A&G Carrying Charge Percentage			1.68%	1.68%	0.00%	
13							
14	Transmission Related Payroll Tax Carrying Charge Percentage			0.05%	0.05%	0.00%	
15							
16	Property Taxes			0.00%	0.00%	0.00%	
17							
18	Transmission Related General & Common Plt Revenues Carrying Charge Percentage			0.48%	0.45%	-0.03%	
19							
20							
21	Transmission Depreciation			0.00%	0.00%		N/A to Citizens Service
22							
23	Federal and State Income Tax			0.00%	0.00%		N/A to Citizens Service
24							
25	Rate of Return			0.00%	0.00%		N/A to Citizens Service
26							
27	Transmission Related Working Capital Revenue Carrying Charge Percentage			0.16%	0.15%	-0.01%	
28							
29							
30	ADIT Adjustment			0.00%	0.00%		See Statement BK - Section 3
31							
32	Total		Sum of (L8:L30)	3.43%	3.39%		Sum of (L8:L30)
33							
34	Franchise Fees Rate @ 1.0310%	0.01031		<u>0.04%</u>	<u>0.03%</u>	-0.0004%	
35							
36	Annual Carrying Charge Rate as applied to transmission plant		L32 + L34	3.47%	3.42%	-0.05%	
37							
38							
39							
40							
41							
42	B. Derivation of Non-Direct Expense Cost Component						
43							
44	Citizens Energy Portion of Sunrise Border-East Line			\$ 85,194	\$85,194	\$0	
45							
46	Annual Carrying Charged Rate			<u>3.47%</u>	<u>3.42%</u>	-0.05%	
47							
48	Annual Transmission Maintenance and Other Costs Charged to Citizens			\$ 2,956.232	\$2,913.635	(\$42.597)	
49							
50							
51							
52	<i>The decrease in non-direct O&M expenses is primarily due to the implementation of TO4 Formula Cost of Capital calculation.</i>						

San Diego Gas & Electric Company							Statement BK2
Derivation of Section 2 Non-Direct Expenses Cost Component							Section 2
Base Period 12 Months Ending December 31, 2013							Page 2 of 7
(000's)							
Calculation is for Illustrative Purposes Only							
					1	2	3 = 2 - 1
					TO3 Formula	TO4 Formula	
Line No.	A	B	C		D	E	Variance
1					Adjusted	Adjusted	
2	Part A. Transmission O&M Expenses:		Total O&M		O&M	O&M	
3							
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							
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							
14	Transmission Maintenance Expense Carrying Charge Percentage		L6 / L10	>	0.12%	0.12%	0.00%
15							
16							
17	Part B. Derivation of Transmission Related A&G Expenses						
18							
19	Total Administrative & General Expense: Less Exclusions			>	\$523,506	\$523,506	
20							
21	Less: Property Insurance			>	\$7,450	\$7,450	
22							
23	Total Adjusted A&G Expenses Excluding Property Insurance		L19 - L21	>	\$516,056	\$516,056	
24							
25							
26	Transmission Wages & Salaries Allocation Factor for Citizens				11.67%	11.67%	0.00%
27							
28	Total Transmission Related A&G Expenses		L23 X L26	>	\$60,224	\$60,224	
29							
30							
31	Part C. Derivation of Allocation of Property Insurance to Transmission Plant						
32							
33	Transmission Plant Property Insurance Allocation Factor			>	36.17%	36.17%	0.00%
34							
35	Property Insurance		L21 above	>	\$7,450	\$7,450	
36							
37							
38	Property Insurance Allocated to Trans, General & Common Plant		L33 X L35	>	\$2,695	\$2,695	
39							
40	Total Transmission Related A&G Expenses Including Property Ins.		L28 + L38	>	\$62,918	\$62,918	
41							
42							
43	Transmission Related A&G Carrying Charge Percentage		L40 / L10	>	1.68%	1.68%	0.00%
44							
45							

San Diego Gas & Electric Company							Statement BK2	
Derivation of Section 2 Non-Direct Expenses Cost Component							Section 2	
Base Period Ending December 31, 2013							Page 3 of 7	
(000's)								
Calculation is for Illustrative Purposes Only								
					1	2	3 = 2 - 1	
					TO3 Formula	TO4 Formula		
Line No.	A	B	C	D	E	Variance		
1	Part A - Electric Payroll (Electric Only)							
2								
3	Total Electric Payroll Taxes			\$ 14,708	14,708	-		
4								
5	Payroll Tax Allocated to Transmission Per Wages Factor			11.67%	11.67%	0.00%		
6								
7	Payroll Tax Allocated to Transmission	L3 X L5		\$ 1,716	1,716			
8								
9	Total Transmission Plant			\$ 3,738,157	3,738,157	-		
10								
11								
12	Transmission Related Payroll Tax Carrying Charge Percentage	L7 / L9		0.05%	0.05%	0.00%		
13								
14								
15	Part B - Transmission Wages & Salaries Allocation Factor for Citizens							
16								
17	A. Transmission Wages Expense			> \$15,186	15,186	-		
18								
19	B. A&G Wages 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	A	=	Transmission Wages & Salaries Allocation Factor for Citizens	=	11.67%	11.67%	0.00%	
30	(C - B)							
31								
32								
33								
34								
35								
36								
37								
38								

San Diego Gas & Electric Company						Statement BK2
Derivation of Section 2 Non-Direct Expenses Cost Component						Section 2
Base Period 12 Months Ending December 31, 2013						Page 4 of 7
(000's)						
Calculation is for Illustrative Purposes Only						
						1
						2
						3 = 2 - 1
						TO3 Formula
						TO4 Formula
Line No.	A	B	C	D	E	Variance
1						
2	Part A - DEPRECIATION EXPENSE:					
3						
4	DEc =	Common Depreciation Expense	>	\$52,067	\$52,067	
5						
6	DEg =	General Depreciation Expense	>	\$7,657	\$7,657	
7						
8	C =	Total Common Plant Investment	>	\$505,717	\$505,717	
9						
10	G =	Total General Plant Investment	>	\$249,775	\$249,775	
11						
12						
13	Derivation of Common and General Plant Depreciation Rate					
14						
15		(DEc + DEg) / (C + G)	=	7.91%	7.91%	0.00%
16						
17						
18	Part B. Derivation of Gen and Comm Plant Accum. Deferred Income Taxes (ADFIT)					
19	as a percent of Transmission Plant					
20						
21		General and Common Plant ADFIT		(10,673)	(10,673)	-
22						
23		Return Plus FIT and SIT		12.45%	11.34%	-1.11%
24						
25		Gen & Cmn Plant ADFIT Revenues ¹	L21 X L23	(1,329)	(1,210)	\$119
26						
27						
28		General & Cmn Plant Investment	L8 + L10	755,492	755,492	-
29						
30						
31		Transmission Related General & Common Plant ADIT Revenue	L25 / L28	-0.18%	-0.16%	0.02%
32		Carrying Charge Percentage²				
33						
34						
¹ Decrease in the derivation of Return and Federal and State Income Tax rate is due to the implementation of TO4 Formula Cost of Capital calculation. Thereby produces a lower General & Common Plant ADFIT Revenues.						
² The Transmission Related General & Common Plant ADIT Revenue Carrying Charge Percentage decreased by (.02%) due to the TO4 Formula Cost of Capital calculation.						

San Diego Gas & Electric Company							Statement BK2		
Derivation of Section 2 Non-Direct Expenses Cost Component							Section 2		
Base Period 12 Months Ending December 31, 2013							Page 5 of 7		
(000's)									
Calculation is for Illustrative Purposes Only									
							1	2	3 = 2 - 1
							TO3 Formula	TO4 Formula	
Line No.	A	B	C		D	E	Variance		
1									
2	Part A.	RATE OF RETURN WORKSHEET:							
3									
4	1. Common Stock Calculation								
5		Proprietary Capital		>	\$4,629,716	\$4,629,716			
6									
7	Less:	Preferred Stock		>	\$0	\$0			
8									
9	Less:	Account No. 216.1		>	\$0	\$0			
10									
11	Less:	Account No. 219			\$9,010	\$9,010			
12									
13		Common Stock =		>	\$4,620,706	\$4,620,706			
14									
15	2. Rate of Return Calculation								
16		LTD = Long Term Debt (Total)		>	\$4,039,802	\$4,039,802			
17									
18		PF = Preferred Stock (Total)		>	\$0	\$0			
19									
20		Common Stock		>	\$4,620,706	\$4,620,706			
21									
22		Total Capital =		>	\$8,660,508	\$8,660,508			
23									
24		i = LTD interest		>	\$192,086	\$192,086			
25									
26		d(pf) = Preferred Dividends		>	\$3,615	\$3,615			
27									
28	LTD/CAP	46.65%	Cost:	4.75%	Weighted LTD Cost	2.22%	2.22%	0.00%	
29	Pf/CAP	0.00%	Cost:	0.00%	Weighted Pf Cost	0.00%	0.00%	0.00%	
30	COM/CAP	53.35%	Cost:	11.35%	Weighted Cmn Cost	6.06%	5.36%	-0.70%	
31									
32	Rate of Return on	TO3	TO4	OVERALL RATE OF RETURN	=	8.28%	7.58%	-0.70%	
33	Common Equity >	11.35%	10.05%						
34									

San Diego Gas & Electric Company					Statement BK2		
Derivation of Section 2 Non-Direct Expenses Cost Component					Section 2		
Base Period 12 Months Ending December 31, 2013					Page 5 of 7		
(000's)							
Calculation is for Illustrative Purposes Only							
					1	2	3 = 2 - 1
					TO3 Formula	TO4 Formula	
35	Part B - TO3 Derivation of Federal and State Income Tax Components:						
36							
37	A = Sum of Preferred Stock and Return on Equity Component	>	6.06%		5.36%	-0.70%	
38							
39	FT = Federal Income Tax Rate	>	35%		35%	0.00%	
40							
41	ST = State Income Tax Rate	>	8.84%		8.84%	0.00%	
42							
43							
44	Federal Income Tax =	(A * FT)	= B	>	3.2631%	2.9368%	-0.3263%
45		(1 - FT)					
46							
47							
48							
49	State Income Tax =	(A + B) * ST		>	0.9041%	0.8192%	-0.0849%
50		(1 - ST)					
51							
52							
53							
54	Total Federal & State Income Tax Rate:	L 44 + L49	>	4.1672%	3.7560%	-0.4112%	
55							
56							
57	Part B - TO4 Derivation of Federal and State Income Tax Components:						
58							
59	A = Sum of Preferred Stock and Return on Equity Component				5.36%		
60							
61	B = Trans. Related Amort of ITC & Excess Deferred Tax Liability				\$570		
62							
63	C = Equity AFUDC Component of Transmission Deprec. Expense				\$4,325		
64							
65	D = Transmission Rate Base				\$2,866,791		
66							
67	FT = Federal Income Tax Rate				35%		
68							
69	ST = State Income Tax Rate				8.84%		
70							
71							
72	Federal Income Tax =	(((A) + (C/D)) * FT) - (B / D)			2.9368%		
73		1 - FT					
74							
75							
76	State Income Tax =	((A) + (C/D) + Federal Income Tax) * (ST)			0.8192%		
77		1 - ST					
78							
79	Total Federal & State Income Tax Rate:				3.7560%		
The decrease in the calculation of the Federal and State Income Tax Components is due to the implementation of TO4 Formula Cost of Capital calculation and ROE of 10.05% from TO3 Formula ROE of 11.35%.							

San Diego Gas & Electric Company							Statement BK2
Derivation of Section 2 Non-Direct Expenses Cost Component							Section 2
Base Period 12 Months Ending December 31, 2013							Page 6 of 7
(000's)							
Calculation is for Illustrative Purposes Only							
SUMMARY							
1				2		3 = 2 - 1	
Line No.	A	B	C	D	E	Variance	
1							
2	A. Derivation of General and Common Plant Annual Revenue as a Percent of Transmission Plant						
3							
4			TO3 Formula		TO4 Formula		
5							
6			General & Common Plant Costs As a		General & Common Plant Costs As a		
7							
8			Percentage of Gen/Cmn Plant		Percentage of Gen/Cmn Plant		
9							
10	Maintenance of Gen and Comm Plt		0.00%		0.00%	0.00%	
11							
12	Payroll Taxes		0.00%		0.00%	0.00%	
13							
14	A&G		0.00%		0.00%	0.00%	
15							
16	General and Common Plant Depreciation Rate		7.91%		7.91%	0.00%	
17							
18	Federal & State Income Tax		4.17%		3.76%	-0.41%	
19							
20	Rate of Return Adjustment Factor		8.28%		7.58%	-0.70%	
21							
22	Working Capital		0.00%		0.00%	0.00%	
23							
24	General & Common Plant ADIT Adjustment		-0.18%		-0.16%	0.02%	
25			-----		-----	-----	
26	Annual Gen and Comm Plt Fixed Charge Rate¹	(L10:L24)	20.18%		19.09%	-1.09%	
27							
28							
29	B. General & Common Plant Rate Calculation:						
30							
31	Total Electric Common Plant Investment			505,717	505,717		
32							
33	Total Electric General Plant Investment			249,775	249,775		
34							
35	Total Electric General and Common Plant		L31 + L33	755,492	755,492		
36							
37	Annual Gen & Common Plt Fixed Charge Rate ¹			20.18%	19.09%	-1.09%	
38							
39	Electric Gen and Comm Plt Revenue		L35 X L37	152,458	144,223	(8,235)	
40							
41	Transmission Wages Allocation Factor for Citizens			11.67%	11.67%		
42							
43	Transmission Related Gen & Comm Plt Revenue		L39 X L41	17,792	16,831	(961)	
44							
45	Total Transmission Plant			3,738,157	3,738,157		
46							
47	Transmission Related General and Common Plant Revenue Carrying Charge Percentage²			0.48%	0.45%	-0.03%	
48			L43 / L45				
49							

¹ Decrease in the Annual General and Common Plant Fixed Charge Rate is due to the implementation of TO4 Formula Cost of Capital calculation. Thereby reducing the electric & common plant revenues by \$8,235 million as shown on line 39. Which in turn reduces the Transmission Related Gen & Comm Plant Revenues by \$961K (line 43)

² The Transmission Related General and Common Plant Revenue Carrying Charge Percentage decreased by (0.03%) due to the implementation of TO4 Formula Cost of Capital calculation.

San Diego Gas & Electric Company					Statement BK2	
Derivation of Section 2 Non-Direct Expenses Cost Component					Section 2	
Base Period 12 Months Ending December 31, 2013					Page 7 of 7	
(000's)						
Calculation is for Illustrative Purposes Only						
			1	2		3 = 2 - 1
			TO3 Formula	TO4 Formula		
Line No.	A	B	C	D	E	Variance
1	Derivation of Working Capital					
2						
3	A. Material and Supplies					
4						
5	Total Electric Plant Materials and Supplies (M&S)		64,658		64,658	-
6	Transmission Plant Allocation Factor		33.77%		33.77%	0.00%
7	M&S Allocated to Transmission	L5 X L6	21,835		21,835	-
8						
9	B. Prepayments					
10						
11	Total Electric Prepayments		39,198		39,198	-
12	Transmission Plant Allocation Factor		33.77%		33.77%	0.00%
13	Prepayments Allocated to Transmission	L11 X L12	13,237		13,237	-
14						
15	C. Working Cash					
16						
17	Citizens Financed Transmission					
18						
19	Transmission Maintenance and A&G		\$102,636		102,636	-
20	One Eight O&M Factor		12.50%		12.50%	0.00%
21	Working Cash For Transmission	L19 X L20	\$ 12,830		12,830	-
22						
23	D. Transmission Working Capital as a Percent of Transmission Plant					
24						
25	1. Citizens Financed Transmission Projects					
26	M&S Allocated to Transmission		21,835		21,835	-
27	Prepayments Allocated to Transmission		13,237		13,237	-
28	Working Cash		\$ 12,830		12,830	-
29	Total	Sum (L26:28)	47,902		47,902	-
30						
31	2. Derivation of Return Plus FIT & SIT					
32	Federal Income Tax		3.2631%		2.9368%	-0.3263%
33	State Income Tax		0.9041%		0.8192%	-0.0849%
34	Rate of Return		8.2800%		7.5800%	-0.7000%
35	Total Return Plus FIT & SIT		12.4472%		11.3360%	-1.1112%
36						
37	Transmission Working Capital Revenue	L29 X L35	5,962		5,430	(532)
38						
39	Total Transmission Plant		\$ 3,738,157		3,738,157	-
40						
41	Transmission Related Working Capital Revenue		0.16%		0.15%	-0.01%
42	Carrying Charge Percentage¹		L37 / L39			
43						
	¹ Decrease in the calculation of the Transmission Related Working Capital Revenue Carrying Charge Percentage is due to the implementation of TO4 Formula Cost of Capital calculation.					

					Statement BK2 Section 3 Page 1 of 2		
San Diego Gas & Electric Company Cost Statement BK2 Section 3 - Cost Component Containing Other Specific Expenses Base Period 12 Months Ending December 31, 2013 (\$1,000)							
Calculation is for Illustrative Purposes Only							
					1	2	3 = 2 - 1
					TO3 Formula Amounts	TO4 Formula Amounts	
Ln	No.						Variance
		A. Direct Assignment of Accumulated Deferred Income Taxes (ADIT) to Citizens					
1							
2		As of December 31, 2012					
3		ADIT Liability Attributable to Bonus Depreciation			\$ (6,037)	\$ (6,037)	\$ -
4		Offset by ADTA Generated by Net Operating Loss (NOL)					
5							
6		As of December 31, 2013					
7		ADIT Liability Attributable to Bonus Depreciation			\$ (6,927)	\$ (6,927)	\$ -
8		Offset by ADTA Generated by Net Operating Loss (NOL)					
9							
10		Total		L3 + L7	\$ (12,964)	\$ (12,964)	
11							
12		Annual Average of Beginning Bal. and End of Year Bal.			\$ (6,482)	\$ (6,482)	Line 10 / 2
13							
14		Return			8.28%	7.5800%	-0.70%
15		FIT and SIT			4.17%	3.7560%	-0.41%
16		Cost of Capital Rate		L14+ L15	12.45%	11.3360%	
17							
18		Citizens 12 Months Revenue Credit		L12 * L16	(807.01)	\$ (734.80)	\$ 72.21
19		Franchise Fee @ 1.0310%	0.010310	L18 * .010310	\$ (8.32)	\$ (7.58)	\$ 0.74
20		Total Citizens Revenues plus Franchise		L18 + L19	(815.33)	\$ (742.38)	\$ 72.95
21							
22							
23							
24							
25		B. Property Taxes Allocated to Citizens					
26							
27		Citizens Allocated Property Taxes			556	556	0.00
28		Franchise Fee @ 1.0310%		Line 34 * .010310	5.73	5.73	0.00
29		Total Citizens Allocated Property Taxes			561.73236	561.73236	0.00
30							
31							
32							
33							
34		C. Non- Deductibility of Depreciation on Equity AFUDC Revenue Component ¹			0	135.08	135.08
35							
36							
37							
38		1. See Equity AFUDC - WP.					
39							
40							
Part A - decrease is primarily due to the implementation of the TO4 Formula Cost of Capital calculation.							
Part C - increase is due to the inclusion of Non-Deductibility of Depreciation on Equity AFUDC Revenue a new cost component.							

San Diego Gas & Electric Company

Currently Effective BK2

Exhibit No. SDG-1-2

San Diego Gas & Electric Company						Statement BK2	
Cost Statement BK2						Section 1	
Section 1- Direct Maintenance Expense Cost Component						Page 1 of 1	
For Base Period 12 Months Ending - December 31, 2013							
(\$1,000)							
Calculation is for Illustrative Purposes Only							
TO3 Formula							
Ln.						Amount	Reference
No.	A. Derivation of Direct Maintenance Expenses Allocated to Citizens					Amount	Reference
1	Citizens Direct Maintenance @ 50% Related with Border East Line ¹					\$ 0.019	See calculation below
2							
3	Working Cash One Eight Maintenance Percentage					\$ 0.002	L 1 / 8
4							
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 Maintenance					\$ 0.019	L1 + L5
8							
9	Franchise Fees @ 1.0310%					\$ 0.000	Calc: L7 X .010310
10							
11	Total Direct Maintenance Cost Plus Franchise Fees					\$ 0.019	L7 + L9
12							
13							
14	Monthly Direct Maintenances Assigned to Citizens					\$ 0.002	L11 / 12 Months
15							
16							
¹	Direct O&M expenses incurred during 2013 Base Period is equal to					\$37.10	See WP- AH5, Line 39
						50%	Citizen 50% Share -Direct Maintenance
						\$18.55	

San Diego Gas & Electric Company
 Derivation of Section 2 Non-Direct Expenses Cost Component
 Base Period 12 Months Ending December 31, 2013
 (000's)

Statement BK2
 Section 2
 Page 1 of 7

Calculation is for Illustrative Purposes Only

Summary of Annual Transmission Carrying Cost

TO3 Formula

Line No.	A	B	C	D	E	Reference
1						
2						
3						
4	A. Non-Direct Annual Carrying Charge Percentages			Annual Carrying Charge as Applied to Leased Transmission Plant		
5						
6						
7						
8	Transmission Operations Expense Carrying Charge Percentage			0.94%		See Pg 2; Col. D; Line 12
9						
10	Transmission Maintenance Expense Carrying Charge Percentage			0.12%		See Pg 2; Col. D; Line 14
11						
12	Transmission Related A&G Carrying Charge Percentage			1.68%		See Pg 2; Col. D; Line 48
13						
14	Transmission Related Payroll Tax Carrying Charge Percentage			0.05%		See Pg 3; Col. D; Line 12
15						
16	Property Taxes			0.00%		See Statement BK2 - Section 3
17						
18	Transmission Related General & Common Plt Revenues Carrying Charge Percentage			0.48%		See Pg 6; Col. D; Line 45
19						
20						
21	Transmission Depreciation			0.00%		N/A to Citizens Service
22						
23	Federal and State Income Tax			0.00%		N/A to Citizens Service
24						
25	Rate of Return			0.00%		N/A to Citizens Service
26						
27	Transmission Related Working Capital Revenue Carrying Charge Percentage			0.16%		See Pg 7; Col. D; Line 53
28						
29						
30	ADIT Adjustment			0.00%		See Statement BK - Section 3
31						
32	Total			3.43%		Sum of (L8:L30)
33						
34	Franchise Fees Rate @ 1.0310%	0.01031		0.04%		Calculation = (.0343 x .010310)
35						
36	Annual Carrying Charge Rate as applied to transmission plant			3.47%		Line 32 + Line 34
37						
38						
39						
40						
41						
42	B. Derivation of Non-Direct Expense Cost Component					
43						
44	Citizens Energy Portion of Sunrise Border-East Line			\$ 85,194		See AD6-A
45						
46	Annual Carrying Charged Rate			3.47%		See Line 36 above
47						
48	Annual Transmission Maintenance and Other Costs Charged to Citizens			\$ 2,956,232		Line 44 X Line 46
49						
50						
51						
52						
53						

San Diego Gas & Electric Company						Statement BK2
Derivation of Section 2 Non-Direct Expenses Cost Component						Section 2
Base Period 12 Months Ending December 31, 2013						Page 2 of 7
(000's)						
Calculation is for Illustrative Purposes Only						
TO3 Formula						
Line No.	A	B	C	D	E	Reference
1				Adjusted		
2	Part A. Transmission O&M Expenses:		Total O&M	O&M		
3						
4	A. Transmission Operation Expenses		\$35,248			Stmt AH; Pg AH2; Pg 1 of 2; Col.6; Line 17
5						
6	B. Transmission Maintenance Expenses		\$ 4,470			Stmt AH; Pg AH2; Pg 1 of 2; Col.6; Line 32
7						
8	Total Transmission O&M			> \$39,718		Line 4 + Line 6
9						
10	Total Transmission Plant			> \$3,738,157		Stmt AD; Pg AD; Line 15
11						
12	Transmission Operations Expense Carrying Charge Percentage			> 0.94%		Calculation: L4 / L10
13						
14	Transmission Maintenance Expense Carrying Charge Percentage			> 0.12%		Calculation: L6 / L10
15						
16						
17	Part B. Derivation of Transmission Related A&G Expenses					
18						
19	Total Administrative & General Expense: Less Exclusions			> \$523,506		Stmt AH; Pg AH3; Col. D; Line 20
20						
21	Less: Property Insurance			> \$7,450		Stmt AH; Pg AH3; Line 6
22						
23	Total Adjusted A&G Expenses Excluding Property Insurance			> \$516,056		Line 19 - Line 21
24						
25						
26	Transmission Wages & Salaries Allocation Factor for Citizens			11.67%		Stmt AI; Pg AI; Line 21
27						
28	Total Transmission Related A&G Expenses			> \$60,224		Line 23 X Line 26
29						
30						
31						
32	Part C. Derivation of Allocation of Property Insurance to Transmission Plant					
33						
34						
35	Transmission Plant Property Insurance Allocation Factor			> 36.17%		Stmt AH; Pg AH; Line 17
36						
37	Property Insurance			> \$7,450		See Line 21 above.
38						
39						
40	Property Insurance Allocated to Trans, General & Common Plant			> \$2,695		Line 35 X Line 37
41						
42						
43						
44	Total Transmission Related A&G Expenses Including Property Ins.			> \$62,918		Line 28 + Line 40
45						
46						
47						
48	Transmission Related A&G Carrying Charge Percentage			> 1.68%		Line 44 / Line 10
49						
50						
51						

San Diego Gas & Electric Company							Statement BK2
Derivation of Section 2 Non-Direct Expenses Cost Component							Section 2
Base Period 12 Months Ending December 31, 2013							Page 3 of 7
(000's)							
Calculation is for Illustrative Purposes Only							
TO3 Formula							
Line No.	A	B	C	D	E	Reference	
1	Part A - Electric Payroll (Electric Only)						
2							
3	Total Electric Payroll Taxes			\$ 14,708		Stmnt AK; Pg AK; Line 17	
4							
5	Payroll Tax Allocated to Transmission Per Wages Factor			11.67%		Stmnt AI; Pg AI; Line 21	
6							
7	Payroll Tax Allocated to Transmission			\$ 1,716		Line 3 X Line 5	
8							
9	Total Transmission Plant			\$ 3,738,157		See Pg 2 ; Line 10	
10							
11							
12	Transmission Related Payroll Tax Carrying Charge Percentage			0.05%		Line 7 / Line 9	
13							
14							
15	Part B - Transmission Wages & Salaries Allocation Factor for Citizens						
16							
17	A. Transmission Wages Expense			> \$15,186		Stmnt AI; Pg AI; Line 3	
18							
19	B. A&G Wages Expense			> \$30,755		Stmnt AI; Pg AI; Line 17	
20							
21	C. Total O&M Wages Expense			> \$160,922		Stmnt AI; Pg AI; Line 19	
22							
23							
24							
25							
26							
27							
28							
29	A	=	Transmission Wages & Salaries Allocation Factor for Citizens	=	11.67%		
30	(C - B)						
31							
32							
33							
34							
35							
36							
37							
38							

San Diego Gas & Electric Company						Statement BK2
Derivation of Section 2 Non-Direct Expenses Cost Component						Section 2
Base Period 12 Months Ending December 31, 2013						Page 4 of 7
(000's)						
Calculation is for Illustrative Purposes Only						
TO3 Formula						
Line No.	A	B	C	D	E	Reference
1						
2	Part A - DEPRECIATION EXPENSE:					
3						
4	DEc =	Common Depreciation Expense		> \$52,067		Stmt AJ; Pg AJ; Line 2
5						
6	DEg =	General 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						
10	G =	Total General Plant Investment		> \$249,775		Stmt AD; Pg AD; Line 21
11						
12						
13	Derivation of Common and General Plant Depreciation Rate					
14						
15		(DEc + DEg) / (C + G)	=	7.91%		
16						
17						
18	Part B. Derivation of Gen and Comm Plant Accum. Deferred Income Taxes (ADFIT)					
19	as a percent of Transmission Plant					
20						
21		General and Common Plant ADFIT		(10,673)		Stmt AF; Pg AF; Line 5
22						
23		Return Plus FIT and SIT		12.45%		See Page 7; Line 45
24						
25		Gen & Cmn Plant ADFIT Revenues		(1,328)		Line 21 X Line 23
26						
27						
28		General & Cmn Plant Investment		755,492		Line 8 + Line 10 above
29						
30						
31		Transmission Related General & Common Plant ADIT Revenue		-0.18%		Line 25 / Line 28
32		Carrying Charge Percentage				
33						
34						

San Diego Gas & Electric Company
 Derivation of Section 2 Non-Direct Expenses Cost Component
 Base Period 12 Months Ending December 31, 2013
 (000's)

Statement BK2
 Section 2
 Page 5 of 7

Calculation is for Illustrative Purposes Only

TO3 Formula

Line No.	A	B	C	D	E	Reference
1						
2	Part A. RATE OF RETURN WORKSHEET:					
3						
4	I. Common Stock Calculation					
5	Proprietary Capital			>	\$4,629,716	Stmt AV;Pg AV1; Line 25
6	Less: Preferred Stock			>	\$0	Stmt AV;Pg AV1; Line 26
7	Less: Account No. 216.1			>	\$0	Stmt AV;Pg AV1; Line 27
8	Less: Account No. 219				\$9,010	Stmt AV;Pg AV1; Line 28
9	Common Stock =			>	\$4,620,706	Stmt AV;Pg AV1; Line 29
10						
11	2. Rate of Return Calculation					
12	LTD = Long Term Debt (Total)			>	\$4,039,802	Stmt AV;Pg AV1; Line 7
13	PF = Preferred Stock (Total)			>	\$0	Stmt AV;Pg AV1; Line 20
14	Common Stock			>	\$4,620,706	Stmt AV;Pg AV1; Line 29
15	Total Capital =			>	\$8,660,508	Sum of L16 + L18 +L20
16	i = LTD interest			>	\$192,086	Stmt AV;Pg AV1; Line 15
17	d(pf) = Preferred Dividends			>	\$3,615	Stmt AV;Pg AV1; Line 21
18	LTD/CAP 46.65%	Cost: 4.75%		Weighted LTD Cost	2.22%	Stmt AV;Pg AV1; Line 36
19	Pf/CAP 0.00%	Cost: 0.00%		Weighted Pf Cost	0.00%	Stmt AV;Pg AV1; Line 37
20	COM/CAP 53.35%	Cost: 11.35%		Weighted Cmn Cost	6.06%	Stmt AV;Pg AV1; Line 38
21						
22	Rate of Return on			OVERALL RATE OF RETURN =	8.28%	Stmt AV;Pg AV1; Line 39
23	Common Equity >	11.35%				Stmt AV;Pg AV1; Line 31
24						
25	Part B - Derivation of Federal and State Income Tax Components:					
26						
27	A = Sum of Preferred Stock and Return on Equity Component			>	6.06%	Stmt AV;Pg AV1; Line 41
28	FT = Federal Income Tax Rate			>	35%	Federal Income Tax Rate
29	ST = State Income Tax Rate			>	8.84%	State Income Tax Rate
30						
31	Federal Income Tax =	(A * FT)	= B	>	3.26%	
32		(1 - FT)				
33						
34	State Income Tax =	(A + B) * ST		>	0.90%	
35		(1 - ST)				
36						
37	Total Federal & State Income Tax Rate:			>	4.17%	Line 44 + Line 49

San Diego Gas & Electric Company						Statement BK2
Derivation of Section 2 Non-Direct Expenses Cost Component						Section 2
Base Period 12 Months Ending December 31, 2013						Page 6 of 7
(000's)						
Calculation is for Illustrative Purposes Only						
SUMMARY						
TO3 Formula						
Line No.	A	B	C	D	E	Reference
1						
2	A. Derivation of General and Common Plant Annual Revenue as a Percent of Transmission Plant					
3						
4						
5						
6						
7						
8	Maintenance of Gen and Comm Plt		0.00%			Captured in trans plant A&G allocation
9						
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	Rate of Return Adjustment Factor		8.28%			See Pg 5; Col. E; Line 32
19						
20	Working Capital		0.00%			Captured in trans plant allocation
21						
22	General & Common Plant ADIT Adjustment		-0.18%			See Page 4; Col. D; Line 31
23						
24	Annual Gen and Comm Plt Fixed Charge Rate		20.18%			Sum of (Line8 thru L22)
25						
26						
27	B. General & Common Plant Rate Calculation:					
28						
29	Total Electric Common Plant Investment			505,717		See Page 4; Col. D; Line 8
30						
31	Total Electric General Plant Investment			249,775		See Page 4; Col. D; Line 10
32						
33	Total Electric General and Common Plant			755,492		Line 29 + Line 31
34						
35	Annual Gen & Commn Plt Fixed Charge Rate			20.18%		See Line 24 above
36						
37	Electric Gen and Comm Plt Revenue			152,437		Line 33 X Line 35
38						
39	Transmission Wages Allocation Factor for Citizens			11.67%		See Page 3; Line 29
40						
41	Transmission Related Gen & Comm Plt Revenue			17,789		Line 37 X Line 39
42						
43	Total Transmission Plant			3,738,157		See Page 2; Line 10
44						
45	Transmission Related General and Common Plant Revenue Carrying Charge Percentage			0.48%		Line 41 / Line 43
46						
47						

San Diego Gas & Electric Company
Derivation of Section 2 Non-Direct Expenses Cost Component
Base Period 12 Months Ending December 31, 2013
(000's)

Statement BK2
Section 2
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Calculation is for Illustrative Purposes Only

TO3 Formula

Line No.	A	B	C	D	E	Reference
1						
2	Derivation of Working Capital					
3						
4	A. Material and Supplies					
5						
6	Total Electric Plant Materials and Supplies (M&S)		64,658			Stmt AL; Line 1
7						
8	Transmission Plant Allocation Factor		33.77%			Stmt AD; Page AD; Line 39
9						
10	M&S Allocated to Transmission		21,835			L6 X L8
11						
12	B. Prepayments					
13						
14	Total Electric Prepayments		39,198			Stmt AL; Line 7
15						
16	Transmission Plant Allocation Factor		33.77%			Stmt AD; Page AD; Line 39
17						
18	Prepayments Allocated to Transmission		13,237			Line 14 X Line 16
19						
20	C. Working Cash					
21						
22	Citizens Financed Transmission					
23						
24	Transmission Maintenance and A&G		\$102,636			See Pg 2; Line 8 + 44
25						
26	One Eight O&M Factor		12.50%			
27						
28	Working Cash For Transmission	\$	12,830			Line 24 X Line 26
29						
30	D. Transmission Working Capital as a Percent of Transmission Plant					
31						
32						
33	1. Citizens Financed Transmission Projects					
34						
35	M&S Allocated to Transmission		21,835			Line 10 above
36	Prepayments Allocated to Transmission		13,237			Line 18 above
37	Working Cash	\$	12,830			Line 28 above
38	Total		47,902			Sum (L35:37)
39						
40	2. Derivation of Return Plus FIT & SIT					
41						
42	Federal Income Tax		3.2631%			See Page 5 above; Col. C; Line 44
43	State Income Tax		0.9041%			See Page 5 above; Col. C; Line 49
44	Rate of Return		8.2800%			See Page 5 above; Col. E; Line 32
45	Total Return Plus FIT & SIT		12.4472%			
46						
47	Transmission Working Capital Revenue		5,962			Line 38 X Line 45
48						
49						
50	Total Transmission Plant	\$	3,738,157			See Page 2, Line 10
51						
52						
53	Transmission Related Working Capital Revenue			0.16%		Line 47 / Line 50
54	Carrying Charge Percentage					
55						

					Statement BK2		
					Section 3		
					Page 1 of 2		
<p>San Diego Gas & Electric Company Cost Statement BK2 Section 3 - Cost Component Containing Other Specific Costs Base Period 12 Months Ending December 31, 2013 (\$1,000)</p>							
<p>Calculation is for Illustrative Purposes Only</p>							
<p>TO3 Formula</p>							
Ln						Reference	
No.	A. Direct Assignment of Accumulated Deferred Income Taxes (ADIT) to Citizens						
1							
2	As of December 31, 2012						
3	ADIT Liability Attributable to Bonus Depreciation		\$	(6,037)		Stmt AF; AF1; Col. B; Line 13	
4	Offset by ADTA Generated by Net Operating Loss (NOL)						
5							
6	As of December 31, 2013						
7	ADIT Liability Attributable to Bonus Depreciation		\$	(6,927)		Stmt AF; AF1; Col. F; Line 13	
8	Offset by ADTA Generated by Net Operating Loss (NOL)						
9							
10	Total		\$	(12,964)		Line 3 + Line 7	
11							
12	Annual Average of Beginning Bal. and End of Year Bal.		\$	(6,482)		Line 10 / 2	
13							
14	Return			8.28%		Stm BK2 - Section 2; Pg 5; Col.E; Line 32	
15	FIT and SIT			4.17%		Stm BK2 - Section 2; Pg 5; Col.D; Line 54	
16	Cost of Capital Rate			12.45%			
17							
18	Citizens 12 Months Revenue Credit			(807)		Line 12 * Line 16	
19	Franchise Fee @ 1.0310%	0.010310	\$	(8)		Line 18 * .010310	
20	Total Citizens Revenues plus Franchise			(815.32926)		Line 18 + Line 19	
21							
22							
23	Citizens Monthly Revenues Plus Franchise			(67.94)		Line 20 / 12 Months	
24							
25							
26							
27	B. Property Taxes Allocated to Citizens						
28							
29							
30	Citizens Allocated Property Taxes			556		Stmt AK; AK1; Line 24	
31	Franchise Fee @ 1.0310%			6		Line 30 * .010310	
32	Total Citizens Allocated Property Taxes			561.73236			
33							
34	Citizens Allocated Monthly Property Taxes			47		Line 32 / 12 Months	

San Diego Gas & Electric Company
Cost Statement BK2
Section 3 - Cost Component Containing Other Specific Costs
Base Period 12 Months Ending December 31, 2013
(\$1,000)

Calculation is for Illustrative Purposes Only

TO3 Formula

A	B	C	D	E
			(col. B * col. C)	

C. Derivation of Citizens Border East Line Removal Costs

Ln No.	FERC Account	Total Costs	Removal Rate ⁽¹⁾	Amount	Reference	Ln No.
1						1
2	354 - Towers & Fixtures	\$ 46,971	0.0091	\$ 427		2
3						3
4	356 - Overhead Cond & Devices	\$ 16,615	0.0098	\$ 163		4
5						5
6	359 - Road and Trails	\$ 19,939	0	\$ -	No Removal Rate	6
7						7
8	350.1 - Land	\$ -	0	\$ -	No Removal Rate	8
9						9
10	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
15	Franchise Fees @ 1.0310%			\$ 6	L13 X .010310	15
16						16
17	Total Annual Removal Costs			\$ 596.34871	L13 + L15	17
18						18
19						19
20	Monthly Removal Costs			\$ 50	Line 17 /12 Months	20
21						21
22						22
23	Total Other Specific Costs			\$ 343	Part A, Line 20 + Part B, Line 32 + Part C, Line 17	23
24						24
25						25
	1. Authorized TO3 Removal Rate					

San Diego Gas & Electric Company

Modified BK2

Exhibit No. SDG-1-3

San Diego Gas & Electric Company						Statement BK2	
Cost Statement BK2						Section 1	
Section 1- Direct Maintenance Expense Cost Component						Page 1 of 1	
BasePeriod 12 Months Ending - December 31, 2013							
(\$1,000)							
Calculation is for Illustrative Purposes Only							
TO4 Formula							
Ln.						Amount	Reference
No.	A. Derivation of Direct Maintenance Expenses Allocated to Citizens					Amount	Reference
1	Citizens Direct Maintenance @ 50% Related with Border East Line					\$0.0	
2							
3	Working Cash One Eight Maintenace Percentage ¹		\$	0.00		L 1 / 8	
4							
5	Return plus FIT and SIT	11.3360%	√	L 3 * L5	\$ 0.00	Stmt BK2-Sec. 2; Page 7; Col. C; L45	
6							
7	Subtotal of Citizens Direct Maintenance					\$ 0.0	L1 + L5
8							
9	Franchise Fees @ 1.0310%					\$ 0.00	Calc: L7 X .010310
10							
11	Total Direct Maintenace Cost Plus Franchise Fees					\$ 0.02	L7 + L9
12							
13	Monthly Direct Maintenances Assigned to Citizens					\$ 0.002	L11 / 12 Months
14							
15							
¹ Direct O&M expenses were incurred during 2013 Base Period is equal to						\$37.10	See WP- AH5, Line 39
						50%	Citizen 50% Share -Direct Maintenance
						\$18.55	

San Diego Gas & Electric Company
 Derivation of Section 2 Non-Direct Expenses Cost Component
 Base Period 12 Months Ending December 31, 2013
 (000's)

Statement BK2
 Section 2
 Page 1 of 7

Calculation is for Illustrative Purposes Only

Summary of Annual Transmission Carrying Cost

TO4 Formula

Line No.	A	B	C	D	E	Reference
1						
2						
3						
4	A. Non-Direct Annual Carrying Charge Percentages			Annual Carrying Charge as Applied to Leased Transmission Plant		
5						
6						
7						
8	Transmission Operations Expense Carrying Charge Percentage			0.94%		See Pg 2; Col. D; Line 12
9						
10	Transmission Maintenance Expense Carrying Charge Percentage			0.12%		See Pg 2; Col. D; Line 14
11						
12	Transmission Related A&G Carrying Charge Percentage			1.68%	√	See Pg 2; Col. D; Line 48
13						
14	Transmission Related Payroll Tax Carrying Charge Percentage			0.05%	√	See Pg 3; Col. D; Line 12
15						
16	Property Taxes			0.00%		See Statement BK2 - Section 3
17						
18	Transmission Related General & Common Plt Revenues Carrying Charge Percentage			0.45%	√	See Pg 6; Col. D; Line 45
19						
20	Transmission Depreciation			0.00%		N/A to Citizens Service
21						
22	Federal and State Income Tax			0.00%		N/A to Citizens Service
23						
24	Rate of Return			0.00%		N/A to Citizens Service
25						
26						
27	Transmission Related Working Capital Revenue Carrying Charge Percentage			0.15%	√	See Pg 7; Col. D; Line 53
28						
29	ADIT Adjustment			0.00%		See Statement BK - Section 3
30						
31				-----		
32	Total			3.39%	√	Sum of (L8:L30)
33						
34	Franchise Fees Rate @ 1.0310%	0.01031		0.03%	√	Calculation = (.0339 x .010310)
35						
36	Annual Carrying Charge Rate as applied to transmission plant			3.42%	√	Line 32 + Line 34
37						
38						
39						
40						
41						
42	B. Derivation of Non-Direct Expense Cost Component					
43						
44	Citizens Energy Portion of Sunrise Border-East Line			\$ 85,194		See AD6-A
45						
46	Annual Carrying Charged Rate			3.42%	√	See Line 36 above
47						
48	Annual Transmission Maintenance and Other Costs Charged to Citizens			\$ 2,913.635	√	Line 44 X Line 46
49						
50						
51						
52						
53						

San Diego Gas & Electric Company
 Derivation of Section 2 Non-Direct Expenses Cost Component
 Base Period 12 Months Ending December 31, 2013
 (000's)

Statement BK2
 Section 2
 Page 2 of 7

Calculation is for Illustrative Purposes Only

TO4 Formula

Line No	A	B	C	D	E	Reference	
1				Adjusted O&M			
2	Part A. Transmission O&M Expenses:		Total O&M				
3							
4	A	Transmission Operation Expenses	\$35,248			Stmt AH, Pg AH2, Pg 1 of 2, Col 6, Line 17	
5							
6	B	Transmission Maintenance Expenses	\$ 4,470			Stmt AH, Pg AH2, Pg 1 of 2, Col 6, Line 32	
7							
8		Total Transmission O&M		>	\$39,718	Line 4 + Line 6	
9							
10		Total Transmission Plant		>	\$3,738,157	Stmt AD, Pg AD, Line 15	
11							
12		Transmission Operations Expense Carrying Charge Percentage		>	0.94%	Calculation L4 / L10	
13							
14		Transmission Maintenance Expense Carrying Charge Percentage		>	0.12%	Calculation L6 / L10	
15							
16							
17	Part B. Derivation of Transmission Related A&G Expenses						
18							
19		Total Administrative & General Expense Less Exclusions		>	\$523,506	Stmt AH, Pg AH3, Col D, Line 20	
20							
21		Less Property Insurance		>	\$7,450	Stmt AH, Pg AH3, Line 6	
22							
23		Total Adjusted A&G Expenses Excluding Property Insurance		>	\$516,056	Line 19 - Line 21	
24							
25							
26		Transmission Wages & Salaries Allocation Factor for Citizens			11.67%	√	Stmt AI, Pg AI, Line 21
27							
28		Total Transmission Related A&G Expenses		>	\$60,224	√	Line 23 X Line 26
29							
30							
31							
32	Part C. Derivation of Allocation of Property Insurance to Transmission Plant						
33							
34							
35		Transmission Plant Property Insurance Allocation Factor		>	36.17%	Stmt AH, Pg AH, Line 17	
36							
37		Property Insurance		>	\$7,450	See Line 21 above	
38							
39							
40		Property Insurance Allocated to Trans, General & Common Plant		>	\$2,695	Line 35 X Line 37	
41							
42							
43							
44		Total Transmission Related A&G Expenses Including Property Ins.		>	\$62,918	Line 28 + Line 40	
45							
46							
47							
48		Transmission Related A&G Carrying Charge Percentage		>	1.68%	√	Line 44 / Line 10
49							
50							
51							

San Diego Gas & Electric Company
 Derivation of Section 2 Non-Direct Expenses Cost Component
 Base Period 12 Months Ending December 31, 2013
 (000's)

Statement BK2
 Section 2
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Calculation is for Illustrative Purposes Only

TO4 Formula

Line No	A	B	C	D	E	Reference
1	Part A - Electric Payroll (Electric Only)					
2						
3	Total Electric Payroll Taxes			\$ 14,708		Stmnt AK, Pg AK, Line 17
4						
5	Payroll Tax Allocated to Transmission Per Wages Factor			11.67%	✓	Stmnt AI, Pg AI1, Line 21
6						
7	Payroll Tax Allocated to Transmission			\$ 1,716	✓	Line 3 X Line 5
8						
9	Total Transmission Plant			\$ 3,738,157		See Pg 2 , Line 10
10						
11						
12	Transmission Related Payroll Tax Carrying Charge Percentage			0.05%		Line 7 / Line 9
13						
14						
15	Part B - Transmission Wages & Salaries Allocation Factor for Citizens					
16						
17	A Transmission Wages Expense			> \$15,186		Stmnt AI, Pg AI, Line 3
18						
19	B A&G Wages Expense			> \$30,755		Stmnt AI, Pg AI, Line 17
20						
21	C Total O&M Wages Expense			> \$160,922		Stmnt AI, Pg AI, Line 19
22						
23						
24						
25						
26						
27						
28						
29	A	=	Transmission Wages & Salaries Allocation Factor for Citizens	=	11.67%	✓
30	(C - B)					
31						
32						
33						
34						
35						
36						
37						
38						

San Diego Gas & Electric Company						Statement BK2
Derivation of Section 2 Non-Direct Expenses Cost Component						Section 2
Base Period 12 Months Ending December 31, 2013						Page 4 of 7
(000's)						
Calculation is for Illustrative Purposes Only						
TO4 Formula						
Line No.	A	B	C	D	E	Reference
1						
2	Part A - DEPRECIATION EXPENSE:					
3						
4	DEc =	Common Depreciation Expense		> \$52,067		Stmt AJ; Pg AJ; Line 1
5						
6	DEg =	General Depreciation Expense		> \$7,657		Stmt AJ; Pg AJ; Line 3
7						
8	C =	Total Common Plant Investment		> \$505,717		Stmt AD; Pg AD; Line 23
9						
10	G =	Total General Plant Investment		> \$249,775		Stmt AD; Pg AD; Line 21
11						
12						
13	Derivation of Common and General Plant Depreciation Rate					
14						
15		(DEc + DEg) / (C + G)	=	7.91%		
16						
17						
18	Part B. Derivation of Gen and Comm Plant Accum.Deferred Income Taxes (ADFIT) as a percent of Transmission Plant					
19						
20						
21		General and Common Plant ADFIT		(10,673)		Stmt AF; Pg AF2; Line 5
22						
23		Return Plus FIT and SIT		11.3360%	√	See Page 7; Line 45
24						
25		Gen & Cmn Plant ADFIT Revenues		(1,210)	√	Line 21 X Line 23
26						
27						
28		General & Cmn Plant Investment		755,492		Line 8 + Line 10 above
29						
30						
31		Transmission Related General & Common Plant ADIT Revenue		-0.16%	√	Line 25 / Line 28
32		Carrying Charge Percentage				
33						
34						

San Diego Gas & Electric Company
 Derivation of Section 2 Non-Direct Expenses Cost Component
 Base Period 12 Months Ending December 31, 2013
 (000's)

Statement BK2
 Section 2
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Calculation is for Illustrative Purposes Only

TO4 Formula

Line No	A	B	C	D	E	Reference	
1							
2	Part A.	RATE OF RETURN WORKSHEET:					
3							
4	1. Common Stock Calculation						
5		Proprietary Capital		>	\$4,629,716	Stmt AV,Pg AV1, Line 25	
6							
7	Less	Preferred Stock		>	\$0	Stmt AV,Pg AV1, Line 26	
8							
9	Less	Account No 216 1		>	\$0	Stmt AV,Pg AV1, Line 27	
10							
11	Less	Account No 219			\$9,010	Stmt AV,Pg AV1, Line 28	
12							
13		Common Stock =		>	\$4,620,706	Stmt AV,Pg AV1, Line 29	
14							
15	2. Rate of Return Calculation						
16		LTD = Long Term Debt (Total)		>	\$4,039,802	Stmt AV,Pg AV1, Line 7	
17							
18		PF = Preferred Stock (Total)		>	\$0	Stmt AV,Pg AV1, Line 20	
19							
20		Common Stock		>	\$4,620,706	Stmt AV,Pg AV1, Line 29	
21							
22		Total Capital =		>	\$8,660,508	Sum of L16 + L18 +L20	
23							
24		r = LTD interest		>	\$192,086	Stmt AV,Pg AV1, Line 15	
25							
26		d(pf) = Preferred Dividends		>	\$3,615	Stmt AV,Pg AV1, Line 21	
27							
28	LTD/CAP	46 65%	Cost	4 75%	Weighted LTD Cost	2 22%	
29	Pf/CAP	0 00%	Cost	0 00%	Weighted Pf Cost	0 00%	
30	COM/CAP	53 35%	Cost	10 05%	Weighted Cmn Cos	5,36% ✓	
31							
32	Rate of Return on	OVERALL RATE OF RETURN =			7.58%	✓ Stmt AV,Pg AV1, Line 39	
33	Common Equity >	10.05%	Offer of Settlement in FERC Docket No	ER13-941-001		✓	
34							
35	Part B - Derivation of Federal and State Income Tax Components:						
36							
37	A = Sum of Preferred Stock and Return on Equity Component			>	5,36%	✓ Stmt AV,Pg AV1, Line 41	
38							
39	B = Trans. Related Amort of ITC & Excess Deferred Tax Liability			>	570	✓ Stmt AV,Pg AV2, Line 7	
40							
41	C = Equity AFUDC Component of Transmission Deprec. Expense			>	4,325	✓ Stmt AV,Pg AV2, Line 8	
42							
43	D = Transmission Rate Base			>	\$ 2,866,791	✓ Stmt AV,Pg AV2, Line 9	
44							
45	FT = Federal Income Tax Rate			>	35%	Federal Income Tax Rate	
46							
47	ST = State Income Tax Rate			>	8 84%	State Income Tax Rate	
48							
49							
50	Federal Income Tax =	(((A) + (C / D)) * FT) - (B / D)		>	2,9368%	✓	
51		1 - FT					
52							
53							
54							
55	State Income Tax =	((A) + (C / D) + Federal Income Tax) * (ST)		>	0,8192%	✓	
56		1 - ST					
57							
58							
59							
60	Total Federal & State Income Tax Rate:			>	3,7560%	✓ Line 50 + Line 55	

San Diego Gas & Electric Company
 Derivation of Section 2 Non-Direct Expenses Cost Component
 Base Period 12 Months Ending December 31, 2013
 (000's)

Statement BK2
 Section 2
 Page 6 of 7

Calculation is for Illustrative Purposes Only

SUMMARY

TO4 Formula

Line No	A	B	C	D	E	Reference
1						
2	A. Derivation of General and Common Plant Annual Revenue as a Percent of Transmission Plant					
3						
4						
5						
6						
7						
8	Maintenance of Gen and Comm Plt		0.00%			Captured in trans plant A&G allocation
9						
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		3.76%	√		See Pg 5, Col D, Line 60
17						
18	Rate of Return Adjustment Factor		7.58%	√		See Pg 5, Col E, Line 32
19						
20	Working Capital		0.00%			Captured in trans plant allocation
21						
22	General & Common Plant ADIT Adjustment*		-0.16%	√		See Page 4, Col D, Line 31
23						
24	Annual Gen and Comm Plt Fixed Charge Rate		19.09%	√		Sum of (Line8 thru L22)
25						
26						
27	B. General & Common Plant Rate Calculation:					
28						
29	Total Electric Common Plant Investment			505,717		See Page 4, Col D, Line 8
30						
31	Total Electric General Plant Investment			249,775		See Page 4, Col D, Line 10
32						
33	Total Electric General and Common Plant			755,492		Line 29 + Line 31
34						
35	Annual Gen & Comm Plt Fixed Charge Rate			19.09%	√	See Line 24 above
36						
37	Electric Gen and Comm Plt Revenue			144,223	√	Line 33 X Line 35
38						
39	Transmission Wages Allocation Factor for Citizens			11.67%	√	See Page 3, Line 29
40						
41	Transmission Related Gen & Comm Plt Revenue			16,831	√	Line 37 X Line 39
42						
43	Total Transmission Plant			3,738,157		See Page 2, Line 10
44						
45	Transmission Related General and Common Plant Revenue Carrying Charge Percentage			0.45%	√	Line 41 / Line 43
46						
47						

San Diego Gas & Electric Company
 Derivation of Section 2 Non-Direct Expenses Cost Component
 Base Period 12 Months Ending December 31, 2013
 (000's)

Statement BK2
 Section 2
 Page 7 of 7

Calculation is for Illustrative Purposes Only

TO4 Formula

Line No	A	B	C	D	E	Reference
1						
2	Derivation of Working Capital					
3						
4	A. Material and Supplies					
5						
6	Total Electric Plant Materials and Supplies (M&S)		64,658			Stmt AL, Line 1
7						
8	Transmission Plant Allocation Factor		33.77%			Stmt AD, Page AD, Line 39
9						
10	M&S Allocated to Transmission		21,835			L6 X L8
11						
12	B. Prepayments					
13						
14	Total Electric Prepayments		39,198			Stmt AL, Line 7
15						
16	Transmission Plant Allocation Factor		33.77%			Stmt AD, Page AD, Line 39
17						
18	Prepayments Allocated to Transmission		13,237			Line 14 X Line 16
19						
20	C. Working Cash					
21						
22	Citizens Financed Transmission					
23						
24	Transmission Maintenance and A&G		\$102,636	v		See Pg 2, Line 8 + 44
25						
26	One Eight O&M Factor		12.50%			
27						
28	Working Cash For Transmission		\$ 12,830	v		Line 24 X Line 26
29						
30	D. Transmission Working Capital as a Percent of Transmission Plant					
31						
32						
33	1. Citizens Financed Transmission Projects					
34						
35	M&S Allocated to Transmission		21,835			Line 10 above
36	Prepayments Allocated to Transmission		13,237			Line 18 above
37	Working Cash		\$ 12,830	v		Line 28 above
38	Total		47,902	v		Sum (L35-37)
39						
40	2. Derivation of Return Plus FIT & SIT					
41						
42	Federal Income Tax		2.9368%	v		See Page 5 above, Line 43
43	State Income Tax		0.8192%	v		See Page 5 above, Line 46
44	Rate of Return		7.5800%	v		Stmt AV, Page AV1, Line 39
45	Total Return Plus FIT & SIT		11.3360%	v		
46						
47	Transmission Working Capital Revenue		5,430	v		Line 38 X Line 45
48						
49						
50	Total Transmission Plant		\$ 3,738,157			See Page 2, Line 10
51						
52						
53	Transmission Related Working Capital Revenue			0.15%	v	Line 47 / Line 50
54	Carrying Charge Percentage					
55						

Statement BK2					
Section 3					
Page 1 of 2					
San Diego Gas & Electric Company					
Cost Statement BK2					
Section 3 - Cost Component Containing Other Specific Expenses					
Base Period 12 Months Ending December 31, 2013					
(\$1,000)					
Calculation is for Illustrative Purposes Only					
TO4 Formula					
Ln					Reference
No	A. Direct Assignment of Accumulated Deferred Income Taxes (ADIT) to Citizens				
1					
2	As of December 31, 2012				
3	ADIT Liability Attributable to Bonus Depreciation	\$	(6,037)		Stmnt AF, AF3, Col B, Line 13
4	Offset by ADTA Generated by Net Operating Loss (NOL)				
5					
6	As of December 31, 2013				
7	ADIT Liability Attributable to Bonus Depreciation	\$	(6,927)		Stmnt AF, AF3; Col F, Line 13
8	Offset by ADTA Generated by Net Operating Loss (NOL)				
9					
10	Total	\$	(12,964)		Line 3 + Line 7
11					
12	Annual Average of Beginning Bal. and End of Year Bal	\$	(6,482)		Line 10 / 2
13					
14	Return		7.5800%	√	Stm BK2 - Section 2, Pg 5, Col E; Line 32
15	FIT and SIT		3.7560%	√	Stm BK2 - Section 2, Pg 5, Col D, Line 60
16	Cost of Capital Rate		11.3360%	√	
17					
18	Citizens 12 Months Revenue Credit		(734.80)	√	Line 12 * Line 16
19	Franchise Fee @ 1 0310% 0 010310	\$	(7.58)	√	Line 18 * .010310
20	Total Citizens Revenues plus Franchise		(742.375)		Line 18 + Line 19
21					
22					
23	Citizens Monthly Revenues Plus Franchise		(61.865)	√	Line 20 /12 Months
24					
25					
26	B. Property Taxes Allocated to Citizens				
27					
28	Citizens Allocated Property Taxes		556		Stmnt AK; AK1, Line 24
29	Franchise Fee @ 1 0310%		6		Line 28 * 010310
30	Total Citizens Allocated Property Taxes		561 732		
31					
32	Citizens Allocated Monthly Property Taxes		47		Line 32 / 12 Months
33					
34					
35	C. Non- Deductibility of Depreciation on Equity AFUDC				√ New Cost Component
36	Revenue Component				
37					
38	Annual Equity AFUDC Allocated to Citizens		135 080	√	See Non-Deductibility on Equity AFUDC - WP
39					
40	Monthly Equity AFUDC Allocated to Citizens		11 257	√	Line 37 / 12 Months

Statement BK2					
Section 3					
Page 2 of 2					
San Diego Gas & Electric Company					
Cost Statement BK2					
Section 3 - Cost Component Containing Other Specific Expenses					
Base Period 12 Months Ending December 31, 2013					
(\$1,000)					
Calculation is for Illustrative Purposes Only					
TO4 Formula					
A	B	C	D	E	
			(col. B * col. C)		
D. Derivation of Citizens Border East Line Removal Costs					
Ln		Total	Removal		
No.	FERC Account	Costs	Rate ⁽¹⁾	Amount	Reference
1					
2	354 - Towers & Fixtures	\$ 46,971	0 v	\$ - v	see Statement AJ WP
3					
4	356 - Overhead Cond & Devices	\$ 16,615	0 v	\$ - v	see Statement AJ WP
5					
6	359 - Road and Trails	\$ 19,939	0	\$ -	No Removal Rate
7					
8	350.1 - Land	\$ -	0	\$ -	No Removal Rate
9					
10	350.2 - Land Rights	1,669	0	-	No Removal Rate
11		\$ 85,194			
12					
13	Subtotal Annual Removal Costs			\$ - v	Sum (L2:L10)
14					
15	Franchise Fees @ 1.0310%			\$ - v	L13 X .010310
16					
17	Total Annual Removal Costs			\$ - v	L13 + L15
18					
19					
20	Monthly Removal Costs			\$ - v	Line 17 /12 Months
21					
22					
23	Total Other Specific Expenses			\$ (45.56) v	Page 1 of 2: Part A, Line 20 + Part B, Line Line 30 + Part C, Line 38 + Page 2 of 2, Part D, Line 17
24					
25					
26	1. Authorized TO4 Sunrise Removal Rate is zero.				

San Diego Gas & Electric Company

Cost Statements and Work papers

a) Modified

b) Currently Effective

San Diego Gas & Electric Company

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	(a) 31-Dec-12	(b) 31-Dec-13	(c) = [(a)+(b)]/2 Average Balance	Reference	Line No
1	\$ 77,890	\$ 93,154	\$ 85,522	Stmt AD WP, Page AD1, Line 3	1
2					2
3			505,741	Stmt AD WP, Page AD2, Line 17	3
4					4
5			695,859	Stmt AD WP; Page AD3; Line 17	5
6					6
7			-	Stmt AD WP, Page AD	7
8					8
9			<u>473,895</u>	Stmt AD WP; Page AD4, Line 17	9
10					10
11			<u>\$ 1,761,017</u>	Sum Lines 1 thru 9	11
12					12
13	5,002,109	5,209,303	5,105,706	Stmt AD WP; Page AD5; Line 3	13
14					14
15			3,738,157	Stmt AD WP; Page AD6; Line 19	15
16					16
17			<u>-</u>	Stmt AD WP; Page AD; Line 15	17
18					18
19			3,738,157	Sum Lines 15 thru 17	19
20					20
21	232,594	266,956	249,775	Stmt AD WP, Page AD7; Line 3	21
22					22
23	477,436	533,999	505,717	Stmt AD WP; Page AD8; Line 3	23
24					24
25			<u>\$ 11,360,372</u>	Sum Lines 11; 13, 19; 21; 23	25
26					26
27			<u>11.67%</u>	Statement AI, Line 21	27
28					28
29			\$ 3,738,157	See Line 19 Above	29
30					30
31			9,980	Line 1 x Line 27	31
32					32
33			29,149	Line 21 x Line 27	33
34					34
35			<u>59,017</u>	Line 23 x Line 27	35
36					36
37			<u>\$ 3,836,303</u>	Sum Lines 29, 31; 33; 35	37
38					38
39			<u>33.77%</u>	Line 37 / Line 25	39

^a 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

¹ 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

² 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

³ Indicate cost of Transmission Incentive Project.

⁴ Used to allocate all elements of working capital, other than working cash.

**SAN DIEGO GAS & ELECTRIC COMPANY
STATEMENT AD
COST OF PLANT
PERIOD 1 - 12/31/2013 PER BOOK**

(\$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

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

STEAM PRODUCTION

Line No.	Month	(1) Total Steam Production Per Book	Reference From	(2) Steam Production Ratemaking	Reference From	Line No.
1	Dec-12	483,937	SP-wp2	498,210	SP-wp2	1
2	Jan-13	484,924	"	499,197	"	2
3	Feb	485,004	"	499,277	"	3
4	Mar	485,031	"	499,305	"	4
5	Apr	485,183	"	499,456	"	5
6	May	493,168	"	507,441	"	6
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	"	10
11	Oct	496,705	"	510,978	"	11
12	Nov	497,582	"	511,856	"	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

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.

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

NUCLEAR PRODUCTION

Line No.	Month	(1) Total Nuclear Production Per Book	Reference From	(2) Nuclear Production Adjusted Book	Reference From	Line No.
1	Dec-12	1,499,180	NP-wp2	1,505,124	NP-wp2	1
2	Jan-13	1,501,122	"	1,507,066	"	2
3	Feb	1,501,126	"	1,507,070	"	3
4	Mar	1,502,892	"	1,508,836	"	4
5	Apr	1,503,070	"	1,509,014	"	5
6	May	1,503,116	"	1,509,059	"	6
7	Jun	-	"	-	"	7
8	Jul	-	"	-	"	8
9	Aug	-	"	-	"	9
10	Sep	-	"	-	"	10
11	Oct	-	"	-	"	11
12	Nov	-	"	-	"	12
13	Dec-13	-	NP-wp1	-	NP-wp1	13
14	Total 13 Months	9,010,506		9,046,169		14
15						15
16						16
17	13-Month Average	693,116		695,859	Line 14 / 13 Months	17

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.

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

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	1
2	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
9	Aug	512,782	"	473,564	"	9
10	Sep	513,046	"	473,647	"	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

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.

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

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

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.

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

TRANSMISSION PLANT

Line No.	Month	(1) Total Transmission Plant Per Book	Reference From	(2) Transmission Plant Ratemaking	Reference From	Line No.
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	"	3,645,849	"	7
8	Jul	3,710,122	"	3,649,977	"	8
9	Aug	3,739,303	"	3,679,149	"	9
10	Sep	3,758,020	"	3,698,036	"	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						15
16						16
17	13-Month Average	3,713,005		3,652,963	Line 14 / 13 Months	17
18				<u>85,194</u>	See AD6-A	18
19				<u>3,738,157</u>	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.

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

TRANSMISSION PLANT

Line No.	Month	(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
9	Aug			85,194		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	0		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

San Diego Gas & Electric Company

Base Period

Statement AE – Accumulated
Depreciation and Amortization
Workpaper

Modified

SAN DIEGO GAS AND ELECTRIC COMPANY
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	(c) = [(a)+(b)]/2 Average Balance	Reference	Line No
1			\$ 627,339	Stmt AE WP, Page AE1, Line 17	1
2					2
3	8,471	19,994	14,232	Stmt AE WP, Page AE2, Line 3	3
4					4
5	96,526	103,539	100,033	Stmt AE WP, Page AE3, Line 3	5
6					6
7	226,969	270,623	248,796	Stmt AE WP, Page AE4, Line 3	7
8					8
9			11.67%	Statement AI, Line 21	9
10					10
11			\$ 1,661	Line 3 x Line 9	11
12					12
13			\$ 11,674	Line 5 x Line 9	13
14					14
15			29,034	Line 7 x Line 9	15
16					16
17			\$ 669,708	Sum Lines 1, 11, 13, 15	17
18					18
19			\$ -	Stmt AE WP, Page AE, Line 15	19

^a 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

¹ 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

² 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

**SAN DIEGO GAS & ELECTRIC COMPANY
STATEMENT AE
ACCUMULATED DEPRECIATION AND AMORTIZATION
BASE PERIOD - 12/31/2013 PER BOOK
(\$1,000)**

TRANSMISSION PLANT

Line No.	Month	(1) Total Transmission Reserves Per Book	Reference From	(2) Transmission Reserves Ratemaking	Reference From	Line No.
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	"	4
5	Apr	629,538	"	611,477	"	5
6	May	636,480	"	618,341	"	6
7	Jun	637,677	"	625,380	"	7
8	Jul	645,420	"	633,015	"	8
9	Aug	652,994	"	640,470	"	9
10	Sep	662,187	"	649,712	"	10
11	Oct	670,293	"	657,717	"	11
12	Nov	678,694	"	666,013	"	12
13	Dec-13	679,574	T-wp1	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				<u>3</u>	See AE-1A, L15	16
17				<u>\$ 627,339</u>	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.

**SAN DIEGO GAS & ELECTRIC COMPANY
STATEMENT AE
ACCUMULATED DEPRECIATION AND AMORTIZATION
BASE PERIOD - 12/31/2013 PER BOOK
(\$1,000)**

TRANSMISSION PLANT

Line No.	Month	(1) Total Transmission Reserves Per Book	Reference From	(2) Transmission Reserves Ratemaking	Reference From	Line No.
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		\$ 43		14
15	13-Month Average Balance	\$ 3		\$ 3		15

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

**SAN DIEGO GAS & ELECTRIC COMPANY
STATEMENT AE
ACCUMULATED DEPRECIATION AND AMORTIZATION
BASE PERIOD - 12/31/2013 PER BOOK
(\$1,000)**

ELECTRIC MISCELLANEOUS INTANGIBLE PLANT

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

**SAN DIEGO GAS & ELECTRIC COMPANY
STATEMENT AE
ACCUMULATED DEPRECIATION AND AMORTIZATION
BASE PERIOD - 12/31/2013 PER BOOK
(\$1,000)**

GENERAL PLANT

Line No.	Month	Adjusted FERC General 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

**SAN DIEGO GAS & ELECTRIC COMPANY
STATEMENT AE
ACCUMULATED DEPRECIATION AND AMORTIZATION
BASE PERIOD - 12/31/2013 PER BOOK
(\$1,000)**

COMMON PLANT

Line No.	Month	Total Common Reserves to 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

San Diego Gas & Electric Company

Base Period

Statement AF - Specified Deferred

Credits

Workpaper

Modified

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	\$ (211,827)	\$ (277,709)	\$ (244,768)	Stmt AF WP, Page AF1, Line 15	1
2					2
3	(69,474)	(149,141)	(109,308)	Stmt AF WP, Page AF1, Line 17	3
4					4
5	<u>\$ (281,301)</u>	<u>\$ (426,850)</u>	<u>\$ (354,076)</u>	Sum of Lines 1 thru 3	5
6					6
7					7
8	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	Stmt AF WP, Page AF-2, Line 1	8
9					9
10	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	Stmt AF WP, Page AF-2, Line 4	10
11					11
12	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	Stmt AF WP, Page AF-2, Line 7	12

SAN DIEGO GAS AND ELECTRIC COMPANY								
Statement AF - Workpapers								
Deferred Credits								
Base Period 12 - Months Ending December 31, 2013								
(\$1,000)								
Line			(a)	(b)	(c) = [(a)+(b)]/2			Line
No			31-Dec-12	31-Dec-13	Average Balance	Reference		No
1	Non-Citizens Transmission Related ADIT- Excluding Bonus Depreciatio		\$(211,753)	\$(276,123)	\$ (243,938)			1
2								2
3	Non-Citizens Transmission Related ADIT from Bonus Depreciation		(62,516)	(140,932)	(101,724)			3
4								4
5	Total Non-Citizens Transmission Related ADIT		(274,269)	(417,055)	(345,662)	Line 1 + Line 3		5
6								6
7								7
8	Citizens Transmission Related ADIT-Excluding Bonus Depreciaition		(74)	(1,586)	\$ (830)			8
9								9
10	Citizens Transmission Related ADIT-From Bonus D		(6,958)	(8,209)	\$ (7,584)			10
11								11
12	Total Citizens Related ADIT		(7,032)	(9,795)	(8,414)	Line 8 + Line 10		12
13								13
14								14
15	Total Transmission Related ADIT-Excluding Bonus Depereciation		(211,827)	(277,709)	(244,768)	Line 1 + Line 8		15
16								16
17	Total Transmission Related ADIT from Bonus Depreciation		(69,474)	(149,141)	(109,308)	Line 3 + Line 10		17
18								18
19	Total Transmission Related ADIT		(281,301)	(426,850)	(354,076)	Line 15 + Line 17		19

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	(c) = [(a)+(b)]/2 Average Balance	Reference	Line No
1 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					2
3			-		3
4					4
5 Total General/Common Transmission Related ADIT	<u>\$ (2,571)</u>	<u>\$ (18,774)</u>	<u>\$ (10,673)</u>	Sum of Lines 1 thru 3	5
6					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

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

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.

San Diego Gas & Electric Company

Base Period

Statement AG - Specified Plant

Accounts (other than plant in service)

and Deferred Debits

Workpaper

Modified

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

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

Line No.	Month	Transmission Plant Held For Future Use	Line 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

* 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).

San Diego Gas & Electric Company

Base Period

Statement AH

Operations and Maintenance

Expenses

Workpaper

Modified

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 No.	Amounts	Reference	Line No.
1			1
2			2
3			3
4			4
5			5
6			6
7			7
8			8
9			9
11			11
10			10
12			12
13			13
14			14
15			15
16			16
17			17
18			18
19			19
21			21
22			22
23			23

¹ Used to allocate property insurance in conformance with TO3 settlement.

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

Line No.	FERC Acct	Description	(a) Total Per FERC Form 1	(b) Citizens ¹ Allocated Costs	(c) Excluded Expenses	(d) = (a) + (b) + (c) Total Adjusted	Reference	Line No.
1		<u>Electric Transmission Operation</u>						1
2	560	Operation Supervision and Engineering	\$ 7,379		\$ -	\$ 7,379	Col. (a) = Form 1, p 321; Line 83	2
3	561.1	Load Dispatch - Reliability	459		-	459	Col. (a) = Form 1, p 321, Line 85	3
4	561.2	Load Dispatch - Monitor and Operate Transmission System	5,821		-	5,821	Col. (a) = Form 1, p 321, Line 86	4
5	561.3	Load Dispatch - Transmission Service and Scheduling	-		-	-	Col. (a) = Form 1, p 321; Line 87	5
6	561.4	Scheduling, System Control and Dispatch Services	8,314		(8,314)	-	Col. (a) = Form 1, p 321, Line 88	6
7	561.5	Reliability, Planning and Standards Development	-		-	-	Col. (a) = Form 1, p 321, Line 89	7
8	561.6	Transmission Service Studies	-		-	-	Col. (a) = Form 1, p 321, Line 90	8
9	561.7	Generation Interconnection Studies	-		-	-	Col. (a) = Form 1, p 321, Line 91	9
10	561.8	Reliability, Planning and Standards Development Services	1,137		(1,137)	-	Col. (a) = Form 1, p 321, Line 92	10
11	562	Station Expenses	2,016		-	2,016	Col. (a) = Form 1, p 321, Line 93	11
12	563	Overhead Line Expenses	5,575		-	5,575	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	812	(5,097)	14,147	Col. (a) = Form 1, p 321, Line 97	15
16	567	Rents	1,867		-	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		<u>Electric Transmission Maintenance</u>						19
20	568	Maintenance Supervision and Engineering	826		-	826	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		-	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								33
34								34
35		<u>Excluded Expenses (recovery method in parentheses)</u>						35
36	561.4	Scheduling, System Control and Dispatch Services (ERRA)			\$ 8,314			36
37	561.8	Reliability, Planning and Standards Development Services (ERRA)			1,137			37
38	565	Transmission of Electricity by Others (ERRA)			5,140			38
39	566	Misc Transmission Expenses						39
40		ISO Grid Management Costs (ERRA)	\$ 2,439					40
41		Reliability Services (RS rates)	3,815					41
42		Other (TRBAA, TACBAA)	(1,164)		\$ 5,090			42
43		Sunrise dedication ceremony (a)	7		7			43
44		Total Excluded Expenses			\$ 19,688			44
45								45
46	(a)	Sunrise dedication ceremony trailing charges in January 2013 is excluded in the transmission O&M expenses since ratepayers are not supposed to pay for it.						46
47								47
48								48
49	¹	Column b, line 15 represents Non-Direct O&M expenses billed to Citizens during 2013 base period equal to \$811,750 (see AH5, line 5) that is added back to derive 2013 Total O&M expenses						49
50								50
51								51
52								52
53								53

SDG&E Transmission O&M Expenses

12 Months Ending December 31, 2013

(\$1,000)

		1	2	3	4	5	6		
					sum (col.1:col.3)			col. 4 + col. 5	
		2013			Less:		Formula		
Line No.	FERC Acct	FERC Form 1 O&M	Citizens ² Allocated Costs	Excluded ¹ Expenses	Total Adjusted	Trans O&M ³ Adjustments	Transmission O&M	Reference	
1		Electric Transmission Operation							1
2	560	\$ 7,379		\$ -	\$ 7,379		\$ 7,379	Col 6 = Stmt AH1, Col (d), Line 2	2
3	561 1	459		-	\$ 459		\$ 459	Col 6 = Stmt AH1, Col (d), Line 3	3
4	561 2	5,821		-	\$ 5,821		\$ 5,821	Col 6 = Stmt AH1, Col (d), Line 4	4
5	561 3	-		-	-		\$ -	Col 6 = Stmt AH1, Col (d), Line 5	5
6	561 4	8,314		(8,314)	-		\$ -	Col 6 = Stmt AH1, Col (d), Line 6	6
7	561 5	-		-	-		\$ -	Col 6 = Stmt AH1, Col (d), Line 7	7
8	561 6	-		-	-		\$ -	Col 6 = Stmt AH1, Col (d), Line 8	8
9	561 7	-		-	-		\$ -	Col 6 = Stmt AH1, Col (d), Line 9	9
10	561 8	1,137		(1,137)	-		\$ -	Col 6 = Stmt AH1, Col (d), Line 10	10
11	562	2,016		-	2,016	(2,016)	\$ -	Col 4 = Stmt AH1, Col (d), Line 11	11
12	563	5,575		-	5,575		\$ 5,575	Col 6 = Stmt AH1, Col (d), Line 12	12
13	564	-		-	-		\$ -	Col 6 = Stmt AH1, Col (d), Line 13	13
14	565	5,140		(5,140)	-		\$ -	Col 6 = Stmt AH1, Col (d), Line 14	14
15	566	18,432	812	(5,097)	14,147		\$ 14,147	Col 6 = Stmt AH1, Col (d), Line 15	15
16	567	1,867		-	1,867		\$ 1,867	Col 6 = Stmt AH1, Col (d), Line 16	16
17		\$ 56,140	\$ 812	\$ (19,688)	\$ 37,264	\$ (2,016)	\$ 35,248	Sum Lines 2 thru 16	17
18									18
19		Reconciles to Page AH1; Col. (d); Line 17							19
20									20
21		Electric Transmission Maintenance							21
22	568	826		-	826		826	Col 6 = Stmt AH1, Col (d), Line 20	22
23	569	1		-	1	(1)	-	Col 4 = Stmt AH1, Col (d), Line 21	23
24	569 1	1,723		-	1,723		1,723	Col 6 = Stmt AH1, Col (d), Line 22	24
25	569 2	1,757		-	1,757		1,757	Col 6 = Stmt AH1; Col (d); Line 23	25
26	569 3	-		-	-		-	Col 6 = Stmt AH1, Col (d), Line 24	26
27	569 4	74		-	74		74	Col 6 = Stmt AH1, Col (d), Line 25	27
28	570	6,443		-	6,443	(6,443)	-	Col 4 = Stmt AH1, Col (d), Line 26	28
29	571	28,655		-	28,655	(28,655)	-	Col 4 = Stmt AH1; Col (d), Line 27	29
30	572	150		-	150	(150)	-	Col 4 = Stmt AH1, Col (d), Line 28	30
31	573	90		-	90		90	Col 6 = Stmt AH1, Col (d), Line 29	31
32		\$ 39,719	\$ -	\$ -	\$ 39,719	\$ (35,249)	\$ 4,470	Sum Lines 22 thru 31	32
33									33
34		\$ 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

Footnote 1					
Column 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 Excluded Expenses				\$ 19,688	
(a) The exclusion for FERC Account 565 is the amount paid to Portland General Electric for transmission wheeling expenses from its Boardman plant.					
(b) Contains amounts recovered in TRBAA, TACBA, and ERRA (vaious CAISO charges)					
(c) January 2013 Sunrise ceremony trailing charges should not be paid by ratepayers, is being excluded in the transmission O&M expenses.					
Footnote 2					
The \$812K shown in column 2, line 15 represents non-direct O&M expenses billed to Citizens January - December 2013 under cycle 1 and cycle 2 rates (see AH4, L5))					
To the extent that Col. 1 in AH2 does not include Citizens Direct and Non-Direct O&M expenses, they must be added to col. 1. Thus, column 1 serves as a basis to allocate Total O&M expenses to Citizens.					
Footnote 3					
Column 5 represents adjustments made to the operations and maintenance expenses that are not applicable to Citizens, such as substations, underground, and overhead lines. As a result, of these adjustments column 6 reflects that portion of the operations and maintenance expenses applicable in the derivation of the O&M Carrying Charge Rate. Account 571 is also being subtracted because Citizens is charged for this through direct maintenance (BK2- Section 1).					

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

Line No.	FERC Acct	Description	A Total Per FERC Form 1	B Citizens ¹ Allocated Cost	C Excluded Expenses	D = Sum (A:C) Total Adjusted	Reference	Line No.
1		<i>Administrative & General</i>						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	928	Regulatory Commission Expenses	17,713		(5,255)	12,458	Form 1, p 323, Line 189	13
14	929	Company Energy Use	(1,950)		-	(1,950)	Form 1, p 323, Line 190	14
15	930 1	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	931	Rents	9,048		(357)	8,691	Form 1, p 323, Line 193	17
18	935	Maintenance of General Plant	6,725		(24)	6,701	Form 1, p 323, Line 196	18
19								19
20		Total Administrative & General Expenses	\$ 533,372	\$ 480	\$ (10,346)	\$ 523,506	Sum Lines 2 thru 18	20
21								21
22								22
23		<u>Excluded Expenses (1):</u>						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	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	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		Total Excluded Expenses			\$ (10,346)			40
41								41

¹ 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	B	C	
	Cycle 1	Cycle 2		
	1	2	C = A + B	
Ln	Jan - Jun 2013	Jul - Dec 2013	2013	
No	Invoice	Invoice	Billing	Reference
1	A. Direct Maintenance Cost Component	90,947	(49,332)	41,615 See AH4-A and AH4-B, Line 3, respectively
2	B. Non-Direct Expense Cost Component			
3	Transmission Operations Carry Charge Rate	412,503	244,152	656,655 See AH4-A and AH4-B, Line 5, respectively
4	Transmission Maintenance Carry Charge Rate	97,274	16,206	113,480 See AH4--A and AH4-B, Line 6, respectively
5	L1 + L3 + L4			³ 811,750
6	Transmission Related A&G Carry Charge Rate	585,614	(105,606)	⁴ 480,008 See AH4-A and AH4-B, Line 7 & 8, respectively
1	Column A reflects Citizens Cycle 1 Filing Allocated Cost, Docket No ER12-1417-000, dated March 30, 2012			
2	Column B reflects Citizens Cycle 2 Filing Allocated Cost which includes 6 month true-up adjustment, Docket No.ER13-1596-000, dated June 28, 2013			
3	The O&M amounts are added back to transmission O&M to allocate total system costs to Citizens			
4	The A&G amounts are added back to transmission A&G to allocate total A&G expenses			

Sunrise Border-Eastline
 Direct Maintenance Work Order Report - 2013 Costs

Line		Total			
No.	Cost Elements	2013			
1	6110030 SALARIES-MANAGEMENT TIME AND ONE HALF	898.51			
2	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			
5	6130011 EMP TRAVEL-INCIDENTALS (PHONES AND TIPS)	5.00			
6	6130013 EMP TRAVEL-PER DIEM	600.00			
7	6130015 EMP TRAVEL-MEALS (INCL TIPS)%ENT 50%	83.21			
8	6213085 MATL-MISCELLANEOUS	5.39			
9	6220850 SRV-VEHICLE & EQUIP RENTAL W/OPERATOR	7,250.00			
10	6261050 VEHICLE UTILIZATION-LABOR	603.96			
11	6262050 VEHICLE UTILIZATION-NONLABOR	6,761.67			
12	9121100 Vacation & Sick (Costing sheet)	1,714.99			
13	9121200 ICP (Costing Sheet)	235.56			
14	9121400 Public Liab.& Property Damage-Lab(CS)	21.28			
15	9121500 Worker's Comp -Labor (Costing sheet)	8.55			
16	9121600 Pension & Benefits - Labor	11.88			
17	9122300 Payroll Taxes (Costing sheet)	1,112.08			
18	9122400 Public Liab.& Property Damage-NonLab(CS)	414.06			
19	9122500 Worker's Comp -Non Labor (Costing sheet)	135.76			
20	9122600 Pension & Benefit - NonLabor	2,542.88			
21	9122900 PENSION & BENEFIT - REFUNDABLE - NL	1,182.69			
22	9123100 VACATION & SICK (CL)	26.78			
23	9123200 ICP (CL)	37.72			
24	9123400 PUBLIAB PROPDAM L(CL)	0.33			
25	9123500 WK COMP-LABOR (CL)	0.13			
26	9123600 PENSION & BENEFIT-NONREF-LBR (CL)	0.18			
27	9124300 PAYROLL TAXES (CL)	33.94			
28	9124400 PUBLIAB PROPDAM NL(CL)	6.46			
29	9124500 WK COMP-NONLABOR (CL)	2.08			
30	9124600 PENSION & BENEFIT-NONREF-NL (CL)	39.71			
31	9124900 PENSION & BENEFIT-REF-NL (CL)	18.47			
32	9131150 Purchasing Labor (Costing sheet)	32.65			
33	9131700 Shop Order Labor (costing sheet)	38.01			
34	9131850 Small Tools Labor (Costing sheet)	114.02			
35	9132150 Purchasing NonLabor (Costing sheet)	9.43			
36	9132300 Exempt Matl Elec NonLabor (Costing sheet)	0.16			
37	9132700 Shop Order NonLabor (costing sheet)	22.80			
38	9132850 Small Tools NonLabor (Costing sheet)	463.90			
39	Total 2013 Border-East Line Direct Maintenance Costs	37,103.61			
1	The above \$37K reflects direct maintainence expenses incurred on the 30 mile line segment of the Sunrise 500 KV Line known as the Sunrise Border-East Line. These costs are tracked via a specific work order which represent costs associated with routine maintenance checks on the Border-East line and insulator washing activities.				
2	To the extent Citizen's leases 50% of the transfer capability of the Border-East Line, 50% of these costs is reflected in Statement BK2 - Section 1, page 1 of 1.				

San Diego Gas & Electric Company

Base Period

Statement AI

Wages and Salaries

Workpaper

Modified

SAN DIEGO GAS AND ELECTRIC COMPANY
Statement AI - Workpapers
Wages and Salaries
Base Period 12 - Months Ending December 31, 2013
(\$1,000)

For Illustrative Purposes Only

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

¹ 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.

² 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	
Line No.	FERC Account	Description	Amount	Substation, Underground & Overhead Labor Exclusions	Line 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)	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		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 Transmission Wages & Salaries ¹		\$ 21,456,199.11	\$ (6,270,243.60)	33
34	Total Transmission Wages & Salaries Less: ²			\$ 15,185,956	34
	Substation, Underground and Overhead Maintenance Wages				

1 Transmission Wages & Salaries in Col. 3, line 33 ties to FERC Form 1

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

San Diego Gas & Electric Company

Base Period

Statement AJ

Depreciation and Amortization

Expenses

Workpaper

Modified

SAN DIEGO GAS AND ELECTRIC COMPANY
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 General Plant Depreciation Expense	7,657	Stmt AJ WP; Page AJ2; Line 1	3
4			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	Reference From	Line No.
1	December 31, 2013 Expense	7,657	AJ1-Gwp1	1

San Diego Gas & Electric Company

Base Period

Statement AK

Taxes Other Than Income Taxes

Workpaper

Modified

SAN DIEGO GAS AND ELECTRIC COMPANY
Statement AK - Workpapers
Taxes Other Than Income Taxes
Base Period 12 - Months Ending December 31, 2013
(\$1,000)

For Illustrative Purposes Only

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

¹ 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.

² The amount of property tax expense reflected in FERC Form 1 for SONGS Facilities is \$5.007 million.

³ 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 No.		Amounts	Reference	Line No
1	Total Property Taxes	\$ 74,495	Stmnt AK WP, Page-AK, Line 5	1
2				2
3	SONGS Property Taxes	5,007	Stmnt AK WP, Page-AK, Line 7	3
4				4
5	Property Taxes Less SONGS	<u>\$ 69,488</u>	Line 1 - Line 3	5
6				6
7				7
8	<u>Derivation of Citizens Border-East Line Transmission Property Tax Allocation Factor</u>			8
9				9
10	Citizens Border-East Line (Ferc Acct No 104)	<u>\$ 85,194</u>	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 ¹	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	<u>505,717</u>	Statement AD, Page AD, Line 23	19
20	Total Investment in Plant Excluding SONGS	<u>\$ 10,664,513</u>	Sum Lines (12 19)	20
21				21
22	Citizens Border-East Line Property Tax Allocation Factor	<u>0 80%</u>	Line 10 / Line 20	22
23				23
24	Citizens Border-East Line Property Taxes Expense	<u>\$ 556</u>	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
<u>85,194</u>
3,738,157

		A	B	C	
		1	2	C = A + B	
Ln		Jan - Jun 2013	Jul - Dec 2013	Total	
No.	Allocation of Payroll and Property Taxes to Citizens	Invoice	Invoice	Billing	Reference
1	<u>B. Non-Direct Expense Cost Component</u>				
2	Transmission Related Payroll Carry Charge Rate	34,440	3,480	37,920	See AK2-A & AK2-B, L3, respectively
3	<u>C. Other Specific Cost Component</u>				
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.ER12-1417-000, dated March 30, 2012.				
2	Column B reflects Citizens Cycle 2 Filing Allocated Cost, Docket No.ER13-1596-000, dated June 28, 2013.				
3	Column C reflects Total Payroll and Property Taxes Allocated and Billed to Citizens in 2013.				

	A	B	C	D	E	F	G	H	
			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 adjustment 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	
		Rates	Amount	Amount	collection	(204.67)	Monthly Billing	Jul-Dec 2013	
1	Actual Billings to Citizens by Cost Component								1
2	<u>B. Non-Direct Expense Cost Component</u>								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	<u>C. Other Specific Cost Component</u>								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								

San Diego Gas & Electric Company

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

Line No	Working Cash	13 Months Average Balance	Reference	Line No
1 A Plant Materials and Operating Supplies ^a		\$ 64,658	Stmt AL WP, Page AL1, Line 17	1
2				2
3 Transmission Plant Allocation Factor		<u>33.77%</u>	Stmnt AD WP, Page AD, Line 39	3
4				4
5 Transmission Related Materials and Supplies		<u>\$ 21,835</u>	Line 1 x Line 3	5
6				6
7 B Prepayments ^a		<u>\$ 39,198</u>	Stmt AL WP, Page AL2, Line 17	7
8				8
9 Transmission Related Prepayments		<u>\$ 13,237</u>	Line 3 x Line 7	9
10				10
11 <u>C Derivation of Transmission Related Cash Working Capital - Retail</u>				11
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
15 Total	<u>\$ 102,636</u>		Sum Lines 12 thru 14	15
16				16
17 One Eighth O&M Rule		<u>12.50%</u>	FERC Method = 1/8 of O&M Expense	17
18				18
19 Transmission Related Cash Working Capital - Retail Customers	<u>\$ 12,830</u>		Line 15 x Line 17	19
20				20

^a 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

San Diego Gas & Electric Company

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

<u>Line No.</u>	<u>Amounts</u>	<u>Reference</u>	<u>Line No.</u>
1	\$ (265)	Form 1; Page 450.1; Sch. Pg 266; Line 8; Col. f	1
2			2
3	(305)	Form 1; Page 450.1; Sch. Pg 234; Line 2; Col. c	3
4			4
5	<u>\$ (570)</u>	Sum Lines 1; 3	5

San Diego Gas & Electric Company

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

¹ Amount is based upon December 31 balances

² 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

³ ROE is pursuant to SDG&E's TO4 Formula Offer of Settlement in Docket No ER13-941-001

⁴ 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

Line No	Amounts	Reference	Line No
1			1
2			2
3			3
4			4
5			5
6			6
7			7
8			8
9			9
10			10
11			11
12			12
13			13
14			14
15			15
16			16
17			17
18			18
19			19
20			20
21			21
22			22
23			23
24			24
25			25
26			26
27			27
28			28
29			29
30			30
31			31

¹ Line 8 - embedded in the Equity AFUDC 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)

San Diego Gas & Electric Company
TO4-Cycle 2 Annual Transmission Formula Filing
Transmission Depreciation Expense on AFUDC Equity
Base Period Ending December 31, 2013

Line No.	Description		Amount	Line No.
1	Citizens' Allocation Ratio Calculation:			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&M		5.0562%	7
8				8
9				9
10	2013 - BASE PERIOD TOTAL ONLY:	1/1/2013 - 12/31/2013	1/1/2013 - 12/31/2013	10
11	Year	Sunrise Depr Exp on AFUDC Equity	Citizens' Sunire Ratio	Depr Exp on AFUDC Equity Assoc with Citizen's
12	2010	\$ 1,487.45	5.0562%	\$ 75.21
13				
14	2011	22,272.69	5.0562%	1,126.14
15				
16	2012	2,916,065.39	5.0562%	147,441.16
17				
18	2013	<u>15,311.47</u>	5.0562%	<u>774.17</u>
19				
20	Total Sunrise Depr Exp on AFUDC Equity	\$ 2,955,136.99		\$ 149,416.68
21				
22	Total Depr Exp on AFUDC Equity Assoc with Citizen's			\$ 149,416.68
23				
24				

San Diego Gas & Electric Company

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

Line No	Amounts	Reference	Line No
<u>A. Derivation of Transmission Rate Base:</u>			
1			1
2			2
3			3
4			4
5			5
6			6
7			7
8			8
9			9
10			10
11			11
12			12
13			13
14			14
15			15
16			16
17			17
18			18
19			19
20			20
21			21
22			22
23			23
24			24
25			25
26			26
27			27
28			28
<u>B. Incentive ROE Project Transmission Rate Base:</u>			
29			29
30			30
31			31
32			32
<u>C. Incentive Transmission Plant Abandoned Project Rate Base:</u>			
33			33
34			34
35			35
36			36
37			37
38			38
<u>D. Incentive Transmission Construction Work In Progress ²</u>			

1 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 No	Amounts	Reference	Line No
<u>A. Derivation of Net Transmission Plant:</u>			
1			1
2			2
3			3
4			4
5			5
6			6
7			7
8			8
9			9
10			10
11			11
12			12
13			13
14			14
15			15
16			16
17			17
18			18
19			19
20			20
21			21
22			22
<u>B. Incentive Project Net Transmission Plant:</u>			
23			23
24			24
25			25

1 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

San Diego Gas & Electric Company

Non-Deductibility of Depreciation on
Equity AFUDC Revenue Component

Workpaper

Calculation of Revenue Requirement for Non-Deductibility of AFUDC 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

San Diego Gas & Electric Company

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)

Line No	(a) 31-Dec-12	(b) 31-Dec-13	(c) = [(a)+(b)]/2 Average Balance	Reference	Line No
1	\$ 77,890	\$ 93,154	\$ 85,522	Stmt AD WP; Page AD1, Line 3	1
2					2
3			505,741	Stmt AD WP; Page AD2, Line 17	3
4					4
5			695,859	Stmt AD WP; Page AD3; Line 17	5
6					6
7			-		7
8					8
9			473,895	Stmt AD WP; Page AD4, Line 17	9
10					10
11			\$ 1,761,017	Sum Lines 1 thru 9	11
12					12
13	5,002,109	5,209,303	5,105,706	Stmt AD WP; Page AD5; Line 3	13
14					14
15			3,738,157	Stmt AD WP; Page AD6, Line 19	15
16					16
17			-		17
18					18
19			3,738,157	Sum Lines 15 thru 17	19
20					20
21	232,594	266,956	249,775	Stmt AD WP; Page AD7, Line 3	21
22					22
23	477,436	533,999	505,717	Stmt AD WP; Page AD8, Line 3	23
24					24
25			\$ 11,360,372	Sum Lines 11, 13, 19, 21; 23	25
26					26
27			11.67%	Statement AI, Line 21	27
28					28
29			\$ 3,738,157	See Line 19 Above	29
30					30
31			9,980	Line 1 x Line 27	31
32					32
33			29,149	Line 21 x Line 27	33
34					34
35			59,017	Line 23 x Line 27	35
36					36
37			\$ 3,836,303	Sum Lines 29, 31, 33, 35	37
38					38
39			33.77%	Line 37 / Line 25	39

^a 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.

¹ 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.

² 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

³ The purpose of this footnote is to indicate for incentive projects the cost of the project.

⁴ Used to allocate all elements of working capital, other than working cash.

**SAN DIEGO GAS & ELECTRIC COMPANY
STATEMENT AD
COST OF PLANT
PERIOD 1 - 12/31/2013 PER BOOK**

(\$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

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

STEAM PRODUCTION

Line No.	Month	(1) Total Steam Production Per Book	Reference From	(2) Steam Production Ratemaking	Reference From	Line No.
1	Dec-12	483,937	SP-wp2	498,210	SP-wp2	1
2	Jan-13	484,924	"	499,197	"	2
3	Feb	485,004	"	499,277	"	3
4	Mar	485,031	"	499,305	"	4
5	Apr	485,183	"	499,456	"	5
6	May	493,168	"	507,441	"	6
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	"	10
11	Oct	496,705	"	510,978	"	11
12	Nov	497,582	"	511,856	"	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

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.

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

NUCLEAR PRODUCTION

Line No.	Month	(1) Total Nuclear Production Per Book	Reference From	(2) Nuclear Production Adjusted Book	Reference From	Line No.
1	Dec-12	1,499,180	NP-wp2	1,505,124	NP-wp2	1
2	Jan-13	1,501,122	"	1,507,066	"	2
3	Feb	1,501,126	"	1,507,070	"	3
4	Mar	1,502,892	"	1,508,836	"	4
5	Apr	1,503,070	"	1,509,014	"	5
6	May	1,503,116	"	1,509,059	"	6
7	Jun	-	"	-	"	7
8	Jul	-	"	-	"	8
9	Aug	-	"	-	"	9
10	Sep	-	"	-	"	10
11	Oct	-	"	-	"	11
12	Nov	-	"	-	"	12
13	Dec-13	-	NP-wp1	-	NP-wp1	13
14	Total 13 Months	9,010,506		9,046,169		14
15						15
16						16
17	13-Month Average	693,116		695,859	Line 14 / 13 Months	17

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.

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

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	1
2	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
9	Aug	512,782	"	473,564	"	9
10	Sep	513,046	"	473,647	"	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

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.

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

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

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.

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

TRANSMISSION PLANT

Line No.	Month	(1) Total Transmission Plant Per Book	Reference From	(2) Transmission Plant Ratemaking	Reference From	Line No.
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	"	3,645,849	"	7
8	Jul	3,710,122	"	3,649,977	"	8
9	Aug	3,739,303	"	3,679,149	"	9
10	Sep	3,758,020	"	3,698,036	"	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						15
16						16
17	13-Month Average	3,713,005		3,652,963	Line 14 / 13 Months	17
18				<u>85,194</u>	See AD6-A	18
19				<u><u>3,738,157</u></u>	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.

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

TRANSMISSION PLANT

Line No.	Month	(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
9	Aug			85,194		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	0		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

San Diego Gas & Electric Company

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	(c) = [(a)+(b)]/2 Average Balance	Reference	Line No
1 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					2
3			-		3
4					4
5 Total General/Common Transmission Related ADIT	<u>\$ (2,571)</u>	<u>\$ (18,774)</u>	<u>\$ (10,673)</u>	Sum of Lines 1 thru 3	5
6					6

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

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

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.

San Diego Gas & Electric Company

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 No	Amounts	Reference	Line No
1			1
2			2
3			3
4			4
5			5
6			6
7			7
8			8
9			9
11			11
10			10
12			12
13			13
14			14
15			15
16			16
17			17
18			18
19			19
20			20
21			21
22			22
23			23

¹ 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)

Line No.	FERC Acct	Description	(a) Total Per FERC Form 1	(b) Citizens ¹ Allocated Costs	(c) Excluded Expenses	(d) = (a) + (b) + (c) Total Adjusted	Reference	Line No.
1		<i>Electric Transmission Operation</i>						1
2	560	Operation Supervision and Engineering	\$ 7,379		\$ -	\$ 7,379	Col (a) = Form 1, p 321, Line 83	2
3	561 1	Load Dispatch - Reliability	459		-	459	Col (a) = Form 1, p 321, Line 85	3
4	561 2	Load Dispatch - Monitor and Operate Transmission System	5,821		-	5,821	Col (a) = Form 1, p 321, Line 86	4
5	561 3	Load Dispatch - Transmission Service and Scheduling	-		-	-	Col (a) = Form 1, p 321, Line 87	5
6	561 4	Scheduling, System Control and Dispatch Services	8,314		(8,314)	-	Col (a) = Form 1, p 321, Line 88	6
7	561 5	Reliability, Planning and Standards Development	-		-	-	Col (a) = Form 1, p 321, Line 89	7
8	561 6	Transmission Service Studies	-		-	-	Col (a) = Form 1, p 321, Line 90	8
9	561 7	Generation Interconnection Studies	-		-	-	Col (a) = Form 1, p 321, Line 91	9
10	561 8	Reliability, Planning and Standards Development Services	1,137		(1,137)	-	Col (a) = Form 1, p 321, Line 92	10
11	562	Station Expenses	2,016		-	2,016	Col (a) = Form 1, p 321, Line 93	11
12	563	Overhead Line Expenses	5,575		-	5,575	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	812	(5,097)	14,147	Col (a) = Form 1, p 321, Line 97	15
16	567	Rents	1,867		-	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		<i>Electric Transmission Maintenance</i>						18
19								19
20	568	Maintenance Supervision and Engineering	826		-	826	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		-	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								33
34								34
35		<u>Excluded Expenses (recovery method in parentheses)</u>						35
36	561 4	Scheduling, System Control and Dispatch Services (ERRA)			\$ 8,314			36
37	561 8	Reliability, Planning and Standards Development Services (ERRA)			1,137			37
38	565	Transmission of Electricity by Others (ERRA)			5,140			38
39	566	Misc Transmission Expenses						39
40		ISO Grid Management Costs (ERRA)	\$ 2,439					40
41		Reliability Services (RS rates)	3,815					41
42		Other (TRBAA, TACBAA)	(1,164)		\$ 5,090			42
43		Sunrise dedication ceremony (a)	7		7			43
44		Total Excluded Expenses			\$ 19,688			44
45								45
46	(a)	Sunrise dedication ceremony trailing charges in January 2013 is excluded in the transmission O&M expenses since ratepayers are not supposed to pay for it						46
47								47
48								48
49	¹	Column b, line 15 represents Non-Direct O&M expenses billed to Citizens during 2013 base period equal to \$811,750 (see AH4, Col C, line 5) that is added back to derive 2013 Total O&M expenses						49
50								50
51								51
52								52
53								53

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

			1	2	3	4	5	6	
						sum (col.1:col.3)		col. 4 + col. 5	
			2013				Less:	Formula	
Line	FERC	Description	FERC Form 1	Citizens ²	Excluded ¹	Total	Trans O&M ³	Adjusted	Reference
No.	Acct		O&M	Allocated Costs	Expenses	Adjusted	Adjustments	O&M	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
3	561.1	Load Dispatch - Reliability	459		-	\$ 459		\$ 459	Col 6 = Stmt AH1, Col (d), Line 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
5	561.3	Load Dispatch - Transmission Service and Scheduling	-		-	-		\$ -	Col 6 = Stmt AH1, Col (d), Line 5
6	561.4	Scheduling, System Control and Dispatch Services	8,314		(8,314)	-		\$ -	Col 6 = Stmt AH1, Col (d), Line 6
7	561.5	Reliability, Planning and Standards Development	-		-	-		\$ -	Col 6 = Stmt AH1, Col (d), Line 7
8	561.6	Transmission Service Studies	-		-	-		\$ -	Col 6 = Stmt AH1, Col (d), Line 8
9	561.7	Generation Interconnection Studies	-		-	-		\$ -	Col 6 = Stmt AH1, Col (d), Line 9
10	561.8	Reliability, Planning and Standards Development Services	1,137		(1,137)	-		\$ -	Col 6 = Stmt AH1, Col (d), Line 10
11	562	Station Expenses	2,016		-	2,016	(2,016)	\$ -	Col 4 = Stmt AH1, Col (d), Line 11
12	563	Overhead Line Expenses	5,575		-	5,575		\$ 5,575	Col 6 = Stmt AH1, Col (d), Line 12
13	564	Underground Line Expenses	-		-	-		\$ -	Col 6 = Stmt AH1, Col (d), Line 13
14	565	Transmission of Electricity by Others	5,140		(5,140)	-		\$ -	Col 6 = Stmt AH1, Col (d), Line 14
15	566	Misc Transmission Expenses	18,432	812	(5,097)	14,147		\$ 14,147	Col 6 = Stmt AH1, Col (d), Line 15
16	567	Rents	1,867		-	1,867		\$ 1,867	Col 6 = Stmt AH1, Col (d), Line 16
17		Total Transmission Operation	\$ 56,140	\$ 812	\$ (19,688)	\$ 37,264	\$ (2,016)	\$ 35,248	Sum Lines 2 thru 16
18									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
23	569	Maintenance of Structures	1		-	1	(1)	-	Col 4 = Stmt AH1, Col (d), Line 21
24	569.1	Maintenance of Computer Hardware	1,723		-	1,723		1,723	Col 6 = Stmt AH1, Col (d), Line 22
25	569.2	Maintenance of Computer Software	1,757		-	1,757		1,757	Col 6 = Stmt AH1, Col (d), Line 23
26	569.3	Maintenance of Communication Equipment	-		-	-		-	Col 6 = Stmt AH1, Col (d), Line 24
27	569.4	Maintenance of Misc Regional Transmission Plant	74		-	74		74	Col 6 = Stmt AH1, Col (d), Line 25
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
30	572	Maintenance of Underground Lines	150		-	150	(150)	-	Col 4 = Stmt AH1, Col (d); Line 28
31	573	Maintenance of Misc Transmission Plant	90		-	90		90	Col 6 = Stmt AH1, Col (d), Line 29
32		Total Transmission Maintenance	\$ 39,719	\$ -	\$ -	\$ 39,719	\$ (35,249)	\$ 4,470	Sum Lines 22 thru 31
33									33
34		Total Adjusted Transmission O&M Expenses	\$ 95,859	\$ 812	\$ (19,688)	\$ 76,983	\$ (37,265)	\$ 39,718	Line 17 + Line 32
35									35
36									36
37		Reconciles to Page AH1; Col. (d); Line 32							37
38									38
39									39

Footnote 1					
Column 3 - Amounts Excluded From Formula Rate Recovery					
FERC					
No	Name	Description	Where 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 Excluded Expenses				\$ 19,688	
(a) The exclusion for FERC Account 565 is the amount paid to Portland General Electric for transmission wheeling expenses from its Boardman plant.					
(b) Contains amounts recovered in TRBAA, TACBA, and ERRA (various CAISO charges)					
(c) January 2013 Sunrise ceremony trailing charges should not be paid by ratepayers, is being excluded in the transmission O&M expenses.					
Footnote 2					
The \$812K shown in column 2, line 15 represents non-direct O&M expenses billed to Citizens January - December 2013 under cycle 1 and cycle 2 rates (see AH4, L5))					
To the extent that Col. 1 in AH2 does not include Citizens Direct and Non-Direct O&M expenses, they must be added to col. 1. Thus, column 1 serves as a basis to allocate Total O&M expenses to Citizens.					
Footnote 3					
Column 5 represents adjustments made to the operations and maintenance expenses that are not applicable to Citizens, such as substations, underground, and overhead lines. As a result, of these adjustments column 6 reflects that portion of the operations and maintenance expenses applicable in the derivation of the O&M Carrying Charge Rate. Account 571 is also being subtracted because Citizens is charged for this through direct maintenance (BK2- Section 1).					

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

Line No.	FERC Acct	Description	A Total Per FERC Form 1	B Citizens ¹ Allocated Cost	C Excluded Expenses	D = Sum (A:C) Total Adjusted	Reference	Line No.
1		<i>Administrative & General</i>						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	928	Regulatory Commission Expenses	17,713		(5,255)	12,458	Form 1, p 323, Line 189	13
14	929	Company Energy Use	(1,950)		-	(1,950)	Form 1, p 323, Line 190	14
15	930 1	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	931	Rents	9,048		(357)	8,691	Form 1, p 323, Line 193	17
18	935	Maintenance of General Plant	6,725		(24)	6,701	Form 1, p 323, Line 196	18
19								19
20		Total Administrative & General Expenses	\$ 533,372	\$ 480	\$ (10,346)	\$ 523,506	Sum Lines 2 thru 18	20
21								21
22								22
23		Excluded 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	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	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		Total Excluded Expenses			\$ (10,346)			40
41								41

¹ 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	B	C	
		Cycle 1	Cycle 2		
		1	2	C = A + B	
Ln		Jan - Jun 2013	Jul - Dec 2013	Total	
No	Allocation of Direct and Non-Direct O&M and A&G Expense	Invoice	Invoice	Billing	Reference
1	A. Direct Maintenance Cost Component	90,947	(49,332)	41,615	See AH4-A and AH4-B, Line 3, respectively
2	B. Non-Direct Expense Cost Component				
3	Transmission Operations Carry Charge Rate	412,503	244,152	656,655	See AH4-A and AH4-B, Line 5, respectively
4	Transmission Maintenance Carry Charge Rate	97,274	16,206	113,480	See AH4-A and AH4-B, Line 6, respectively
5	L1 + L3 + L4			³ 811,750	
6	Transmission Related A&G Carry Charge Rate	585,614	(105,606) ⁴	480,008	See AH4-A and AH4-B, Line 7, respectively
1	Column A reflects Citizens Cycle 1 Filing Allocated Cost, Docket No ER12-1417-000, dated March 30, 2012				
2	Column B reflects Citizens Cycle 2 Filing Allocated Cost which includes 6 month true-up adjustment, Docket No ER13-1596-000, dated June 28, 2013				
3	The O&M amounts are added back to transmission O&M to allocate total system costs to Citizens				
4	The A&G amounts are added back to transmission A&G to allocate total A&G expenses				

Sunrise Border-Eastline
 Direct Maintenance Work Order Report - 2013 Costs

Line No.	Cost Elements	Total 2013				
1	6110030 SALARIES-MANAGEMENT TIME AND ONE HALF	898.51				
2	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				
5	6130011 EMP TRAVEL-INCIDENTALS (PHONES AND TIPS)	5.00				
6	6130013 EMP TRAVEL-PER DIEM	600.00				
7	6130015 EMP TRAVEL-MEALS (INCL TIPS)%ENT 50%	83.21				
8	6213085 MATL-MISCELLANEOUS	5.39				
9	6220850 SRV-VEHICLE & EQUIP RENTAL W/OPERATOR	7,250.00				
10	6261050 VEHICLE UTILIZATION-LABOR	603.96				
11	6262050 VEHICLE UTILIZATION-NONLABOR	6,761.67				
12	9121100 Vacation & Sick (Costing sheet)	1,714.99				
13	9121200 ICP (Costing Sheet)	235.56				
14	9121400 Public Liab.& Property Damage-Lab(CS)	21.28				
15	9121500 Worker's Comp -Labor (Costing sheet)	8.55				
16	9121600 Pension & Benefits - Labor	11.88				
17	9122300 Payroll Taxes (Costing sheet)	1,112.08				
18	9122400 Public Liab.& Property Damage-NonLab(CS)	414.06				
19	9122500 Worker's Comp -Non Labor (Costing sheet)	135.76				
20	9122600 Pension & Benefit - NonLabor	2,542.88				
21	9122900 PENSION & BENEFIT - REFUNDABLE - NL	1,182.69				
22	9123100 VACATION & SICK (CL)	26.78				
23	9123200 ICP (CL)	37.72				
24	9123400 PUBLIAB PROPDAM L(CL)	0.33				
25	9123500 WK COMP-LABOR (CL)	0.13				
26	9123600 PENSION & BENEFIT-NONREF-LBR (CL)	0.18				
27	9124300 PAYROLL TAXES (CL)	33.94				
28	9124400 PUBLIAB PROPDAM NL(CL)	6.46				
29	9124500 WK COMP-NONLABOR (CL)	2.08				
30	9124600 PENSION & BENEFIT-NONREF-NL (CL)	39.71				
31	9124900 PENSION & BENEFIT-REF-NL (CL)	18.47				
32	9131150 Purchasing Labor (Costing sheet)	32.65				
33	9131700 Shop Order Labor (costing sheet)	38.01				
34	9131850 Small Tools Labor (Costing sheet)	114.02				
35	9132150 Purchasing NonLabor (Costing sheet)	9.43				
36	9132300 Exempt Matl Elec NonLabor (Costing sheet)	0.16				
37	9132700 Shop Order NonLabor (costing sheet)	22.80				
38	9132850 Small Tools NonLabor (Costing sheet)	463.90				
39	Total 2013 Border-East Line Direct Maintenance Costs	37,103.61				
1	The above \$37K reflects direct maintenance expenses incurred on the 30 mile line segment of the Sunrise 500 KV Line known as the Sunrise Border-East Line. These costs are tracked via a specific work order which represent costs associated with routine maintenance checks on the Border-East line and insulator washing activities.					
2	To the extent Citizen's leases 50% of the transfer capability of the Border-East Line, 50% of these costs is reflected in Statement BK2 - Section 1, page 1 of 1.					

San Diego Gas & Electric Company

Base Period

Statement AI

Wages and Salaries

Workpaper

Currently Effective

SAN DIEGO GAS AND ELECTRIC COMPANY
Statement AI - Workpapers
Wages and Salaries
Base Period 12 - Months Ending December 31, 2013
(\$1,000)

For Illustrative Purposes Only

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

¹ 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.

² 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	
Line No.	FERC Account	Description	Amount	Substation, Underground & Overhead Labor Exclusions	Line 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)	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		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 Transmission Wages & Salaries ¹		\$ 21,456,199.11	\$ (6,270,243.60)	33
34	Total Transmission Wages & Salaries Less: ²			\$ <u>15,185,956</u>	34
	Substation, Underground and Overhead Maintenance Wages				

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

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

San Diego Gas & Electric Company

Base Period

Statement AJ

Depreciation and Amortization

Expenses

Workpaper

Currently Effective

SAN DIEGO GAS AND ELECTRIC COMPANY
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			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			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

San Diego Gas & Electric Company

Base Period

Statement AK

Taxes Other Than Income Taxes

Workpaper

Currently Effective

SAN DIEGO GAS AND ELECTRIC COMPANY
Statement AK - Workpapers
Taxes Other Than Income Taxes
Base Period 12 - Months Ending December 31, 2013
(\$1,000)

For Illustrative Purposes Only

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

¹ 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

² The amount of property taxes reflected in FERC Form 1 for SONGS Facilities is \$5.007 million

³ 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

SAN DIEGO GAS AND ELECTRIC COMPANY
Statement AK
Taxes Other Than Income Taxes
For Base Period 12-Months Ending - December 31, 2014
(\$1,000)

Line No.	Amounts	Reference	Line No.
1 Total Property Taxes	\$ 74,495	Stmnt AK WP, Page-AK, Line 5	1
2			2
3 SONGS Property Taxes	<u>5,007</u>	Stmnt AK WP, Page-AK, Line 7	3
4			4
5 Property Taxes Less SONGS	<u>\$ 69,488</u>	Line 1 - Line 3	5
6			6
7			7
8 <u>Derivation of Citizens Border-East Line Transmission Property Tax Allocation Factor</u>			8
9			9
10 Citizens Border-East Line (Ferc Acct No 104)	<u>\$ 85,194</u>	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 ¹	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	<u>505,717</u>	Statement AD, Page 1, Line 23	19
20 Total Investment in Plant Excluding SONGS	<u>\$ 10,664,513</u>	Sum Lines (12 19)	20
21			21
22 Citizens Border-East Line Property Tax Allocation Factor	<u>0 80%</u>	Line 10 / Line 20	22
23			23
24 Citizens Border-East Line Property Taxes Expense	<u>\$ 556</u>	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
<u>85,194</u>
3,738,157

		A	B	C	
				C = A + B	
		1	2	Total	
Ln		Jan - Jun 2013	Jul - Dec 2013	2013	
No.	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.ER12-1417-000, dated March 30, 2012.				
2	Column B reflects Citizens Cycle 2 Filing Allocated Cost, Docket No.ER13-1596-000, dated June 28, 2013.				
3	Column C reflects Total Payroll and Property Taxes Allocated and Billed to Citizens in 2013.				

	A	B	C	D	E	F	G	H	
			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 adjustment 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
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.								

San Diego Gas & Electric Company

Base Period

Statement AL - Working Capital

Workpaper

Currently Effective

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

Line No.		Working Cash	13 Months Average Balance	Reference	Line No.
1	A. Plant Materials and Operating Supplies ^a		\$ 64,658	Stmnt AL WP; Page AL1; Line 17	1
2					2
3	Transmission Plant Allocation Factor		<u>33.77%</u>	Stmnt AD WP, Page AD, Line 39	3
4					4
5	Transmission Related Materials and Supplies		<u>\$ 21,835</u>	Line 1 x Line 3	5
6					6
7	B Prepayments ^a		<u>\$ 39,198</u>	Stmnt AL WP, Page AL2, Line 17	7
8					8
9	Transmission Related Prepayments		<u>\$ 13,237</u>	Line 3 x Line 7	9
10					10
11	<u>C Derivation of Transmission Related Cash Working Capital - Retail.</u>				11
12	Transmission O&M Expense - Excl Intervenor Funding Expense	\$ 39,718		Stmnt AH WP; Page AH2, Pg 1 of 2; Col 6 Line 34	12
13	Transmission Related Administrative & General Expense	62,918		Stmnt BK2 - Sec2; Pg 2 of 7, Col. D, Line 44	13
14	CPUC Intervenor Funding Expense - Transmission	-		Stmnt AH WP; Page AH, Line 17	14
15	Total	<u>\$ 102,636</u>		Sum Lines 12 thru 14	15
16					16
17	One Eighth O&M Rule		<u>12.50%</u>	FERC Method = 1/8 of O&M Expense	17
18					18
19	Transmission Related Cash Working Capital - Retail Customers		<u>\$ 12,830</u>	Line 15 x Line 17	19
20					20
21	<u>D. Adj. to Back Out CPUC Intervenor Funding Exp Embedded in Retail Working Cash:</u>				21
22	CPUC Intervenor Funding Expense - Transmission	\$ -		See Line 14 Above	22
23					23
24	One Eighth O&M Rule		<u>12.50%</u>	FERC Method = 1/8 of O&M Expense	24
25					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)		<u>#DIV/0!</u>	Stmnt AV WP; Page AV2, Line 31	28
29					29
30	CPUC Intervenor Funding Exp. Revenue Adj. ^b		<u>#DIV/0!</u>	Line 26 x Line 28	30

^a 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	17

San Diego Gas & Electric Company

Base Period

Statement AV - Rate of Return

Workpaper

Currently Effective

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			1
2			2
3			3
4			4
5			5
6			6
7			7
8			8
9			9
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20			20
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48			48
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50			50
51			51
52			52
53			53
54			54

¹ Amount is based upon December 31 balances

² 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