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October 31, 2011

**ADVICE LETTER 2067-G**  
(U 902-G)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: ANNUAL REGULATORY ACCOUNT BALANCE UPDATE FOR RATES  
EFFECTIVE JANUARY 1, 2012.**

San Diego Gas & Electric Company (SDG&E) hereby submits for approval with the California Public Utilities Commission (Commission) revisions to its revenue requirement and rates effective January 1, 2012.

**PURPOSE**

This filing is being made in compliance with the authorized practice of updating regulatory account balances annually as established in Ordering Paragraphs 2 and 4 of D.94-12-052. This filing describes the adjustments that are being made to SDG&E gas transportation rates for the Year 2012 resulting from the: 1) amortization of gas regulatory account balances, and 2) the Southern California Gas Company (SoCalGas) transportation costs allocated to SDG&E pursuant to SoCalGas' authorized regulatory account balance update filing.

In addition, in compliance with SDG&E's 2009 Biennial Cost Allocation Proceeding (BCAP) D.09-11-006 on Phase II issues, this filing revises SDG&E's revenue requirement for Company-Use (CU) fuel and Unaccounted For (UAF) gas costs based on the updated Gas Price forecast as shown below.

**BACKGROUND**

The revenue requirements related to the regulatory account balances are amortized in rates over 12 months beginning each January 1<sup>st</sup>. SDG&E will file an advice letter consolidating all Commission-authorized changes in its revenue requirements, and related changes to its rates, at least three days prior to the January 1, 2012 effective date of such rates.

**CUSTOMER RATE IMPACT -- REGULATORY ACCOUNT BALANCES****Total**

This filing requests a decrease of \$24.1 million in revenues from current rates to amortize the projected year-end 2011 balances, in part or in whole, in SDG&E's regulatory accounts over 12 months effective January 1, 2012, as shown in Attachment B. The core customer revenue requirement will decrease by \$19.4 million and the noncore will decrease by \$4.7 million as a result of this regulatory account balance update. Attachment C in this filing shows the Annual Gas Transportation Revenues table that summarizes the present and proposed revenue and rates by customer class.

Attachments D and E 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 F and G show the supporting calculations of the minimum contributions made to the Pension/PBOP Trusts for 2011<sup>1</sup>.

The following is a summary of the significant core and noncore components of the revenue requirement increase.

**Core Customers**

A \$19.4 million decrease in the core transportation revenue requirement is necessary to amortize the projected year-end 2011 regulatory account balances, in part or in whole. The decrease is primarily due to the Core Fixed Cost Account (CFCA) and Advanced Metering Infrastructure Balancing Account (AMIBA) offset by increases in the Pension Balancing Account (PBA), Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA) and the Gas Storage Balancing Account – Core (GSBA-C).

CFCA – The projected CFCA balance as of December 31, 2011, is an \$8.3 million over-collection, representing a \$17.7 million decrease in the revenue requirement compared to the \$9.4 million under-collection currently authorized in 2011 rates. The decrease in the projected under-collected balance from prior year is mainly the result of the 2011 amortization. The increase in the current year projected over-collection was created by higher core sales than authorized in 2011.

AMIBA – The current forecasted balance in the Gas AMI account is a \$10.5 million overcollection. Because of ongoing funding needed to complete the installation of remaining meters, SDG&E proposes amortizing \$5.9 million of the forecast balance in 2012 core rates. This decreases revenue requirement by \$5.9 million from current rates.

PBA – The projected PBA balance as of December 31, 2011, is a \$1.1 million under-collection, representing a \$2.4 million increase in the revenue requirement compared to the \$1.3 million over-collection currently authorized in 2011 rates. The projected under-collected balance is mainly due to updated capitalization and shared services billing factors as well as other true-up adjustments.

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<sup>1</sup> Pursuant to R. van der Leeden's declaration as referenced on page 5 of D.09-09-011.

PBOPBA – The projected PBOPBA balance as of December 31, 2011, is a \$0.2 million over-collection, representing a \$0.7 million increase in the revenue requirement compared to the \$0.9 million over-collection currently authorized in 2011 rates. The projected over-collected balance is mainly due to updated capitalization and shared services billing factors as well as other true-up adjustments.

GSBA-C – The projected GSBA-C balance as of December 31, 2011, is zero, representing a \$1.3 million increase in the revenue requirement compared to the \$1.3 million over-collection amortized in 2011 rates.

The major components of the core revenue requirement decrease are as follows:

Account Name	Core Increase/(Decrease) in Regulatory Account Amortizations (\$Million)
Core Fixed Cost Account (CFCA)	(17.7)
Advanced Metering Infrastructure Bal. Acct. (AMIBA)	(5.9)
Pension Bal. Acct. (PBA)	2.4
Post-Retirement Benefits Other Than Pensions Bal. Acct. (PBOPBA)	0.7
Gas Storage Bal. Acct (GSBA-C)	1.3
Other Regulatory Account Balances - Net	0.2
Total (w/o FF&U)	(19.0)
Total (w/ FF&U)	(19.4)

### Noncore Customers

A \$4.7 million decrease in the total noncore transportation revenue requirement is proposed to amortize the projected year-end 2011 regulatory account balances, in part or in whole. The decrease is primarily due to amortizing a lower amount in rate in the Noncore Fixed Cost Account (NFCA) and Integrated Transmission Balancing Account (ITBA) accounts offset by amortizing a larger under-collection in the Hazardous Substance Cleanup Cost Account (HSCCA) account.

NFCA – The projected NFCA balance as of December 31, 2011, is a \$27.5 million under-collection. In order to minimize the impact on rates in collecting this balance, SDG&E will collect this balance over 6 years by putting \$4.6 million into rates on January 1, 2012. This represents a \$3.6 million decrease in the revenue requirement compared to the \$8.2 million under-collection currently authorized in 2011 rates. The increase in the projected under-collected balance in 2011 is primarily due to sales coming in below authorized.

ITBA – The projected ITBA balance as of December 31, 2011, is a \$0.5 million over collection, representing a \$0.6 million decrease in the revenue requirement compared to the \$0.1 million under-collection currently authorized in 2011 rates.

HSCCA – The projected HSCCA balance as of December 31, 2011 is a \$0.8 million under-collection, representing a \$0.4 million increase in the revenue requirement compared to the \$0.4 million under-collection currently authorized in 2011 rates. The projected HSCCA under-collection reflects the forecasted expenses for 2011.

The major components of the noncore revenue requirement decrease are as follows:

Account Name	Noncore Increase/(Decrease) in Regulatory Account Amortizations (\$Million)
Noncore Fixed Cost Account (NFCA)	(3.6)
Integrated Transmission Balancing Account (ITBA)	(0.6)
Hazardous Substance Cleanup Cost Account (HSCCA)	0.4
Other Regulatory Account Balances - <b>Net</b>	(0.8)
Total (w/o FF&U)	<b>(4.6)</b>
Total (w/ FF&U)	<b>(4.7)</b>

### Revenue Requirement Change in CU Fuel and UAF Gas costs

Pursuant to the Settlement Agreement (Settlement) in SDG&E'S BCAP, the Commission authorized SDG&E to update the underlying gas price used in determining the authorized costs for CU<sup>2</sup> Fuel and UAF Gas. On an annual basis, SDG&E would update the underlying gas price in the October filing using a forecast of Southern California border gas prices for the next year that is based on current futures prices.

SDG&E forecasts the average gas price of \$4.53/MMBtu for 2012, an increase of \$0.03/MMBtu from the \$4.50/MMBtu authorized for rates effective January 1, 2011. Based on this updated gas price forecast, SDG&E proposes to revise its authorized costs for CU Fuel and UAF Gas to \$5.013 million, an increase of \$0.033 million compared to the present revenue requirement as shown in the calculation below which do not include FF&U:

#### Gas price impact (UAF, CU)

##### UnAccounted For Gas (UAF):

	<u>Present</u>	<u>Proposed</u>	<u>Difference</u>
System Volumes Mth/yr	1,216,345	1,216,345	0
% UAF (as % of end use)	0.880%	0.880%	0%
UAF Volumes Mth/yr	10,704	10,704	0
Gas Price \$/dth	\$4.50	\$4.53	\$0.03
<b>UAF (M\$)</b>	<b>\$4,815</b>	<b>\$4,847</b>	<b>\$32</b>

##### Company Use Other:

Co Use Other usage (dth)	36,715	36,715	0
WACOG \$/th	\$0.44982	\$0.45283	\$0.00301
<b>Co Use Other (M\$)</b>	<b>\$165</b>	<b>\$166</b>	<b>\$1</b>

<b>Total CU Fuel and UAF Gas costs</b>	<b>\$4,980</b>	<b>\$5,013</b>	<b>\$33</b>
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<sup>2</sup> Company Use Transmission Fuel is no longer recovered in transportation rates, but is now an In-kind charge associated with Backbone Transmission Service per SoCalGas Advice letter 4269. Fuel used by the Utility for other purposes remains in the transportation rate.

### SoCalGas Transportation Costs

This filing reflects an increase of approximately \$1.9 million in SoCalGas transportation costs allocated to SDG&E as reflected in SoCalGas' regulatory account balance update Advice Letter 4287, dated October 17, 2011. Core customer costs are increased by approximately \$0.9 million and noncore customer costs are increased by approximately \$1.0 million as a result of the change in the SoCalGas transportation and core storage costs.

### Update to SDG&E Cost Allocation Factors

SDG&E filed AL 2055-G in compliance with Decision 11-04-032 ("Decision") on August 26, 2011. The Decision outlined certain cost allocation factors for core and noncore customer classes. SDG&E inadvertently missed this update in its filing and as such, is providing the following updates as show in Attachment A herein. **These updates will not result in any rate impacts** and is only included in this advice letter to document the changes made in the attached tariff sheets (Attachment A).

### SUMMARY

The table below shows the combined revenue requirement impact of SDG&E's regulatory account activity (Attachment B) and the allocation of CU/UAF costs and SoCalGas' transportation costs described above, resulting in an \$18.5 million (7.3%) decrease to SDG&E's core customers' gas transportation rates and a \$0.6 million (3.3%) decrease to noncore customers' gas transportation rates. The net effect is a total gas transportation revenue requirement decrease of \$19.1 million (7.0%), effective January 1, 2012. A summary of the revenue changes and present and proposed rates is included as Attachment C

	CORE Revenue Requirement Increase/(Decrease) (\$Million)	NONCORE Revenue Requirement Increase/(Decrease) (\$Million)	TOTAL Revenue Requirement Increase/(Decrease) (\$Million)
Regulatory Accounts	(19.4)	(4.7)	(24.1)
SoCalGas Transp.	0.9	1.0	1.9
CU/UAF	0.0	0.0	0.0
Other Adjustment	0.0	3.1	3.1
<b>TOTAL:</b>	<b>(18.5)</b>	<b>(0.6)</b>	<b>(19.1)</b>

### 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 on November 20, 2011 which is 20 days of 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](mailto:inj@cpuc.ca.gov)) and Maria Salinas ([mas@cpuc.ca.gov](mailto: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  
8330 Century Park Court, Room 32C  
San Diego, CA 92123-1548  
Facsimile No. (858) 654-1879  
E-mail: [mcaulson@semprautilities.com](mailto:mcaulson@semprautilities.com)

### **EFFECTIVE DATE**

SDG&E believes that this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after approval) pursuant to GO 96-B. This filing is consistent with D.94-12-052 and therefore, SDG&E respectfully requests that this filing be approved effective November 30, 2011, which is 30 days from the date filed.

### **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](mailto:SDG&ETariffs@semprautilities.com).

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CLAY FABER  
Director – Regulatory Affairs

# 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: Joff Morales

Phone #: (858) 650-4098

E-mail: JMorales@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) #: 2067-G

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

Keywords (choose from CPUC listing): Compliance

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other

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

D.94-12-052

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 AL<sup>1</sup>: N/A

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

Resolution Required?  Yes  No

Tier Designation:  1  2  3

Requested effective date: 11/30/11; 1/1/12 Rates      No. of tariff sheets: 0

Estimated system annual revenue effect (%): -0.7%

Estimated system average rate effect (%): -0.7%

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: N/A

Service affected and changes proposed<sup>1</sup>: 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](mailto:mas@cpuc.ca.gov) and [jnj@cpuc.ca.gov](mailto:jnj@cpuc.ca.gov)

San Diego Gas & Electric  
Attention: Megan Caulson  
8330 Century Park Ct, Room 32C  
San Diego, CA 92123  
[tcahill@semprautilities.com](mailto:tcahill@semprautilities.com)

<sup>1</sup> 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

Interested Parties

A.06-12-009



ATTACHMENT A  
ADVICE LETTER 2067-G

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 19047-G	PRELIMINARY STATEMENT, III. COST ALLOCATION AND REVENUE REQUIREMENT, Sheet 4	Revised 18022-G
Revised 19048-G	TABLE OF CONTENTS, Sheet 1	Revised 19045-G



**PRELIMINARY STATEMENT**

Sheet 4

III. COST ALLOCATION AND REVENUE REQUIREMENT

D. REVENUE REQUIREMENT (Continued)

3. Cost Allocation Factors

These factors were determined pursuant to D.06.04-033, D.09-11-006 and D.11-04-032 and are used to allocate costs to the core and noncore customer classes:

Cost Description	CORE	NONCORE
Gas Base Margin	95.4%	4.6%

C

1/ The F&U for the Gas Base Margin is embedded in the Gas Base Margin.

(Continued)

4P10

Advice Ltr. No. 2067-G

Decision No. \_\_\_\_\_

Issued by  
**Lee Schavrien**  
Senior Vice President  
Regulatory Affairs

Date Filed Oct 31, 2011

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_



**TABLE OF CONTENTS**

Sheet 1

The following sheets contain all the effective rates and rules affecting rates, service and information relating thereto, in effect on the date indicated herein.

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(Continued)

**Attachment B**  
 Advice Letter 2067-G  
 San Diego Gas & Electric Company  
**Present and Proposed Regulatory Account Balances 1/**  
**For Proposed Rates Effective January 1, 2012**  
 (Over) / Under Collection \$Thousands

Line	Regulatory Account Name	Present 1/1/11 Amortization 2/			Proposed 1/1/12 Amortization 3/			Proposed Change		
		Core A	Noncore B	Total C	Core D	Noncore E	Total F	Core G	Noncore H	Total I
1	Core Fixed Cost Account (CFCA)	\$ 9,390	\$ -	\$ 9,390	\$ (8,320)	\$ -	\$ (8,320)	\$ (17,710)	\$ -	\$ (17,710)
2	Noncore Fixed Cost Account (NFCA)	-	8,171	8,171	-	4,575	4,575	-	(3,596)	(3,596)
3	FERC Settlement Proceeds Memo. Acct. (FSPMA)	(1,085)	-	(1,085)	-	-	-	1,085	-	1,085
4	Pension Balancing Account (PBA) 4/	(1,334)	(96)	(1,430)	1,103	52	1,155	2,437	148	2,585
5	Post-Retirement Benefits Other Than Pensions Bal. Acct. (PBOPBA) 4/	(946)	(68)	(1,014)	(224)	(10)	(234)	722	58	780
6	CSI Thermal Program Memo. Acct. (CSITPMA) 5/	296	477	773	626	52	678	330	(425)	(95)
7	Hazardous Substance Cleanup Cost Account (HSCCA)	253	363	616	541	775	1,316	288	412	700
8	Integrated Transmission Balancing Account (ITBA) 6/	126	164	290	(360)	(464)	(824)	(486)	(628)	(1,114)
9	Rewards & Penalties Balancing Account (RPBA) 7/	424	19	443	258	12	270	(166)	(7)	(173)
10	Catastrophic Event Memo. Acct. - Amortization 8/	90	6	96	-	-	-	(90)	(6)	(96)
11	Catastrophic Event Memo. Acct. - 2011 Revenue Requirement 8/	56	4	60	-	-	-	(56)	(4)	(60)
12	Gas Storage Balancing Account - Core (GSBA-C) 9/	(1,251)	-	(1,251)	-	-	-	1,251	-	1,251
13	Gas Storage Balancing Account - Noncore (GSBA-NC) 9/	-	201	201	-	-	-	-	(201)	(201)
14	Self-Generation Program Memorandum Account (SGPMA) 10/	705	51	756	-	-	-	(705)	(51)	(756)
15	On-Bill Financing Balancing Account (OBFBA) 11/	140	10	150	143	7	150	3	(3)	-
16	Advanced Metering Infrastructure Balancing Account (AMIBA)	-	-	-	(5,919)	(283)	(6,202)	(5,919)	(283)	(6,202)
17	<b>Total Amortization (w/o FF&amp;U)</b>	\$ 6,864	\$ 9,302	\$ 16,166	\$ (12,152)	\$ 4,716	\$ (7,436)	\$ (19,016)	\$ (4,586)	\$ (23,602)
18	<b>Total Amortization (w/ FF&amp;U)</b>	\$ 7,023	\$ 9,517	\$ 16,539	\$ (12,433)	\$ 4,825	\$ (7,608)	\$ (19,456)	\$ (4,692)	\$ (24,147)

- 1/ Forecasted year-end balances are based upon recorded data through August 2010 and August 2011 respectively.
- 2/ Pursuant to A.L. 1985-G (Commission approved 12/22/10), RPBA update in A.L. 2002-G (Commission approved 3/30/11). Allocation pursuant to A.L. 1918-G effective February 1, 2010 (Commission approved 3/19/10).
- 3/ Allocation effective 10/1/11 as authorized by CPUC D.11-04-032.
- 4/ A.L. 1888-G (9/21/09) changes PBA and PBOPBA preliminary statements to amortize annually pursuant to D.09-09-011. Commission approved A.L. on November 10, 2009.
- 5/ A.L. 1944-G (4/21/10) established the CSITPMA with an amortization entry effective January 21, 2010. Commission approved A.L. on August 23, 2010.
- 6/ Stand-alone ITBA is \$5.283 million overcollected (SDG&E) and \$249 million overcollected (SCG) resulting in combined overcollected balance of \$5.532 million. Combined balance re-allocated between utilities results in SDG&E allocation of \$0.824 million overcollected (14.9%).
- 7/ Excludes electric and gas energy efficiency (EE) awards. Plan to include in consolidated filing for 2012 if CPUC decision approves them before year-end.
- 8/ The CEMA gas costs to be transferred to the CFCA/NFCA pursuant to CPUC D.10-10-004 (10/14/10). Allocation between core and noncore based on equal percentage of adjusted margin (EPAM). The 2011 revenue requirement also approved pursuant to CPUC D.10-10-004.
- 9/ A.L. 1909-G (12/8/09) implemented 2009 BCAP D.09-11-006, which eliminates the GSBA after residual balance is transferred to CFCA and NFCA. Commission approved A.L. on January 19, 2010.
- 10/ Represents the SGP authorized annual revenue requirement, which excludes any amortization. Plan to include in consolidated filing for 2012 if CPUC decision grants revenue requirement before year end.
- 11/ A.L. 1901-G (11/6/09) established the OBFBA effective September 24, 2009. Commission approved A.L. on May 11, 2010. Represents the OBFBA authorized revenue requirement, which excludes any amortization.

**Attachment C**  
SDG&E AL 2067-G  
San Diego Gas & Electric  
Summary of Annual Gas Transportation Revenues  
2011 Biennial Cost Allocation Proceeding

SDGE RD Model v10-27-2011October Reg. Account Filing (Reg. Accounts and gas price only)

	At Present Rates			At Proposed Rates			Changes		
	Oct-1-11 Volumes mtherms A	Average Rate \$/therm B	Oct-1-11 Revenues \$000's C	Jan-1-12 Volumes mtherms D	Average Rate \$/therm E	Jan-1-12 Revenues \$000's F	Revenues \$000's G	Rates \$/therm H	Rate change % I
1 <b>CORE</b>									
2 Residential	326,003	\$0.66424	\$216,544	326,003	\$0.62183	\$202,720	(\$13,825)	(\$0.04241)	-6.4%
3 Comm & Industrial	158,725	\$0.23968	\$38,043	158,725	\$0.21103	\$33,496	(\$4,547)	(\$0.02864)	-12.0%
4									
5 NGV Pre SW	15,238	\$0.06135	\$935	15,238	\$0.02800	\$427	(\$508)	(\$0.03336)	-54.4%
6 SW Adjustment	15,238	\$0.01676	\$255	15,238	\$0.03708	\$565	\$310	\$0.02032	121.2%
7 NGV Post SW	15,238	\$0.07812	\$1,190	15,238	\$0.06508	\$992	(\$199)	(\$0.01304)	-16.7%
8									
9 Total CORE	499,967	\$0.51159	\$255,778	499,967	\$0.47445	\$237,208	(\$18,570)	(\$0.03714)	-7.3%
10									
11 <b>NONCORE COMMERCIAL &amp; INDUSTRIAL</b>									
12 Distribution Level Service	37,270	\$0.14451	\$5,386	37,270	\$0.12569	\$4,684	(\$701)	(\$0.01882)	-13.0%
13 Transmission Level Service (2)	3,193	\$0.01758	\$56	3,193	\$0.01783	\$57	\$1	\$0.00025	1.4%
14 Total Noncore C&I	40,463	\$0.13449	\$5,442	40,463	\$0.11717	\$4,741	(\$701)	(\$0.01732)	-12.9%
15									
16 <b>NONCORE ELECTRIC GENERATION</b>									
17 Distribution Level Service									
18 Pre Sempra Wide	179,522	\$0.03299	\$5,922	179,522	\$0.02850	\$5,116	(\$806)	(\$0.00449)	-13.6%
19 Sempra Wide Adjustment	179,522	(\$0.00379)	(\$681)	179,522	(\$0.00009)	(\$16)	\$665	\$0.00371	-97.7%
20 Distribution Level Post Sempra Wide	179,522	\$0.02920	\$5,241	179,522	\$0.02841	\$5,100	(\$141)	(\$0.00079)	-2.7%
21 Transmission Level Service (2)	496,393	\$0.01589	\$7,888	496,393	\$0.01635	\$8,116	\$229	\$0.00046	2.9%
22 Total Electric Generation	675,916	\$0.01942	\$13,129	675,916	\$0.01955	\$13,217	\$88	\$0.00013	0.7%
23									
24 <b>TOTAL NONCORE</b>	716,379	\$0.02592	\$18,571	716,379	\$0.02507	\$17,958	(\$613)	(\$0.00086)	-3.3%
25									
26 <b>System Total</b>	1,216,345	\$0.22555	\$274,348	1,216,345	\$0.20978	\$255,165	(\$19,183)	(\$0.01577)	-7.0%

- 1) These rates are for Natural Gas Transportation Service from "Citygate to Meter". The BTS rate is for service from Receipt Point to Citygate and is purchased from SoCalGas.
- 2) These proposed costs and rates for Transmission Level Service "TLS" customers represents the average transmission rate. See Table 5 or detail list of TLS rates.
- 3) FAR charge is as a separate rate. Core will pay through procurement rate, noncore as a separate charge and is purchased from SoCalGas. See SoCalGas' Table 5 for actual FAR rates.

**Attachment D**  
**SDG&E AL 2067-G**  
**SAN DIEGO GAS & ELECTRIC**  
**PENSION BALANCING ACCOUNT (PBA) - Gas**  
**Year 2011**  
(Over) / Under Collection

Line		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1	Beginning Balance	(1,629,481)	(2,505,313)	(3,268,322)	(3,922,830)	(2,326,647)	(2,673,983)	(3,003,221)	(1,877,245)	(2,106,438)	(2,341,002)	(213,898)	(570,727)	(1,629,481)
1a	Prior Period Adjustment	-	-	-	-	-	-	(313,361)	-	-	-	-	-	(313,361)
1b	Adjusted Beginning Balance	(1,629,481)	(2,505,313)	(3,268,322)	(3,922,830)	(2,326,647)	(2,673,983)	(3,316,582)	(1,877,245)	(2,106,438)	(2,341,002)	(213,898)	(570,727)	(1,942,842)
2	Recorded Cost	15,157	10,837	7,073	2,088,048	17,836	16,813	1,739,515	24,848	23,040	2,418,516	34,833	2,428,276	8,824,792
3	Authorized Cost	1,009,759	892,435	780,059	610,433	483,922	464,840	416,072	372,959	376,493	410,419	510,780	821,758	7,149,930
4	Net position (2-3):	(994,602)	(881,598)	(772,986)	1,477,615	(466,086)	(448,027)	1,323,443	(348,111)	(353,453)	2,008,097	(475,947)	1,606,518	1,674,863
5	Amortization	119,167	119,167	119,167	119,167	119,167	119,167	119,167	119,167	119,167	119,167	119,167	119,167	1,430,000
6	Current Month Adjustment (4+5):	(875,436)	(762,432)	(653,819)	1,596,782	(346,919)	(328,860)	1,442,610	(228,944)	(234,286)	2,127,264	(356,780)	1,725,685	3,104,863
7	Current Month Interest**:	(396)	(577)	(689)	(599)	(417)	(378)	(3,273)	(249)	(278)	(160)	(49)	37	(7,028)
8	Total Current Month Activity (6+7):	(875,832)	(763,009)	(654,508)	1,596,183	(347,336)	(329,238)	1,439,337	(229,193)	(234,564)	2,127,104	(356,829)	1,725,722	3,097,835
9	Ending Balance (1b+8):	(2,505,313)	(3,268,322)	(3,922,830)	(2,326,647)	(2,673,983)	(3,003,221)	(1,877,245)	(2,106,438)	(2,341,002)	(213,898)	(570,727)	1,154,995	1,154,993

\*\* 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	(5,935,826)	(7,714,309)
Electric Distribution Allocation	(35,954,140)	(43,081,167)
Gas Allocation	11,609,499	16,731,944
Less:		
Amount Capitalized	(3,552,515)	(5,981,670)
Billings to SoCalGas/Unregulated Affiliates	(989,289)	(2,759,099)
Plus:		
Billings from SoCalGas	82,235	551,980
Net Revenues/Costs	7,149,930	8,543,155
Other Adjustments/Corrections		(313,361)
Depreciation/Return <sup>1/</sup>		281,635
Net Costs - Gas Department	\$ 7,149,930	\$ 8,511,429

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

**Attachment E**  
**SDG&E AL 2067-G**  
**SAN DIEGO GAS & ELECTRIC**  
**POST RETIREMENT BENEFITS OTHER THAN PENSION BALANCING ACCOUNT (PBOPBA) - Gas**  
**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	(1,069,552)	(1,295,615)	(1,486,802)	(1,054,615)	(1,137,847)	(1,201,817)	(708,196)	(881,201)	(910,156)	(449,821)	(488,294)	(558,366)	(1,069,552)
1a	Prior Period Adjustment	-	-	-	-	-	-	(132,472)	-	-	-	-	-	(132,472)
1b	Adjusted Beginning Balance	(1,069,552)	(1,295,615)	(1,486,802)	(1,054,615)	(1,137,847)	(1,201,817)	(840,668)	(881,201)	(910,156)	(449,821)	(488,294)	(558,366)	(1,202,024)
2	Recorded Cost	7,065	5,899	594,666	27,029	7,355	559,008	11,185	8,151	498,501	10,103	9,386	499,104	2,237,452
3	Authorized Cost	317,401	281,308	246,735	194,551	155,630	149,760	134,758	121,494	122,581	133,017	163,893	259,564	2,280,691
4	Net position (2-3):	(310,336)	(275,409)	347,931	(167,522)	(148,275)	409,248	(123,573)	(113,343)	375,920	(122,914)	(154,507)	239,540	(43,240)
5	Amortization	84,500	84,500	84,500	84,500	84,500	84,500	84,500	84,500	84,500	84,500	84,500	84,500	1,014,000
6	Current Month Adjustment (4-5):	(225,836)	(190,909)	432,431	(83,022)	(63,775)	493,748	(39,073)	(28,843)	460,420	(38,414)	(70,007)	324,040	(1,057,240)
7	Current Month Interest**:	(227)	(278)	(244)	(210)	(195)	(127)	(1,460)	(112)	(85)	(59)	(65)	(50)	(3,112)
8	Total Current Month Activity (6+7):	(226,063)	(191,187)	432,187	(83,232)	(63,970)	493,621	(40,533)	(28,955)	460,335	(38,473)	(70,072)	323,990	967,648
9	Ending Balance (1b+8):	(1,295,615)	(1,486,802)	(1,054,615)	(1,137,847)	(1,201,817)	(708,196)	(881,201)	(910,156)	(449,821)	(488,294)	(558,366)	(234,376)	(234,376)

\*\* 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)
Electric Distribution Allocation	(10,417,008)	(9,518,282)
Gas Allocation	3,363,500	3,750,642
Less:		
Amount Capitalized	(1,029,229)	(1,321,998)
Billings to SoCalGas/Unregulated Affiliates	(159,935)	(616,546)
Plus:		
Billings from SoCalGas	106,355	328,907
Net Revenues/Costs	2,280,691	2,141,005
Other Adjustments/Corrections		(132,472)
Depreciation/Return <sup>1/</sup>		96,445
Net Costs - Gas Department	\$ 2,280,691	\$ 2,104,978

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

**Attachment F  
SDG&E AL 2067-G  
San Diego Gas & Electric Company Cash Balance Plan**

**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
<b>10. 2011 Minimum required contribution</b>		<b>\$64,935,232</b>
[ (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
<b>Sum of payments made for the 2011 Plan Year</b>	<b>\$67,527,470</b>
<b>1/1/2011 Present value of 2011 Plan Year contributions</b>	<b>\$64,935,232</b>



**Attachment G**  
**SDG&E AL 2067-G**  
**San Diego Gas & Electric Company**

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		(6,795,174)
[ based on expected return of 7% on assets ]		
7. Transition obligation amortization		1,020,868
8. Prior service cost amortization		4,341,507
9. Unrecognized (gain)/loss amortization		0
<b>10. Net periodic benefit cost</b>		<b>\$14,933,785</b>

**Timing of Estimated 2011 Contribution**

	Funding
<b>Contributions through December 31 made in quarterly installments</b>	<b>\$14,933,785</b>