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October 28, 2011

ADVICE LETTER 2298-E
(U-902 E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: ANNUAL ELECTRIC REGULATORY ACCOUNT UPDATE EFFECTIVE
JANUARY 1, 2012**

PURPOSE

The purpose of this Advice Letter is to describe the adjustments that are being made to San Diego Gas & Electric Company's (SDG&E) electric distribution and commodity rates effective January 1, 2012, resulting from the amortization of certain electric regulatory accounts, as described below.

BACKGROUND

Pursuant to the provisions of its adopted tariffs, SDG&E is authorized to amortize the projected year-end balances of certain accounts in electric rates on an annual basis. It should be noted that the rate impacts of this filing do not include all revenue requirement adjustments authorized or expected to be authorized by the California Public Utilities Commission (Commission), which will be included in SDG&E's Electric Consolidated Advice Filing, filed in December 2011 for implementation in SDG&E's rates effective January 1, 2012.

DISCUSSION

SDG&E is to file an advice letter during October of each year to update the regulatory account amortizations for rates effective January 1 of the following year. In this filing, SDG&E proposes a net \$57.3 million decrease in its January 1, 2012 revenues to be amortized over 12 months. The following summarizes the projected year-end balances and associated impacts to revenues for implementation in rates effective January 1, 2012.

Energy Resource Recovery Account (ERRA)

Pursuant to Decisions (D.) 02-10-062 and D.02-12-074, the purpose of the ERRA is to provide full recovery of the Utility's energy procurement costs associated with fuel and purchased power, Utility retained generation (URG), ISO related costs and costs associated with its residual net short procurement requirements to serve its bundled service customers. In compliance with ordering paragraph (OP) 2 of D.09-04-021, SDG&E shall include its year-end Energy Resource Recovery balance, if that balance is below the 5% Energy Resource Recovery Account trigger threshold, in rates on January 1 of each year through the annual regulatory account update filing. Per SDG&E's Advice Letter 2233-E, approved March 30,

2011, the 5% trigger threshold is \$51.0 million. The projected 2011 year-end balance is a \$21.9 million overcollection and therefore will be amortized in electric commodity rates effective January 1, 2012, resulting in an increase in electric revenues of \$15.1 million.

Electric Distribution Fixed Cost Account (EDFCA)

The projected 2011 year-end balance for amortization in electric distribution rates effective January 1, 2012 is a \$74.9 million undercollection, resulting in a decrease in revenue requirement of \$37.5 million from current rates. The forecasted undercollection has decreased from prior year mainly because the prior year ending balance had transfers from the Z-Factor Memorandum Account (ZFMA) in accordance with D.10-12-053 and from the Catastrophic Event Memorandum Account (CEMA) per the settlement approved in D.10-10-004. SDG&E has two Advice Letters currently before the Commission (AL 2251-E and AL 2285-E) requesting recovery of increased liability insurance amounts. If funding associated with these advice letters is approved by year-end, SDG&E will include those amounts in the year-end Consolidated Filing to Implement January 1, 2012 Electric Rates.

Rewards and Penalties Balancing Account (RPBA)

The RPBA includes the projected year-end balances in the Advanced Metering and Demand Response Memorandum Account (AMDRMA), the Hazardous Substance Cleanup Cost Account (HSCCA), and the Gain/Loss on Sale Memorandum Account (GLOSMA). The current electric RPBA balance in rates is a \$23.5 million undercollection. The projected 2011 year-end balance for amortization is a \$24.5 million undercollection, resulting in an increase in electric revenues of \$1.0 million for 2012¹.

Transition Cost Balancing Account (TCBA)

The purpose of the TCBA is to accrue all Competition Transition Charge (CTC) revenues and recover all CTC-eligible generation-related costs, as well as those costs imposed by Electric Industry Restructuring. SDG&E proposes to amortize the projected 2011 year-end undercollected balance of \$7.3 million into electric commodity rates effective January 1, 2012, resulting in a \$25.6 million increase to rates.

On Bill Financing Balancing Account (OBFBA)

Pursuant to D.09-09-047, the Commission approved SDG&E's energy efficiency programs and budgets for the 2010-2012 program-cycle, which among other things, includes the OBF Program. The OBF Program is designed primarily to facilitate the purchase and installation of comprehensive, qualified energy efficiency measures by customers who might not otherwise be able to act given capital constraints and/or administrative and time burdens. Advice Letter 2123-E/1901-G, approved May 11, 2010, established the OBFBA to record the difference between ratepayer funding and actual loans provided to customers participating in SDG&E's On-Bill Financing (OBF) program authorized by D.09-09-047. The 2011 year-end balance in the OBFBA is forecasted to be a \$5.1 million undercollection to be amortized in electric distribution rates. The result is a \$0.1 million decrease to rates.

Pension Balancing Account (PBA)

Pursuant to D.08-07-046, SDG&E's latest General Rate Case (GRC) decision, SDG&E is authorized to collect in rates an annual authorized revenue requirement for pension costs that are balanced in the PBA until the next GRC decision. SDG&E filed a Petition for Modification (PFM) of this decision requesting to true-up the PBA on an annual basis in the

¹ Projected year-end balance does not include approximately \$14.7 million in Energy Efficiency Awards currently pending Commission approval of A.11-06-031. If the awards are approved by year-end 2011, SDG&E will include this amount in its Consolidated Filing for 2012 rates.

interest of customer rate stability. On September 10, 2009, the Commission issued D.09-09-011 authorizing SDG&E to amortize the PBA on an annual basis by including the PBA in this advice filing. As a result, SDG&E projects the December 31, 2011 balance in the electric PBA to be a \$1.2 million overcollection to be amortized in 2012 electric distribution rates as referenced in Attachment C. This increases revenues by \$2.4 million from current rates.

Post-Retirement Benefits other than Pensions Balancing Account (PBOPBA)

Pursuant to D.08-07-046, SDG&E's latest GRC decision, SDG&E is authorized to collect in rates an annual authorized revenue requirement for PBOP costs that are balanced in the PBOPBA until the next GRC decision. Consistent with the PBA, the Commission issued D.09-09-011 authorizing SDG&E to amortize the PBOPBA on an annual basis by including the PBOPBA in this advice filing. As referenced in Attachment D, SDG&E projects the December 31, 2011 balance in the electric PBOPBA to be a \$2.0 million overcollection to be amortized in 2012 electric distribution rates. The result is a \$0.2 million increase to rates.

Nuclear Decommissioning Adjustment Mechanism (NDAM)

Pursuant to D.10.07-047 – Phase 1 of the Triennial Review of Nuclear Decommissioning Trusts and Related Decommissioning Activities for the California Investor Owned Utilities (Utilities) and authorized in SDG&E's Advice Letter (AL) 2188-E, SDG&E included amortization of a \$0.8 million NDAM overcollection in January 1, 2011 rates. The current NDAM balance will be amortized after Commission approval of the next Triennial Review. The result from the roll-off of amortization is an increase in revenues of \$0.8 million from current rates.

Advanced Metering Infrastructure Balancing Account (AMIBA)

The purpose of the AMIBA is to record the costs and corresponding revenue requirement associated with the AMI project as outlined in Commission D.07-04-043 dated April 12, 2007 and as modified by D.11-03-042 dated March 24, 2011. The AMIBA shall remain in effect until such time as SDG&E completes the deployment of its Advanced Metering Infrastructure system and the final costs and benefits of the Advanced Metering Infrastructure system can be reported in an SDG&E general rate case (per modified decision D.11-03-042). The current forecasted balance in the Electric AMI account is a \$100 million overcollection. Because of ongoing funding needed to complete the installation of remaining meters and Programmable Communication Thermostats, SDG&E proposes amortizing \$65 million of the forecast balance in 2012 electric distribution rates. This decreases revenues by \$65 million from current rates.

Streamlining Residual Account (SRA)

Resolution E-3514 authorizes the recording of miscellaneous non-generation related costs into the SRA. These costs include intervener compensation as authorized by the Commission, certain employee transfer costs, and Commission consultant and advisory costs. The projected 2011 year-end balance is a \$0.5 million undercollection primarily related to Intervener compensation paid by SDG&E as authorized by the Commission to be amortized in the 2012 electric distribution rates. This increases revenues by \$0.1 million from current rates.

Baseline Balancing Account (BBA)

The purpose of BBA is to record the revenues and expenses associated with the utility's baseline programs as authorized in Commission D.02-04-026, D.02-05-010 and D.04-02-057. The BBA contains the Family Electric Rate Assistance (FERA) subaccount to record revenue shortfalls and administrative costs that result from the FERA program. The balance

in the BBA is forecasted to be a \$0.04 million undercollection at December 31, 2011 to be amortized in 2012 electric distribution rates.

Common Area Balancing Account (CABA)

The purpose of CABA is to record the revenue under/(over) collection that results from customers who switch their residential common area accounts from residential to commercial rate schedules as authorized in Commission D.04-02-057. The projected 2011 year-end balance in the CABA is \$0.3 million undercollection to be amortized in the 2012 electric distribution rates for residential customers with common area accounts. This increases revenues by \$0.1 million from current rates.

Summary

This Advice Letter implements the above-described changes in SDG&E's electric rates effective January 1, 2012. The total net \$57.3 million decrease in revenues resulting from the amortization of SDG&E's regulatory accounts is summarized in Attachment A. SDG&E's total system average electric rates will decrease by approximately (-0.27) cents/kWh (-1.68%) from currently effective rates. Attachment B shows the illustrative rate impact, by customer class, resulting from the amortization of the balances described above.

Furthermore, Attachments C and D show the calculation of the Pension Balancing Account (PBA) and Post-Retirement Benefits Other than Pensions Balancing Account (PBOPBA) balances to be included in 2012 rates. Attachments E and F show the supporting calculations of the minimum contributions made to the Pension/PBOP Trusts for 2011².

ACCOUNT NAME	Revenue Requirement Increase/(Decrease) (\$ Million)
Energy Resource Recovery Account (ERRA)	15.1
Electric Distribution Fixed Cost Account (EDFCA)	(37.5)
Rewards & Penalties Balancing Account (RPBA)	1.0
Transition Cost Balancing Account (TCBA)	25.6
On Bill Financing Account (OBFBA)	(0.1)
Pension Balancing Account (PBA)	2.4
Post-Retirement Benefits other than Pensions Balancing Account (PBOPBA)	0.2
Nuclear Decommissioning Adjustment Mechanism (NDAM)	0.8
Advanced Metering Infrastructure Balancing Account (AMIBA)	(65.0)
Other Accounts: SRA, BBA, CABA	0.2
Total Increase/(Decrease) (w/o FF&U)	(57.3)
Total Increase/(Decrease) (w/ FF&U)	(61.1)

Prior to the end of this year, there will be additional electric rate adjustments authorized by the Commission to become effective on January 1, 2012. Therefore, at least three days prior to January 1, SDG&E will file an advice letter, including appropriate tariff sheets, to consolidate all of the rate changes to become effective on January 1, 2012.

² Pursuant to R. van der Leeden's declaration as referenced on Page 5 of D.09-09-011

EFFECTIVE DATE

SDG&E believes that this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. SDG&E respectfully requests that this filing become effective on January 1, 2012, more than 30 days after the date filed.

PROTEST

Anyone may protest this Advice Letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received by November 17, 2011, 20 days from the date this Advice Letter was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Honesto Gatchalian (inj@cpuc.ca.gov) and Maria Salinas (mas@cpuc.ca.gov) of the Energy Division. A copy of the protest should also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Megan Caulson
Regulatory Tariff Manager
8315 Century Park Court, Room 32
San Diego, CA 92123-1548
Facsimile No. (858) 654-1879
E-mail: mcaulson@semprautilities.com

NOTICE

A copy of this filing has been served on the utilities and interested parties shown on the attached list, including interested parties to service list A.06-12-009, by either providing them a copy electronically or by mailing them a copy hereof, properly stamped and addressed.

Address changes should be directed to SDG&E Tariffs by facsimile at (858) 654-1879 or by e-mail at SDG&ETariffs@semprautilities.com.

CLAY FABER
Director – Regulatory Affairs

Enclosures
(cc list enclosed)

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SAN DIEGO GAS & ELECTRIC (U 902)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Aurora Carrillo

Phone #: (858) 654-1542

E-mail: acarrillo@semprautilities.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2298-E

Subject of AL: Annual Electric Regulatory Account Update Effective January 1, 2012

Keywords (choose from CPUC listing): Compliance, Balancing Accounts

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.08-08-036

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL N/A

Summarize differences between the AL and the prior withdrawn or rejected AL¹: N/A

Does AL request confidential treatment? If so, provide explanation: _____

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: January 1, 2012

No. of tariff sheets: 0

Estimated system annual revenue effect (%): _____

Estimated system average rate effect (%): (1.68)

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: NA

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Ave.,
San Francisco, CA 94102
mas@cpuc.ca.gov and jnj@cpuc.ca.gov

San Diego Gas & Electric
Attention: Megan Caulson
8330 Century Park Ct, Room 32C
San Diego, CA 92123
mcaulson@semprautilities.com

¹ Discuss in AL if more space is needed.

General Order No. 96-B
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

Public Utilities Commission

DRA

S. Cauchois
R. Pocta
W. Scott

Energy Division

P. Clanon
S. Gallagher
H. Gatchalian
D. Lafrenz
M. Salinas

CA. Energy Commission

F. DeLeon
R. Tavares

Alcantar & Kahl LLP

K. Harteloo

American Energy Institute

C. King

APS Energy Services

J. Schenk

BP Energy Company

J. Zaiontz

Barkovich & Yap, Inc.

B. Barkovich

Bartle Wells Associates

R. Schmidt

Braun & Blaising, P.C.

S. Blaising

California Energy Markets

S. O'Donnell
C. Sweet

California Farm Bureau Federation

K. Mills

California Wind Energy

N. Rader

CCSE

S. Freedman
J. Porter

Children's Hospital & Health Center

T. Jacoby

City of Chula Vista

M. Meacham
E. Hull

City of Poway

R. Willcox

City of San Diego

J. Cervantes
G. Lonergan
M. Valerio

Commerce Energy Group

V. Gan

Constellation New Energy

W. Chen

CP Kelco

A. Friedl

Davis Wright Tremaine, LLP

E. O'Neill
J. Pau

Dept. of General Services

H. Nanjo
M. Clark

Douglass & Liddell

D. Douglass
D. Liddell
G. Klatt

Duke Energy North America

M. Gillette

Dynegy, Inc.

J. Paul

Ellison Schneider & Harris LLP

E. Janssen

Energy Policy Initiatives Center (USD)

S. Anders

Energy Price Solutions

A. Scott

Energy Strategies, Inc.

K. Campbell
M. Scanlan

Goodin, MacBride, Squeri, Ritchie & Day

B. Cragg
J. Heather Patrick
J. Squeri

Goodrich Aerostructures Group

M. Harrington

Hanna and Morton LLP

N. Pedersen

Itsa-North America

L. Belew

J.B.S. Energy

J. Nahigian

Luce, Forward, Hamilton & Scripps LLP

J. Leslie

Manatt, Phelps & Phillips LLP

D. Huard
R. Keen

Matthew V. Brady & Associates

M. Brady

Modesto Irrigation District

C. Mayer

Morrison & Foerster LLP

P. Hanschen

MRW & Associates

D. Richardson

OnGrid Solar

Andy Black

Pacific Gas & Electric Co.

J. Clark

M. Huffman

S. Lawrie

E. Lucha

Pacific Utility Audit, Inc.

E. Kelly

R. W. Beck, Inc.

C. Elder

School Project for Utility Rate
Reduction

M. Rochman

Shute, Mihaly & Weinberger LLP

O. Armi

Solar Turbines

F. Chiang

Sutherland Asbill & Brennan LLP

K. McCrea

Southern California Edison Co.

M. Alexander

K. Cini

K. Gansecki

H. Romero

TransCanada

R. Hunter

D. White

TURN

M. Florio

M. Hawiger

UCAN

M. Shames

U.S. Dept. of the Navy

K. Davoodi

N. Furuta

L. DeLacruz

Utility Specialists, Southwest, Inc.

D. Koser

Western Manufactured Housing
Communities Association

S. Dey

White & Case LLP

L. Cottle

SAN DIEGO GAS & ELECTRIC
Advice Letter 2298-E
Present and Proposed Regulatory Account Balances
Attachment A

Line	Regulatory Account Name	Present 1/1/11 Amortization (\$000)	Proposed 1/1/12 Amortization 1/ (\$000)	Change 1/ (\$000)
1	Energy Resource Recovery Account (ERRA)	(37,000)	(21,876)	15,124
2	Electric Distribution Fixed Cost Account (EDFCA)	66,684	74,857	8,173
3	- ZFMA YE 2010 tranfer per Consolidated filing	27,683	-	(27,683)
4	- CEMA YE 2010 tranfer of amortization per Consolidated filing	18,045	-	(18,045)
5	Sub-total EDFCA	<u>112,412</u>	<u>74,857</u>	<u>(37,555)</u>
6	Rewards & Penalties Balancing Account (RPBA)			
7	- Advanced Metering and Demand Response Memo. Account	14,527	20,521	5,994
8	- Hazardous Substance Cleanup Cost Account	279	536	258
9	- Gain/Loss on Sale Memorandum Account	-	-	-
10	- Other (RPBA) 2/, 3/	8,705	3,457	(5,248)
11	Sub-total RPBA	<u>23,510</u>	<u>24,515</u>	<u>1,004</u>
12	Transition Cost Balancing Account (TCBA)	(18,298)	7,345	25,643
13	On Bill Financing Balancing Account (OBFBA)	5,196	5,098	(98)
14	Pension Balancing Account	(3,628)	(1,240)	2,389
15	PBOP Balancing Account	(2,152)	(1,996)	156
16	Nuclear Decommissioning Adjustment Mechanism (NDAM)	(777)	-	777
17	Streamlining Residual Account 4/	331	480	149
18	Baseline Balancing Account (BBA)	24	37	13
19	Common Area Balancing Account (CABA)	197	251	54
20	Advanced Metering Infrastructure Balancing Account (AMIBA)	-	(65,000)	(65,000)
21	Total w/o FF&U	79,814	22,470 1/	(57,344) 1/
22	Total w/ FF&U	85,046	23,903 1/	(61,143) 1/

- 1/ The proposed regulatory account balances herein do not include other revenue requirement adjustments authorized or expected to be authorized by the Commission, which will be included in SDG&E's Electric Consolidated Advice Filing, filed in December 2011 for implementation in SDG&E's rates effective January 1, 2012 including revenue requirements for the California Solar Initiative (SI), and Self-Generation programs as well as other commodity and electric transmission revenue requirement changes.
- 2/ Present rates include the amortization of 2009 PBR rewards, which were authorized by approval of Advice Letter 2169-E dated April 30, 2010, as well as the second installment of 2006-2008 Energy Efficiency interim awards, which were authorized in D.10-12-049.
- 3/ Proposed 2012 amortization includes the 2010 PBR rewards, which were authorized by approval of Advice Letter 2249-E (4/29/11) approved May 31, 2011. Proposed 2012 amortization does not include Energy Efficiency Awards currently pending Commission approval of A.11-06-031. If the awards are approved by year end 2011, SDG&E will include this amount in its Consolidated Filing for 2012 rates.
- 4/ Projected year-end balance does not include any amounts for intervenor compensation applications currently pending Commission approval. If any additional intervenor compensation amounts are approved by year end 2011, SDG&E will include this amount in its Consolidated Filing for 2012 rates.

SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
Regulatory Accounts Filing
1/1/2012

Attachment B

SDG&E Advice Letter 2298-E

CLASS AVERAGE RATES

Rates Effective 9/1/2011
(AL 2280-E-A)

Proposed Rates
1/1/2012

	Current Total UDC Rate (¢/KWhr)	Current Avg. Commodity (¢/KWhr)	Current Total Rate (¢/KWhr)	Proposed Total UDC Rate (¢/KWhr)	Proposed Avg. Commodity (¢/KWhr)	Proposed Total Rate (¢/KWhr)	Total Rate Change (¢/KWhr)	Total Rate Change (%)
Residential	11.873	6.567	18.440	11.256	6.650	17.906	(0.534)	-2.90%
Small Commercial	10.713	7.076	17.789	10.314	7.165	17.479	(0.310)	-1.74%
Med&Lg C&I	6.870	7.045	13.915	6.715	7.134	13.849	(0.066)	-0.47%
Agriculture	10.591	6.760	17.351	10.161	6.846	17.007	(0.344)	-1.98%
Lighting	10.500	4.865	15.365	10.133	4.927	15.060	(0.305)	-1.99%
System Total	9.168	6.824	15.992	8.813	6.910	15.723	(0.269)	-1.68%

Attachment C
SDG&E Advice Letter 2298-E
SAN DIEGO GAS & ELECTRIC
PENSION BALANCING ACCOUNT (PBA) - Electric
Year 2011
(Over) / Under Collection

Line		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
		actl	actl	actl	actl	actl	actl	actl	fcst	fcst	fcst	fcst	fcst	
1	Beginning Balance	(4,072,446)	(5,415,230)	(6,839,645)	(8,239,202)	(4,215,731)	(5,577,496)	(7,135,532)	(5,204,247)	(7,006,342)	(9,001,307)	(4,472,873)	(5,909,136)	(4,072,446)
1a	Prior Period Adjustment	-	-	-	-	-	-	(723,254)	-	-	-	-	-	(723,254)
1b	Adjusted Beginning Balance	(4,072,446)	(5,415,230)	(6,839,645)	(8,239,202)	(4,215,731)	(5,577,496)	(7,858,786)	(5,204,247)	(7,006,342)	(9,001,307)	(4,472,873)	(5,909,136)	(4,795,700)
2	Recorded Cost	10,108	1,810	(6,306)	5,356,718	24,216	18,294	4,451,452	30,857	19,688	6,186,638	46,925	6,214,360	22,354,760
3	Authorized Cost	1,654,305	1,727,334	1,694,139	1,634,387	1,687,498	1,877,816	2,092,475	2,134,522	2,315,986	1,959,695	1,784,872	1,846,834	22,409,862
4	Net position (2-3):	(1,644,197)	(1,725,524)	(1,700,445)	3,722,331	(1,663,282)	(1,859,522)	2,358,977	(2,103,665)	(2,296,298)	4,226,943	(1,737,947)	4,367,526	(55,102)
5	Amortization	302,333	302,333	302,333	302,333	302,333	302,333	302,333	302,333	302,333	302,333	302,333	302,333	3,627,996
6	Current Month Adjustment (4+5):	(1,341,864)	(1,423,191)	(1,398,112)	4,024,664	(1,360,949)	(1,557,189)	2,661,310	(1,801,332)	(1,993,965)	4,529,276	(1,435,614)	4,669,859	3,572,894
7	Current Month Interest**:	(921)	(1,225)	(1,445)	(1,193)	(816)	(847)	(6,771)	(763)	(1,000)	(842)	(649)	(447)	(16,919)
8	Total Current Month Activity (6+7):	(1,342,785)	(1,424,416)	(1,399,557)	4,023,471	(1,361,765)	(1,558,036)	2,654,539	(1,802,095)	(1,994,965)	4,528,434	(1,436,263)	4,669,412	3,555,975
9	Ending Balance (1b+8):	(5,415,230)	(6,839,646)	(8,239,202)	(4,215,731)	(5,577,496)	(7,135,532)	(5,204,247)	(7,006,342)	(9,001,307)	(4,472,873)	(5,909,136)	(1,239,724)	(1,239,725)

** Interest applied to average monthly balance as follows: (((Beg. Bal.+(Beg. Bal.+Current Month Adjustment))/2)*(Int.Rate/12)

Interest Assumption: 0.23% 0.24% 0.23% 0.23% 0.20% 0.16% 0.15% 0.15% 0.15% 0.15% 0.15% 0.15% 0.15%

Supporting Calculation - 2011 Net Pension Revenue/Costs

	Authorized Cost	Recorded Cost
Gross Revenues/Costs	\$ 53,499,465	\$ 67,527,420
Less: Electric Transmission Carve Out	(5,935,825)	(7,714,309)
Gas Allocation	(11,609,500)	(16,731,944)
Electric Distribution Allocation	35,954,140	43,081,167
Less:		
Amount Capitalized	(10,254,693)	(15,401,515)
Billings to SoCalGas/Unregulated Affiliates	(3,569,618)	(7,104,086)
Plus:		
Billings from SoCalGas	280,033	1,421,232
Net Revenues/Costs	22,409,862	21,996,798
Other Adjustments/Corrections		0
Depreciation/Return ^{1/}		357,962
Net Costs - Gas Department	\$ 22,409,862	\$ 22,354,760

1/ Reflects the depreciation and return differential associated with authorized/actual capitalization.

Attachment D
SDG&E Advice Letter 2298-E
SAN DIEGO GAS & ELECTRIC
POST RETIREMENT BENEFITS OTHER THAN PENSION BALANCING ACCOUNT (PBOPBA) - Electric
Year 2011
(Over) / Under Collection

Line	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
	actl	actl	actl	actl	actl	actl	actl	fcst	fcst	fcst	fcst	fcst		
1	Beginning Balance	(2,268,830)	(2,614,742)	(2,985,609)	(1,909,340)	(2,194,702)	(2,547,820)	(1,539,670)	(2,252,325)	(2,745,317)	(2,033,310)	(2,469,479)	(2,853,929)	(2,268,830)
1a	Prior Period Adjustment	-	-	-	-	-	-	(239,422)	-	-	-	-	-	(239,422)
1b	Adjusted Beginning Balance	(2,268,830)	(2,614,742)	(2,985,609)	(1,909,340)	(2,194,702)	(2,547,820)	(1,779,092)	(2,252,325)	(2,745,317)	(2,033,310)	(2,469,479)	(2,853,929)	(2,508,252)
2	Recorded Cost	11,633	9,439	1,446,179	65,927	14,658	1,434,875	22,919	13,452	1,274,762	15,980	13,488	1,275,459	5,598,771
3	Authorized Cost	536,410	559,078	548,774	530,229	546,714	605,786	672,413	685,465	741,789	631,201	576,938	596,169	7,230,967
4	Net position (2-3):	(524,777)	(549,640)	897,405	(464,302)	(532,056)	829,089	(649,494)	(672,013)	532,973	(615,221)	(563,450)	679,290	(1,632,196)
5	Amortization	179,333	179,333	179,333	179,333	179,333	179,333	179,333	179,333	179,333	179,333	179,333	179,333	2,151,997
6	Current Month Adjustment (4-5):	(345,444)	(370,307)	1,076,738	(284,969)	(352,723)	1,008,422	(470,161)	(492,680)	712,306	(435,888)	(384,117)	858,623	(3,784,193)
7	Current Month Interest**:	(468)	(560)	(469)	(393)	(395)	(272)	(3,072)	(312)	(299)	(281)	(333)	(303)	(7,157)
8	Total Current Month Activity (6+7):	(345,912)	(370,867)	1,076,269	(285,362)	(353,118)	1,008,150	(473,233)	(492,992)	712,007	(436,169)	(384,450)	858,320	512,643
9	Ending Balance (1b+8):	(2,614,742)	(2,985,609)	(1,909,340)	(2,194,702)	(2,547,820)	(1,539,670)	(2,252,325)	(2,745,317)	(2,033,310)	(2,469,479)	(2,853,929)	(1,995,609)	(1,995,609)

** Interest applied to average monthly balance as follows: (((Beg. Bal.+(Beg. Bal.+Current Month Adjustment))/2)*(Int.Rate/12)

Interest Assumption: 0.23% 0.24% 0.23% 0.23% 0.20% 0.16% 0.15% 0.15% 0.15% 0.15% 0.15% 0.15% 0.15%

Supporting Calculation - 2011 Net PBOP Revenue/Costs

	Authorized Cost	Recorded Cost
Gross Revenues/Costs	\$ 15,500,233	\$ 14,953,474
Less: Electric Transmission Carve Out	(1,719,725)	(1,684,550)
Gas Allocation	(3,363,500)	(3,750,642)
Electric Distribution Allocation	10,417,008	9,518,282
Less:		
Amount Capitalized	(2,971,060)	(3,356,802)
Billings to SoCalGas/Unregulated Affiliates	(577,117)	(1,564,842)
Plus:		
Billings from SoCalGas	362,136	835,525
Net Revenues/Costs	7,230,967	5,432,163
Other Adjustments/Corrections		(239,422)
Depreciation/Return ^{1/}		166,606
Net Costs - Gas Department	\$ 7,230,967	\$ 5,359,347

1/ Reflects the depreciation and return differential associated with authorized/actual capitalization.

**Attachment E
Advice Letter 2298-E
San Diego Gas & Electric Cash Balance Plan**

Development of 2011 Minimum Required Contribution

1. 2011 Funding target liability	\$826,411,477	
[Net Effective Interest Rate]	6.18%	
2. 2011 Plan Assets	\$655,866,034	
3. 2011 Plan Normal Cost		\$29,873,963
[includes estimated plan expenses of \$4,200,000]		
4. 2008 shortfall amortization charge (amortized through 2014)		5,566,968
5. 2009 shortfall amortization charge (amortized through 2015)		22,774,136
6. 2010 shortfall amortization charge (amortized through 2016)		(3,966,817)
7. Funding shortfall [(1) - (2)]	\$170,545,443	
(a) Less present value of 2008 shortfall amortization charge	(\$21,080,544)	
[based on amortization over 4 years at 3.78%]		
(b) Less present value of 2009 shortfall amortization charge	(105,872,281)	
[based on amortization over 5 years at 3.78%]		
(c) Less present value of 2010 shortfall amortization credit	21,362,187	
[based on amortization over first 5 years at 3.78% and next year at 6.31%]		
(d) 2011 funding shortfall base [(7) + (7(a)) + (7(b)) + (7(c))]	\$64,954,805	
8. 2011 Amortization factor	0.16453	
[based on amortization of shortfall over 7 years, assuming		
a 3.78% rate for the first 5 years and 6.31% rate for the final 2 years]		
9. 2011 funding shortfall to be amortized in 2011-2017 [(7(d)) x (8)]		10,686,982
10. 2011 Minimum required contribution		\$64,935,232
[(3) + (4) + (5) + (6) + (8) , amount as of 1/1/2011]		

Timing of 2011 Minimum Required Contribution

	Funding
First quarterly contribution deposited on April 1, 2011	\$16,600,000
Second quarterly contribution deposited on July 1, 2011	\$13,600,000
Third quarterly contribution deposited on October 1, 2011	\$10,600,000
Final 2011 contribution estimated to be deposited on December 15, 2011	\$26,727,470
Sum of payments made for the 2011 Plan Year	\$67,527,470
1/1/2011 Present value of 2011 Plan Year contributions	\$64,935,232

**Attachment F
Advice Letter 2298-E**

San Diego Gas & Electric Company

Postretirement Welfare Plans

Development of 2011 Contribution

1. 2011 APBO	\$166,354,810	
2. Discount rate	5.70%	
3. 2011 Fair Value of Assets	\$98,749,445	
4. 2011 Plan Service Cost		\$6,683,130
5. Interest cost		9,683,454
6. Expected return on assets [based on expected return of 7% on assets]		(6,795,174)
7. Transition obligation amortization		1,020,868
8. Prior service cost amortization		4,341,507
9. Unrecognized (gain)/loss amortization		0
10. Net periodic benefit cost		\$14,933,785

Timing of Estimated 2011 Contribution

	Funding
Contributions through December 31 made in quarterly installments	\$14,933,785