



**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

SAN DIEGO GAS & ELECTRIC COMPANY) DOCKET NO. ER13-941-000

TRANSMISSION OWNER TARIFF

FOURTH RATE FORMULA

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TO4 Formula

Appendix VIII

APPENDIX VIII

FORMULA FOR CALCULATING ANNUAL BASE TRANSMISSION REVENUE REQUIREMENTS UNDER SDG&E'S TRANSMISSION OWNER TARIFF

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INTRODUCTION

This Appendix sets forth details with respect to the determination each year of San Diego Gas & Electric Company's ("SDG&E") Base Transmission Revenue Requirements used to derive the charges assessed by SDG&E to its End Use Customers ("BTRR_{EU}") and SDG&E's Base Transmission Revenue Requirements used to derive the transmission charges assessed by SDG&E pursuant to its Transmission Owner ("TO") Tariff and by the California Independent System Operator Corporation ("CAISO") pursuant to the CAISO Tariff ("BTRR_{CAISO}"). This Appendix VIII, which includes the Formula Rate Protocols as Attachment 1 and the Formula Rate Spreadsheet as Attachment 2, constitutes the "TO4 Formula." SDG&E shall calculate its BTRRs¹ using the formula rate that is presented in the spreadsheet format in the Formula Rate Spreadsheet.

The Formula Rate Spreadsheet contains fixed formulae that are described in this Appendix VIII and are embedded in the Formula Rate Spreadsheet. If there is any conflict between the text of this Appendix VIII and the Formula Rate Spreadsheet, the embedded formulae in the Formula Rate Spreadsheet shall control. The fixed formulae in the Formula Rate Spreadsheet are subject to change only pursuant to Sections 205 and 206 of the Federal Power Act ("FPA") and in accordance with Section G.3 of the Formula Rate Protocols, and will be populated with data from SDG&E's annual Form 1 filing or SDG&E's underlying ledger accounts in accordance with the Formula Rate Protocols.

SDG&E shall update its BTRRs in accordance with the procedures and timelines set forth in the Formula Rate Protocols. SDG&E shall have the burden of demonstrating that its updates to the BTRRs are just and reasonable, consistent with Section C.4 of the Formula Rate Protocols. An Interested Party (as defined in the Protocols) shall have the right to challenge SDG&E's updates, consistent with Sections C.3 and C.4 of the Formula Rate

¹ The term "BTRRs" includes the BTRR_{EU} and the BTRR_{CAISO} calculated in each annual update.

Protocols.

SDG&E has the right to modify the TO4 Formula through single-issue filings under Section 205 of the Federal Power Act only as provided in Section D of the Protocols.

I. DEFINITIONS

Capitalized terms not otherwise defined in Section 3 of SDG&E's Transmission Owner Tariff, or in the CAISO Tariff, or in this Appendix VIII have the following definitions:

A. ALLOCATION FACTORS

1. High Voltage (HV) and Low Voltage (LV) Allocation Factors: For purposes of SDG&E's $BTRR_{CAISO}$, SDG&E will allocate its Base Transmission Revenue Requirements between recorded High Voltage ("HV") and recorded Low Voltage ("LV") Transmission Facilities based on the ratio of HV transmission plant and LV transmission plant, respectively, to total gross transmission plant, plus weighted forecast HV and LV Transmission Facilities based on the respective percentages and in-service dates of such facilities owned by SDG&E, which are classified as such in accordance with CAISO's Tariff.
2. Seven-Element Adjustment Factor shall be a factor calculated by SDG&E to be applied by SDG&E to the relevant accounts, if necessary, for the purposes of properly functionalizing such accounts between transmission and distribution in accordance with the guidelines set forth in the Commission's Order No. 888, as those guidelines, as applicable to SDG&E, may be modified by the

Commission from time to time. Electric Miscellaneous Intangible Plant will not be taken into account in the derivation of the Seven Element Adjustment Factor.

3. Transmission Plant Allocation Factor shall equal the ratio of the sum of SDG&E's total investment in (a) Transmission Plant, (b) Transmission Related General Plant, (c) Transmission Related Common Plant and (d) Transmission Related Electric Miscellaneous Intangible Plant to SDG&E's Total Plant in Service.
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 Related Property Tax Allocation Factor shall equal the ratio of SDG&E's total Transmission Plant and Transmission Related General Plant and Transmission Related Common Plant, to SDG&E's Total Plant In Service, excluding SONGS and Electric Miscellaneous Intangible Plant.
6. Transmission Wages and Salaries Allocation Factor shall equal the ratio of SDG&E's transmission direct wages and salaries to SDG&E's total direct wages and salaries, excluding administrative and general wages and salaries.

B. TERMS

1. Accumulated Deferred Income Taxes shall equal the net of the property-related deferred tax balance recorded in FERC Account Nos. 281-283 and the deferred tax balance recorded in FERC Account No. 190.
2. Administrative and General Expense (A&G) shall equal SDG&E's expenses recorded in FERC Account Nos. 920-935, excluding FERC Account No. 930.1 (General Advertising Expense).
3. Amortization of Investment Tax Credits shall equal SDG&E's credits recorded in FERC Account No. 411.4.
4. Amortization of Loss on Reacquired Debt shall equal SDG&E's expenses recorded in FERC Account No. 428.1.
5. Annual Fixed Charge Rate ("AFCR") for both End Use and CAISO customers shall be defined as reflected in Attachment 2 (Formula Rate Spreadsheet).
6. Base Period, shall be the calendar year for which SDG&E's most recent FERC Form 1 is available; except for the TO4 Cycle 1 Base Period, which shall be the 12-month period ending May 31, 2012.
7. CAISO Base Transmission Revenue Requirement (BTTR_{CAISO}) shall be calculated as defined in Attachment 2 (Formula Rate Spreadsheet).
8. Common Plant shall equal SDG&E's gross plant balance recorded in FERC Account Nos. 303 and 389 through 398.
9. 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.

10. Common Plant Depreciation Reserve shall equal SDG&E's depreciation reserve balance related to Common Plant recorded in FERC Account Nos. 108 and 111.
11. CPUC Intervenor Funding Expense shall equal those expenses recorded in FERC Account No. 928 incurred by SDG&E associated with its requirement to reimburse intervenors participating in CPUC regulatory proceedings involving transmission projects as ordered and approved by the CPUC.
12. Electric Miscellaneous Intangible Plant shall equal SDG&E's costs recorded in FERC Account No. 303 related to Electric Miscellaneous Intangible Plant.
13. Electric Miscellaneous Intangible Plant Amortization Expense shall equal SDG&E's costs recorded in FERC Account No. 404 related to the amortization of Electric Miscellaneous Intangible Plant as approved by FERC, shown in Statement AJ work papers. These Amortization Periods may not change absent a Section 205 or 206 filing.
14. Electric Miscellaneous Intangible Plant Amortization Reserve shall equal SDG&E's costs recorded in FERC Account No. 111 related to the amortization reserve of Electric Miscellaneous Intangible Plant.
15. End Use Customer Base Transmission Revenue Requirement (BTRR_{EU}) shall be calculated as defined in Attachment 2 (Formula Rate Spreadsheet).
16. Forecast Period with respect to each twelve month Rate Effective Period, with the exception of TO4 Cycle 1, shall be the 24-month period

beginning January 1, just after the Base Period, and ending the following year on December 31. The second year of the Forecast Period corresponds to the Rate Effective Period. For TO4 Cycle 1, the Forecast Period will be June 1, 2012 through August 31, 2014. For Cycle 2, the Forecast Period will be January 1, 2014 to August 31, 2015. The 24-month Forecast Period will use actual monthly data to the extent that it is available at the time the forecast is developed.

17. General Plant shall equal SDG&E's gross plant balance recorded in FERC Account Nos. 389-399.
18. General Plant Depreciation Expense shall equal SDG&E's depreciation expenses 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.
19. General Plant Depreciation Reserve shall equal SDG&E's depreciation reserve balance related to General Plant recorded in FERC Account Nos. 108 and 111.
20. Incentives refer to any of the items delineated in FERC Order No. 679, as may be modified from time to time, including the following:
 - a) Incentive Return on Equity
 - b) 100% Construction Work in Progress (CWIP) in rate base.
 - c) 100% recovery of Abandoned Project Costs

The input values for the incentive as defined herein shall be zero in the Formula until the Commission accepts or approves the recovery of the cost associated with the incentive. SDG&E must submit a Section 205 filing to recover the cost of Incentives in accordance with Section D.2 of

the Formula Rate Protocols.

21. Incentive Annual Fixed Charge Rate shall be calculated as reflected in Attachment 2 (Formula Rate Spreadsheet).
22. Incentive Transmission Construction Work in Progress shall be construction work in progress for which SDG&E is authorized to collect Incentives under FERC Order No. 679. These costs shall be recorded in FERC Account No. 107.
23. Incentive Project shall be a transmission capital project for which the recovery of an Incentive has been approved as permitted by FERC Order No. 679, as it may be modified from time to time.
24. Incentive Return and Associated Income Taxes shall equal the product of the Incentive Transmission Rate Base and Incentive Cost of Capital Rate, as adjusted for income taxes, as defined in Attachment 2 (Formula Rate Spreadsheet).
25. Incentive Return on Equity shall equal the Return on Equity that the FERC authorizes SDG&E to collect on Incentive Project(s). The Incentive Return on Equity may vary by Incentive Project.
26. Incentive Transmission Plant shall be the transmission plant for Incentive Projects for which SDG&E is authorized to collect Incentives under FERC Order No. 679. Incentive Transmission Plant shall be tracked individually by Incentive Project.
27. Incentive Transmission Plant Abandoned Project Cost shall be the costs associated with abandoned Incentive Projects which SDG&E is authorized to collect under FERC Order No. 679. These costs shall be recorded in FERC Account No.182.2 and amortized to FERC Account No. 407.

28. Incentive Transmission Plant Abandoned Project Cost Accumulated Deferred Income Taxes shall equal the balance of Incentive Transmission Plant Abandoned Project Cost Accumulated Deferred Income Taxes, as reflected in a footnote to SDG&E's annual FERC Form 1 which SDG&E shall reference by page in its Informational Filing. Incentive Transmission Abandoned Project Cost Accumulated Deferred Income Taxes shall exclude Financial Accounting Standard 109 or its successor, costs. Incentive Transmission Plant Abandoned Project Cost Accumulated Deferred Income Taxes do not include the Transmission Plant Abandoned Project Cost Accumulated Deferred Income Taxes.
29. Incentive Transmission Plant Abandoned Project Cost Amortization Expense shall equal the annual amortization expense recorded in FERC Account No. 407 related to Incentive Transmission Plant Abandoned Project Cost as approve by FERC. Incentive Transmission Plant Abandoned Project Cost Amortization Expense does not include Transmission Plant Abandoned Project Cost Amortization Expense.
30. Incentive Transmission Plant Accumulated Deferred Income Taxes shall equal the balance of accumulated deferred income taxes related to Incentive Transmission Plant, as reflected in a footnote to SDG&E's annual FERC Form 1, which SDG&E shall reference by page in its Informational Filing. Incentive Transmission Plant Accumulated Deferred Income Taxes shall exclude Financial Accounting Standard 109 or its successor, costs. Incentive Transmission Plant Accumulated Deferred Income Taxes shall be tracked individually by Incentive Project.
31. Incentive Transmission Plant Depreciation Expense shall equal SDG&E's depreciation expenses related to Incentive Transmission Plant recorded

in FERC Account Nos. 403, 404, and 405 in accordance with the TO4 Transmission Plant Depreciation Rates as reflected in Statement AJ work papers. Incentive Transmission Plant Depreciation Expense shall be tracked individually by Incentive Project.

32. Incentive Transmission Plant Depreciation Reserve shall equal the balance of incentive transmission reserves related to Incentive Transmission Plant recorded in FERC Account Nos. 108 and 111. Incentive Transmission Plant Depreciation Reserve shall be tracked individually by Incentive Project.
33. Incentive Weighted Forecast Plant Additions for any Forecast Period shall be the estimated capital investment associated with Incentive Transmission Plant SDG&E anticipates placing in service during such Forecast Period. Such estimated capital investment shall be calculated using the same methodology for Weighted Forecast Plant Additions as specified in this Appendix VIII.
34. Incentive Weighted Forecast Transmission Construction Work In Progress for any Forecast Period shall be determined as follows: a) if the Incentive CWIP for any applicable project closes to plant after the end of the Base Period but before the beginning of the Rate Effective Period, such weighted forecast incentive transmission CWIP shall equal the difference between the transmission incentive CWIP balance in the month that the project will close to plant in-service less the balance of CWIP for that project at the end of the December of the Base Period; and b) if the incentive CWIP closes to plant during the Rate Effective Period, the weighted forecast incentive transmission CWIP shall equal 13-month average incremental CWIP balance during the Rate Effective

Period. The incremental CWIP balance shall be equal to the difference between the CWIP balance at the end of the month in the Forecast Period just prior to the first month of the Rate Effective Period, less the CWIP balance at the end of the Base Period; this difference shall be added to the monthly CWIP expenditures during the Rate Effective Period until the Incentive Project goes into service. The above calculations for a) or b), as applicable, will be done for each Incentive Project.

35. 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.
36. Municipal Franchise Tax Expense shall equal the amounts recorded in FERC Account No. 927.
37. Other Regulatory Assets/Liabilities shall equal amounts recorded in FERC Account No. 182.3 that the Commission has accepted for recovery under Section 205 of the FPA. Other Regulatory Assets/Liabilities for the initial Rate Effective Period shall be zero.
38. Payroll Taxes shall equal those payroll tax expenses recorded in FERC Account No. 408.1.
39. Prepayments shall equal SDG&E's prepayment balance recorded in FERC Account No. 165.
40. Property Insurance shall equal SDG&E's expenses recorded in FERC Account No. 924.
41. Property Taxes shall equal SDG&E's expense recorded in FERC Account No. 408.1.

42. Rate Effective Period shall be a 12 month calendar year period; provided, however, that for Cycle1 of the TO4 Formula, the Rate Effect Period shall begin September 1, 2013 and end December 31, 2014 and for Cycle 2 and subsequent cycles, the Rate Effective Period shall begin January 1 and end December 31.
43. Return and Associated Income Taxes shall equal the product of the Transmission Rate Base and the Cost of Capital Rate, as adjusted for income taxes, as defined in Attachment 2 (Formula Rate Spreadsheet).
44. Return on Equity shall be 10.05%, including the 50 basis point adder for CAISO participation.
45. South Georgia Income Tax Adjustment shall equal the amount set forth in the applicable FERC Form 1.
46. Total Plant in Service shall equal SDG&E's total gross plant balance recorded in FERC Account Nos. 301 through 399.
47. Transmission, General, Common Plant Depreciation Expense, and Electric Miscellaneous Intangible Amortization Expense shall equal the product of sum of (a) Transmission Plant Depreciation Expense, (b) General Plant Depreciation Expense, (c) Common Plant Depreciation Expense, and (d) Electric Miscellaneous Intangible Plant Amortization Expense, multiplied by the Transmission Wages and Salaries Allocation Factor.
48. Transmission Operation and Maintenance Expense shall equal SDG&E's expenses recorded in FERC Account Nos. 560-573, minus transmission costs recorded in FERC Account Nos. 561.4 and 561.8, minus transmission costs currently recorded in FERC Account No. 565 (Transmission of Electricity by Others) relating to the purchase of power

on behalf of or to serve SDG&E's bundled retail customers, minus CAISO Grid Management Charge expenses recorded in these accounts, and minus expenses currently recorded in FERC Account No. 566 that are not transmission related, including, but not limited to, Reliability Must Run and Market Redesign Technology Update ("MRTU") costs, Transmission Revenue Balancing Account Adjustment ("TRBAA") expenses, and Transmission Access Charge Balancing Account Adjustment ("TACBAA") expenses.

49. 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.
50. Transmission Plant Abandoned Project Cost shall equal an amount, exclusive of Valley Rainbow Project Costs and exclusive of Incentive Transmission Plant Abandoned Project Cost, relating to abandoned transmission projects that are recorded in FERC Account No. 182.2. The ratemaking treatment to be afforded such costs shall be determined by the Commission on the basis of a filing made by SDG&E with the Commission under Section 205 of the FPA for recovery in accordance with this Appendix VIII. In the Section 205 of the FPA proceeding, SDG&E reserves its right to request recovery of up to 100% of the Transmission Plant Abandoned Project Cost and parties reserve their full rights to contest 100% recovery as provided for in this Appendix VIII. Transmission Plant Abandoned Project Cost for the initial Rate Effective Period shall be zero
51. Transmission Plant Abandoned Project Cost Accumulated Deferred

Income Taxes shall equal the balance of Transmission Plant Abandoned Project Cost Accumulated Deferred Income Taxes, as reflected in a footnote to SDG&E's annual FERC Form 1 which SDG&E shall reference by page in its Informational Filing. Transmission Plant Abandoned Project Cost Accumulated Deferred Income Taxes shall exclude Financial Accounting Standard 109 or its successor, costs. Transmission Plant Abandoned Project Cost Accumulated Deferred Income Taxes do not include the Incentive Transmission Plant Abandoned Project Costs Accumulated Deferred Income Taxes.

52. Transmission Plant Abandoned Project Cost Amortization Expense shall equal the annual amortization expense recorded in FERC Account No. 407 related to Transmission Plant Abandoned Project Cost. Transmission Plant Abandoned Project Cost Amortization Expense does not include Incentive Transmission Plant Abandoned Project Cost Amortization Expense.
53. Transmission Plant Depreciation Expense shall equal SDG&E's transmission expenses recorded in FERC Account Nos. 403, 404, and 405 pursuant to the TO4 Settlement, excluding Incentive Transmission Plant Depreciation Expense. Both Transmission Plant Depreciation Expense and Incentive Transmission Plant Depreciation Expense will be calculated using the rates shown in Statement AJ work papers. The Transmission Plant Depreciation Rates for each subaccount will not change during the term of TO4. However, the overall composite depreciation rate of 2.52% (based on plant balances as of May 31, 2012, except for the Sunrise Powerlink Project, which reflects plant balances as

of July 31, 2012) will change based upon the plant balances in the subaccounts.

54. Transmission Plant Depreciation Reserve shall equal SDG&E's transmission reserve balance recorded in FERC Account Nos. 108 and 111. Transmission Plant Depreciation Reserve does not include Incentive Transmission Plant Depreciation Reserve.
55. Transmission Plant Held for Future Use shall equal SDG&E's balance recorded in FERC Account No. 105 for projects approved by the CPUC. Gain or loss on the sale of plant held for future use shall be recorded in FERC Account Nos. 411.6 and 411.7.
56. Transmission Related Accumulated Deferred Income Taxes shall equal the balance of Transmission Plant Accumulated Deferred Income Taxes, plus the balance of Transmission Related Electric General and Common Plant Accumulated Deferred Income Taxes, plus Transmission Related Electric Miscellaneous Intangible Plant Deferred Income Taxes, less the Incentive Transmission Plant Accumulated Deferred Income Taxes, as reflected in a footnote to SDG&E's annual FERC Form 1 which SDG&E shall reference by page in its Informational Filing. Transmission Related Accumulated Deferred Income Taxes shall exclude Financial Accounting Standard 109 or its successor, costs.
57. Transmission Related A&G Expenses shall equal (1) Administrative and General Expense included in FERC Account Nos. 920-935, excluding non-transmission-related expenses, which include but are not limited to non-transmission-related expenses in in FERC Account No. 924 (Property Insurance), FERC Account No. 925 (Damages and Injuries),

FERC Account No. 927 (Franchise Requirements), FERC Account No. 930.1 (General Advertising Expenses), FERC Account No. 930.2 (Miscellaneous General Expenses), and FERC Account No. 935 (Maintenance of General Plant), and any CPUC Intervenor Funding Expense recorded in FERC Account No. 928 (Regulatory Commission Expenses), multiplied by the Transmission Wages and Salaries Allocation Factor, plus (2) Property Insurance in FERC Account No. 924, excluding insurance costs related to nuclear plant serving SDG&E's bundled retail customers, multiplied by the Transmission Plant Property Insurance Allocation Factor, minus (3) CPUC mandated costs recovered through retail rates. For purposes of SDG&E's TO4 Cycle 2 True-Up Adjustment (September 1, 2013 to December 31, 2013) and SDG&E's TO3 Final True-Up Adjustment (April 1, 2012 to August 31, 2013), SDG&E will file in 2014 for approval of the PBOP costs recorded in 2012 and 2013.

58. Transmission Related Amortization of Excess Deferred Tax Liabilities shall equal an amount recorded in FERC Account Nos. 190, 282, and 283 related to transmission as reflected in a footnote in SDG&E's annual FERC Form 1 as referenced by page in its annual Informational Filing.
59. Transmission Related Amortization of Investment Tax Credits shall equal the amount set forth in the applicable FERC Form 1 until fully amortized. SDG&E shall reflect in a footnote in its annual FERC Form 1 any Transmission Related Amortization of Investment Tax Credits, which SDG&E shall reference by page in its annual Informational Filing.

60. Transmission Related Cash Working Capital shall be a 12.5% allowance (45 days/360 days) of Transmission Operations and Maintenance and Transmission Related A&G Expenses.
61. Transmission Related Common Plant shall equal SDG&E's balance of investment in Common Plant multiplied by the Transmission Wages and Salaries Allocation Factor.
62. Transmission Related Common Plant Depreciation Expense shall equal the balance of SDG&E's Common Plant Depreciation Expense recorded in FERC Account Nos. 403, 404, and 405 multiplied by the Transmission Wages and Salaries Allocation Factor.
63. Transmission Related Common Plant Depreciation Reserve shall equal that portion allocated to transmission using the Transmission Wages and Salaries Allocation Factor.
64. Transmission Related Depreciation Reserve shall equal the balance of Transmission Depreciation Reserves, plus the balance of Transmission Related General Plant Depreciation Reserves, plus Transmission Related Common Plant Depreciation Reserves, plus the balance of Transmission Related Electric Miscellaneous Intangible Plant Amortization Reserves. Transmission Related Depreciation Reserve does not include Incentive Transmission Plant Depreciation Reserve.
65. Transmission Related General Plant shall equal SDG&E's balance of investment in General Plant multiplied by the Transmission Wages and Salaries Allocation Factor.
66. Transmission Related General Plant Depreciation Expense shall equal the balance of SDG&E's General Plant Depreciation Expense

recorded in FERC Account Nos. 403, 404, and 405 multiplied by
Transmission Wages and Salaries Allocation Factor.

67. Transmission Related General Plant Depreciation Reserve shall equal the balance in General Plant Depreciation Reserves multiplied by the Transmission Wages and Allocation Factor.
68. Transmission Related Electric General and Common Plant Accumulated Deferred Income Taxes shall equal SDG&E's total General and Common Accumulated Deferred Income Taxes, as reflected in a footnote to SDG&E's annual FERC Form 1, which SDG&E shall reference by page in its Informational Filing, multiplied by the Transmission Wages and Salaries Allocation Factor. Such Accumulated Deferred Income Taxes shall exclude Financial Accounting Standard 109 or its successor costs.
69. Transmission Related Electric Miscellaneous Intangible Plant shall equal the total amount of Electric Miscellaneous Intangible Plant recorded in FERC Account No. 303 multiplied by the Transmission Wages and Allocation Factor.
70. Transmission Related Electric Miscellaneous Intangible Plant Accumulated Deferred Income Taxes shall be that portion of Electric Miscellaneous Intangible Plant Accumulated Deferred Income Taxes allocated to transmission using the Transmission Wages and Salaries Allocation Factor as reflected in a footnote to SDG&E's annual FERC Form 1 which shall be reference by page in its Informational Filing. Such Accumulated Deferred Income Taxes shall exclude Financial Accounting Standard 109 or its successor, costs.

71. Transmission Related Electric Miscellaneous Intangible Plant Amortization Expense shall equal the balance of SDG&E's Electric Miscellaneous Intangible Plant Amortization Expense recorded in FERC Account No. 404 multiplied by the Transmission Wages and Allocation Factor.
72. Transmission Related Electric Miscellaneous Intangible Plant Amortization Reserve shall equal SDG&E's balance of Electric Miscellaneous Intangible Plant Amortization Expense recorded in FERC Account No.111 multiplied by the Transmission Wages and Allocation Factor. SDG&E shall footnote these amounts in its annual FERC Form 1, which SDG&E shall reference by page in its Informational Filing.
73. Transmission Related Materials & Supplies shall equal SDG&E's electric balance of Materials and Supplies multiplied by the Transmission Plant Allocation Factor.
74. Transmission Related Municipal Franchise Tax Expense shall equal: a) the Base Transmission Revenue Requirement ("BTRR") prior to the inclusion of Municipal Franchise Tax expense multiplied by the Municipal Franchise Tax Expense rate that the CPUC authorizes from time to time, which shall be recovered as part of the BTRR rates, plus b) an amount of Municipal Franchise Tax Expense that the CPUC authorizes SDG&E to collect from customers who reside in the City of San Diego. This latter amount shall be reflected on the electric bills of customers residing in the City of San Diego, and shall not be included as part of the wholesale BTRR.
75. Transmission Related Payroll Taxes Expense shall equal SDG&E's total

electric Payroll Taxes expense recorded in FERC Account No. 408.1, multiplied by the Transmission Wages and Salaries Allocation Factor.

76. Transmission Related Prepayments shall equal SDG&E's electric balance of prepayments recorded in FERC Account No. 165 multiplied by the Transmission Plant Allocation Factor.
77. Transmission Related Property Taxes shall equal Property Taxes, excluding property taxes directly assigned to SONGS, multiplied by the Transmission Related 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.
78. Transmission Related Regulatory Debits shall equal SDG&E's amortization expense associated with Other Regulatory Assets/Liabilities debited to FERC Account No. 407.3 that the Commission has accepted for recovery under Section 205 of the FPA. Transmission Related Regulatory Debits for the initial Rate Effective Period shall be zero.
79. Transmission Related Revenue Credits shall include Rents Received from Electric Property recorded in FERC Account No. 454 associated with such Electric Property included in Transmission Rate Base as defined in Attachment 2 (Formula Rate Spreadsheet), plus Other Electric Revenues recorded in FERC Account No. 456 that recover the cost associated with SDG&E's Transmission Rate Base, excluding any revenues credited through the TRBAA or another mechanism.
80. Transmission Related Uncollectible Expense shall equal the Base Transmission Revenue Requirement End Use customers prior to the inclusion of uncollectible expenses multiplied by the percentage

allowance for uncollectible expenses approved from time to time by the CPUC, and should not be included as part of the wholesale BTRR.

81. True-Up Period shall be 12 months ended December 31 of the Base Period of each year; *provided, however*, that for TO4 Cycle 2, the True-Up Period shall be 4 months September 1, 2013 through December 31, 2013.
82. Uncollectible Expense shall equal SDG&E's charges for uncollectible accounts recorded in FERC Account No. 904.
83. Valley Rainbow Project Costs Amortization Expense shall equal \$1,892,694, which represents the annual amortization over a ten-year period, ending September 2013 of certain costs associated with the cancelled Valley Rainbow transmission project. The Valley Rainbow cost will expire September 30, 2013 and an amount of \$157,724 will appear in TO4 C2 True-Up Adjustment. After September 2013 the cost of Valley Rainbow will be fully recovered.
84. Weighted Forecast Plant Additions for any Forecast Period, except for Cycles 1 and 2, shall be the estimated capital investment in new Transmission Plant, Transmission Plant Held for Future Use, and Transmission Related General and Common Plant SDG&E anticipates placing in service during such Forecast Period. Such estimated capital investments shall be determined for each month of the Forecast Period as described herein and each such estimated capital investment shall be multiplied by a weighting factor such that the magnitude of such capital investment as reflected in the determination of SDG&E's transmission revenue requirement pursuant to this Appendix VIII formula reflects the number of months during the Forecast Period those investments in new

transmission facilities are actually in service. Any new transmission facilities expected to be placed in service during the Forecast Period but prior to the end of the first month of the associated Rate Effective Period, i.e., January 31 of the second year of the Forecast Period, shall be assigned a weighting factor of 1.00. Any new transmission facilities expected to be placed in service during the Forecast Period as of the beginning of the second month of the Rate Effective Period, i.e., February 1, or thereafter through and including December 31, shall be assigned a weighting factor based on the number of months during the Rate Effective Period for which those facilities are expected to be in service divided by 12. Thus, for example, a plant addition expected to be placed in service in February of the Rate Effective period would be assigned a weighting factor of 11 divided by 12 or 0.917.

For Cycles 1 and 2, the weighted forecast plant additions for the Forecast Period shall be calculated in the same manner as described above except that the first month of the Rate Effective Period shall be September 2013 for Cycle 1 and January 2015 for Cycle 2.

II. CALCULATION OF ANNUAL BASE TRANSMISSION REVENUE REQUIREMENTS

A. Formula Rate Protocols – See Attachment 1

B. Formula Rate Spreadsheet – See Attachment 2

The TO4 Formula Rate Spreadsheet consists of the following:

- Statement BK1 (Derives End Use BTRR) and BK2 (Derives CAISO BTRR),
- Statements AD through AV and Miscellaneous Statement (provide data embedded in Statement BK1 and BK2, and
- Statement AD through AV work papers, the True-Up Adjustment and Interest True-Up Adjustment work papers, and the Summary of High and Low Voltage split for Forecast Plant addition work papers (provide data embedded in Statement AD through AV).

Data cells within the Formula Rate Spreadsheet that are color coded yellow are identical to other cells within the Formula Rate Spreadsheet. Data cells that are color coded green, mainly Statements AD through AV work papers, are based on work papers and/or FERC Form 1 data that are external to the Formula Rate Spreadsheet. Uncolored cells reflect inputs that are either fixed as part of the Formula (e.g., the ROE, or the number of days in a month) or contain formulas based on other Formula cells (e.g., cells representing the sum of preceding lines). SDG&E will include these work papers in each Annual Informational Filing.

Blank lines that show up in the Formula Rate Spreadsheet will not be populated with numbers absent a Section 205 filing.

Formula Rate Spreadsheet File embedded below.



Exh_3_TO4_Formula
_Rate_Spreadsheet_

TO4 Formula Rate Protocols

APPENDIX VIII

ATTACHMENT 1

FORMULA RATE PROTOCOLS

A. INTRODUCTION

This Attachment sets forth details with respect to the determination each year of San Diego Gas & Electric Company's ("SDG&E") Base Transmission Revenue Requirements ("BTRR") used to derive the charges assessed by SDG&E to its End Use Customers ("BTRR_{EU}") and SDG&E's BTRR used to derive the transmission charges assessed by SDG&E pursuant to its Transmission Owner ("TO") Tariff and by the California Independent System Operator Corporation ("CAISO") pursuant to the CAISO Tariff ("BTRR_{CAISO}"). SDG&E's Fourth TO Formula ("TO4 Formula") rate mechanism consists of Appendix VIII of SDG&E's TO Tariff and its two attachments: the Formula Rate Protocols ("Protocols") (Attachment 1) and the Formula Rate Spreadsheet (Attachment 2). Capitalized terms shall have the meaning ascribed to them herein or in Appendix VIII of SDG&E's TO Tariff.

The BTRR_{EU} and BTRR_{CAISO} for each Rate Effective Period will consist of the following four parts:

- (i) the Prior Year Revenue Requirements ("PYRR");
- (ii) the Forecast Period Capital Addition Revenue Requirements ("FC");
- (iii) a True-Up Adjustment; and
- (iv) an Interest True-Up Adjustment.

The PYRR, FC and True-Up Adjustment, including the Interest True-Up Adjustment, shall be designed to quantify SDG&E's cost to own, operate and maintain its transmission facilities.

The PYRR will be an annual calculation based on the previous calendar year's data as shown in SDG&E's Federal Energy Regulatory Commission ("FERC" or the "Commission") Form No. 1: Annual Report of Major Electric Utilities, Licensees, and Others ("Form 1") for that year and underlying ledger accounts. SDG&E shall make available the data reflected in the underlying ledger accounts used to determine SDG&E's PYRR in the annual Informational Filing described below. Valley Rainbow Project Costs (as defined below) shall be recovered commencing October 1, 2003 through September 2013 in accordance with this Appendix VIII as a component of PYRR. CPUC Intervenor Funding Expense, South Georgia tax impacts, and uncollectibles will be recovered as a component of PYRR for End Use Customers, but not for CAISO customers. The FC component will be an annual calculation based on an estimate of the revenue requirement associated with the transmission-related plant investments expected to be placed in service during the Forecast Period.

SDG&E shall calculate its BTRRs¹ using the formula rate that is presented in the Formula Rate Spreadsheet. The Formula Rate Spreadsheet contains fixed formulae that are described in Appendix VIII. If there is any conflict between the provisions of Appendix VIII and the Formula Rate Spreadsheet, the Formula Rate Spreadsheet shall control. The fixed formulae in the Formula Rate Spreadsheet are subject to change only pursuant to Sections 205 and 206 of the Federal Power Act ("FPA") and, in accordance with Section G.3 and will be populated with data from SDG&E's annual Form 1 filing or SDG&E's underlying ledger accounts. The sources of the data used in the TO4 Formula will be: (a) identified in the Formula Rate Spreadsheet by fixed references to specific locations in FERC Form 1, or (b) provided by SDG&E in accordance with Section C of these Protocols.

¹ The term "BTRRs" includes the $BTRR_{EU}$ and the $BTRR_{CAISO}$ that are calculated in each annual update.

B. TERM OF SDG&E'S TO4 FORMULA

Retail and wholesale transmission rates shall become effective on September 1, 2013, and shall be re-determined annually thereafter in accordance with these Protocols and the TO4 Formula.

The TO4 Formula shall be in effect through December 31, 2018, subject to the following sentence. Each party to Docket No. ER13-941 (referred to collectively as "Parties" and individually as a "Party"),² and SDG&E, shall each have a one-time right to terminate the TO4 Formula by providing notice to SDG&E and to each Party no later than June 30, 2016 ("Notice of Termination"). Following the Notice of Termination, SDG&E shall file a successor rate pursuant to Section 205, which shall include a request for an effective date that is January 1, 2017. All Parties retain their full rights to oppose the filing.

After termination of the TO4 Formula, SDG&E shall calculate a Final True-Up Adjustment. The Final True-Up Adjustment shall cover the period of time ending on the date the TO4 Formula terminated and beginning on the day after the period covered by the most recent Annual True-Up Adjustment that was included in the BTRRs. The Final True-Up Adjustment shall be determined using the same calculation methodology as the Annual True-Up Adjustment and shall be applied to the next successor rate.

² Parties to Docket No. ER13-941 are: the California Public Utilities Commission, the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California; the M-S-R Public Power Agency; the City of Santa Clara, California and the City of Redding, California; the Modesto Irrigation District; the Transmission Agency of Northern California; the Northern California Power Agency; and the California Department of Water Resources State Water Project, Pacific Gas and Electric Company, Southern California Edison Company, Trans Bay Cable LLC, State Water Contractors and Sacramento Municipal Utility District.

Notwithstanding the foregoing, the existing rates in effect at the time the TO4 Formula terminates shall remain in effect until superseded by subsequent Commission-approved rates, consistent with section 2.4(e) of the Commission's regulations.³

C. PROCEDURES FOR UPDATING THE BASE TRR

SDG&E shall update its BTRRs according to the timelines and procedures described in this Section. A summary of the procedures for updating the BTRRs in Cycle 1, Cycle 2, and for Cycle 3 and beyond are set forth in the following tables.

TO4 Cycle 1

Base Period	12 Months ending May 31, 2012
Forecast Period	June 1, 2012 to August 31, 2014 (27 Months)
Rate Effective Period	September 1, 2013 – December 31, 2014

TO4 Cycle 2

Base Period	Calendar year 2013
TO4 Cycle 2 True-Up Period and TO3 Final True-Up	September 1, 2013 – December 31, 2013
Forecast Period	January 1, 2014 – December 31, 2015
Post Draft Base Period and First True-Up Adjustment	June 15, 2014
Start of Discovery	June 15, 2014
Post Forecast Period Plant Additions and BTRRs	September 1, 2014
End of Discovery ⁴	October 15, 2014
Annual Informational Filing	December 1, 2014
Rate Effective Period	January 1, 2015 – December 31, 2015

³ 18 C.F.R. §2.4(e) (2013).

⁴ Discovery requests may be sent through October 15, and SDG&E will use best efforts to respond in 10 business days.

TO4 Cycle 3⁵ going forward

Base Period	Calendar year 2014
True-Up Period	Calendar year 2014
Forecast Period	January 1, 2015 – December 31, 2016
Post Draft Base Period and True-Up Adjustment	June 15, 2015
Start of Discovery	June 15, 2015
Post Forecast Period Plant Additions and BTRRs	September 1, 2015
End of Discovery	October 15, 2015
Annual Informational Filing	December 1, 2015
Rate Effective Period	January 1, 2016 – December 31, 2016

1. Draft Informational Filing

On or before June 15 of each year, SDG&E shall post on its OASIS at www.sdge.com/rates-regulations/tariff-information/open-access-ferc-tariffs, a draft of the Informational Filing (the “Draft Informational Filing”) for review, comment and discussion prior to filing the Informational Filing at FERC on December 1. SDG&E will provide electronic notice of its posting to the Service List.⁶

The Draft Informational Filing shall include the following:

- a. The populated version of the Formula Rate Spreadsheet itself and accompanying workpapers in fully functional, native format, with all formulas and links intact.

⁵ The dates indicated above apply only to SDG&E’s TO4 Cycle 3 filing; going forward future filings dates shall change accordingly.

⁶ The “Service List” includes: (1) any state regulatory agency with jurisdiction over SDG&E’s rates, charges or services; (2) any consumer advocacy agencies and attorneys general in a state with a regulatory agency that has jurisdiction over SDG&E’s rates; (3) any person or entity admitted as a party to FERC Docket No. ER13-941; and (4) any person or entity admitted as a party in any Annual Informational Filing proceeding filed by SDG&E in accordance with these Protocols. For purposes of communications with parties on the Service List, SDG&E will include the individuals on the service list in Docket No. ER13-941 and parties that are admitted in future FERC proceedings involving SDG&E’s Annual Informational Filings. Any references to an “Interested Party” in these Protocols shall include the Service List or any customer of SDG&E.

- b. Workpapers supporting all inputs that are not taken from the FERC Form 1.
- c. Data and calculations for items such as ADIT that require adjustments from FERC Form 1 data, Taxes Other Than Income taxes, prepayments that may require plant-related and labor-related sub-amounts, certain A&G items, revenue credits and rate divisors, and thirteen-month balances.
- d. Identification and explanation of any material changes, such as a description of any Material Accounting Changes.⁷
- e. Identification and explanation of any aspects of the TO4 Formula rate or its inputs that are the subject of an ongoing dispute in any FERC proceeding on a prior Informational Filing.

2. Draft Informational Filing Meeting

SDG&E will provide notice to Interested Parties of a one-day meeting to take place on or before July 15 of each year to discuss any details or questions regarding SDG&E's Draft Informational Filing. By mutual agreement of SDG&E and Interested Parties, such meeting may take place in-person, via telephone, or video-conference. SDG&E shall make appropriate personnel available for such meeting. Additional meetings to discuss the Draft Informational Filing shall be scheduled as SDG&E and the Interested Parties may mutually agree.

⁷ "Material Accounting Changes" shall mean any change in SDG&E's (i) accounting policies and practices from those in effect for the Rate Effective Year upon which the immediately preceding Annual Informational Filing was based, including changes in estimation methods or policies and/or adoption of any new accounting standard or policy; (ii) internal corporate cost allocation policies or practices from those policies and/or practices in effect for the Rate Effective Year upon which the immediately preceding Informational Filing was based; or (iii) changes to income tax elections.

3. Information Requests

- a. Interested Parties may submit reasonable information requests to SDG&E regarding the Draft Informational Filing.
- b. SDG&E shall make a good faith effort to respond to information requests in writing within 10 business days of receipt, or sooner depending on the timing of the information requests. SDG&E shall contemporaneously provide copies of all responses to all parties on the Service List that have indicated to SDG&E that they wish to receive such copies. SDG&E and the Interested Party serving the information request on SDG&E will work cooperatively and in good faith to resolve any questions, objections, or disputes relating to the information requests.
- c. Responses to information requests shall not be designated as settlement communications or produced under the Commission's rules and regulations governing settlements, unless provided as a privileged settlement communication in a Commission proceeding being conducted under the Commission's settlement rules. SDG&E may mark materials provided in response to an information request as Protected Materials in accordance with the Protective Order adopted in Docket No. E13-941 ("Protective Order").⁸ Interested Parties will have all rights provided to them under the Protective Order to challenge SDG&E's classification of any materials as Protected

⁸ *San Diego Gas & Electric Company*, 144 FERC ¶ 63,005 (2013).

Materials. To the extent an information request response calls for the production of Protected Materials, SDG&E will provide such materials only to the parties that have signed non-disclosure certificates agreeing to abide by the terms of the Protective Order.⁹

- d. To the extent SDG&E and any Interested Party are unable to resolve disputes related to information requests submitted in accordance with these protocols, SDG&E or any Interested Party may petition the FERC to appoint an Administrative Law Judge as a discovery master after reasonable attempts to resolve the dispute have been made by SDG&E and any Interested Party. Neither SDG&E nor any Interested Party shall object to a request for a discovery master. The discovery master shall have the authority to issue binding orders to resolve discovery disputes and compel the production of discovery, if appropriate, in accordance with the Protocols and consistent with FERC's discovery rules. The discovery master's orders shall be subject to appeal to the Commission and to the courts to the same extent and under the same rules as would be applicable to an Initial Decision issued under Rule 708 of the Commission's Rules of Practice and Procedure. In the event the Commission establishes hearing or settlement procedures for an Annual Informational Filing, the discovery master's responsibility shall be transferred to the Presiding

⁹ Nothing in these Protocols limits the CPUC's statutory or Constitutional authority to seek information from SDG&E.

Judge for such hearing or settlement procedures, effective upon his or her appointment.

4. Annual Informational Filing

a. SDG&E shall submit to the Commission on or before December 1 of each year, starting in 2014, an Annual Informational Filing (the “Informational Filing”) showing the rates to be in effect for the Rate Effective Period of the succeeding calendar year. The information provided in the Draft Informational Filing procedures (C.1.a through e. of these Protocols) shall also be included in the Annual Informational Filing, modified as necessary to reflect any changes resulting from the Draft Informational Filing procedures. Further, the Informational Filing shall show:

- (i) for the PYRR for the Base Period, each of the thirteen monthly balances (and thirteen-month average of those balances) for transmission plant investment and the transmission plant retirements, reclassifications or additions reflected in each monthly balance; and
- (ii) for the Forecast Period, any weighted forecast plant additions to transmission-related plant net of forecast retirements and reclassifications of Transmission Plant anticipated during that Forecast Period.

b. It is expressly intended by these Protocols that the Commission will issue public notice of the Informational Filing inviting public comment, and SDG&E shall request in its Informational Filing that the

Commission issue public notice of the Informational Filing inviting public comment.

- c. The Informational Filing shall not modify the TO4 Formula set forth in Appendix VIII and shall not constitute a rate change under Section 205 of the FPA. The Informational Filing shall not subject the TO4 Formula to modification.
- d. Any person may comment on or protest the Informational Filing. Any person may request that FERC establish hearing and/or settlement procedures regarding an Informational Filing, and all Parties to Docket No. ER13-941 reserve their rights to oppose such requests on their merits, but may not object to such requests on the basis that hearing and/or settlement procedures are prohibited by these Protocols or the Offer of Settlement in Docket No. ER13-941. More particularly, any person may challenge the justness and reasonableness of SDG&E's implementation of the TO4 Formula with respect to such matters as:
 - (i) whether the costs and expenditures included for recovery have been or will be prudently incurred, consistent with Commission precedent regarding prudence;
 - (ii) whether SDG&E has properly and reasonably applied the TO4 Formula as described in Appendix VIII, the Formula Rate Spreadsheet and these Protocols;
 - (iii) whether the costs to be recovered through the BTRRs have been accurately stated, properly recorded and accounted for

pursuant to applicable FERC accounting rules, and are consistent with the formula;

- (iv) whether SDG&E's calculation methodologies are consistent with the formula;
- (v) whether any Material Accounting Changes are reasonable and consistent with applicable FERC accounting rules; and
- (vi) whether forecasts and projections have been reasonably made.

- e. Nothing in these Protocols shall act as a bar to a person raising an issue in comments or in protests to the Informational Filing that it has not raised in a prior Informational Filing proceeding (including pre-filing phases of such proceeding) or with respect to which it has not previously exercised its rights under the FPA.
- f. It is expressly intended by these Protocols that FERC will issue an order taking action, assuming any action is requested, on the Informational Filing if protests and/or comments on the Informational Filing are filed.
- g. In any proceeding on SDG&E's Informational Filing, SDG&E shall bear the burden of showing the justness and reasonableness of the implementation of its TO4 Formula on matters set forth in subsections d. (i) through (vi) above in accordance with Commission precedent.
- h. SDG&E will make any revisions to the BTRRs and associated rates that are required by a final¹⁰ Commission order with respect to each

¹⁰ All references in these Protocols to Commission orders or actions refer to the final form of such orders or actions (in accordance with the FPA and applicable Commission regulations, including without

Informational Filing. Unless otherwise ordered by the Commission, such revisions shall be effective as of the first day of the applicable Rate Effective Year and shall be reflected, with interest calculated pursuant to the interest rates in Section 35.19a of the Commission's regulations, in the next subsequent Informational Filing as a component of the True-Up Adjustment. If the term of the TO4 Formula is ending so that there will be no future Informational Filing, SDG&E shall include the TRR difference in the Final True-Up Adjustment.

5. Adjustments to Reflect Correction of Errors

- a. In the event SDG&E or any Interested Party identifies an error in the TO4 Formula or the 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 applicable law, a court, or regulatory body to correct an error, and such error affects the True-Up TRR calculated in an Informational Filing, SDG&E shall include in its next 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 TRR for all affected Prior Years;
 - (ii) Compare, on a monthly basis, the difference between the initial incorrect True-Up TRR and the revised correct True Up; and

limitation Commission regulations with respect to a stay of a Commission order upon rehearing and/or an appeal), including as they may be modified as a result of a request for rehearing or Court appeal.

(iii) Determine the cumulative amount of the difference in Section C.5.a.ii, including interest calculated pursuant to the interest rate in 18 C.F.R. § 35.19a, through the date of implementation of the correction.

- b. Absent an order requiring refunds outside of the True-Up process, the difference in Section C.5.a.(iii) shall be included as an additional component to SDG&E's True-Up Adjustment in its next Informational Filing or Final True-Up Adjustment, as applicable, as a one-time True-Up Adjustment in accordance with the TO4 Formula.

D. SINGLE-ISSUE FILINGS

1. Post-Employment Benefits Other Than Pensions

If the expense levels for SDG&E's Post-Employment Benefits Other than Pensions ("PBOP"), as recorded in FERC Account No. 926, Employee Pensions and Benefits, change from those expense levels contained in SDG&E's TO4 Filing submitted in Docket No. ER13-941, then:

- a. SDG&E may make a single-issue filing under Section 205 of the FPA, to recover such changed PBOP expense pursuant to the TO4 Formula; or
- b. Any person may exercise its rights under Section 206 of the FPA to request that the Commission direct SDG&E to reflect any changed PBOP expense pursuant to the TO4 Formula.
- c. SDG&E and/or any other person shall retain full rights to oppose such filings under the FPA and in accordance with the Commission's Rules of Practice and Procedure.

- d. If there is a change from the PBOP expense levels contained in SDG&E's TO4 Filing and SDG&E elects not to make a filing, SDG&E will provide notice of the change to the Service List as part of its Draft Informational Filing.

2. Project-Specific Incentives

If SDG&E requests and is authorized by the Commission to recover project-specific incentives, SDG&E will incorporate the values associated with the approved incentives as a line item in the placeholders set forth in Appendix VIII. Such placeholders will not change absent approval of a separate Section 205 filing seeking such a change.

- a. During the term of the TO4 Formula, SDG&E shall have the right to seek transmission project-specific incentives, and all persons shall retain their rights to oppose the requested incentives. The following conditions on SDG&E's right to seek incentives shall apply:
- b. SDG&E may not seek to include construction work in progress ("CWIP") in rate base except for any transmission project for which construction commenced in good faith during the term of the TO4 Formula. For any project for which the Commission grants SDG&E a CWIP incentive, SDG&E will reflect an Allowance for Funds Used During Construction ("AFUDC"), rather than 100% of CWIP, on project costs incurred prior to the date SDG&E obtains: (i) any required licensing approval from the CPUC for the project; and (ii) CAISO approval for the project through the applicable CAISO planning or interconnection process.

- c. SDG&E may not seek to recover 100% of prudently-incurred abandoned plant costs except for any transmission project for which construction commenced in good faith during the term of the TO4 Formula. Further, for any transmission project that requires CAISO approval, SDG&E may not seek to recover 100% of prudently-incurred abandoned plant costs unless the project is included in the CAISO transmission plan.
- d. SDG&E will not seek a rate of return on equity incentive for any transmission project for which construction commenced in good faith prior to September 1, 2013 or for which all necessary permits, including environmental permits, were granted prior to September 1, 2013.

3. FERC Form 1

SDG&E may make a single-issue Section 205 filing to update the references in the TO4 Formula to reflect any changes to the format and/or content of the FERC Form 1 or the Uniform System of Accounts that affect the calculations set forth in the TO4 Formula in the event that a Commission order revises the format and/or content of the FERC Form 1 or the Uniform System of Accounts. This filing shall be submitted within thirty days of any FERC decision to revise the FERC Form 1 or the Uniform System of Accounts, and shall be effective on the same date as the revisions to the FERC Form 1 or Uniform System of Accounts, as applicable, become effective. All persons retain full rights to oppose such filing under the FPA and in accordance with the Commission's Rules of Practice and Procedure. If there is a change to the format and/or content of the FERC Form 1 or the Uniform System of Accounts that affects the calculations set forth in

the TO4 Formula, and SDG&E elects not to make a filing, SDG&E will provide notice of the change to the Service List as part of its Draft Informational Filing.

4. Abandoned Plant for Non-Incentive Projects

SDG&E reserves the right to make a single-issue Section 205 filing to seek abandoned project costs for non-incentive projects. All persons retain full rights to oppose such filing under the FPA and in accordance with the Commission's Rules of Practice and Procedure.

5. Depreciation Rates and/or Amortization Periods for General Plant, Common Plant and/or Intangible Plant

SDG&E reserves the right to make a single-issue Section 205 filing to change the depreciation rates for General Plant and Common Plant and the amortization periods for Intangible Plant upon approval by the CPUC of revised depreciation rates and/or amortization periods for these plant categories. SDG&E shall make a filing at the Commission, as set forth in this section, by the later of either the filing date for the next Informational Filing following issuance of the CPUC ruling or sixty days after issuance of the CPUC ruling. All persons retain full rights to oppose such filing under the FPA and in accordance with the Commission's Rules of Practice and Procedure. If there is a change in the depreciation rates for General Plant and Common Plant and/or in the amortization periods for Intangible Plant, and SDG&E elects not to make a filing, SDG&E will provide notice of the change to the Service List as part of its Draft Informational Filing. However, SDG&E will not then be able to incorporate the CPUC-approved change in its TO4 Formula.

6. Restriction on other Single-Issue Filings

Unless otherwise provided for in this Section D., SDG&E may not make single-issue filings during the term of the TO4 Formula.

E. TRUE-UP ADJUSTMENT

The True-Up Adjustment for each True-Up Period will be a reconciliation of the difference between:

1. SDG&E's actual cost of providing transmission service during the applicable True-Up Period as determined by application of the PYRR component of the TO4 Formula; and
2. Actual revenues billed by SDG&E and paid by transmission customers for transmission service during the True-Up Period.

The True-Up Adjustment shall be calculated in accordance with the Formula Rate Spreadsheet.¹¹

F. USE OF INFORMATION

Information produced pursuant to these Protocols may be used in any administrative or judicial proceeding; provided, however, that to the extent that any information provided pursuant to these Protocols has been designated and provided as Protected Materials, the use of such information shall be governed by the Protective Order. This section shall not apply to any information provided in the course of Commission-established settlement proceedings pursuant to the Commission's rules and regulations governing settlement.

G. RESERVATION OF RIGHTS AND STANDARD OF REVIEW

1. Nothing in these Protocols shall limit or shall be deemed to limit in any way the right of any Interested Party to file a request for relief under any

¹¹ The End Use Customer and CAISO wholesale True-Up cost of service will be derived pursuant to Attachment 1. The End Use Customer recorded revenues used to derive the End Use Customer True-Up Adjustment will come from the books of SDG&E. The CAISO revenues used to derive the CAISO wholesale True-Up Adjustment will be reflected in Attachment 1. The latter revenues will be derived and filed annually as work papers that support the data in Attachment 1 and will be part of each annual Informational Filing.

applicable provision of the FPA and/or the Commission's regulations or to participate in Informational Filing proceedings.

2. Except as set forth in Sections B and D above and subject to Section G.3 below, nothing in these Protocols shall be deemed to limit in any way SDG&E's right to file unilaterally, pursuant to Section 205 of the FPA and the regulations thereunder, to seek to change or cancel the TO4 Formula, or to submit any other request for relief under any applicable provision of the FPA and/or the Commission's regulations.
3. Except for the one-time right to terminate the TO4 Formula pursuant to Section B above and the single-issue filings permitted in accordance with Section D above, the standard of review for SDG&E and any Party to Docket No. ER13-941 unilaterally filing to change the TO4 Formula under FPA Sections 205 or 206 shall be the "public interest" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956); *Fed. Power Comm'n v. Sierra Pacific Power Co.*, 350 U.S.348 (1956); *Morgan Stanley Capital Group, Inc. v. Pub. Util. Dist. No. 1 of Snohomish County*, 554 U.S. 527 (2008); and *NRG Power Mktg., LLC v. Maine Pub. Utilities Comm'n*, 558 U.S. 165 (2010). The "public interest" standard of review shall not apply to future changes adopted by the Commission acting *sua sponte* or at the request of an entity that was not a Party to this proceeding, as identified in footnote 2 herein

TO4 Formula Blank Formula Rate Spreadsheet

San Diego Gas & Electric Company
Statement BK-1
Derivation of End Use Prior Year Revenue Requirements (PYRR_{EU})
For the Base Period Ending xxxxxx
(\$1,000)

Line No.		Amounts ⁵	Reference	Line No.
1	<u>A. Revenues:</u>			1
2	Transmission Operation & Maintenance Expense	\$ -	Statement AH; Page 5, Line 9	2
3				3
4	Transmission Related A&G Expense	#DIV/0!	Statement AH; Page 5, Line 56	4
5				5
6	CPUC Intervenor Funding Expense - Transmission	-	Statement AH; Page 5, Line 17	6
7				7
8	Total O&M Expenses	#DIV/0!	Sum Lines 2 thru 6	8
9				9
10	Transmission, General, Common Plant Depn. Exp., and Electric Misc. Intangible Plant Amort. Exp.	#DIV/0!	Statement AJ; Page 7, Line 17	10
11				11
12	Valley Rainbow Project Cost Amortization Expense	-	Statement AJ; Page 7, Line 19	12
13				13
14	Transmission Plant Abandoned Project Cost Amortization Expense	-	Statement AJ; Page 7, Line 23	14
15				15
16	Transmission Related Property Taxes Expense	#DIV/0!	Statement AK; Page 8, Line 27	16
17				17
18	Transmission Related Payroll Taxes Expense	#DIV/0!	Statement AK; Page 8, Line 33	18
19				19
20	Sub-Total Expense	#DIV/0!	Sum Lines 8 thru 18	20
21				21
22	Cost of Capital Rate (COCR)	#DIV/0!	Statement AV; Page 15, Line 31	22
23	Transmission Rate Base	#DIV/0!	Statement BK-1; Page 2, Line 26	23
24	Return and Associated Income Taxes	#DIV/0!	Line 22 x Line 23	24
25				25
26	South Georgia Income Tax Adjustment	\$ -	Statement AQ; Page 11, Line 1	26
27	Transmission Related Amortization of Investment Tax Credits	-	Statement AR; Page 12, Line 1	27
28	Transmission Related Amortization of Excess Deferred Tax Liabilities	-	Statement AR; Page 12, Line 3	28
29	Transmission Related Revenue Credits	-	Statement AU; Page 13, Line 11	29
30	Transmission Related Regulatory Debits	-	Misc. Statement; Page 17, Line 1	30
31	(Gains)/Losses from Sale of Plant Held for Future Use	-	Statement AU; Page 13, Line 13	31
32				32
33	End of Prior Year Revenues (PYRR _{EU}) Excluding FF&U	#DIV/0!	Line 20 + Sum Lines (24 thru 31)	33
34				34
35	<u>B. Incentive ROE Project Transmission Revenue:</u>			35
36	Incentive Transmission Plant Depreciation Expense	\$ -	Statement AJ; Page 7; Line 21	36
37				37
38	Incentive Cost of Capital Rate (COCR) ¹	#DIV/0! ⁴	Statement AV; Page 16, Line 31	38
39	Total Incentive ROE Project Transmission Rate Base	\$ -	Statement BK-1; Page 2; Line 31	39
40	Incentive ROE Project Return and Associated Income Taxes	#DIV/0!	Line 38 x Line 39	40
41				41
42	Total Incentive ROE Project Transmission Revenue	#DIV/0!	Sum Lines 36; 40	42
43				43
44	<u>C. Incentive Transmission Plant Abandoned Project Revenue:</u>			44
45	Incentive Transmission Plant Abandoned Project Cost Amortization Expense	\$ -	Statement AJ; Page 7; Line 25	45
46				46
47	Total Incentive Transmission Plant Abandoned Project Cost Rate Base	\$ -	Statement BK-1; Page 2; Line 36	47
48	Cost of Capital Rate (COCR)	#DIV/0!	Statement AV; Page 15, Line 31	48
49	Incentive Transmission Plant Abandoned Project Return and Associated Income Taxes	#DIV/0!	Line 47 x Line 48	49
50				50
51	Total Incentive Transmission Plant Abandoned Project Revenue	#DIV/0!	Sum Lines 45; 49	51
52				52
53	<u>D. Incentive Transmission Construction Work In Progress (CWIP) Revenue:</u>			53
54	Incentive Transmission Construction Work In Progress ²	\$ -	Statement BK-1; Page 2; Line 38	54
55	Cost of Capital Rate (COCR)	#DIV/0!	Statement AV; Page 15, Line 31	55
56	Incentive CWIP Return and Associated Income Taxes	#DIV/0!	Line 54 x Line 55	56
57				57
58	Total Incentive End of Prior Year Revenues (PYRR _{EU-IR}) Excluding FF&U	#DIV/0!	Sum Lines 42; 51; 56	58
59				59
60	<u>E. Total (PYRR_{EU}) Excluding FF&U ³</u>	#DIV/0!	Sum Lines 33; 58	60

¹ The incentive rate cost components for each ROE incentive project will be tracked and shown separately for each project and lines 36 through 40 will be repeated for each project. As a result, the data on this page may carryover to the next page.

² Incentive Transmission CWIP shall be the CWIP for which SDG&E is authorized to collect incentives under FERC Order No. 679 and will be tracked and shown for each project and lines 54 through 56 will be repeated for each project.

³ Total Prior Year Revenues (PYRR) or Base Period Revenue is for 12 months ending the applicable cycle base period

⁴ The Incentive Cost of Capital Rate will be tracked and shown separately for each project. However, this will be entered as 0% in BK-1 when there's no incentive project to show.

⁵ Blank lines that show up in the Formula Rate Spreadsheet will not be populated with any numbers absent a Section 205 filing to approve the blank lines.

San Diego Gas & Electric Company
Statement BK-1
Derivation of End Use Prior Year Revenue Requirements (PYRR EU)

For the Base Period Ending xxxxxx
(\$1,000)

Line No.		Amounts	Reference	Line No.
	<u>A. Transmission Rate Base:</u>			
1	<u>Net Transmission Plant:</u>			1
2	Transmission Plant	\$ -	Statement BK-1; Page 3; Line 16	2
3	Transmission Related Electric Miscellaneous Intangible Plant	#DIV/0!	Statement BK-1; Page 3; Line 17	3
4	Transmission Related General Plant	#DIV/0!	Statement BK-1; Page 3; Line 18	4
5	Transmission Related Common Plant	#DIV/0!	Statement BK-1; Page 3; Line 19	5
6	Total Net Transmission Plant	#DIV/0!	Sum Lines 2 thru 5	6
7				7
8	<u>Rate Base Additions:</u>			8
9	Transmission Plant Held for Future Use	\$ -	Statement AG; Page 4; Line 1	9
10	Transmission Plant Abandoned Project Cost	-	Misc. Statement; Page 17, Line 4	10
11	Total Rate Base Additions	\$ -	Sum Lines 9 thru 10	11
12				12
13	<u>Rate Base Reductions:</u>			13
14	Transmission Related Accum. Def. Inc. Taxes	\$ -	Statement AF; Page 3; Line 5	14
15	Transmission Plant Abandoned Accum. Def. Inc. Taxes	-	Statement AF; Page 3; Line 9	15
16	Total Rate Base Reductions	\$ -	Sum Lines 14 thru 15	16
17				17
18	<u>Working Capital:</u>			18
19	Transmission Related Materials and Supplies	#DIV/0!	Statement AL; Page 9; Line 5	19
20	Transmission Related Prepayments	#DIV/0!	Statement AL; Page 9; Line 9	20
21	Transmission Related Cash Working Capital	#DIV/0!	Statement AL; Page 9; Line 19	21
22	Total Working Capital	#DIV/0!	Sum Lines 19 thru 21	22
23				23
24	Other Regulatory Assets/Liabilities	-	Misc. Statement; Page 17, Line 7	24
25				25
26	Total Transmission Rate Base	#DIV/0!	Sum Lines 6; 11; 16; 22; 24	26
27				27
28	<u>B. Incentive ROE Project Transmission Rate Base:</u>			28
29	Net Incentive Transmission Plant ¹	\$ -	Statement BK-1; Page 3; Line 25	29
30	Incentive Transmission Plant Accum. Def. Income Taxes	-	Statement AF; Page 3; Line 7	30
31	Total Incentive ROE Project Transmission Rate Base	\$ -	Sum Lines 29 thru 30	31
32				32
33	<u>C. Incentive Transmission Plant Abandoned Project Rate Base:</u>			33
34	Incentive Transmission Plant Abandoned Project Cost	\$ -	Misc. Statement; Page 17, Line 10	34
35	Incentive Transmission Plant Abandoned Project Cost Accum. Def. Inc. Taxes	-	Statement AF; Page 3; Line 11	35
36	Total Incentive Transmission Plant Abandoned Project Cost Rate Base	\$ -	Sum Lines 34 thru 35	36
37				37
38	<u>D. Incentive Transmission Construction Work In Progress</u> ²	\$ -	Statement AM; Page 10; Line 1	38

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
Statement BK-1
Derivation of End Use Prior Year Revenue Requirements (PYRR_{EU})

For the Base Period Ending xxxxx

(\$1,000)

Line No.		Amounts	Reference	Line No.
	<u>A. Transmission Plant:</u>			
1	<u>Gross Transmission Plant:</u>			1
2	Transmission Plant	\$ -	Statement AD; Page 1, Line 15	2
3	Transmission Related Electric Misc. Intangible Plant	#DIV/0!	Statement AD; Page 1, Line 31	3
4	Transmission Related General Plant	#DIV/0!	Statement AD; Page 1, Line 33	4
5	Transmission Related Common Plant	#DIV/0!	Statement AD; Page 1, Line 35	5
6	Total Gross Transmission Plant	#DIV/0!	Sum Lines 2 thru 5	6
7				7
8	<u>Transmission Related Depreciation Reserve:</u>			8
9	Transmission Plant Depreciation Reserve	\$ -	Statement AE; Page 2, Line 1	9
10	Transmission Related Electric Misc. Intangible Plant Amortization Reserve	#DIV/0!	Statement AE; Page 2, Line 11	10
11	Transmission Related General Plant Depr Reserve	#DIV/0!	Statement AE; Page 2, Line 13	11
12	Transmission Related Common Plant Depr Reserve	#DIV/0!	Statement AE; Page 2, Line 15	12
13	Total Transmission Related Depreciation Reserve	#DIV/0!	Sum Lines 9 thru 12	13
14				14
15	<u>Net Transmission Plant:</u>			15
16	Transmission Plant	\$ -	Line 2 Minus Line 9	16
17	Transmission Related Electric Miscellaneous Intangible Plant	#DIV/0!	Line 3 Minus Line 10	17
18	Transmission Related General Plant	#DIV/0!	Line 4 Minus Line 11	18
19	Transmission Related Common Plant	#DIV/0!	Line 5 Minus Line 12	19
20	Total Net Transmission Plant	#DIV/0!	Sum Lines 16 thru 19	20
21				21
22	<u>B. Incentive Project Transmission Plant:</u>			22
23	Incentive Transmission Plant ¹	\$ -	Statement AD; Page 1, Line 17	23
24	Incentive Transmission Plant Depreciation Reserve ¹	-	Statement AE; Page 2, Line 19	24
25	Total Net Incentive Transmission Plant	\$ -	Line 23 Minus Line 24	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 project.

San Diego Gas & Electric Company
Statement BK-1
Derivation of End Use Forecast Period Capital Additions Revenue Requirements (FC_{EU})

For the Forecast Period xxxxxx

(\$1,000)

Line No.		Amounts	Reference	Line No.
	<u>ANNUAL FIXED CHARGES APPLICABLE TO CAPITAL PROJECTS</u>			
1	<u>A. Derivation of Annual Fix Charge Rate (AFCR_{EU}) Applicable to</u>			1
2	<u>Weighted Forecast Plant Additions:</u>			2
3	PYRR _{EU} Excluding Franchise Fees and Uncollectible	#DIV/0!	Statement BK-1; Page 1; Line 33	3
4	50% of Transmission O&M Expense	-	Statement BK-1; Page 1; Line 2 * 50%	4
5	50% of Transmission Related A&G Expense	#DIV/0!	Statement BK-1; Page 1; Line 4 * 50%	5
6	CPUC Intervenor Funding Expense - Transmission	-	Statement BK-1; Page 1; Line 6	6
7	Valley Rainbow Project Cost Amortization Expense	-	Statement BK-1; Page 1; Line 12	7
8	South Georgia Income Tax Adjustment	-	Statement BK-1; Page 1; Line 26	8
9	Transmission Related Amortization of Investment Tax Credit	-	Statement BK-1; Page 1; Line 27	9
10	Transmission Related Amortization of Excess Deferred Tax Liabilities	-	Statement BK-1; Page 1; Line 28	10
11	(Gains)/Losses from Sale of Plant Held for Future Use	-	Statement BK-1; Page 1; Line 31	11
12	Adjusted Total (PYRR _{EU}) Excluding FF&U	#DIV/0!	Sum Lines 3 thru 11	12
13				13
14	Gross Transmission Plant	#DIV/0!	Statement BK-1; Page 3, Line 6	14
15				15
16	Annual Fix Charge Rate (AFCR _{EU})	#DIV/0!	Line 12 / Line 14	16
17				17
18	Weighted Forecast Plant Additions	\$ -	Summary of HV-LV Plant Additions; Pg 1; Ln 5, Col. (f)	18
19				19
20	Forecast Period Capital Addition Revenue Requirements	#DIV/0!	Line 16 x Line 18	20

San Diego Gas & Electric Company
Statement BK-1
Derivation of End Use Forecast Period Capital Additions Revenue Requirements (FC_{EU})

For the Forecast Period xxxxxx

(\$1,000)

Line No.		Amounts	Reference	Line No.
	<u>ANNUAL FIXED CHARGES APPLICABLE TO INCENTIVE CAPITAL PROJECTS</u>			
1	<u>A. Derivation of Annual Fix Charge Rate (AFCR_{EU-IR-ROE}) Applicable to</u>			1
2	<u>Incentive Weighted Forecast Plant Additions (ROE Incentive Only):</u>			2
3	PYRR _{EU-IR-ROE} Excluding Franchise Fees and Uncollectible	#DIV/0!	Statement BK-1; Page 1; Line 33 + Line 42	3
4	50% of Transmission O&M Expense	-	Statement BK-1; Page 1; Line 2 * 50%	4
5	50% of Transmission Related A&G Expense	#DIV/0!	Statement BK-1; Page 1; Line 4 * 50%	5
6	CPUC Intervenor Funding Expense - Transmission	-	Statement BK-1; Page 1; Line 6	6
7	Valley Rainbow Project Cost Amortization Expense	-	Statement BK-1; Page 1; Line 12	7
8	South Georgia Income Tax Adjustment	-	Statement BK-1; Page 1; Line 26	8
9	Transmission Related Amortization of Investment Tax Credit	-	Statement BK-1; Page 1; Line 27	9
10	Transmission Related Amortization of Excess Deferred Tax Liabilities	-	Statement BK-1; Page 1; Line 28	10
11	(Gains)/Losses from Sale of Plant Held for Future Use	-	Statement BK-1; Page 1; Line 31	11
12	Adjusted Total (PYRR _{EU-IR-ROE}) Excluding FF&U	#DIV/0!	Sum Lines 3 thru 11	12
13				13
14	Gross Transmission Plant & Incentive Transmission Plant	#DIV/0!	Statement BK-1; Page 3, Line 6 + Line 23	14
15				15
16	Incentive Annual Fix Charge Rate (AFCR _{EU-IR-ROE}) ¹	#DIV/0!	Line 12 / Line 14	16
17				17
18	Incentive Weighted Forecast Plant Additions	\$ -	Summary of HV-LV Plant Additions; Pg 1; Ln 8; Col. (f)	18
19				19
20	Forecast Period Incentive Capital Addition Revenue Requirements (FC _{EU-IR-ROE})	#DIV/0!	Line 16 x Line 18	20
21				21
22	<u>B. Derivation of Incentive Forecast Transmission CWIP Revenues:</u>			22
23	<u>1. For the Period After the Base Period and Before the Rate Effective Period:</u>			23
24	Incentive Weighted Forecast Transmission Construction Work In Progress	\$ -	Summary of HV-LV Plant Additions; Pg 1; Ln 10; Col. (f)	24
25				25
26	Cost of Capital Rate (COCR)	#DIV/0!	Statement AV; Page 15, Line 31	26
27				27
28	Incentive Transmission Forecast CWIP Projects Revenue Requirements	#DIV/0!	Line 24 x Line 26	28
29				29
30	<u>2. For the Period During the Rate Effective Period:</u>			30
31	Incentive Weighted Forecast Transmission Construction Work In Progress	\$ -	Summary of HV-LV Plant Additions; Pg 1; Ln 12; Col. (f)	31
32				32
33	Cost of Capital Rate (COCR)	#DIV/0!	Statement AV; Page 15, Line 31	33
34				34
35	Incentive Transmission Forecast CWIP Projects Revenue Requirements	#DIV/0!	Line 31 x Line 33	35
36				36
37	Total Incentive Transmission Forecast CWIP Projects Revenue Requirements	#DIV/0!	Sum Lines 28; 35	37

¹ The Incentive Annual Fixed Charge Rate will be tracked and shown for each incentive project as applicable.

San Diego Gas & Electric Company
Statement BK-1
Derivation of End Use Base Transmission Revenue Requirements (BTRR_{EU})

For the Rate Effective Period xxxxxx

(\$1,000)

Line No.		Amounts	Reference	Line No.
1	<u>A. End Use Customer Base Transmission Revenue Requirement (BTRR_{EU}):</u>			1
2				2
3	End of Prior Year Revenues (PYRR _{EU}) Excluding FF&U	#DIV/0!	Statement BK-1; Page 1; Line 33	3
4				4
5	Incentive End of Prior Year Revenues (PYRR _{EU-IR}) Excluding FF&U	#DIV/0!	Statement BK-1; Page 1; Line 58	5
6				6
7	Sub-Total Base Period Revenues	#DIV/0!	Sum Lines 3 thru 5	7
8				8
9	Retail True-Up Period Adjustment	\$ -	(Retail TU Adj; Total Col; Line 29) / 1,000	9
10				10
11	Retail Interest True-Up Adjustment	-	(Retl Int TU-1 + Retl Int TU-2; Ttl Col; Ln 20)/1,000	11
12				12
13	Sub-Total True-Up Adjustments	\$ -	Sum Lines 9 thru 11	13
14				14
15	<u>B. Annual Fixed Charges Applicable to Capital Projects:</u>			15
16				16
17	Forecast Period Capital Addition Revenue Requirements	#DIV/0!	Statement BK-1; Page 4, Line 20	17
18				18
19	<u>C. Annual Fixed Charges Applicable to Incentive Capital Projects:</u>			19
20				20
21	Forecast Period Incentive Capital Additions Revenue Requirements (FC _{EU-IR-ROE})	#DIV/0!	Statement BK-1; Page 5, Line 20	21
22				22
23	<u>D. Incentive Forecast Transmission CWIP Revenues:</u>			23
24				24
25	Incentive Transmission Forecast CWIP Projects Revenue Requirements	#DIV/0!	Statement BK-1; Page 5, Line 37	25
26				26
27	<u>E. Subtotal BTRR_{EU} Excluding FF&U:</u>	#DIV/0!	Sum Lines 7; 13; 17; 21; 25	27
28				28
29	Transmission Related Municipal Franchise Fees Expenses	#DIV/0!	Line 27 x 1.031%	29
30	Transmission Related Uncollectible Expense	#DIV/0!	Line 27 x 0.174%	30
31				31
32	<u>F. Total Retail BTRR_{EU} With FF&U</u>	#DIV/0!	Sum Lines 27 thru 30	32

San Diego Gas & Electric Company
Statement BK-2
Derivation of CAISO Total Base Transmission Revenue Requirements
For the Base Period Ending xxxxxx
(\$1,000)

Line No.		Amounts	Reference	Line No.
1	<u>A. Total (PYRR_{FT}) Excluding FF&U:</u> ¹	#DIV/0!	Statement BK-1; Page 1; Line 60	1
2				2
3	<u>B. Wholesale BTRR Adjustments:</u>			3
4	CPUC Intervenor Funding Expense - Transmission	-	Statement BK-1; Page 1; Line 6	4
5				5
6	CPUC Intervenor Funding Expense Revenue Adjustment	#DIV/0!	Statement AL; Page 9; Line 30	6
7				7
8	South Georgia Income Tax Adjustment	-	Statement BK-1; Page 1; Line 26	8
9				9
10	Transmission Related Amortization of Excess Deferred Tax Liabilities	-	Statement BK-1; Page 1; Line 28	10
11				11
12	Total Wholesale BTRR Adjustments	#DIV/0!	Sum Lines 4 thru 10	12
13				13
14	Wholesale Prior Year Revenue Requirements (PYRR _{CAISO})	#DIV/0!	Sum Lines 1; 12	14
15				15
16	Wholesale True-Up Adjustment	-	(Wholesale TU Adj; Total Col; Line 29) / 1,000	16
17				17
18	Wholesale Interest True-Up Adjustment	-	(Wholesale Int TU-1 + Wholesale Int TU-2; Ttl Col; Ln 20) / 1000	18
19				19
20	Wholesale BTRR Before Forecast Prior Year Revenue Requirements (PYRR _{CAISO})	#DIV/0!	Sum Lines 14 thru 18	20
21				21
22	Forecast Period Capital Addition Revenue Requirements	#DIV/0!	Statement BK-1; Page 4; Line 20	22
23				23
24	Forecast Period Incentive Capital Addition Revenue Requirements (FC _{EU-IR-ROE})	#DIV/0!	Statement BK-1; Page 5; Line 20	24
25				25
26	Incentive Transmission Forecast CWIP Projects Revenue Requirements	#DIV/0!	Statement BK-1; Page 5; Line 37	26
27				27
28	<u>C. Total Wholesale BTRR Excluding Franchise Fees</u>	#DIV/0!	Sum Lines 20 thru 26	28

¹ Total Prior Year Revenues (PYRR) or Base Period Revenue is for 12 months ending the applicable cycle base period.

San Diego Gas & Electric Company

Statement BK-2

Derivation of CAISO HV Transmission Facility (BTRR_{CAISO-HV}) & LV Transmission Facility (BTRR_{CAISO-LV}) Revenue Requirements

**For the Rate Effective Period xxxxxx
(\$1,000)**

Line No.		Total	Reference			Line No.
<u>A. Derivation of Revenues Related With Total Transmission Facilities:</u>						
1	Wholesale BTRR Before Forecast Prior Year Revenue Requirements (PYRR _{CAISO})	#DIV/0!	Statement BK-2; Page 1; Line 20			1
2						2
3	Forecast Period Capital Addition Revenue Requirements	#DIV/0!	Statement BK-2; Page 1; Line 22			3
4						4
5	Forecast Period Incentive Capital Additions Revenue Requirements (FC _{EU-IR-ROE})	#DIV/0!	Statement BK-2; Page 1; Line 24			5
6						6
7	Incentive Transmission Forecast CWIP Projects Revenue Requirements	#DIV/0!	Statement BK-2; Page 1; Line 26			7
8						8
9	Total Wholesale BTRR Excluding Franchise Fees	#DIV/0!	Sum Lines 1 thru 7			9
10						10
<u>B. Derivation of Split Between HV and LV: ¹</u>						11
		(a)	(b)	(c)		11
12	1. Percent Split Between HV & LV for Recorded Non-Incentive & Incentive	Total	High Voltage	Low Voltage	Reference	12
13	Gross Transmission Plant Facilities and Incentive CWIP:					13
14	Gross Transmission Plant Facilities ²	\$ -	\$ -	\$ -	HV-LV Study, Line 3 below ⁶	14
15	HV-LV Plant Allocation Ratios ³	#DIV/0!	#DIV/0!	#DIV/0!	Ratios Based on Line 14	15
16	Total HV-LV Transmission Plant Facilities Revenues	#DIV/0!	#DIV/0!	#DIV/0!	Line 15 x Line 16; Col A	16
17						17
18	2. Percent Split Between HV and LV of Forecast				Summary of HV-LV Splits for	18
19	Plant Adds Applicable to Forecast Period:	\$ -	\$ -	\$ -	Forecast Plant Adds; Page 1; Line 16	19
20	HV-LV Plant Allocation Ratios Based on Forecast Plant Additions	#DIV/0!	#DIV/0!	#DIV/0!	Ratios Based on Line 19	20
21	Total HV-LV Transmission Forecast Plant Additions Revenues	#DIV/0!	#DIV/0!	#DIV/0!	Line 20 x Line 21; Col A	21
22						22
<u>C. Summary of CAISO Transmission Facilities by</u>						23
24	<u>High Voltage and Low Voltage Classification:</u>					24
25	Recorded Transmission Facilities (BTRR _{CAISO}) Excluding Franchise Fees	#DIV/0!	#DIV/0!	#DIV/0!	Line 16 From Above	25
26	Franchise Fee (FF) @ 1.031% ⁴	#DIV/0!	#DIV/0!	#DIV/0!	Line 25 x 1.031%	26
27	Total Recorded Transmission Facilities BTRR _{CAISO} With Franchise Fees	#DIV/0!	#DIV/0!	#DIV/0!	Sum Lines 25 thru 26	27
28						28
29	Forecast Transmission Facilities (BTRR _{CAISO}) Excluding Franchise Fees	#DIV/0!	#DIV/0!	#DIV/0!	Line 21 From Above	29
30	Franchise Fee (FF) @ 1.031% ⁴	#DIV/0!	#DIV/0!	#DIV/0!	Line 29 x 1.031%	30
31	Total Recorded Transmission Facilities BTRR _{CAISO} With Franchise Fees	#DIV/0!	#DIV/0!	#DIV/0!	Sum Lines 29 thru 30	31
32						32
33	<u>D. Total (BTRR_{CAISO}) With Franchise Fees ⁵</u>	#DIV/0!	#DIV/0!	#DIV/0!	Line 27 + Line 31	33

¹ Pursuant to the CAISO's July 5, 2005 filing in compliance with the Commission's December 21, 2004 order, 109 FERC ¶ 61,301 (December 21, Order) and June 2, 2005 Order, 111 FERC ¶ 61,337 (June 2 Order), SDG&E in the instant filing has followed the CAISO's new guidelines to separate all elements of its transmission facilities into HV and LV components. TRBAA cost components shown in the instant filing are separated into the HV and LV components applicable to the CAISO's HV and LV guidelines in effect 1/1/2005 pursuant to CAISO Tariff Appendix F, Sch.3, Section 8.1.

² Use gross plant facilities as of December 31 for the applicable base period.

³ HV-LV plant ratios based upon footnote 2.

⁴ Base franchise fees are applicable to all SDG&E customers.

⁵ The following HV-LV Wholesale Base Transmission Revenue Requirements will be used by the CAISO to develop the TAC rates for the rate effective applicable period.

⁶ Transmission Plant HV/LV Study Classification Summary (\$1,000):

Existing
New
Total

Ln	Total	HV	LV
1	\$ -		
2	-		
3	\$ -	\$ -	\$ -

See HV-LV Study WP

SAN DIEGO GAS AND ELECTRIC COMPANY

Statement AD

Cost of Plant

Base Period 12 - Months Ending xxxxxx

(\$1,000)

Line No		Amounts	Reference	Line No
1	Total Electric Miscellaneous Intangible Plant ¹	\$ -	Stmnt AD WP; Page AD1; Line 1	1
2				2
3	Total Steam Production Plant	-	Stmnt AD WP; Page AD1; Line 3	3
4				4
5	Total Nuclear Production Plant	-	Stmnt AD WP; Page AD1; Line 5	5
6				6
7	Total Hydraulic Production Plant	-	Stmnt AD WP; Page AD1; Line 7	7
8				8
9	Total Other Production Plant	-	Stmnt AD WP; Page AD1; Line 9	9
10				10
11	Total Production Plant and Intangible Plant	\$ -	Sum Lines 1 thru 9	11
12				12
13	Total Distribution Plant	\$ -	Stmnt AD WP; Page AD1; Line 13	13
14				14
15	Transmission Plant ²	\$ -	Stmnt AD WP; Page AD1; Line 15	15
16				16
17	Incentive Transmission Plant ³	-	Stmnt AD WP; Page AD1; Line 17	17
18				18
19	Total Transmission Plant & Incentive Transmission Plant	\$ -	Sum Lines 15 thru 17	19
20				20
21	Total General Plant ¹	\$ -	Stmnt AD WP; Page AD1; Line 21	21
22				22
23	Total Common Plant ¹	\$ -	Stmnt AD WP; Page AD1; Line 23	23
24				24
25	Total Plant in Service	\$ -	Sum Lines 11; 13; 19; 21; 23	25
26				26
27	Transmission Wages and Salaries Allocation Factor	#DIV/0!	Statement AI; Line 19	27
28				28
29	Total Transmission Plant & Incentive Transmission Plant	\$ -	See Line 19 Above	29
30				30
31	Transmission Related Electric Miscellaneous Intangible Plant	#DIV/0!	Line 1 x Line 27	31
32				32
33	Transmission Related General Plant	#DIV/0!	Line 21 x Line 27	33
34				34
35	Transmission Related Common Plant	#DIV/0!	Line 23 x Line 27	35
36				36
37	Transmission Related Total Plant in Service	#DIV/0!	Sum Lines 29; 31; 33; 35	37
38				38
39	Transmission Plant Allocation Factor ⁴	#DIV/0!	Line 37 / Line 25	39

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 as 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 AND ELECTRIC COMPANY
Statement AE
Accumulated Depreciation and Amortization
Base Period 12 - Months Ending xxxxxx
(\$1,000)

Line No	Amounts	Reference	Line No
1 Transmission Plant Depreciation Reserve ¹	\$ -	Stmnt AE WP; Page AE1; Line 1	1
2			2
3 Electric Miscellaneous Intangible Plant Amortization Reserve ²	\$ -	Stmnt AE WP; Page AE1; Line 3	3
4			4
5 General Plant Depreciation Reserve ²	-	Stmnt AE WP; Page AE1; Line 5	5
6			6
7 Common Plant Depreciation Reserve ²	-	Stmnt AE WP; Page AE1; Line 7	7
8			8
9 Transmission Wages and Salaries Allocation Factor	#DIV/0!	Stmnt AE WP; Page AE1; Line 9	9
10			10
11 Transmission Related Electric Misc. Intangible Plant Amortization Reserve	#DIV/0!	Line 3 x Line 9	11
12			12
13 Transmission Related General Plant Depreciation Reserve	#DIV/0!	Line 5 x Line 9	13
14			14
15 Transmission Related Common Plant Depreciation Reserve	#DIV/0!	Line 7 x Line 9	15
16			16
17 Total Transmission Related Depreciation Reserve	#DIV/0!	Sum Lines 1; 11; 13; 15	17
18			18
19 Incentive Transmission Plant Depreciation Reserve	\$ -	Stmnt AE WP; Page AE1; Line 19	19

¹ The amounts stated above are ratemaking utility plant in service as 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 AND ELECTRIC COMPANY

Statement AF

Deferred Credits

Base Period 12 - Months Ending xxxxx

(\$1,000)

Line No		Amounts	Reference	Line No
1	Transmission Related ADIT- Excluding Bonus Depreciation	\$ -	Stmnt AF WP; Page AF1; Line 1	1
2				2
3	Transmission Related ADIT from Bonus Depreciation	-	Stmnt AF WP; Page AF1; Line 3	3
4				4
5	Total Transmission Related ADIT	\$ -	Sum Lines 1 thru 3	5
6				6
7	Incentive Transmission Plant ADIT	\$ -	Stmnt AF WP; Page AF1; Line 8	7
8				8
9	Transmission Plant Abandoned ADIT	\$ -	Stmnt AF WP; Page AF1; Line 10	9
10				10
11	Incentive Transmission Plant Abandoned Project Cost ADIT	\$ -	Stmnt AF WP; Page AF1; Line 12	11

SAN DIEGO GAS AND ELECTRIC COMPANY
Statement AG

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

Base Period 12 - Months Ending xxxxxx

(\$1,000)

Line No		Amounts	Reference	Line No
1	Transmission Plant Held for Future Use ¹	\$ -	Stmnt AG WP; Page AG1; Line 1	1

¹ The balances for Transmission Plant Held for Future Use are derived based on a 13-month average balance.

SAN DIEGO GAS AND ELECTRIC COMPANY

Statement AH

Operation and Maintenance Expenses

Base Period 12 - Months Ending xxxxxx

(\$1,000)

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
32			32
33			33
34			34
35			35
36			36
37			37
38			38
39			39
40			40
41			41
42			42
43			43
44			44
45			45
46			46
47			47
48			48
49			49
50			50
51			51
52			52
53			53
54			54
55			55
56			56

¹ The CPUC Intervenor Expense for Transmission shall be treated as an exclusion in A&G but added back to the Retail BTRR on BK-1, page 1, line 6.
This expense will be excluded in Wholesale BTRR on BK-2, page 1, line 4.

SAN DIEGO GAS AND ELECTRIC COMPANY

**Statement AI
Wages and Salaries**

Base Period 12 - Months Ending xxxxxx

(\$1,000)

Line No.		Amounts	Reference	Line No.
1	Production Wages & Salaries	\$ -	Stmnt AI WP; Page AII; Line 1	1
2				2
3	Transmission Wages & Salaries	-	Stmnt AI WP; Page AII; Line 3	3
4				4
5	Distribution Wages & Salaries	-	Stmnt AI WP; Page AII; Line 5	5
6				6
7	Customer Accounts Wages & Salaries	-	Stmnt AI WP; Page AII; Line 7	7
8				8
9	Customer Services and Informational Wages & Salaries	-	Stmnt AI WP; Page AII; Line 9	9
10				10
11	Sales Wages & Salaries	-	Stmnt AI WP; Page AII; Line 11	11
12				12
13	Sub-Total	\$ -	Sum Lines 1 thru 11	13
14				14
15	Administrative and General Wages & Salaries	\$ -	Stmnt AI WP; Page AII; Line 15	15
16				16
17	Total Operating & Maintenance Wages & Salaries	\$ -	Sum Lines 13; 15	17
18				18
19	Transmission Wages and Salaries Allocation Factor	#DIV/0!	Line 3 / Line 13	19

SAN DIEGO GAS AND ELECTRIC COMPANY

Statement AJ

Depreciation and Amortization Expense

Base Period 12 - Months Ending xxxxxx

(\$1,000)

Line No.		Amounts	Reference	Line No.
1	Transmission Plant Depreciation Expense (net of incentive depreciation expense on line 21)	\$ -	Stmnt AJ WP; Page AJ1; Line 1	1
2				2
3	Electric Miscellaneous Intangible Plant Amortization Expense	\$ -	Stmnt AJ WP; Page AJ1; Line 3	3
4				4
5	General Plant Depreciation Expense	-	Stmnt AJ WP; Page AJ1; Line 5	5
6				6
7	Common Plant Depreciation Expense	-	Stmnt AJ WP; Page AJ1; Line 7	7
8				8
9	Transmission Wages and Salaries Allocation Factor	#DIV/0!	Stmnt AJ WP; Page AJ1; Line 9	9
10				10
11	Transmission Related Electric Misc. Intangible Plant Amortization Expense	#DIV/0!	Line 3 x Line 9	11
12				12
13	Transmission Related General Plant Depreciation Expense	#DIV/0!	Line 5 x Line 9	13
14				14
15	Transmission Related Common Plant Depreciation Expense	#DIV/0!	Line 7 x Line 9	15
16				16
17	Total Transmission, General, Common Plant Depn. Exp., and Electric Misc. Intangible Plant Amort. Exp.	#DIV/0!	Sum Lines 1; 11; 13; 15	17
18				18
19	Valley Rainbow Project Cost Amortization Expense ¹	\$ -	Stmnt AJ WP; Page AJ1; Line 19	19
20				20
21	Incentive Transmission Plant Depreciation Expense	\$ -	Stmnt AJ WP; Page AJ1; Line 21	21
22				22
23	Transmission Plant Abandoned Project Cost Amortization Expense	\$ -	Stmnt AJ WP; Page AJ1; Line 23	23
24				24
25	Incentive Transmission Plant Abandoned Project Cost Amortization Expense	\$ -	Stmnt AJ WP; Page AJ1; Line 25	25

¹ Amortization approval per ER03-601-000 issued May 2, 2003 for a 10-year period beginning October 2003 and ending September 2013.

SAN DIEGO GAS AND ELECTRIC COMPANY

Statement AK

Taxes Other Than Income Taxes

Base Period 12 - Months Ending xxxxxx

(\$1,000)

Line No.		Amounts	Reference	Line No.
1	Total Property Taxes	\$ -	Stmnt AK WP; Page AK1; Line 5	1
2				2
3	Less: SONGS Property Taxes	-	Stmnt AK WP; Page AK1; Line 7	3
4				4
5	Property Taxes Less SONGS	\$ -	Line 1 Minus Line 3	5
6				6
7				7
8	<u>Derivation of Transmission Related Property Tax Allocation Factor:</u>			8
9	Total Transmission Plant & Incentive Transmission Plant	\$ -	Stmnt AD WP; Page AD1; Line 29	9
10	Transmission Related Electric Miscellaneous Intangible Plant	0	Shall be Zero	10
11	Transmission Related General Plant	#DIV/0!	Stmnt AD WP; Page AD1; Line 33	11
12	Transmission Related Common Plant	#DIV/0!	Stmnt AD WP; Page AD1; Line 35	12
13	Total	#DIV/0!	Sum Lines 9 thru 12	13
14				14
15	Total Transmission Plant & Incentive Transmission Plant	-	Stmnt AD WP; Page AD1; Line 29	15
16	Total Electric Miscellaneous Intangible Plant	0	Shall be Zero	16
17	Total Steam Plant	-	Stmnt AD WP; Page AD1; Line 3	17
18	Total Nuclear Plant	0	Shall be Zero	18
19	Total Other Production Plant	-	Stmnt AD WP; Page AD1; Line 9	19
20	Total Distribution Plant	-	Stmnt AD WP; Page AD1; Line 13	20
21	Total General Plant	-	Stmnt AD WP; Page AD1; Line 21	21
22	Total Common Plant	-	Stmnt AD WP; Page AD1; Line 23	22
23	Total Investment in Plant Excluding SONGS	\$ -	Sum Lines 15 thru 22	23
24				24
25	Transmission Related Property Tax Allocation Factor	#DIV/0!	Line 13 / Line 23	25
26				26
27	Transmission Related Property Taxes Expense	#DIV/0!	Line 5 x Line 25	27
28				28
29	Payroll Taxes	\$ -	Stmnt AK WP; Page AK1; Line 16	29
30				30
31	Transmission Wages and Salaries Allocation Factor	#DIV/0!	Statement AI; Line 19	31
32				32
33	Transmission Related Payroll Taxes Expense	#DIV/0!	Line 29 x Line 31	33

SAN DIEGO GAS AND ELECTRIC COMPANY

**Statement AL
Working Capital**

Base Period 12 - Months Ending xxxxxx

(\$1,000)

Line No.		Amounts	Reference	Line No.
1	A. Plant Materials and Operating Supplies ^a	\$ -	Stmnt AL WP; Page AL1; Line 1	1
2				2
3	Transmission Plant Allocation Factor	#DIV/0!	Stmnt AD WP; Page AD1; Line 39	3
4				4
5	Transmission Related Materials and Supplies	#DIV/0!	Line 1 x Line 3	5
6				6
7	B. Prepayments ^a	\$ -	Stmnt AL WP; Page AL1; Line 7	7
8				8
9	Transmission Related Prepayments	#DIV/0!	Line 3 x Line 7	9
10				10
11	<u>C. Derivation of Transmission Related Cash Working Capital:</u>			11
12	Transmission Operation & Maintenance Expense	\$ -	Stmnt AL WP; Page AL1; Line 12	12
13	Transmission Related Administrative & General Expense	#DIV/0!	Stmnt AL WP; Page AL1; Line 13	13
14	CPUC Intervenor Funding Expense - Transmission	-	Stmnt AL WP; Page AL1; Line 14	14
15	Total	#DIV/0!	Sum Lines 12 thru 14	15
16				16
17	One Eighth O&M Method	12.50%	FERC Method = 1/8 of O&M	17
18				18
19	Transmission Related Cash Working Capital - Retail Customers	#DIV/0!	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	\$ -	Stmnt AL WP; Page AL1; Line 22	22
23				23
24	One Eighth O&M Rule	12.50%	FERC Method = 1/8 of O&M	24
25				25
26	Adj. to Transmission Related Cash Working Capital - Wholesale Customers	\$ -	Line 22 x Line 24	26
27				27
28	Cost of Capital Rate _(COCR)	#DIV/0!	Stmnt AL WP; Page AL1; Line 28	28
29				29
30	CPUC Intervenor Funding Exp. Revenue Adj. ^b	#DIV/0!	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 AM

Construction Work In Progress

Base Period 12 - Months Ending xxxxxx

(\$1,000)

Line No.		Amounts	Reference	Line No.
1	Incentive Transmission Construction Work In Progress ^a	\$ -	Stmnt AM WP; Page AM1; Line 1	1

^a The balance for Incentive Transmission Construction Work In Progress is derived based on a 13-month average balance. A line will be shown for each applicable project.

SAN DIEGO GAS AND ELECTRIC COMPANY
Statement AQ
Federal Income Tax Deductions, Other Than Interest
Base Period 12 - Months Ending xxxxxx
(\$1,000)

Line No.		Amounts	Reference	Line No.
1	South Georgia Income Tax Adjustment	\$ -	Stmnt AQ WP; Page AQ1; Line 1	1

SAN DIEGO GAS AND ELECTRIC COMPANY

Statement AR

Federal Tax Adjustments

Base Period 12 - Months Ending xxxxxx

(\$1,000)

<u>Line No.</u>		<u>Amounts</u>	<u>Reference</u>	<u>Line No.</u>
1	Transmission Related Amortization of Investment Tax Credits	\$ -	Stmnt AR WP; Page AR1; Line 1	1
2				2
3	Transmission Related Amortization of Excess Deferred Tax Liabilities	-	Stmnt AR WP; Page AR1; Line 3	3
4				4
5	Total	<u>\$ -</u>	Sum Lines 1 thru 3	5

SAN DIEGO GAS AND ELECTRIC COMPANY

Statement AU

Revenue Credits

Base Period 12 - Months Ending xxxxxx

(\$1,000)

Line No.		Amounts	Reference	Line No.
1	(451) Miscellaneous Service Revenues	\$ -	Stmnt AU WP; Page AU1; Line 1	1
2				2
3	(453) Sales of Water and Water Power	-	Stmnt AU WP; Page AU1; Line 3	3
4				4
5	(454) Rent from Electric Property	-	Stmnt AU WP; Page AU1; Line 5	5
6				6
7	(455) Interdepartmental Rents	-	Stmnt AU WP; Page AU1; Line 7	7
8				8
9	(456) Other Electric Revenues	-	Stmnt AU WP; Page AU1; Line 9	9
10				10
11	Transmission Related Revenue Credits	\$ -	Sum Lines 1 thru 9	11
12				12
13	(411.6 & 411.7) Gain or Loss From Sale of Plant Held for Future Use	\$ -	Stmnt AU WP; Page AU1; Line 13	13

SAN DIEGO GAS AND ELECTRIC COMPANY

Statement AV

Cost of Capital and Fair Rate of Return

Base Period 12 - Months Ending xxxxxx

(\$1,000)

Line No.		Amounts	Reference	Line No.
1	<u>Long-Term Debt Component - Denominator:</u>			1
2	(Plus): Account 221 - Bonds	\$ -	Stmnt AV WP; Page AV1; Line 2	2
3	(Less): Account 222 - Reacquired Bonds	-	Stmnt AV WP; Page AV1; Line 3	3
4	(Plus): Account 224 - Other Long-Term Debt (Acct. 224)	-	Stmnt AV WP; Page AV1; Line 4	4
5	(Plus): Account 225 - Unamortized Premium on Long-Term Debt	-	Stmnt AV WP; Page AV1; Line 5	5
6	(Less): Account 226 - Unamortized Discount on Long-Term Debt-Debit	-	Stmnt AV WP; Page AV1; Line 6	6
			Line 2 Minus Line 3 Plus Lines 4 & 5 Minus	
7	Total Long Term Debt (LTD)	\$ -	Line 6	7
8				8
9	<u>Long-Term Debt Component - Numerator:</u>			9
10	(Plus): Account 427 - Interest on Long-Term Debt	\$ -	Stmnt AV WP; Page AV1; Line 10	10
11	(Plus): Account 428 - Amort. of Debt Disc. and Expense	-	Stmnt AV WP; Page AV1; Line 11	11
12	(Plus): Account 428.1 - Amortization of Loss on Reacquired Debt	-	Stmnt AV WP; Page AV1; Line 12	12
13	(Less): Account 429 - Amort. of Premium on Debt-Credit	-	Stmnt AV WP; Page AV1; Line 13	13
14	(Less): Account 429.1 - Amortization of Gain on Reacquired Debt-Credit	-	Stmnt AV WP; Page AV1; Line 14	14
15	Total LTD Interest = (i)	\$ -	Sum Lines 10; 11; 12 Minus Lines 13 & 14	15
16				16
17	<u>Cost of Long-Term Debt:</u>	#DIV/0!	Line 15 / Line 7	17
18				18
19	<u>Preferred Equity Component:</u>			19
20	PF = Preferred Stock - Account 204	\$ -	Stmnt AV WP; Page AV1; Line 20	20
21	d(pf) = Total Dividends Declared-Preferred Stocks - Account 437	\$ -	Stmnt AV WP; Page AV1; Line 21	21
22	Cost of Preferred Equity	#DIV/0!	Line 21 / Line 20	22
23				23
24	<u>Common Equity Component:</u>			24
25	Proprietary Capital	\$ -	Stmnt AV WP; Page AV1; Line 25	25
26	(Less): Account 204 - Preferred Stock	-	Stmnt AV WP; Page AV1; Line 26	26
27	(Less): Account 216.1 - Unappropriated Undistributed Subsidiary Earnings	-	Stmnt AV WP; Page AV1; Line 27	27
28	(Less): Account 219 - Accumulated Other Comprehensive Income	-	Stmnt AV WP; Page AV1; Line 28	28
29	CS = Common Stock	\$ -	Line 25 Minus Lines 26, 27 & 28	29
30				30
31	<u>Return on Common Equity</u>	10.05%	Stmnt AV WP; Page AV1; Line 31	31
32				32
33	(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		34
35				35
36	Long-Term Debt	\$ - #DIV/0! #DIV/0! #DIV/0!	Col. C = Line 17 Above	36
37	Preferred Equity	- #DIV/0! #DIV/0! #DIV/0!	Col. C = Line 22 Above	37
38	Common Equity	- #DIV/0! 10.05% #DIV/0!	Col. C = Line 31 Above	38
39	Total Capital	\$ - #DIV/0! #DIV/0!	Sum Lines 36 thru 38	39
40				40
41	<u>Cost of Equity Component (Preferred & Common):</u>	#DIV/0!	Sum Lines 37; 38; Col. (d)	41
42				42
43				43
44	<u>Incentive Return on Common Equity:</u> ²	0.00%	Stmnt AV WP; Page AV1; Line 44	44
45				45
46	(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		47
48				48
49	Long-Term Debt	\$ - #DIV/0! #DIV/0! #DIV/0!	Col. C = Line 17 Above	49
50	Preferred Equity	- #DIV/0! #DIV/0! #DIV/0!	Col. C = Line 22 Above	50
51	Common Equity	- #DIV/0! 0.00% #DIV/0!	Col. C = Line 44 Above	51
52	Total Capital	\$ - #DIV/0! #DIV/0!	Sum Lines 49 thru 51	52
53				53
54	<u>Incentive Cost of Equity Component (Preferred & Common):</u>	#DIV/0!	Sum Lines 50; 51; Col. (d)	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.

SAN DIEGO GAS AND ELECTRIC COMPANY

Statement AV

Cost of Capital and Fair Rate of Return

Base Period 12 - Months Ending xxxxxx

(\$1,000)

Line No.		Amounts	Reference	Line No.
1	<u>Cost of Capital Rate (COCR) Calculation:</u>			1
2				2
3	<u>a) Federal Income Tax Component:</u>			3
4				4
5	<u>Where:</u>			5
6	A = Sum of Preferred Stock and Return on Equity Component	#DIV/0!	Statement AV; Page 14; Line 41	6
7	B = Trans. Related Amort. of ITC and Excess Deferred Tax Liab.	\$ -	Statement AR; Page 12; Line 5	7
8	C = Equity AFUDC Component of Transmission Depreciation Expense	\$ -	Stmnt AV WP; Page AV2; Line 8	8
9	D = Transmission Rate Base	#DIV/0!	Statement BK1; Page 2; Line 26	9
10	FT = Federal Income Tax Rate @ 35%	0%	Stmnt AV WP; Page AV2; Line 10	10
11				11
12	Federal Income Tax = $\frac{(((A) + (C / D)) * FT) - (B / D)}{(1 - FT)}$	#DIV/0!	Federal Income Tax Expense	12
13				13
14				14
15	<u>b) State Income Tax Component:</u>			15
16				16
17	<u>Where:</u>			17
18	A = Sum of Preferred Stock and Return on Equity Component	#DIV/0!	Statement AV; Page 14; Line 41	18
19	B = Equity AFUDC Component of Transmission Depreciation Expense	\$ -	Line 8 Above	19
20	C = Transmission Rate Base	#DIV/0!	Statement BK1; Page 2; Line 26	20
21	FT = Federal Income Tax Expense	#DIV/0!	Line 12 Above	21
22	ST = State Income Tax Rate @ 8.84%	0.00%	Stmnt AV WP; Page AV2; Line 22	22
23				23
24	State Income Tax = $\frac{((A) + (B / C) + \text{Federal Income Tax}) * (ST)}{(1 - ST)}$	#DIV/0!	State Income Tax Expense	24
25				25
26				26
27	<u>c) Total Federal & State Income Tax Expense:</u>	#DIV/0!	Sum Lines 12; 24	27
28				28
29	<u>d) Total Weighted Cost of Capital:</u>	#DIV/0!	Statement AV; Page 14; Line 39	29
30				30
31	<u>e) Cost of Capital Rate (COCR):</u>	#DIV/0!	Sum Lines 27; 29	31

SAN DIEGO GAS AND ELECTRIC COMPANY

Statement AV

Cost of Capital and Fair Rate of Return

Base Period 12 - Months Ending xxxxxx

(\$1,000)

Line No.		Amounts	Reference	Line No.
1	<u>Incentive Cost of Capital Rate (ICOCR) Calculation:</u> ¹			1
2				2
3	<u>a) Federal Income Tax Component:</u>			3
4				4
5	<u>Where:</u>			5
6	A = Sum of Preferred Stock and Return on Equity Component	#DIV/0!	Statement AV; Page 14; Line 54	6
7	B = Trans. Related Amort. of ITC and Excess Deferred Tax Liab.	\$ -	Stmnt AV WP; Page AV3; Line 7	7
8	C = Equity AFUDC Component of Transmission Depreciation Expense	\$ -	Stmnt AV WP; Page AV3; Line 8	8
9	D = Incentive ROE Project Transmission Rate Base	\$ -	Statement BK1; Page 2; Line 31	9
10	FT = Federal Income Tax Rate @ 35%	0%	Stmnt AV WP; Page AV3; Line 10	10
11				11
12	Federal Income Tax = $\frac{(((A) + (C / D)) * FT) - (B / D)}{(1 - FT)}$	#DIV/0!	Federal Income Tax Expense	12
13				13
14				14
15	<u>b) State Income Tax Component:</u>			15
16				16
17	<u>Where:</u>			17
18	A = Sum of Preferred Stock and Return on Equity Component	#DIV/0!	Statement AV; Page 14; Line 54	18
19	B = Equity AFUDC Component of Transmission Depreciation Expense	\$ -	Line 8 Above	19
20	C = Incentive ROE Project Transmission Rate Base	\$ -	Line 9 Above	20
21	FT = Federal Income Tax Expense	#DIV/0!	Line 12 Above	21
22	ST = State Income Tax Rate @ 8.84%	0.00%	Stmnt AV WP; Page AV3; Line 22	22
23				23
24	State Income Tax = $\frac{((A) + (B / C) + \text{Federal Income Tax}) * (ST)}{(1 - ST)}$	#DIV/0!	State Income Tax Expense	24
25				25
26				26
27	<u>c) Total Federal & State Income Tax Expense:</u>	#DIV/0!	Sum Lines 12; 24	27
28				28
29	<u>d) Total Incentive Weighted Cost of Capital:</u>	#DIV/0!	Statement AV; Page 14; Line 52	29
30				30
31	<u>e) Incentive Cost of Capital Rate (ICOCR):</u>	#DIV/0! ¹	Sum Lines 27; 29	31

¹ The Incentive Cost of Capital Rate Calculation will be tracked and shown separately for each project. As a result, lines 3 through 31 will be repeated for each project. However, this will be entered as 0% in BK-1 when there's no incentive project to show.

SAN DIEGO GAS AND ELECTRIC COMPANY
Miscellaneous Statement

Base Period 12 - Months Ending xxxxxx

(\$1,000)

Line No.	Amounts	Reference	Line No.
1 Transmission Related Regulatory Debits		Note 1	1
2			2
3			3
4 Transmission Plant Abandoned Project Cost		Note 1	4
5			5
6			6
7 Other Regulatory Assets/Liabilities		Note 1	7
8			8
9			9
10 Incentive Transmission Plant Abandoned Project Cost		Note 1	10

¹ None of the above items apply to SDG&E's TO4 Cycle 1 filing. However, as one or more of these items apply, subject to FERC approval, the applicable data field will be filled.

SAN DIEGO GAS AND ELECTRIC COMPANY
Statement AD - Workpapers
Cost of Plant

Base Period 12 - Months Ending xxxxxx
(\$1,000)

Line No		(a) 12/31/xxxx	(b) 12/31/xxxx	(c) = [(a)+(b)]/2 Average Balance	Reference	Line No
1	Total Electric Miscellaneous Intangible Plant ^{a, 1}			\$ -	Stmt AD WP; Page AD	1
2						2
3	Total Steam Production Plant ^b				Stmt AD WP; Page AD	3
4						4
5	Total Nuclear Production Plant ^b				Stmt AD WP; Page AD	5
6						6
7	Total Hydraulic Production Plant ^b			-	Stmt AD WP; Page AD	7
8						8
9	Total Other Production Plant ^b				Stmt AD WP; Page AD	9
10						10
11	Total Production Plant and Intangible Plant			\$ -	Sum Lines 1 thru 9	11
12						12
13	Total Distribution Plant ^a			-	Stmt AD WP; Page AD	13
14						14
15	Transmission Plant ^{b, 2}				Stmt AD WP; Page AD	15
16						16
17	Incentive Transmission Plant ³			-	Stmt AD WP; Page AD	17
18						18
19	Total Transmission Plant & Incentive Transmission Plant			-	Sum Lines 15 thru 17	19
20						20
21	Total General Plant ^{a, 1}			-	Stmt AD WP; Page AD	21
22						22
23	Total Common Plant ^{a, 1}			-	Stmt AD WP; Page AD	23
24						24
25	Total Plant in Service			\$ -	Sum Lines 11; 13; 19; 21; 23	25
26						26
27	Transmission Wages and Salaries Allocation Factor			#DIV/0!	Statement AI; Line 19	27
28						28
29	Total Transmission Plant & Incentive Transmission Plant			\$ -	See Line 19 Above	29
30						30
31	Transmission Related Electric Miscellaneous Intangible Plant			#DIV/0!	Line 1 x Line 27	31
32						32
33	Transmission Related General Plant			#DIV/0!	Line 21 x Line 27	33
34						34
35	Transmission Related Common Plant			#DIV/0!	Line 23 x Line 27	35
36						36
37	Transmission Related Total Plant in Service			#DIV/0!	Sum Lines 29; 31; 33; 35	37
38						38
39	Transmission Plant Allocation Factor ⁴			#DIV/0!	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 AND ELECTRIC COMPANY

Statement AE - Workpapers

Accumulated Depreciation and Amortization

Base Period 12 - Months Ending xxxxxx

(\$1,000)

Line No		(a) 12/31/xxxx	(b) 12/31/xxxx	(c) = [(a)+(b)]/2 Average Balance	Reference	Line No
1	Transmission Plant Depreciation Reserve ^{a, 1}				Stmt AE WP; Page AE	1
2						2
3	Electric Misc. Intangible Plant Amortization Reserve ^{b, 2}			-	Stmt AE WP; Page AE	3
4						4
5	General Plant Depreciation Reserve ^{b, 2}			-	Stmt AE WP; Page AE	5
6						6
7	Common Plant Depreciation Reserve ^{b, 2}			-	Stmt AE WP; Page AE	7
8						8
9	Transmission Wages and Salaries Allocation Factor			#DIV/0!	Statement AI; Line 19	9
10						10
11	Transmission Related Electric Misc. Intangible Plant Amortization Reserve			#DIV/0!	Line 3 x Line 9	11
12						12
13	Transmission Related General Plant Depreciation Reserve			#DIV/0!	Line 5 x Line 9	13
14						14
15	Transmission Related Common Plant Depreciation Reserve			#DIV/0!	Line 7 x Line 9	15
16						16
17	Total Transmission Related Depreciation Reserve			#DIV/0!	Sum Lines 1; 11; 13; 15	17
18						18
19	Incentive Transmission Plant Depreciation Reserve			\$ -	Stmt AE WP; Page AE	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 AND ELECTRIC COMPANY
Statement AF - Workpapers
Deferred Credits

Base Period 12 - Months Ending xxxxxx

(\$1,000)

Line No		(a) 12/31/xxxx	(b) 12/31/xxxx	(c) = [(a)+(b)]/2 Average Balance	Reference	Line No
1	Transmission Related ADIT- Excluding Bonus Depreciation			\$ -	Stmt AF WP; Page AF	1
2						2
3	Transmission Related ADIT from Bonus Depreciation			-	Stmt AF WP; Page AF	3
4						4
5	Total Transmission Related ADIT	\$ -	\$ -	\$ -	Sum of Lines 1 thru 3	5
6					Form 1; Pg. 450.1; Sch. Pg. 274; Ln 2; Cols. b and k	6
7						7
8	Incentive Transmission Plant ADIT			\$ -	Stmt AF WP; Page AF	8
9						9
10	Transmission Plant Abandoned ADIT			\$ -	Stmt AF WP; Page AF	10
11						11
12	Incentive Transmission Plant Abandoned Project Cost ADIT			\$ -	Stmt AF WP; Page AF	12

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 xxxxxx
(\$1,000)

<u>Line No</u>	(a) <u>12/31/xxxx</u>	(b) <u>12/31/xxxx</u>	(c) = [(a)+(b)]/2 <u>Average Balance</u>	<u>Reference</u>	<u>Line No</u>
1	Transmission Plant Held for Future Use ¹			Stmt AG WP; Page AG	1

¹ The balances for Transmission Plant Held for Future Use are derived based on a 13-month average balance.

SAN DIEGO GAS AND ELECTRIC COMPANY
Statement AH - Workpapers
Operation and Maintenance Expenses
Base Period 12 - Months Ending xxxxxx
(\$1,000)

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
32			32
33			33
34			34
35			35
36			36
37			37
38			38
39			39
40			40
42			42
41			41
43			43
44			44
45			45
46			46
47			47
48			48
49			49
50			50
51			51
52			52
53			53
54			54
55			55
56			56

¹ The CPUC Intervenor Expense for Transmission shall be treated as an exclusion in A&G but added back to the Retail BTRR on BK-1, page 1, line 6. This expense will be excluded in Wholesale BTRR on BK-2, page 1, line 4.

SAN DIEGO GAS AND ELECTRIC COMPANY

Statement AI - Workpapers

Wages and Salaries

Base Period 12 - Months Ending xxxxxx

(\$1,000)

Line No.		Amounts	Reference	Line No.
1	Production Wages & Salaries (Includes Steam & Other Power Supply)		Form 1; Page 354; Line 20; Col. b	1
2				2
3	Transmission Wages & Salaries		Form 1; Page 354; Line 21; Col. b	3
4				4
5	Distribution Wages & Salaries		Form 1; Page 354; Line 23; Col. b	5
6				6
7	Customer Accounts Wages & Salaries		Form 1; Page 354; Line 24; Col. b	7
8				8
9	Customer Services and Informational Wages & Salaries		Form 1; Page 354; Line 25; Col. b	9
10				10
11	Sales Wages & Salaries		Form 1; Page 354; Line 26; Col. b	11
12				12
13	Sub-Total	\$ -	Sum Lines 1 thru 11	13
14				14
15	Administrative and General Wages & Salaries		Form 1; Page 354; Line 27; Col. b	15
16				16
17	Total Operating & Maintenance Wages & Salaries	<u>\$ -</u>	Sum Lines 13; 15	17
18				18
19	Transmission Wages and Salaries Allocation Factor	<u><u>#DIV/0!</u></u>	Line 3 / Line 13	19

SAN DIEGO GAS AND ELECTRIC COMPANY
Statement AJ - Workpapers
Depreciation and Amortization Expense
Base Period 12 - Months Ending xxxxxx
(\$1,000)

Line No.		Amounts	Reference	Line No.
1	Transmission Plant Depreciation Expense (net of incentive depreciation expense on line 21)		Stmt AJ WP; Page AJ	1
2				2
3	Electric Miscellaneous Intangible Plant Amortization Expense		Stmt AJ WP; Page AJ	3
4				4
5	General Plant Depreciation Expense		Stmt AJ WP; Page AJ	5
6				6
7	Common Plant Depreciation Expense		Stmt AJ WP; Page AJ	7
8				8
9	Transmission Wages and Salaries Allocation Factor	#DIV/0!	Statement AI; Line 19	9
10				10
11	Transmission Related Electric Misc. Intangible Plant Amortization Expense	#DIV/0!	Line 3 x Line 9	11
12				12
13	Transmission Related General Plant Depreciation Expense	#DIV/0!	Line 5 x Line 9	13
14				14
15	Transmission Related Common Plant Depreciation Expense	#DIV/0!	Line 7 x Line 9	15
16				16
17	Total Transmission, General, Common Plant Depn. Exp., and Electric Misc. Intangible Plant Amort. Exp.	#DIV/0!	Sum Lines 1; 11; 13; 15	17
18				18
19	Valley Rainbow Project Cost Amortization Expense ¹		Stmt AJ WP; Page AJ	19
20				20
21	Incentive Transmission Plant Depreciation Expense		Stmt AJ WP; Page AJ	21
22				22
23	Transmission Plant Abandoned Project Cost Amortization Expense		Stmt AJ WP; Page AJ	23
24				24
25	Incentive Transmission Plant Abandoned Project Cost Amortization Expense		Stmt AJ WP; Page AJ	25

¹ Amortization approval per ER03-601-000 issued May 2, 2003 for a 10-year period beginning October 2003 and ending September 2013.

SAN DIEGO GAS AND ELECTRIC COMPANY
Statement AJ - Workpapers
TO4 - Annual Transmission Plant Depreciation Rates ¹

Line No	FERC Account	Description	(a) Life Rate	(b) Removal Rate	(c) = a + b Total Rate	Line No
1	E352.10	Other	1.36%	0.82%	2.18%	1
2	E352.20	SWPL	1.01%	0.61%	1.62%	2
3	E352.60	SRPL	1.39%	0.00%	1.39%	3
4	E352 - Total	Struct & Improv	1.36%	0.32%	1.68%	4
5	E353.10	Other	2.20%	1.32%	3.52%	5
6	E353.20	SWPL	2.51%	1.51%	4.02%	6
7	E353.40	CTC	2.03%	1.22%	3.25%	7
8	E353.60	SRPL	2.01%	0.00%	2.01%	8
9	E353	Station Equip	2.20%	1.00%	3.20%	9
10	E354.10	Other	1.57%	1.56%	3.13%	10
11	E354.20	SWPL	1.33%	1.32%	2.65%	11
12	E354.60	SRPL	1.47%	0.00%	1.47%	12
13	E354	Towers & Fixtrs	1.46%	0.24%	1.70%	13
14	E355.10	Other	2.33%	2.32%	4.65%	14
15	E355.20	SWPL	2.54%	2.54%	5.08%	15
16	E355.60	SRPL	2.26%	0.00%	2.26%	16
17	E355	Poles & Fixtrs	2.33%	2.26%	4.59%	17
18	E356.10	Other	1.60%	1.60%	3.20%	18
19	E356.20	SWPL	0.89%	0.88%	1.77%	19
20	E356.60	SRPL	1.75%	0.00%	1.75%	20
21	E356	OVH Cnd & Dev	1.57%	1.10%	2.67%	21
22	E357.00	Other & SWPL	1.68%	0.75%	2.43%	22
23	E357.60	Other & SRPL	1.69%	0.00%	1.69%	23
24	E357	Trans UG Cnduit	1.69%	0.36%	2.05%	24
25	E358.00	Other & SWPL	1.89%	0.19%	2.08%	25
26	E358.60	Other & SRPL	2.02%	0.00%	2.02%	26
27	E358	Trans UG Cndctr	1.98%	0.07%	2.05%	27
28	E359.10	Other	1.65%	0.00%	1.65%	28
29	E359.20	SWPL	1.44%	0.00%	1.44%	29
30	E359.60	SRPL	1.68%	0.00%	1.68%	30
31	E359	Roads & Trails	1.67%	0.00%	1.67%	31
32						32
33	Composite Depreciation Rate		1.82%	0.70%	2.52%	33

¹ The rates in these subaccounts will not change during the term of the TO4 Formula. Workpapers will be included in each Annual Information Filing that will calculate the annual composite rates shown on Line 33 pursuant to Term 53 in Appendix VIII.

SAN DIEGO GAS AND ELECTRIC COMPANY
Statement AJ - Workpapers
TO4 - Annual Intangible Plant Authorized Amortization Period

Line No	FERC Acct No	DESCRIPTION	Amortization Period (Yrs) ¹	Line No
1				1
2		ELECTRIC DISTRIBUTION		2
3	E303	Electric Distribution Software		3
4	E360	Electric Distribution Easements (land rights)		4
5				5
6		ELECTRIC TRANSMISSION		6
7	E350	Electric Transmission Easements (land rights)		7
8				8

- ¹ These periods may not be changed absent a section 205 or 206 filing. The annual Information Filing will reference the docket number of the FERC proceeding that establishes new General Plant and Common Plant depreciation rates and Intangible Plant amortization periods.

SAN DIEGO GAS AND ELECTRIC COMPANY
Statement AJ - Workpapers
TO4 - Annual General Plant Depreciation Rates
Cycle x, For 12 - Months Ending xxxxx

20xx General Rates ¹

Rates based on 12/31/20xx Plant Balances						
Line No	FERC Account	Description	(a) Life Rate	(b) Removal Rate	(c) = a + b Total Rate	Line No
1						1
2	E0139000	Struct. and Improv.			0.00%	2
3	E0139220	Transprt'n Eq.-Trailer			0.00%	3
4	E0139310	Stores Equip.-Other			0.00%	4
5	E0139411	Portable Tools-Other			0.00%	5
6	E0139420	Shop Equipment			0.00%	6
7	E0139510	Laboratory Eq.-Other			0.00%	7
8	E0139710	Commun. Equip.-Other			0.00%	8
9	E0139720	Commun. Equip.-SWPL			0.00%	9
10	E0139760	Commun. Equip.-SRPL			0.00%	10
11	E0139810	Misc. Equip. - Other			0.00%	11
12						12

- ¹ These rates may not be changed absent a section 205 or 206 filing.
The annual Information Filing will reference the docket number of the FERC proceeding that establishes new General Plant and Common Plant depreciation rates and Intangible Plant amortization periods.

SAN DIEGO GAS AND ELECTRIC COMPANY
Statement AJ - Workpapers
TO4 Annual Common Plant Depreciation Rates
Cycle x, For 12 - Months Ending xxxxx

20xx Common Rates ¹

Rates based on 12/31/20xx Plant Balances						
Line No	FERC Account	Description	(a) Life Rate	(b) Removal Rate	(c) = a + b Total Rate	Line No
1						1
2	C1839010	Struct & Imprv-Other			0.00%	2
3	C1839110	Offc Furn & Eq-Other			0.00%	3
4	C1839120	Offc Furn & Eq-Cmptr			0.00%	4
5	C1839220	Transprt'n Eq-Trailer			0.00%	5
6	C1839310	Stores Equip.-Other			0.00%	6
7	C1839411	Portable Tools-Other			0.00%	7
8	C1839421	Shop Equip. - Other			0.00%	8
9	C1839431	Garage Equip.-Other			0.00%	9
10	C1839510	Laboratory Eq.-Other			0.00%	10
11	C1839710	Commun. Equip.-Other			0.00%	11
12	C1839810	Misc. Equip. - Other			0.00%	12
13						13

- ¹ These rates may not be changed absent a section 205 or 206 filing. The annual Information Filing will reference the docket number of the FERC proceeding that establishes new General Plant and Common Plant depreciation rates and Intangible Plant amortization periods.

SAN DIEGO GAS AND ELECTRIC COMPANY

Statement AK - Workpapers

Taxes Other Than Income Taxes

Base Period 12 - Months Ending xxxxxx

(\$1,000)

Line No.		Amounts	Reference	Line No.
1	Total Property Taxes		Form 1; Page 263; Line 2; Col. i	1
2				2
3	Less: Other Taxes (Business license taxes)		Stmt AK WP; Page AK	3
4				4
5	Net Property Taxes	\$ -	Line 1 Minus Lines 3	5
6				6
7	Less: SONGS Property Taxes		Form 1; Page 450.1; Sch. Pg. 262; Line 2	7
8				8
9	Total Property Taxes Expense	\$ -	Line 5 Minus Line 7	9
10				10
11	Transmission Related Property Tax Allocation Factor	#DIV/0!	Cost Statement AK; Pg 8 of 17; Line 25	11
12				12
13	Transmission Related Property Taxes Expense	#DIV/0!	Line 9 x Line 11	13
14				14
15				15
16	Total Payroll Taxes Expense		Form 1; Pg. 263; Lns 10;18;19;20; Col. i	16
17				17
18	Transmission Wages and Salaries Allocation Factor	#DIV/0!	Statement AI; Line 19	18
19				19
20	Transmission Related Payroll Taxes Expense	#DIV/0!	Line 16 x Line 18	20

SAN DIEGO GAS AND ELECTRIC COMPANY
Statement AL - Workpapers
Working Capital

Base Period 12 - Months Ending xxxxxx
(\$1,000)

Line No.		Working Cash	13 Months Average Balance	Reference	Line No.
1	A. Plant Materials and Operating Supplies ^a			Stmt AL WP; Page AL	1
2					2
3	Transmission Plant Allocation Factor		#DIV/0!	Stmnt AD WP; Page AD1; Line 39	3
4					4
5	Transmission Related Materials and Supplies		#DIV/0!	Line 1 x Line 3	5
6					6
7	B. Prepayments ^a			Stmt AL WP; Page AL	7
8					8
9	Transmission Related Prepayments		#DIV/0!	Line 3 x Line 7	9
10					10
11	C. Derivation of Transmission Related Cash Working Capital - Retail:				11
12	Transmission O&M Expense - Excl. Intervenor Funding Expense	\$ -		Stmnt AH WP; Page AH1; Line 9	12
13	Transmission Related Administrative & General Expense	#DIV/0!		Stmnt AH WP; Page AH1; Line 56	13
14	CPUC Intervenor Funding Expense - Transmission	-		Stmnt AH WP; Page AH1; Line 17	14
15	Total	#DIV/0!		Sum Lines 12 thru 14	15
16					16
17	One Eighth O&M Rule	12.50%		FERC Method = 1/8 of O&M Expense	17
18					18
19	Transmission Related Cash Working Capital - Retail Customers	#DIV/0!		Line 15 x Line 17	19
20					20
21	D. Adj. to Back Out CPUC Intervenor Funding Exp. Embedded in Retail Working Cash:				21
22	CPUC Intervenor Funding Expense - Transmission	\$ -		See Line 14 Above	22
23					23
24	One Eighth O&M Rule	12.50%		FERC Method = 1/8 of O&M Expense	24
25					25
26	Adj. to Transmission Related Cash Working Capital - Wholesale Customers \$	-		Line 22 x Line 24	26
27					27
28	Cost of Capital Rate _(COCR)	#DIV/0!		Stmnt AV WP; Page AV2; Line 31	28
29					29
30	CPUC Intervenor Funding Exp. Revenue Adj. ^b	#DIV/0!		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 AM - Workpapers
Construction Work In Progress (CWIP)
Base Period 12 - Months Ending xxxxxx
(\$1,000)

<u>Line No</u>		<u>13 Months Average Balance</u>	<u>Reference</u>	<u>Line No</u>
1	Incentive Transmission Construction Work In Progress ^a		Stmt AM WP; Page AM	1

^a The balance for Incentive Transmission Construction Work In Progress is derived based on a 13-month average balance.
A line will be shown for each applicable project.

SAN DIEGO GAS AND ELECTRIC COMPANY
Statement AQ - Workpapers
Federal Income Tax Deductions, Other Than Interest
Base Period 12 - Months Ending xxxxxx
(\$1,000)

<u>Line No.</u>	<u>Amounts</u>	<u>Reference</u>	<u>Line No.</u>
1		Stmt AQ WP; Page AQ	1
South Georgia Income Tax Adjustment			

SAN DIEGO GAS AND ELECTRIC COMPANY

Statement AR - Workpapers

Federal Tax Adjustments

Base Period 12 - Months Ending xxxxxx

(\$1,000)

Line No.		Amounts	Reference	Line No.
1	Transmission Related Amortization of Investment Tax Credits		Stmt AR WP; Page AR	1
2				2
3	Transmission Related Amortization of Excess Deferred Tax Liabilities		Form 1; Page 450.1; Sch. Pg 234; Line 2	3
4				4
5	Total	\$ -	Sum Lines 1; 3	5

SAN DIEGO GAS AND ELECTRIC COMPANY

Statement AU - Workpapers

Revenue Credits

Base Period 12 - Months Ending xxxxxx

(\$1,000)

Line No.		Amounts	Reference	Line No.
1	(451) Miscellaneous Service Revenues		Stmt AU WP; Page AU	1
2				2
3	(453) Sales of Water and Water Power		Stmt AU WP; Page AU	3
4				4
5	(454) Rent from Electric Property		Stmt AU WP; Page AU	5
6				6
7	(455) Interdepartmental Rents		Stmt AU WP; Page AU	7
8				8
9	(456) Other Electric Revenues		Stmt AU WP; Page AU	9
10				10
11	Transmission Related Revenue Credits	\$ -	Sum Lines 1 thru 9	11
12				12
13	(411.6 & 411.7) Gain or Loss From Sale of Plant Held for Future Use		FERC Accounts 411.6 and 411.7	13

SAN DIEGO GAS AND ELECTRIC COMPANY

Statement AV - Workpapers

Cost of Capital and Fair Rate of Return

Base Period 12 - Months Ending xxxxxx

(\$1,000)

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
7	LTD = Long Term Debt (p112, sum of Line17d thru Line22d, details on p256-257)	Line 2 Minus Line 3 Plus Lines 4 & 5	7
8		Minus Line 6	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	i = 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>	#DIV/0!	17
18		Line 15 / Line 7	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	#DIV/0!	22
23		Line 21 / Line 20	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%	31
32		Offer of Settlement in FERC Docket No. ER13-941-001	32
33	(a) (b) (c) (d) = (b) x (c)		33
34	Weighted Cost of Capital:	Weighted Cost of Capital	34
35	Amount ¹ Ratio	Capital	35
36	Long-Term Debt	#DIV/0!	36
37	Preferred Equity	#DIV/0!	37
38	Common Equity	10.05%	38
39	Total Capital	#DIV/0!	39
40			40
41	<u>Cost of Equity Component (Preferred & Common):</u>	#DIV/0!	41
42		Sum Lines 37; 38; Col. (d)	42
43			43
44	<u>Incentive Return on Common Equity:</u> ²		44
45	(a) (b) (c) (d) = (b) x (c)		45
46	Cap. Struct. Cost of	Weighted	46
47	Weighted Cost of Capital:	Cost of Capital	47
48	Amount ¹ Ratio	Capital	48
49	Long-Term Debt	#DIV/0!	49
50	Preferred Equity	#DIV/0!	50
51	Common Equity	0.00%	51
52	Total Capital	#DIV/0!	52
53			53
54	<u>Incentive Cost of Equity Component (Preferred & Common):</u>	#DIV/0!	54
		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.

SAN DIEGO GAS AND ELECTRIC COMPANY
Statement AV
Cost of Capital and Fair Rate of Return
Base Period 12 - Months Ending xxxxxx
(\$1,000)

Line No.	Amounts	Reference	Line No.
1	<u>Cost of Capital Rate (COCR) Calculation:</u>		1
2			2
3	<u>a. Federal Income Tax Component:</u>		3
4			4
5	Where:		5
6	A = Sum of Preferred Stock and Return on Equity Component	#DIV/0!	6
7	B = Trans. Related Amort. of ITC and Excess Deferred Tax Liab.	\$ -	7
8	C = Equity AFUDC Component of Transmission Depreciation Expense		8
9	D = Transmission Rate Base	#DIV/0!	9
10	FT = Federal Income Tax Rate @ 35%		10
11			11
12	Federal Income Tax = $\frac{(((A) + (C / D)) * FT) - (B / D)}{(1 - FT)}$	#DIV/0!	12
13		Federal Income Tax Expense	13
14			14
15	<u>B. State Income Tax Component:</u>		15
16			16
17	Where:		17
18	A = Sum of Preferred Stock and Return on Equity Component	#DIV/0!	18
19	B = Equity AFUDC Component of Transmission Depreciation Expense	\$ -	19
20	C = Transmission Rate Base	#DIV/0!	20
21	FT = Federal Income Tax Expense	#DIV/0!	21
22	ST = State Income Tax Rate @ 8.84%		22
23			23
24	State Income Tax = $\frac{((A) + (B / C) + \text{Federal Income Tax}) * (ST)}{(1 - ST)}$	#DIV/0!	24
25		State Income Tax Expense	25
26			26
27	<u>C. Total Federal & State Income Tax Rate:</u>	#DIV/0!	27
28		Sum Lines 12; 24	28
29	<u>D. Total Weighted Cost of Capital:</u>	#DIV/0!	29
30		Stmnt AV WP; Page AV1; Line 39	30
31	<u>E. Cost of Capital Rate (COCR):</u>	#DIV/0!	31

SAN DIEGO GAS AND ELECTRIC COMPANY

Statement AV

Cost of Capital and Fair Rate of Return

Base Period 12 - Months Ending xxxxxx

(\$1,000)

Line No.	Amounts	Reference	Line No.
1	Incentive Cost of Capital Rate _(ICOCR) Calculation: ¹		1
2			2
3	a. Federal Income Tax Component:		3
4			4
5	Where:		5
6	A = Sum of Preferred Stock and Return on Equity Component	#DIV/0!	6
7	B = Trans. Related Amort. of ITC and Excess Deferred Tax Liab.	0	7
8	C = Equity AFUDC Component of Transmission Depreciation Expense		8
9	D = Incentive ROE Project Transmission Rate Base	\$ -	9
10	FT = Federal Income Tax Rate @ 35%	0%	10
11			11
12	Federal Income Tax = $\frac{((A) + (C / D)) * FT - (B / D)}{(1 - FT)}$	#DIV/0!	12
13		Federal Income Tax Expense	13
14			14
15	B. State Income Tax Component:		15
16			16
17	Where:		17
18	A = Sum of Preferred Stock and Return on Equity Component	#DIV/0!	18
19	B = Equity AFUDC Component of Transmission Depreciation Expense	\$ -	19
20	C = Incentive ROE Project Transmission Rate Base	\$ -	20
21	FT = Federal Income Tax Expense	#DIV/0!	21
22	ST = State Income Tax Rate @ 8.84%	0.00%	22
23			23
24	State Income Tax = $\frac{((A) + (B / C) + \text{Federal Income Tax}) * (ST)}{(1 - ST)}$	#DIV/0!	24
25		State Income Tax Expense	25
26			26
27	C. Total Federal & State Income Tax Rate:	#DIV/0!	27
28		Sum Lines 12; 24	28
29	D. Total Incentive Weighted Cost of Capital:	#DIV/0!	29
30			30
31	E. Incentive Cost of Capital Rate _(ICOCR) :	#DIV/0! ¹	31
		Sum Lines 27; 29	

¹ The Incentive Cost of Capital Rate Calculation will be tracked and shown separately for each project. As a result, lines 3 through 31 will be repeated for each project. However, this will be entered as 0% in BK-1 when there's no incentive project to show.

San Diego Gas & Electric Company
Summary of HV-LV Splits for Forecast Plant Additions
Forecast Period from June 2012 - August 2014
(\$1,000)

Line No.		(a) Gross HV	(b) Gross LV	(c) Unweighted Total	(d) Net Wtd-HV	(e) Net Wtd-LV	(f) Weighted Total	Reference	Line No.
	<u>Non-Incentive Projects:</u>								
1	Forecast Period - Transmission Plant Additions			\$ -			\$ -	See Note 1 Below	1
2									2
3	Forecast Period - Transmission Related General; Common; and Electric Misc. Intangible Plant			-			-	See Note 2 Below	3
4									4
5	Sub-Total Non-Incentive Projects Forecast Plant Additions	-	-	-	-	-	-	Sum Lines 1 thru 3	5
6									6
7	<u>Incentive Projects:</u>								7
8	Forecast Period - Incentive Transmission Plant Additions			-			-	See Note 3 Below	8
9									9
10	Forecast Period - Incentive Transmission CWIP for the period after the base period and before the effective period			-			-	See Note 4 Below	10
11									11
12	Forecast Period - Incentive Transmission CWIP for the period during the rate effective period			-			-	See Note 5 Below	12
13									13
14	Sub-Total Incentive Projects Forecast Plant Additions	-	-	-	-	-	-	Sum Lines 8 thru 12	14
15									15
16	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Sum Lines 5; 14	16
17									17
18								HV = Line 16; Col (d) / Line 16; Col (f)	18
19	HV-LV Ratio (Weighted Transmission Forecast Plant Additions)				#DIV/0!	#DIV/0!	#DIV/0!	LV = Line 16; Col (e) / Line 16; Col (f)	19

- 1 See Summary of Weighted Transmission Plant Additions Workpapers
2 See Summary of Weighted Transmission Related General; Common; & Electric Misc. Intangible Plant Additions Workpapers
3 See Summary of Weighted Incentive Transmission Plant Additions Workpapers
4 See Summary of Weighted Incentive CWIP for the period after the base period and before the effective period Workpapers
5 See Summary of Weighted Incentive CWIP for the period during the rate effective period Workpapers

San Diego Gas & Electric Co.
TO4 - Annual RETAIL True-Up Adjustment Calculation

Line No.	TO4-Formula Cycle in Effect Description	Current Cycle Jan	Current Cycle Feb	Current Cycle Mar	Current Cycle Apr	Current Cycle May	Current Cycle Jun	Current Cycle Jul	Current Cycle Aug
1	Beginning Balance (Overcollection)/Undercollection:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2									
3	Total Recorded Retail Revenues @ Meter Level ¹	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4									
5	Amortization of True-Up Adjustment and Interest True-Up Adjustment:								
6	a) Amortization of Prior Cycle True-Up Adjustment and Prior Interest True-Up Adjustment:								
7	i. Amortization of Prior Cycle True-Up Adjustment. ²	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	ii. Amortization of Prior Interest True-Up Adjustment. ²	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9									
10									
11									
12									
13									
14	Total Amortization of True-Up Adjustments & Interest True-Up Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15									
16	Adjusted Total Recorded Retail Revenues @ Meter Level ³	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17									
18	Total True-Up Revenues (TU Cost of Service)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19									
20	Net Monthly (Overcollection)/Undercollection:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21									
22	Interest Expense Calculations:								
23	Beginning Balance for Interest Calculation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Monthly Activity Included in Interest Calculation Basis	0	0	0	0	0	0	0	0
25	Basis for Interest Expense Calculation	0	0	0	0	0	0	0	0
26	Monthly Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28									
29	Ending Balance (Overcollection)/Undercollection:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30									
31		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
32	FERC INTEREST RATE ⁴	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
33	Days in Year	337	337	337	337	337	337	337	337
34	Days in Month ⁵	31		31	30	31	30	31	31
35	Monthly Interest Rate - Calculated	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
36	FERC Interest Rates - Website ⁴	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
37	Difference	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

NOTES:

A The above format of the True-Up Adjustment Calculation will be used for each cycle, with the exception of the cycle 2 4-month true-up adjustment. For the cycle 2 True-Up Adjustment, the above format will be used for the months of Sep 2013 - Dec 2013.

¹ For the Retail True-Up Adjustment Calculation, the Recorded Retail Revenues are measured at the Meter Level.

² The amortization of prior cycle True-Up Adjustment and prior Interest True-Up Adjustment will be repeated as needed in deriving the True-Up Adjustment.

³ For the Retail True-Up Adjustment Calculation, the Adjusted Total Recorded Retail Revenues are measured at the Meter Level.

⁴ The FERC interest rate information comes from the FERC website.

⁵ These are fixed days for each month except February for leap vs. non-leap years.

San Diego Gas & Electric Co.
TO4 - Annual RETAIL True-Up Adjustment Calculation

Line No.	TO4-Formula Cycle in Effect Description	Current Cycle Sep	Current Cycle Oct	Current Cycle Nov	Current Cycle Dec	Total	Reference	Line No.
1	Beginning Balance (Overcollection)/Undercollection:	\$ -	\$ -	\$ -	\$ -		Previous Month's Balance	1
2								2
3	Total Recorded Retail Revenues @ Meter Level ¹	\$ -	\$ -	\$ -	\$ -	\$ -	See Related Work Papers; Pages; Lines.	3
4								4
5	Amortization of True-Up Adjustment and Interest True-Up Adjustment:							5
6	a) Amortization of Prior Cycle True-Up Adjustment and Prior Interest True-Up Adjustment:							6
7	i. Amortization of Prior Cycle True-Up Adjustment. ²	\$ -	\$ -	\$ -	\$ -	\$ -	See Related Work Papers; Pages; Lines.	7
8	ii. Amortization of Prior Interest True-Up Adjustment. ²	\$ -	\$ -	\$ -	\$ -	\$ -	See Related Work Papers; Pages; Lines.	8
9								9
10								10
11								11
12								12
13								13
14	Total Amortization of True-Up Adjustments & Interest True-Up Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	Sum Lines 7 through 12	14
15								15
16	Adjusted Total Recorded Retail Revenues @ Meter Level ³	\$ -	\$ -	\$ -	\$ -	\$ -	Sum Lines 3 & 14	16
17								17
18	Total True-Up Revenues (TU Cost of Service)	\$ -	\$ -	\$ -	\$ -	\$ -	See Related Work Papers; Pages; Lines.	18
19								19
20	Net Monthly (Overcollection)/Undercollection:	\$ -	\$ -	\$ -	\$ -	\$ -	Line 18 Minus Line 16	20
21								21
22	Interest Expense Calculations:							22
23	Beginning Balance for Interest Calculation	\$ -	\$ -	\$ -	\$ -		Beginning Quarterly Balances	23
24	Monthly Activity Included in Interest Calculation Basis	0	0	0	0		Interest Calculation Basis	24
25	Basis for Interest Expense Calculation	0	0	0	0		Sum Lines 23 & 24	25
26	Monthly Interest Rate	0.00%	0.00%	0.00%	0.00%		FERC Monthly Rates	26
27	Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	Line 25 x Line 26	27
28								28
29	Ending Balance (Overcollection)/Undercollection:	\$ -	\$ -	\$ -	\$ -	\$ -	Sum Lines 1; 20; & 27	29
30								30
31		Sep	Oct	Nov	Dec			31
32	FERC INTEREST RATE ⁴	0.00%	0.00%	0.00%	0.00%		Annual Interest Rate - FERC Website	32
33	Days in Year	337	337	337	337	337	Line 34 Below Total Col.	33
34	Days in Month ⁵	30	31	30	31	337	Number of Days Per Month	34
35	Monthly Interest Rate - Calculated	0.00%	0.00%	0.00%	0.00%	0.00%	(Line 32)/(Line 33)x(Line 34)	35
36	FERC Interest Rates - Website ⁴	0.00%	0.00%	0.00%	0.00%	0.00%	Monthly Interest Rate - FERC Website	36
37	Difference	0.00%	0.00%	0.00%	0.00%	0.00%	Line 35 - Line 36	37

NOTES:

A The above format of the True-Up Adjustment Calculation will be used for each cycle, with the exception of the cycle 2 4-month true-up adjustment. For the cycle 2 True-Up Adjustment, the above format will be used for the months of Sep 2013 - Dec 2013.

¹ For the Retail True-Up Adjustment Calculation, the Recorded Retail Revenues are measured at the Meter Level.

² The amortization of prior cycle True-Up Adjustment and prior Interest True-Up Adjustment will be repeated as needed in deriving the True-Up Adjustment.

³ For the Retail True-Up Adjustment Calculation, the Adjusted Total Recorded Retail Revenues are measured at the Meter Level.

⁴ The FERC interest rate information comes from the FERC website.

⁵ These are fixed days for each month except February for leap vs. non-leap years.

San Diego Gas & Electric Co.
TO4 - Annual Transmission Formula Filing
Derivation of RETAIL Interest True-Up Adjustment

Line No.	(Base Period Following the end of the True-Up Period)	(a) ^b Jan	(b) ^b Feb	(c) ^b Mar	(d) ^b Apr	(e) ^b May	(f) ^b Jun	(g) ^b Jul	(h) ^b Aug
1	Beginning True-Up Adjustment (Overcollection)/Undercollection ^a	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2									
5	Part A1: Amortization of True-Up Adjustment Balance:								
6	Total Recorded Sales in KWHs	-	-	-	-	-	-	-	-
7									
8	Amortization Rate Per KWH ^f	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9									
10	Amortization of True-Up Adjustment Balance + Accrued Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11									
12	Net Monthly Collection/(Refunds)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13									
14	Part A2: Calculation of Interest on Remaining TU Balance:								
15	Interest Expense Calculations:								
16	Beginning Balance for Interest Calculation ^c	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Monthly Activity Included in Interest Calculation Basis ^d	0	0	0	0	0	0	0	0
18	Basis for Interest Expense Calculation	0	0	0	0	0	0	0	0
19	Monthly Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
20	Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21									
22	Ending Balance (Overcollection)/Undercollection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
24	FERC INTEREST RATE ^e	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25	Days in Year	337	337	337	337	337	337	337	337
26	Days in Month ^g	31		31	30	31	30	31	31
27	Monthly Interest Rate - Calculated	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	FERC Interest Rates - Website ^e	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Difference	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

NOTES:

- ^a The (overcollection)/undercollection balance in column (a), line 1, comes from the prior year's True-Up Adjustment calculation. The Interest True-Up Adjustment accrues interest on the unamortized balance of the True-Up Adjustment from the end of the True-Up Period through the end of the prior cycle's Rate Effective Period. SDG&E follows a convention of fully amortizing the True-Up Adjustment plus accrued interest at the end of the Rate Effective Period. The total Interest True-Up Adjustment amount, as shown on line 20, column "z" is a component of BTRR.
- ^b The months indicated in columns (a) through (l) pertains to the 12-month Base Period following the end of the True-Up Period, while columns (n) through (y) pertain to the prior cycle's Rate Effective Period.
- ^c Beginning Balance for Interest Calculation Remains Constant for each 3 Month Quarter as Interest is Compounded Quarterly on these amounts pursuant to FERC Interest Methodology - per 18 CFR Section 35.19 (2) (iii) (B).
- ^d **Monthly Activity Calculated as Follows:**
- a) 1st Month of Quarter = Column A, Line 12 Divided by 2
- b) 2nd Month of Quarter = Column A, Line 12 + (Column B, Line 12 Divided by 2)
- c) 3rd Month of Quarter = Column A, Line 12 + Column B, Line 12 + (Column C, Line 12 Divided by 2). Column D, E, F, etc. repeats the process outlined in (a), (b), and (c) above.
- ^e The FERC interest rate information comes from the FERC website.
- ^f The Amortization Rate per KWH in column (n), line 8, represents the amount of the prior year's True-Up Adjustment + Accrued Interest, amortized over the 12-month prior cycle's rate effective period.
- ^g These are fixed days for each month except February for leap vs. non-leap years.

San Diego Gas & Electric Co.
TO4 - Annual Transmission Formula Filing
Derivation of RETAIL Interest True-Up Adjustment

Line No.	(Base Period Following the end of the True-Up Period)	(i) ^b Sep	(j) ^b Oct	(k) ^b Nov	(l) ^b Dec	(m) Total	Reference	Line No.
1	Beginning True-Up Adjustment (Overcollection)/Undercollection^a	\$ -	\$ -	\$ -	\$ -		Previous Month's Ending Balance from Line 22	1
2								2
5	<u>Part A1: Amortization of True-Up Adjustment Balance:</u>							5
6	Total Recorded Sales in KWHs	-	-	-	-	-	See Related Work Papers; Pages; Lines	6
7								7
8	Amortization Rate Per KWH ^f	\$ -	\$ -	\$ -	\$ -		See Related Work Papers; Pages; Lines	8
9								9
10	Amortization of True-Up Adjustment Balance + Accrued Interest	\$ -	\$ -	\$ -	\$ -	\$ -	Line 6 x Line 8	10
11								11
12	Net Monthly Collection/(Refunds)	\$ -	\$ -	\$ -	\$ -	\$ -	Minus Line 10 from Columns (a) through (l)	12
13								13
14	<u>Part A2: Calculation of Interest on Remaining TU Balance:</u>							14
15	Interest Expense Calculations:							15
16	Beginning Balance for Interest Calculation ^c	\$ -	\$ -	\$ -	\$ -		Balance at Beginning of Quarter (See Footnote C)	16
17	Monthly Activity Included in Interest Calculation Basis ^d	0	0	0	0		See Footnote D	17
18	Basis for Interest Expense Calculation	0	0	0	0		Line 16 + Line 17	18
19	Monthly Interest Rate	0.00%	0.00%	0.00%	0.00%		FERC Monthly Rates From Line 28 Below	19
20	Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	Line 18 x Line 19 - Columns (a) through (l)	20
21								21
22	Ending Balance (Overcollection)/Undercollection	\$ -	\$ -	\$ -	\$ -	\$ -	Line 1 + Line 12 + Line 20	22
23		Sep	Oct	Nov	Dec			23
24	FERC INTEREST RATE ^e	0.00%	0.00%	0.00%	0.00%		Annual Interest Rate from FERC Website	24
25	Days in Year	337	337	337	337	337	Line 26 Below, Col (m)	25
26	Days in Month ^g	30	31	30	31	337	Number of Days Per Month	26
27	Monthly Interest Rate - Calculated	0.00%	0.00%	0.00%	0.00%	0.00%	(Line 24)/(Line 25)x(Line 26)	27
28	FERC Interest Rates - Website ^e	0.00%	0.00%	0.00%	0.00%	0.00%	Monthly Interest Rate from FERC Website	28
29	Difference	0.00%	0.00%	0.00%	0.00%	0.00%	Line 27 Minus Line 28	29

NOTES:

- a** The (overcollection)/undercollection balance in column (a), line 1, comes from the prior year's True-Up Adjustment calculation. The Interest True-Up Adjustment accrues interest on the unamortized balance of the True-Up Adjustment from the end of the True-Up Period through the end of the prior cycle's Rate Effective Period. SDG&E follows a convention of fully amortizing the True-Up Adjustment plus accrued interest at the end of the Rate Effective Period. The total Interest True-Up Adjustment amount, as shown on line 20, column "z" is a component of BTRR.
- b** The months indicated in columns (a) through (l) pertains to the 12-month Base Period following the end of the True-Up Period, while columns (n) through (y) pertain to the prior cycle's Rate Effective Period.
- c** Beginning Balance for Interest Calculation Remains Constant for each 3 Month Quarter as Interest is Compounded Quarterly on these amounts pursuant to FERC Interest Methodology - per 18 CFR Section 35.19 (2) (iii) (B).
- d** **Monthly Activity Calculated as Follows:**
- a) 1st Month of Quarter = Column A, Line 12 Divided by 2
- b) 2nd Month of Quarter = Column A, Line 12 + (Column B, Line 12 Divided by 2)
- c) 3rd Month of Quarter = Column A, Line 12 + Column B, Line 12 + (Column C, Line 12 Divided by 2). Column D, E, F, etc. repeats the process outlined in (a), (b), and (c) above.
- e** The FERC interest rate information comes from the FERC website.
- f** The Amortization Rate per KWH in column (n), line 8, represents the amount of the prior year's True-Up Adjustment + Accrued Interest, amortized over the 12-month prior cycle's rate effective period.
- g**

These are fixed days for each month except February for leap vs. non-leap years.

San Diego Gas & Electric Co.
TO4 - Annual Transmission Formula Filing
Derivation of RETAIL Interest True-Up Adjustment

Line No.	Rate Effective Period from Prior Cycle Filing	(n) ^b Jan	(o) ^b Feb	(p) ^b Mar	(q) ^b Apr	(r) ^b May	(s) ^b Jun	(t) ^b Jul	(u) ^b Aug
1	Beginning True-Up Adjustment (Overcollection)/Undercollection ^a	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2									
5	Part A1: Amortization of True-Up Adjustment Balance:								
6	Total Recorded Sales in KWHs	-	-	-	-	-	-	-	-
7									
8	Amortization Rate Per KWH ^f	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9									
10	Amortization of True-Up Adjustment Balance + Accrued Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11									
12	Net Monthly Collection/(Refunds)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13									
14	Part A2: Calculation of Interest on Remaining TU Balance:								
15	Interest Expense Calculations:								
16	Beginning Balance for Interest Calculation ^c	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Monthly Activity Included in Interest Calculation Basis ^d	0	0	0	0	0	0	0	0
18	Basis for Interest Expense Calculation	0	0	0	0	0	0	0	0
19	Monthly Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
20	Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21									
22	Ending Balance (Overcollection)/Undercollection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
24	FERC INTEREST RATE ^e	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25	Days in Year	337	337	337	337	337	337	337	337
26	Days in Month ^g	31		31	30	31	30	31	31
27	Monthly Interest Rate - Calculated	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	FERC Interest Rates - Website ^e	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Difference	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

NOTES:

- a** The (overcollection)/undercollection balance in column (a), line 1, comes from the prior year's True-Up Adjustment calculation. The Interest True-Up Adjustment accrues interest on the unamortized balance of the True-Up Adjustment from the end of the True-Up Period through the end of the prior cycle's Rate Effective Period. SDG&E follows a convention of fully amortizing the True-Up Adjustment plus accrued interest at the end of the Rate Effective Period. The total Interest True-Up Adjustment amount, as shown on line 20, column "z" is a component of BTRR.
- b** The months indicated in columns (a) through (l) pertains to the 12-month Base Period following the end of the True-Up Period, while columns (n) through (y) pertain to the prior cycle's Rate Effective Period.
For December, Col (y), line 10 is the amount necessary to fully amortize the balance to zero. See applicable workpaper.
- c** Beginning Balance for Interest Calculation Remains Constant for each 3 Month Quarter as Interest is Compounded Quarterly on these amounts pursuant to FERC Interest Methodology - per 18 CFR Section 35.19 (2) (iii) (B).
- d** **Monthly Activity Calculated as Follows:**
- a) 1st Month of Quarter = Column A, Line 12 Divided by 2
b) 2nd Month of Quarter = Column A, Line 12 + (Column B, Line 12 Divided by 2)
c) 3rd Month of Quarter = Column A, Line 12 + Column B, Line 12 + (Column C, Line 12 Divided by 2). Column D, E, F, etc. repeats the process outlined in (a), (b), and (c) above.
- e** The FERC interest rate information comes from the FERC website.
- f** The Amortization Rate per KWH in column (n), line 8, represents the amount of the prior year's True-Up Adjustment + Accrued Interest, amortized over the 12-month prior cycle's rate effective period.
- g** These are fixed days for each month except February for leap vs. non-leap years.

San Diego Gas & Electric Co.
TO4 - Annual Transmission Formula Filing
Derivation of RETAIL Interest True-Up Adjustment

Line No.	Rate Effective Period from Prior Cycle Filing	(v) ^b Sep	(w) ^b Oct	(x) ^b Nov	(y) ^b Dec	(z) Total	Reference	Line No.
1	Beginning True-Up Adjustment (Overcollection)/Undercollection ^a	\$ -	\$ -	\$ -	\$ -		Previous Month's Ending Balance from Line 22	1
2								2
5	Part A1: Amortization of True-Up Adjustment Balance:							5
6	Total Recorded Sales in KWHs	-	-	-		-	See Related Work Papers; Pages; Lines	6
7								7
8	Amortization Rate Per KWH ^f	\$ -	\$ -	\$ -			See Related Work Papers; Pages; Lines	8
9								9
10	Amortization of True-Up Adjustment Balance + Accrued Interest	\$ -	\$ -	\$ -	\$ -	\$ -	Line 6 x Line 8	10
11								11
12	Net Monthly Collection/(Refunds)	\$ -	\$ -	\$ -	\$ -	\$ -	Minus Line 10 from Columns (a) through (l)	12
13								13
14	Part A2: Calculation of Interest on Remaining TU Balance:							14
15	Interest Expense Calculations:							15
16	Beginning Balance for Interest Calculation ^c	\$ -	\$ -	\$ -	\$ -		Balance at Beginning of Quarter (See Footnote C)	16
17	Monthly Activity Included in Interest Calculation Basis ^d	0	0	0	0		See Footnote D	17
18	Basis for Interest Expense Calculation	0	0	0	0		Line 16 + Line 17	18
19	Monthly Interest Rate	0.00%	0.00%	0.00%	0.00%		FERC Monthly Rates From Line 28 Below	19
20	Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	Line 18 x Line 19 - Columns (n) through (y)	20
21								21
22	Ending Balance (Overcollection)/Undercollection	\$ -	\$ -	\$ -	\$ -	\$ -	Line 1 + Line 12 + Line 20	22
23		Sep	Oct	Nov	Dec			23
24	FERC INTEREST RATE ^e	0.00%	0.00%	0.00%	0.00%		Annual Interest Rate from FERC Website	24
25	Days in Year	337	337	337	337	337	Line 26 Below, Col (z)	25
26	Days in Month ^g	30	31	30	31	337	Number of Days Per Month	26
27	Monthly Interest Rate - Calculated	0.00%	0.00%	0.00%	0.00%	0.00%	(Line 24)/(Line 25)x(Line 26)	27
28	FERC Interest Rates - Website ^e	0.00%	0.00%	0.00%	0.00%	0.00%	Monthly Interest Rate from FERC Website	28
29	Difference	0.00%	0.00%	0.00%	0.00%	0.00%	Line 27 Minus Line 28	29

NOTES:

- a** The (overcollection)/undercollection balance in column (a), line 1, comes from the prior year's True-Up Adjustment calculation. The Interest True-Up Adjustment accrues interest on the unamortized balance of the True-Up Adjustment from the end of the True-Up Period through the end of the prior cycle's Rate Effective Period. SDG&E follows a convention of fully amortizing the True-Up Adjustment plus accrued interest at the end of the Rate Effective Period. The total Interest True-Up Adjustment amount, as shown on line 20, column "z" is a component of BTRR.
- b** The months indicated in columns (a) through (l) pertains to the 12-month Base Period following the end of the True-Up Period, while columns (n) through (y) pertain to the prior cycle's Rate Effective Period.
For December, Col (y), line 10 is the amount necessary to fully amortize the balance to zero. See applicable workpaper.
- c** Beginning Balance for Interest Calculation Remains Constant for each 3 Month Quarter as Interest is Compounded Quarterly on these amounts pursuant to FERC Interest Methodology - per 18 CFR Section 35.19 (2) (iii) (B).
- d** **Monthly Activity Calculated as Follows:**
- a) 1st Month of Quarter = Column A, Line 12 Divided by 2
b) 2nd Month of Quarter = Column A, Line 12 + (Column B, Line 12 Divided by 2)
c) 3rd Month of Quarter = Column A, Line 12 + Column B, Line 12 + (Column C, Line 12 Divided by 2). Column D, E, F, etc. repeats the process outlined in (a), (b), and (c) above.
- e** The FERC interest rate information comes from the FERC website.
- f** The Amortization Rate per KWH in column (n), line 8, represents the amount of the prior year's True-Up Adjustment + Accrued Interest, amortized over the 12-month prior cycle's rate effective period.
- g** These are fixed days for each month except February for leap vs. non-leap years.

San Diego Gas & Electric Co.
TO4 - Annual WHOLESALE True-Up Adjustment Calculation

Line No.	TO4-Formula Cycle in Effect Description	Current Cycle Jan	Current Cycle Feb	Current Cycle Mar	Current Cycle Apr	Current Cycle May	Current Cycle Jun	Current Cycle Jul	Current Cycle Aug
1	Beginning Balance (Overcollection)/Undercollection:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2									
3	Total Recorded Retail Revenues @ Transmission Level ¹	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4									
5	Amortization of True-Up Adjustment and Interest True-Up Adjustment:								
6	a) Amortization of Prior Cycle True-Up Adjustment and Prior Interest True-Up Adjustment:								
7	i. Amortization of Prior Cycle True-Up Adjustment. ²	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	ii. Amortization of Prior Interest True-Up Adjustment. ²	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9									
10									
11									
12									
13									
14	Total Amortization of True-Up Adjustments & Interest True-Up Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15									
16	Adjusted Total Recorded Retail Revenues @ Transmission Level ³	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17									
18	Total True-Up Revenues (TU Cost of Service)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19									
20	Net Monthly (Overcollection)/Undercollection:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21									
22	Interest Expense Calculations:								
23	Beginning Balance for Interest Calculation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Monthly Activity Included in Interest Calculation Basis	0	0	0	0	0	0	0	0
25	Basis for Interest Expense Calculation	0	0	0	0	0	0	0	0
26	Monthly Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28									
29	Ending Balance (Overcollection)/Undercollection:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30									
31		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
32	FERC INTEREST RATE ⁴	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
33	Days in Year	337	337	337	337	337	337	337	337
34	Days in Month ⁵	31		31	30	31	30	31	31
35	Monthly Interest Rate - Calculated	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
36	FERC Interest Rates - Website ⁴	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
37	Difference	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

NOTES:

A The above format of the True-Up Adjustment Calculation will be used for each cycle, with the exception of the cycle 2 4-month true-up adjustment. For the cycle 2 True-Up Adjustment, the above format will be used for the months of Sep 2013 - Dec 2013.

¹ For the Retail True-Up Adjustment Calculation, the Recorded Retail Revenues are measured at the Transmission Level.

² The amortization of prior cycle True-Up Adjustment and prior Interest True-Up Adjustment will be repeated as needed in deriving the True-Up Adjustment.

³ For the Retail True-Up Adjustment Calculation, the Adjusted Total Recorded Retail Revenues are measured at the Transmission Level.

⁴ The FERC interest rate information comes from the FERC website.

⁵ These are fixed days for each month except February for leap vs. non-leap years.

San Diego Gas & Electric Co.
TO4 - Annual WHOLESALE True-Up Adjustment Calculation

Line No.	TO4-Formula Cycle in Effect Description	Current Cycle Sep	Current Cycle Oct	Current Cycle Nov	Current Cycle Dec	Total	Reference	Line No.
1	Beginning Balance (Overcollection)/Undercollection:	\$ -	\$ -	\$ -	\$ -		Previous Month's Balance	1
2								2
3	Total Recorded Retail Revenues @ Transmission Level ¹	\$ -	\$ -	\$ -	\$ -	\$ -	See Related Work Papers; Pages; Lines.	3
4								4
5	Amortization of True-Up Adjustment and Interest True-Up Adjustment:							5
6	a) Amortization of Prior Cycle True-Up Adjustment and Prior Interest True-Up Adjustment:							6
7	i. Amortization of Prior Cycle True-Up Adjustment. ²	\$ -	\$ -	\$ -	\$ -	\$ -	See Related Work Papers; Pages; Lines.	7
8	ii. Amortization of Prior Interest True-Up Adjustment. ²	\$ -	\$ -	\$ -	\$ -	\$ -	See Related Work Papers; Pages; Lines.	8
9								9
10								10
11								11
12								12
13								13
14	Total Amortization of True-Up Adjustments & Interest True-Up Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	Sum Lines 7 through 12	14
15								15
16	Adjusted Total Recorded Retail Revenues @ Transmission Level ³	\$ -	\$ -	\$ -	\$ -	\$ -	Sum Lines 3 & 14	16
17								17
18	Total True-Up Revenues (TU Cost of Service)	\$ -	\$ -	\$ -	\$ -	\$ -	See Related Work Papers; Pages; Lines.	18
19								19
20	Net Monthly (Overcollection)/Undercollection:	\$ -	\$ -	\$ -	\$ -	\$ -	Line 18 Minus Line 16	20
21								21
22	Interest Expense Calculations:							22
23	Beginning Balance for Interest Calculation	\$ -	\$ -	\$ -	\$ -		Beginning Quarterly Balances	23
24	Monthly Activity Included in Interest Calculation Basis	0	0	0	0		Interest Calculation Basis	24
25	Basis for Interest Expense Calculation	0	0	0	0		Sum Lines 23 & 24	25
26	Monthly Interest Rate	0.00%	0.00%	0.00%	0.00%		FERC Monthly Rates	26
27	Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	Line 25 x Line 26	27
28								28
29	Ending Balance (Overcollection)/Undercollection:	\$ -	\$ -	\$ -	\$ -	\$ -	Sum Lines 1; 20; & 27	29
30								30
31		Sep	Oct	Nov	Dec			31
32	FERC INTEREST RATE ⁴	0.00%	0.00%	0.00%	0.00%		Annual Interest Rate - FERC Website	32
33	Days in Year	337	337	337	337	337	Line 34 Below Total Col.	33
34	Days in Month ⁵	30	31	30	31	337	Number of Days Per Month	34
35	Monthly Interest Rate - Calculated	0.00%	0.00%	0.00%	0.00%	0.00%	(Line 32)/(Line 33)x(Line 34)	35
36	FERC Interest Rates - Website ⁴	0.00%	0.00%	0.00%	0.00%	0.00%	Monthly Interest Rate - FERC Website	36
37	Difference	0.00%	0.00%	0.00%	0.00%	0.00%	Line 35 - Line 36	37

NOTES:

- A The above format of the True-Up Adjustment Calculation will be used for each cycle, with the exception of the cycle 2 4-month true-up adjustment. For the cycle 2 True-Up Adjustment, the above format will be used for the months of Sep 2013 - Dec 2013.
- ¹ For the Retail True-Up Adjustment Calculation, the Recorded Retail Revenues are measured at the Transmission Level.
- ² The amortization of prior cycle True-Up Adjustment and prior Interest True-Up Adjustment will be repeated as needed in deriving the True-Up Adjustment.
- ³ For the Retail True-Up Adjustment Calculation, the Adjusted Total Recorded Retail Revenues are measured at the Transmission Level.
- ⁴ The FERC interest rate information comes from the FERC website.
- ⁵ These are fixed days for each month except February for leap vs. non-leap years.

San Diego Gas & Electric Co.
TO4 - Annual Transmission Formula Filing
Derivation of WHOLESale Interest True-Up Adjustment

Line No.	(Base Period Following the end of the True-Up Period)	(a) ^b Jan	(b) ^b Feb	(c) ^b Mar	(d) ^b Apr	(e) ^b May	(f) ^b Jun	(g) ^b Jul	(h) ^b Aug
1	Beginning True-Up Adjustment (Overcollection)/Undercollection ^a	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2									
5	Part A1: Amortization of True-Up Adjustment Balance:								
6	Total Recorded Sales in KWHs	-	-	-	-	-	-	-	-
7									
8	Amortization Rate Per KWH ^f	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9									
10	Amortization of True-Up Adjustment Balance + Accrued Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11									
12	Net Monthly Collection/(Refunds)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13									
14	Part A2: Calculation of Interest on Remaining TU Balance:								
15	Interest Expense Calculations:								
16	Beginning Balance for Interest Calculation ^c	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Monthly Activity Included in Interest Calculation Basis ^d	0	0	0	0	0	0	0	0
18	Basis for Interest Expense Calculation	0	0	0	0	0	0	0	0
19	Monthly Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
20	Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21									
22	Ending Balance (Overcollection)/Undercollection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
24	FERC INTEREST RATE ^e	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25	Days in Year	337	337	337	337	337	337	337	337
26	Days in Month ^g	31		31	30	31	30	31	31
27	Monthly Interest Rate - Calculated	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	FERC Interest Rates - Website ^e	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Difference	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

NOTES:

- a** The (overcollection)/undercollection balance in column (a), line 1, comes from the prior year's True-Up Adjustment calculation. The Interest True-Up Adjustment accrues interest on the unamortized balance of the True-Up Adjustment from the end of the True-Up Period through the end of the prior cycle's Rate Effective Period. SDG&E follows a convention of fully amortizing the True-Up Adjustment plus accrued interest at the end of the Rate Effective Period. The total Interest True-Up Adjustment amount, as shown on line 20, column "z" is a component of BTRR.
- b** The months indicated in columns (a) through (l) pertains to the 12-month Base Period following the end of the True-Up Period, while columns (n) through (y) pertain to the prior cycle's Rate Effective Period.
- c** Beginning Balance for Interest Calculation Remains Constant for each 3 Month Quarter as Interest is Compounded Quarterly on these amounts pursuant to FERC Interest Methodology - per 18 CFR Section 35.19 (2) (iii) (B).
- d** **Monthly Activity Calculated as Follows:**
- a) 1st Month of Quarter = Column A, Line 12 Divided by 2
- b) 2nd Month of Quarter = Column A, Line 12 + (Column B, Line 12 Divided by 2)
- c) 3rd Month of Quarter = Column A, Line 12 + Column B, Line 12 + (Column C, Line 12 Divided by 2). Column D, E, F, etc. repeats the process outlined in (a), (b), and (c) above.
- e** The FERC interest rate information comes from the FERC website.
- f** The Amortization Rate per KWH in column (n), line 8, represents the amount of the prior year's True-Up Adjustment + Accrued Interest, amortized over the 12-month prior cycle's rate effective period.
- g** These are fixed days for each month except February for leap vs. non-leap years.

San Diego Gas & Electric Co.
TO4 - Annual Transmission Formula Filing
Derivation of WHOLESale Interest True-Up Adjustment

Line No.	(Base Period Following the end of the True-Up Period)	(i) ^b Sep	(j) ^b Oct	(k) ^b Nov	(l) ^b Dec	(m) Total	Reference	Line No.
1	Beginning True-Up Adjustment (Overcollection)/Undercollection ^a	\$ -	\$ -	\$ -	\$ -		Previous Month's Ending Balance from Line 22	1
2	Part A1: Amortization of True-Up Adjustment Balance: Total Recorded Sales in KWHs						See Related Work Papers; Pages; Lines	2
5		-	-	-	-	-		5
6							See Related Work Papers; Pages; Lines	6
7								7
8		\$ -	\$ -	\$ -	\$ -		Line 6 x Line 8	8
9								9
10	Amortization of True-Up Adjustment Balance + Accrued Interest	\$ -	\$ -	\$ -	\$ -	\$ -	Minus Line 10 from Columns (a) through (l)	10
11	Net Monthly Collection/(Refunds)	\$ -	\$ -	\$ -	\$ -	\$ -		11
12								12
13	Part A2: Calculation of Interest on Remaining TU Balance: Interest Expense Calculations: Beginning Balance for Interest Calculation ^c Monthly Activity Included in Interest Calculation Basis ^d Basis for Interest Expense Calculation Monthly Interest Rate Interest Expense Ending Balance (Overcollection)/Undercollection						Balance at Beginning of Quarter (See Footnote C)	13
14								14
15		\$ -	\$ -	\$ -	\$ -		See Footnote D Line 16 + Line 17	15
16		0	0	0	0			16
17		0	0	0	0		FERC Monthly Rates From Line 28 Below Line 18 x Line 19 - Columns (a) through (l)	17
18		0.00%	0.00%	0.00%	0.00%			18
19		\$ -	\$ -	\$ -	\$ -	\$ -	Line 1 + Line 12 + Line 20	19
20								20
21		\$ -	\$ -	\$ -	\$ -	\$ -	Annual Interest Rate from FERC Website Line 26 Below, Col (m)	21
22								22
23	FERC INTEREST RATE ^e	Sep	Oct	Nov	Dec		Number of Days Per Month (Line 24)/(Line 25)x(Line 26)	23
24		0.00%	0.00%	0.00%	0.00%			24
25		337	337	337	337	337	Monthly Interest Rate from FERC Website Line 27 Minus Line 28	25
26		30	31	30	31			26
27		0.00%	0.00%	0.00%	0.00%	0.00%		27
28		0.00%	0.00%	0.00%	0.00%	0.00%		28
29	Difference	0.00%	0.00%	0.00%	0.00%	0.00%		29

NOTES:

- ^a The (overcollection)/undercollection balance in column (a), line 1, comes from the prior year's True-Up Adjustment calculation. The Interest True-Up Adjustment accrues interest on the unamortized balance of the True-Up Adjustment from the end of the True-Up Period through the end of the prior cycle's Rate Effective Period. SDG&E follows a convention of fully amortizing the True-Up Adjustment plus accrued interest at the end of the Rate Effective Period. The total Interest True-Up Adjustment amount, as shown on line 20, column "z" is a component of BTRR.
- ^b The months indicated in columns (a) through (l) pertains to the 12-month Base Period following the end of the True-Up Period, while columns (n) through (y) pertain to the prior cycle's Rate Effective Period.
- ^c Beginning Balance for Interest Calculation Remains Constant for each 3 Month Quarter as Interest is Compounded Quarterly on these amounts pursuant to FERC Interest Methodology - per 18 CFR Section 35.19 (2) (iii) (B).
- ^d **Monthly Activity Calculated as Follows:**
- a) 1st Month of Quarter = Column A, Line 12 Divided by 2
- b) 2nd Month of Quarter = Column A, Line 12 + (Column B, Line 12 Divided by 2)
- c) 3rd Month of Quarter = Column A, Line 12 + Column B, Line 12 + (Column C, Line 12 Divided by 2). Column D, E, F, etc. repeats the process outlined in (a), (b), and (c) above.
- ^e The FERC interest rate information comes from the FERC website.
- ^f The Amortization Rate per KWH in column (n), line 8, represents the amount of the prior year's True-Up Adjustment + Accrued Interest, amortized over the 12-month prior cycle's rate effective period.
- ^g These are fixed days for each month except February for leap vs. non-leap years.

San Diego Gas & Electric Co.
TO4 - Annual Transmission Formula Filing
Derivation of WHOLESale Interest True-Up Adjustment

Line No.	Rate Effective Period from Prior Cycle Filing	(n) ^b Jan	(o) ^b Feb	(p) ^b Mar	(q) ^b Apr	(r) ^b May	(s) ^b Jun	(t) ^b Jul	(u) ^b Aug
1	Beginning True-Up Adjustment (Overcollection)/Undercollection ^a	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2									
5	Part A1: Amortization of True-Up Adjustment Balance:								
6	Total Recorded Sales in KWHs	-	-	-	-	-	-	-	-
7									
8	Amortization Rate Per KWH ^f	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9									
10	Amortization of True-Up Adjustment Balance + Accrued Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11									
12	Net Monthly Collection/(Refunds)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13									
14	Part A2: Calculation of Interest on Remaining TU Balance:								
15	Interest Expense Calculations:								
16	Beginning Balance for Interest Calculation ^c	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Monthly Activity Included in Interest Calculation Basis ^d	0	0	0	0	0	0	0	0
18	Basis for Interest Expense Calculation	0	0	0	0	0	0	0	0
19	Monthly Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
20	Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21									
22	Ending Balance (Overcollection)/Undercollection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
24	FERC INTEREST RATE ^e	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25	Days in Year	337	337	337	337	337	337	337	337
26	Days in Month ^g	31		31	30	31	30	31	31
27	Monthly Interest Rate - Calculated	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	FERC Interest Rates - Website ^e	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Difference	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

NOTES:

- a** The (overcollection)/undercollection balance in column (a), line 1, comes from the prior year's True-Up Adjustment calculation. The Interest True-Up Adjustment accrues interest on the unamortized balance of the True-Up Adjustment from the end of the True-Up Period through the end of the prior cycle's Rate Effective Period. SDG&E follows a convention of fully amortizing the True-Up Adjustment plus accrued interest at the end of the Rate Effective Period. The total Interest True-Up Adjustment amount, as shown on line 20, column "z" is a component of BTRR.
- b** The months indicated in columns (a) through (l) pertains to the 12-month Base Period following the end of the True-Up Period, while columns (n) through (y) pertain to the prior cycle's Rate Effective Period.
For December, Col (y), line 10 is the amount necessary to fully amortize the balance to zero. See applicable workpaper.
- c** Beginning Balance for Interest Calculation Remains Constant for each 3 Month Quarter as Interest is Compounded Quarterly on these amounts pursuant to FERC Interest Methodology - per 18 CFR Section 35.19 (2) (iii) (B).
- d** **Monthly Activity Calculated as Follows:**
- a) 1st Month of Quarter = Column A, Line 12 Divided by 2
b) 2nd Month of Quarter = Column A, Line 12 + (Column B, Line 12 Divided by 2)
c) 3rd Month of Quarter = Column A, Line 12 + Column B, Line 12 + (Column C, Line 12 Divided by 2). Column D, E, F, etc. repeats the process outlined in (a), (b), and (c) above.
- e** The FERC interest rate information comes from the FERC website.
- f** The Amortization Rate per KWH in column (n), line 8, represents the amount of the prior year's True-Up Adjustment + Accrued Interest, amortized over the 12-month prior cycle's rate effective period.
- g** These are fixed days for each month except February for leap vs. non-leap years.

San Diego Gas & Electric Co.
TO4 - Annual Transmission Formula Filing
Derivation of WHOLESale Interest True-Up Adjustment

Line No.	Rate Effective Period from Prior Cycle Filing	(v) ^b Sep	(w) ^b Oct	(x) ^b Nov	(y) ^b Dec	(z) Total	Reference	Line No.
1	Beginning True-Up Adjustment (Overcollection)/Undercollection^a	\$ -	\$ -	\$ -	\$ -		Previous Month's Ending Balance from Line 22	1
2								2
5	<u>Part A1: Amortization of True-Up Adjustment Balance:</u>							5
6	Total Recorded Sales in KWHs	-	-	-		-	See Related Work Papers; Pages; Lines	6
7								7
8	Amortization Rate Per KWH ^f	\$ -	\$ -	\$ -			See Related Work Papers; Pages; Lines	8
9								9
10	Amortization of True-Up Adjustment Balance + Accrued Interest	\$ -	\$ -	\$ -	\$ -	\$ -	Line 6 x Line 8	10
11								11
12	Net Monthly Collection/(Refunds)	\$ -	\$ -	\$ -	\$ -	\$ -	Minus Line 10 from Columns (a) through (l)	12
13								13
14	<u>Part A2: Calculation of Interest on Remaining TU Balance:</u>							14
15	Interest Expense Calculations:							15
16	Beginning Balance for Interest Calculation ^c	\$ -	\$ -	\$ -	\$ -		Balance at Beginning of Quarter (See Footnote 1)	16
17	Monthly Activity Included in Interest Calculation Basis ^d	0	0	0	0		See Footnote 2	17
18	Basis for Interest Expense Calculation	0	0	0	0		Line 16 + Line 17	18
19	Monthly Interest Rate	0.00%	0.00%	0.00%	0.00%		FERC Monthly Rates From Line 28 Below	19
20	Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	Line 18 x Line 19 - Columns (n) through (y)	20
21								21
22	Ending Balance (Overcollection)/Undercollection	\$ -	\$ -	\$ -	\$ -	\$ -	Line 1 + Line 12 + Line 20	22
23		Sep	Oct	Nov	Dec			23
24	FERC INTEREST RATE ^e	0.00%	0.00%	0.00%	0.00%		Annual Interest Rate from FERC Website	24
25	Days in Year	337	337	337	337	337	Line 26 Below, Col (z)	25
26	Days in Month ^g	30	31	30	31	337	Number of Days Per Month	26
27	Monthly Interest Rate - Calculated	0.00%	0.00%	0.00%	0.00%	0.00%	(Line 24)/(Line 25)x(Line 26)	27
28	FERC Interest Rates - Website ^e	0.00%	0.00%	0.00%	0.00%	0.00%	Monthly Interest Rate from FERC Website	28
29	Difference	0.00%	0.00%	0.00%	0.00%	0.00%	Line 27 Minus Line 28	29

NOTES:

- a** The (overcollection)/undercollection balance in column (a), line 1, comes from the prior year's True-Up Adjustment calculation. The Interest True-Up Adjustment accrues interest on the unamortized balance of the True-Up Adjustment from the end of the True-Up Period through the end of the prior cycle's Rate Effective Period. SDG&E follows a convention of fully amortizing the True-Up Adjustment plus accrued interest at the end of the Rate Effective Period. The total Interest True-Up Adjustment amount, as shown on line 20, column "z" is a component of BTRR.
- b** The months indicated in columns (a) through (l) pertains to the 12-month Base Period following the end of the True-Up Period, while columns (n) through (y) pertain to the prior cycle's Rate Effective Period.
For December, Col (y), line 10 is the amount necessary to fully amortize the balance to zero. See applicable workpaper.
- c** Beginning Balance for Interest Calculation Remains Constant for each 3 Month Quarter as Interest is Compounded Quarterly on these amounts pursuant to FERC Interest Methodology - per 18 CFR Section 35.19 (2) (iii) (B).
- d** **Monthly Activity Calculated as Follows:**
- a) 1st Month of Quarter = Column A, Line 12 Divided by 2
b) 2nd Month of Quarter = Column A, Line 12 + (Column B, Line 12 Divided by 2)
c) 3rd Month of Quarter = Column A, Line 12 + Column B, Line 12 + (Column C, Line 12 Divided by 2). Column D, E, F, etc. repeats the process outlined in (a), (b), and (c) above.
- e** The FERC interest rate information comes from the FERC website.
- f** The Amortization Rate per KWH in column (n), line 8, represents the amount of the prior year's True-Up Adjustment + Accrued Interest, amortized over the 12-month prior cycle's rate effective period.
- g**

These are fixed days for each month except February for leap vs. non-leap years.