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October 31, 2012

**ADVICE LETTER 2146-G**  
(U 902-G)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: ANNUAL REGULATORY ACCOUNT BALANCE UPDATE FOR RATES  
EFFECTIVE JANUARY 1, 2013**

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, 2013.

**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 2013 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, 2013 effective date of such rates.

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

This filing requests an increase of \$37.2 million in revenues from current rates to amortize the projected year-end 2012 balances, in part or in whole, in SDG&E's regulatory accounts over 12 months effective January 1, 2013, as shown in Attachment A. The core customer revenue requirement will increase by \$30.0 million and the noncore will increase by \$7.2 million as a result of this regulatory account balance update. Attachment B in this filing shows the Annual Gas Transportation Revenues table that summarizes the present and proposed revenue and rates by customer class.

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 2013 rates. Attachments E and F show the supporting calculations of the minimum contributions made to the Pension/PBOP Trusts for 2012<sup>1</sup>.

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

**Core Customers**

A \$30.0 million increase in the core transportation revenue requirement is necessary to amortize the projected year-end 2012 regulatory account balances, in part or in whole. The increase is primarily due to the Core Fixed Cost Account (CFCA) and Advanced Metering Infrastructure Balancing Account (AMIBA) offset by decreases in the Rewards and Penalties Balancing Account (RPBA), and the Hazardous Substance Cleanup Cost Account (HSCCA).

CFCA – The projected CFCA balance as of December 31, 2012, is a \$17.9 million under-collection, representing a \$26.2 million increase in the revenue requirement compared to the \$8.3 million over-collection currently authorized in 2012 rates. The increase in the projected under-collected balance from prior year is mainly the result of an allocation adjustment from NFCA to CFCA and higher core sales than authorized in 2012.

AMIBA – Because of the large amortization in rates on January 1, 21012, SDG&E believes the remaining balance in the AMIBA is sufficient to fund the completion of the deployment of the AMI system and therefore does not propose amortizing any of the current balance in 2013 rates. SDG&E amortized \$5.9 million of the forecast overcollection balance from December 31, 2011 in 2012 rates. There is no projected balance to amortize in 2013 resulting in an increase in the revenue requirement by \$5.9 million from current rates.

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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.

RPBA – The projected RPBA balance as of December 31, 2012, is a \$0.7 million under-collection<sup>2</sup>, representing a \$1.6 million decrease in the revenue requirement compared to the \$2.3 million under-collection currently authorized in 2012 rates.

HSCCA – The projected HSCCA balance as of December 31, 2012, is a \$0.9 million over-collection, representing a \$1.4 million decrease in the revenue requirement compared to the \$0.5 million under-collection currently authorized in 2012 rates.

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

| Account Name   | Core Increase/(Decrease)<br>in Regulatory Account<br>Amortizations<br>(\$Million) |
|--|---|
| Core Fixed Cost Account ( <b>CFCA</b> )                      | 26.2  |
| Advanced Metering Infrastructure Bal. Acct. ( <b>AMIBA</b> ) | 5.9   |
| Rewards & Penalties Bal. Acct. ( <b>RPBA</b> )               | (1.6)   |
| Hazardous Substance Cleanup Cost Acct. ( <b>HSCCA</b> )      | (1.4)   |
| Other Regulatory Account Balances - <b>Net</b>               | 0.9   |
| Total (w/o FF&U)   | <b>30.0</b>   |
| Total (w/ FF&U)  | <b>30.7</b>   |

### Noncore Customers

A \$7.2 million increase in the total noncore transportation revenue requirement is proposed to amortize the projected year-end 2012 regulatory account balances. The increase is primarily due to amortizing a higher amount in rates in the Noncore Fixed Cost Account (NFCA) and Advanced Metering Infrastructure Balancing Account (AMIBA) accounts offset by amortizing an over-collection in the Hazardous Substance Cleanup Cost Account (HSCCA) account.

NFCA – The projected NFCA balance as of December 31, 2012, is a \$13.2 million under-collection, representing an \$8.6 million increase in the revenue requirement compared to the \$4.6 million under-collection currently authorized in 2012 rates. The amount in current rates was only part of the total projected balance at that time in order to minimize the impact on rates collected in this balancing account. The amount proposed represents collecting the entire projected amount in 2013. The increase in the revenue requirement for 2013 is primarily due to the timing of the collection period offset by the result of an allocation adjustment from NFCA to CFCA and higher core sales than authorized in 2012.

AMIBA –SDG&E believes the remaining balance in the AMIBA is sufficient to fund the completion of the deployment of the AMI system and therefore does not propose amortizing any of the current balance in 2013 rates. SDG&E amortized \$0.3 million of the forecast overcollection balance from December 31, 2011 in 2012 rates. There is no projected balance to amortize in 2013 resulting in an increase in the revenue requirement by \$0.3 million from current rates.

<sup>2</sup> Projected year-end balance does not include Energy Efficiency Awards currently pending Commission decision. If awards are approved by year-end 2012, SDG&E will include the amount in its Consolidated Filing for 2013 rates.

HSCCA – The projected HSCCA balance as of December 31, 2012, is a \$1.2 million over collection, representing a \$2.0 million decrease in the revenue requirement compared to the \$0.8 million under-collection currently authorized in 2012 rates.

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

| Account Name  | Noncore Increase/(Decrease)<br>in Regulatory Account<br>Amortizations<br>(\$Million) |
|---|--|
| Noncore Fixed Cost Account (NFC A)                  | 8.6  |
| Advanced Metering Infrastructure Bal. Acct. (AMIBA) | 0.3  |
| Hazardous Substance Cleanup Cost Account (HSCCA)    | (2.0)  |
| Other Regulatory Account Balances - Net             | 0.3  |
| Total (w/o FF&U)                                    | 7.2  |
| Total (w/ FF&U)                                     | 7.4  |

### **Integrated Transmission Balancing Account (ITBA)**

SDG&E's stand-alone December 31, 2012 ITBA balance is projected to be \$5.0 million over-collected; and SoCalGas' stand-alone ITBA balance is projected to be \$2.2 million over-collected. SDG&E's share of the combined total of \$7.2 million projected over-collection is 13.1%, \$0.9 million. SoCalGas' share is \$6.3 million. This represents a change in the combined and re-allocated share for SoCalGas that was filed in AL 4411, SoCalGas Annual Regulatory Account Balance Update filing. The impact of SDG&E's share of the combined total on revenue requirement is reflected in the above tables under "Other Regulatory Account Balances – Net".

### **2012 General Rate Case (GRC)**

SDG&E's 2012 GRC (A.10-12-005) is pending approval by the Commission and its implementation could impact the regulatory account balance forecasts included in this filing. Once the 2012 GRC is approved, SDG&E plans to file a separate advice letter to revise the amortization of certain regulatory accounts in this filing that are impacted by the 2012 GRC.

The GRC Memorandum Account (GRCMA), approved in AL 2023-G-A on October 28, 2011, is not included in this filing. The account balance and its disposition will be included in the advice letter noted upon Commission approval of the 2012 GRC.

### **Environmental Fee Memorandum Account (EFMA)**

SDG&E's forecast of regulatory account balances in this filing includes \$1.4 million for EFMA that was approved in a decision on October 25, 2012. On September 21, 2012 Commissioner Ferron issued an Alternate Decision (AD) approving SDG&E's request to amortize in rates AB 32 implementation fees recorded in the EFMA as filed in Application (A.)10-08-002. Decision (D.) 12-10-044 issued on October 25, 2012 approved the AD. The funds for EFMA are split

between Core and Non-Core above in the respective tables. The EFMA balance in this advice letter are associated with the pre-2012 costs<sup>3</sup>.

### **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>4</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 \$3.61/MMBtu for 2013, a decrease of \$0.92/MMBtu from the \$4.53/MMBtu authorized for rates effective January 1, 2012. Based on this updated gas price forecast, SDG&E proposes to revise its authorized costs for CU Fuel and UAF Gas to \$3.997 million, a decrease of \$1.016 million compared to the present revenue requirement as shown in the calculation below which do not include FF&U:

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

|  | <b><u>Present</u></b> | <b><u>Proposed</u></b> | <b><u>Difference</u></b> |
|--|-----------------------|------------------------|--------------------------|
| <b><u>UnAccounted For Gas (UAF):</u></b> |                       |                        |                          |
| 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                         | \$4.53                | \$3.61                 | (\$0.92)                 |
| <b>UAF (M\$)</b>                         | <b>\$4,847</b>        | <b>\$3,864</b>         | <b>(\$983)</b>           |

#### **Company Use Other:**

|                           |              |              |               |
|---------------------------|--------------|--------------|---------------|
| Co Use Other usage (dth)  | 36,715       | 36,715       | 0             |
| WACOG \$/th               | \$0.45283    | \$0.36103    | (\$0.0918)    |
| <b>Co Use Other (M\$)</b> | <b>\$166</b> | <b>\$133</b> | <b>(\$33)</b> |

|  |                |                |                  |
|--|----------------|----------------|------------------|
| <b>Total CU Fuel and UAF Gas costs</b> | <b>\$5,013</b> | <b>\$3,997</b> | <b>(\$1,016)</b> |
|--|----------------|----------------|------------------|

### **SoCalGas Transportation Costs**

This filing reflects a decrease of approximately \$1.5 million in SoCalGas transportation costs allocated to SDG&E as reflected in SoCalGas' regulatory account balance update Advice Letter 4411, dated October 15, 2012. Core customer costs are decreased by approximately \$0.6 million and noncore customer costs are increased by approximately \$0.9 million as a result of the change in the SoCalGas transportation and core storage costs.

<sup>3</sup> Administrative costs incurred in 2012 will be addressed in SDG&E's 2012 GRC.

<sup>4</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.

**SUMMARY**

The table below shows the combined revenue requirement impact of SDG&E's regulatory account activity (Attachment A) and the allocation of CU/UAF costs and SoCalGas' transportation costs described above, resulting in a \$28.8 million (12.8%) increase to SDG&E's core customers' gas transportation rates and a \$0.3 million (1.5%) increase to noncore customers' gas transportation rates. The net effect is a total gas transportation revenue requirement increase of \$29.1 million (12.0%), effective January 1, 2013. A summary of the revenue changes and present and proposed rates is included as Attachment B.

|  | <b>CORE<br/>Revenue Requirement<br/>Increase/(Decrease)<br/>(\$Million)</b> | <b>NONCORE<br/>Revenue Requirement<br/>Increase/(Decrease)<br/>(\$Million)</b> | <b>TOTAL<br/>Revenue Requirement<br/>Increase/(Decrease)<br/>(\$Million)</b> |
|--|---|--|--|
| Regulatory Accounts                          | 30.0  | 7.2  | 37.2   |
| SoCalGas Transp.                             | (0.6)   | (0.9)  | (1.5)  |
| CU/UAF                                       | (0.6)   | (0.4)  | (1.0)  |
| Other Adjustment <sup>5</sup>                | (0.7)   | (5.8)  | (6.5)  |
| <b>TOTAL (w/o FF&amp;U):</b>                 | <b>28.1</b>   | <b>0.1</b>   | <b>28.2</b>  |
| <b>TOTAL (w/ FF&amp;U on<br/>Reg Accts):</b> | <b>28.8</b>   | <b>0.3</b>   | <b>29.1</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, 2012 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 Energy Division [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov). 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)

<sup>5</sup> Includes Sempra Wide and TLS adjustments.

**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, 2012, 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 checkboxes

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) #: 2146-G

Subject of AL: Annual Gas Regulatory Account Update Effective January 1, 2013

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: N/A

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

Resolution Required? Yes, No

Tier Designation: 1, 2, 3

Requested effective date: 11/30/12; 1/1/13 Rates

No. of tariff sheets: 0

Estimated system annual revenue effect (%): 1.2%

Estimated system average rate effect (%): 1.2%

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: 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
tcahill@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

Y. Schmidt  
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 2146-G  
 San Diego Gas & Electric Company  
**Present and Proposed Regulatory Account Balances 1/**  
**For Proposed Rates Effective January 1, 2013**  
 (Over) / Under Collection \$Thousands

| Line | Regulatory Account Name   | Present 1/1/12 Amortization 2/ |                 |                   | Proposed 1/1/13 Amortization 3/ |                  |                  | Proposed Change  |                 |                  |
|------|---|--------------------------------|-----------------|-------------------|---------------------------------|------------------|------------------|------------------|-----------------|------------------|
|      |   | Core                           | Noncore         | Total             | Core                            | Noncore          | Total            | Core             | Noncore         | Total            |
|      |   | A                              | B               | C                 | D                               | E                | F                | G                | H               | I                |
| 1    | Core Fixed Cost Account (CFCA)                                      | \$ (8,320)                     | \$ -            | \$ (8,320)        | \$ 17,855                       | \$ -             | \$ 17,855        | \$ 26,175        | \$ -            | \$ 26,175        |
| 2    | Noncore Fixed Cost Account (NFCA)                                   | -                              | 4,575           | 4,575             | -                               | 13,223           | 13,223           | -                | 8,648           | 8,648            |
| 3    | Pension Balancing Account (PBA)                                     | 1,103                          | 52              | 1,155             | 317                             | 15               | 332              | (786)            | (37)            | (823)            |
| 4    | Post-Retirement Benefits Other Than Pensions Bal. Acct. (PBOPBA) 4/ | (224)                          | (10)            | (234)             | (17)                            | (1)              | (18)             | 207              | 9               | 216              |
| 5    | CSI Thermal Program Memo. Acct. (CSITPMA) 5/                        | 626                            | 52              | 678               | 1,253                           | 109              | 1,362            | 627              | 57              | 684              |
| 6    | Hazardous Substance Cleanup Cost Account (HSCCA)                    | 541                            | 775             | 1,316             | (857)                           | (1,228)          | (2,085)          | (1,398)          | (2,003)         | (3,401)          |
| 7    | Integrated Transmission Balancing Account (ITBA) 6/                 | (360)                          | (464)           | (824)             | (413)                           | (535)            | (948)            | (53)             | (71)            | (124)            |
| 8    | Rewards & Penalties Balancing Account (RPBA) 7/                     | 2,267                          | 108             | 2,375             | 695                             | 33               | 728              | (1,572)          | (75)            | (1,647)          |
| 9    | On-Bill Financing Balancing Account (OBFBA) 8/                      | 143                            | 7               | 150               | -                               | -                | -                | (143)            | (7)             | (150)            |
| 10   | Advanced Metering Infrastructure Balancing Account (AMIBA)          | (5,919)                        | (283)           | (6,202)           | -                               | -                | -                | 5,919            | 283             | 6,202            |
| 11   | Disconnect Memo Account (DMA)                                       | -                              | -               | -                 | 90                              | -                | 90               | 90               | -               | 90               |
| 12   | Environmental Fee Memo Account (EFMA)                               | -                              | -               | -                 | 916                             | 436              | 1,352            | 916              | 436             | 1,352            |
| 13   | Self-Generation Program Memo Account (SGPMA) 9/                     | 721                            | 34              | 755               | 777                             | 37               | 814              | 56               | 3               | 59               |
| 14   | <b>Total Amortization (w/o FF&amp;U)</b>                            | <b>\$ (9,422)</b>              | <b>\$ 4,846</b> | <b>\$ (4,576)</b> | <b>\$ 20,615</b>                | <b>\$ 12,089</b> | <b>\$ 32,705</b> | <b>\$ 30,037</b> | <b>\$ 7,243</b> | <b>\$ 37,281</b> |
| 15   | <b>Total Amortization (w/ FF&amp;U)</b>                             | <b>\$ (9,640)</b>              | <b>\$ 4,958</b> | <b>\$ (4,682)</b> | <b>\$ 21,092</b>                | <b>\$ 12,369</b> | <b>\$ 33,461</b> | <b>\$ 30,731</b> | <b>\$ 7,411</b> | <b>\$ 38,142</b> |

1/ Forecasted year-end balances are based upon recorded data through August 2011 and August 2012 respectively.

2/ Pursuant to A.L. 2067-G (Commission approved 12/22/11), RPBA update in A.L. 2082-G (Commission approved 2/23/12).

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, 2010.

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 \$5.012 million overcollected (SDG&E) and \$2.224 million overcollected (SCG) resulting in combined overcollected balance of \$7.236 million. Combined balance re-allocated between utilities results in SDG&E allocation of \$0.948 million overcollected (13.1%.

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/ 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.

9/ In D.11-12-030, CPUC approved SDGE to collect \$11 million annually 2012-2014 of which 7% is allocated to gas = \$0.755 million. Additionally \$843,225 (7% gas = \$59,028) was approved by the Commission AL 2089-G on April 10, 2012.

**Attachment B**  
**SDG&E AL 2146-G**  
**Summary of Annual Gas Transportation Revenues**  
**2012 Biennail Cost Allcation Proceeding**

|   | At Present Rates |                  |                  | At Proposed Rates |                  |                  | Changes         |                  |              |
|---|------------------|------------------|------------------|-------------------|------------------|------------------|-----------------|------------------|--------------|
|   | Jan-1-12         | Average          | Jan-1-12         | Jan-1-13          | Average          | Jan-1-13         | Revenues        | Rates            | Rate         |
|   | Volumes          | Rate             | Revenues         | Volumes           | Rate             | Revenues         |                 |                  |              |
|   | mtherms          | \$/therm         | \$000's          | mtherms           | \$/therm         | \$000's          | \$000's         | \$/therm         | %            |
| A   | B                | C                | D                | E                 | F                | G                | H               | I                |              |
| 1 <b>CORE</b>                                 |                  |                  |                  |                   |                  |                  |                 |                  |              |
| 2 Residential                                 | 326,003          | \$0.59205        | \$193,011        | 326,003           | \$0.65404        | \$213,218        | \$20,207        | \$0.06198        | 10.5%        |
| 3 Comm'l & Industrial                         | 158,725          | \$0.19144        | \$30,387         | 158,725           | \$0.24616        | \$39,072         | \$8,685         | \$0.05472        | 28.6%        |
| 4   |                  |                  |                  |                   |                  |                  |                 |                  |              |
| 5 NGV Pre Sempra-Wide                         | 15,238           | \$0.02704        | \$412            | 15,238            | \$0.07909        | \$1,205          | \$793           | \$0.05205        | 192.5%       |
| 6 Sempra-Wide Adjustment                      | 15,238           | \$0.03893        | \$593            | 15,238            | (\$0.01694)      | (\$258)          | (\$851)         | (\$0.05586)      | -143.5%      |
| 7 NGV Post Sempra-Wide                        | 15,238           | \$0.06597        | \$1,005          | 15,238            | \$0.06216        | \$947            | (\$58)          | (\$0.00381)      | -5.8%        |
| 8   |                  |                  |                  |                   |                  |                  |                 |                  |              |
| 9 Total CORE                                  | 499,967          | \$0.44883        | \$224,402        | 499,967           | \$0.50651        | \$253,236        | \$28,834        | \$0.05767        | 12.8%        |
| 10  |                  |                  |                  |                   |                  |                  |                 |                  |              |
| 11 <b>NONCORE COMMERCIAL &amp; INDUSTRIAL</b> |                  |                  |                  |                   |                  |                  |                 |                  |              |
| 12 Distribution Level Service                 | 37,270           | \$0.12163        | \$4,533          | 37,270            | \$0.13498        | \$5,031          | \$498           | \$0.01335        | 11.0%        |
| 13 Transmission Level Service (2)             | 3,193            | \$0.01869        | \$60             | 3,193             | \$0.02078        | \$66             | \$7             | \$0.00209        | 11.2%        |
| 14 Total Noncore C&I                          | 40,463           | \$0.11350        | \$4,593          | 40,463            | \$0.12596        | \$5,097          | \$504           | \$0.01246        | 11.0%        |
| 15  |                  |                  |                  |                   |                  |                  |                 |                  |              |
| 16 <b>NONCORE ELECTRIC GENERATION</b>         |                  |                  |                  |                   |                  |                  |                 |                  |              |
| 17 Distribution Level Service                 |                  |                  |                  |                   |                  |                  |                 |                  |              |
| 18 Pre Sempra Wide                            | 179,522          | \$0.02857        | \$5,130          | 179,522           | \$0.03814        | \$6,847          | \$1,717         | \$0.00957        | 33.5%        |
| 19 Sempra Wide Adjustment                     | 179,522          | \$0.00050        | \$90             | 179,522           | (\$0.00706)      | (\$1,267)        | (\$1,357)       | (\$0.00756)      | -1502.5%     |
| 20 Distribution Level Post Sempra Wide        | 179,522          | \$0.02908        | \$5,220          | 179,522           | \$0.03108        | \$5,580          | \$360           | \$0.00200        | 6.9%         |
| 21 Transmission Level Service (2)             | 496,393          | \$0.01719        | \$8,532          | 496,393           | \$0.01600        | \$7,940          | (\$592)         | (\$0.00119)      | -6.9%        |
| 22 Total Electric Generation                  | 675,916          | \$0.02035        | \$13,752         | 675,916           | \$0.02000        | \$13,520         | (\$232)         | (\$0.00034)      | -1.7%        |
| 23  |                  |                  |                  |                   |                  |                  |                 |                  |              |
| 24 <b>TOTAL NONCORE</b>                       | 716,379          | \$0.02561        | \$18,345         | 716,379           | \$0.02599        | \$18,617         | \$272           | \$0.00038        | 1.5%         |
| 25  |                  |                  |                  |                   |                  |                  |                 |                  |              |
| 26 <b>System Total</b>                        | <b>1,216,345</b> | <b>\$0.19957</b> | <b>\$242,747</b> | <b>1,216,345</b>  | <b>\$0.22350</b> | <b>\$271,853</b> | <b>\$29,106</b> | <b>\$0.02393</b> | <b>12.0%</b> |

- 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) BTS 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 BTS rates.

**Attachment C**  
**SDG&E AL 2146-G**  
**SAN DIEGO GAS & ELECTRIC**  
**PENSION BALANCING ACCOUNT (PBA) - Gas**  
**Year 2012**  
(Over) / Under Collection

| Line                                  | Jan         | Feb       | Mar         | Apr         | May       | Jun       | Jul       | Aug       | Sep       | Oct       | Nov       | Dec       | Total       |
|---------------------------------------|-------------|-----------|-------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|
|                                       | Actual      | Actual    | Actual      | Actual      | Actual    | Actual    | Actual    | Actual    | Fcst      | Fcst      | Fcst      | Fcst      |             |
| 1 Beginning Balance                   | 1,149,897   | 85,332    | (866,337)   | (1,709,521) | 861,709   | 331,338   | (182,272) | 1,766,118 | 1,357,343 | 943,111   | 1,118,627 | 570,116   | 1,149,897   |
| 1a Prior Period Adjustment            | 1/          | -         | -           | 389,314     | -         | -         | -         | -         | -         | -         | -         | -         | 389,314     |
| 1b Adjusted Beginning Balance         |             |           |             |             |           |           |           |           |           |           |           |           |             |
| 2 Recorded Cost                       | 41,372      | 37,062    | 33,307      | 2,864,750   | 49,703    | 47,468    | 2,460,573 | 60,148    | 58,320    | 682,011   | 58,378    | 680,028   | 7,073,120   |
| 3 Authorized Cost                     | 1,009,759   | 892,435   | 780,059     | 610,434     | 483,923   | 464,840   | 416,072   | 372,959   | 376,494   | 410,417   | 510,780   | 821,759   | 7,149,931   |
| 4 Net position (2-3):                 | (968,387)   | (855,373) | (746,752)   | 2,254,316   | (434,220) | (417,372) | 2,044,501 | (312,811) | (318,174) | 271,594   | (452,402) | (141,731) | (76,811)    |
| 5 Amortization                        | 2/          | (96,250)  | (96,250)    | (96,250)    | (96,250)  | (96,250)  | (96,250)  | (96,250)  | (96,250)  | (96,250)  | (96,250)  | (96,250)  | (1,155,000) |
| 6 Current Month Adjustment (4+5):     | (1,064,637) | (951,623) | (843,002)   | 2,158,066   | (530,470) | (513,622) | 1,948,251 | (409,061) | (414,424) | 175,344   | (548,652) | (237,981) | (1,231,811) |
| 7 Current Month Interest:             | 3/          | 72        | (46)        | (182)       | 23,849    | 99        | 13        | 139       | 286       | 192       | 172       | 141       | 24,810      |
| 8 Total Current Month Activity (6+7): | (1,064,565) | (951,669) | (843,184)   | 2,181,915   | (530,371) | (513,610) | 1,948,389 | (408,775) | (414,232) | 175,516   | (548,511) | (237,905) | (1,207,001) |
| 9 Ending Balance (1b+8):              | 85,332      | (866,337) | (1,709,521) | 861,709     | 331,338   | (182,272) | 1,766,118 | 1,357,343 | 943,111   | 1,118,627 | 570,116   | 332,210   | 332,210     |

**Interest Assumption:** 0.14% 0.14% 0.17% 0.18% 0.20% 0.19% 0.21% 0.22% 0.20% 0.20% 0.20% 0.20% 0.20%

**Supporting Calculation - 2012 Net Pension Revenue/Costs**

|   | Authorized<br>Cost  | Recorded<br>Cost    |
|---|---------------------|---------------------|
| Gross Revenues/Costs                        | \$ 53,499,465       |                     |
| Less: Electric Transmission Carve Out       | (5,935,825)         |                     |
| Electric Distribution Allocation            | (35,954,140)        |                     |
| Gas Allocation                              | 11,609,500          | 12,988,796          |
| Less:                                       |                     |                     |
| Amount Capitalized                          | (3,552,516)         | (4,635,996)         |
| Billings to SoCalGas/Unregulated Affiliates | (989,291)           | (1,647,208)         |
| Plus:                                       |                     |                     |
| Billings from SoCalGas                      | 82,238              | 367,528             |
| Net Revenues/Costs                          | 7,149,931           | 7,073,120           |
| Other Adjustments/Corrections               |                     |                     |
| Depreciation/Return                         |                     |                     |
| Net Costs - Gas Department                  | <u>\$ 7,149,931</u> | <u>\$ 7,073,120</u> |

1/ 2012 true-up as end of Dec 2011 and March 2012.

2/ Authorized monthly amortization for 2012 is \$1,154,995 / 12 = \$96,250

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

**Attachment D**  
**SDG&E AL 2146-G**  
**SAN DIEGO GAS & ELECTRIC**  
**POST RETIREMENT BENEFITS OTHER THAN PENSION BALANCING ACCOUNT (PBOPBA) - Gas**  
**Year 2012**  
(Over) / Under Collection

| Line                                  | Jan       | Feb       | Mar       | Apr       | May       | Jun       | Jul       | Aug       | Sep       | Oct       | Nov       | Dec       | Total     |           |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                       | Actual    | Actual    | Actual    | Actual    | Actual    | Actual    | Actual    | Actual    | Fcst      | Fcst      | Fcst      | Fcst      |           |           |
| 1 Beginning Balance                   | (240,854) | (527,656) | (778,752) | (494,319) | (456,143) | (579,455) | (149,658) | (248,710) | (335,571) | 6,049     | (93,414)  | (224,490) | (240,854) |           |
| 1a Prior Period Adjustment            | 1/        | -         | -         | 188,405   | -         | -         | -         | -         | -         | -         | -         | -         | 188,405   |           |
| 1b Adjusted Beginning Balance         |           | (240,854) | (527,656) | (778,752) | (305,914) | (456,143) | (579,455) | (149,658) | (248,710) | (335,571) | 6,049     | (93,414)  | (224,490) | (52,449)  |
| 2 Recorded Cost                       |           | 11,112    | 10,757    | 511,726   | 14,696    | 12,873    | 560,083   | 16,209    | 15,155    | 444,696   | 14,027    | 13,309    | 446,746   | 2,071,389 |
| 3 Authorized Cost                     |           | 317,401   | 281,308   | 246,735   | 194,551   | 155,630   | 149,759   | 134,757   | 121,493   | 122,580   | 133,014   | 163,891   | 259,561   | 2,280,679 |
| 4 Net position (2-3):                 |           | (306,288) | (270,551) | 264,992   | (179,855) | (142,757) | 410,324   | (118,547) | (106,338) | 322,115   | (118,987) | (150,582) | 187,185   | (209,290) |
| 5 Amortization                        | 2/        | 19,531    | 19,531    | 19,531    | 19,531    | 19,531    | 19,531    | 19,531    | 19,531    | 19,531    | 19,531    | 19,531    | 19,531    | 234,372   |
| 6 Current Month Adjustment (4+5):     |           | (286,757) | (251,020) | 284,523   | (160,324) | (123,226) | 429,855   | (99,016)  | (86,807)  | 341,646   | (99,456)  | (131,051) | 206,716   | 25,082    |
| 7 Current Month Interest:             | 3/        | (45)      | (76)      | (89)      | 10,095    | (86)      | (58)      | (36)      | (54)      | (26)      | (6)       | (25)      | (21)      | 9,572     |
| 8 Total Current Month Activity (6+7): |           | (286,802) | (251,096) | 284,433   | (150,229) | (123,312) | 429,797   | (99,052)  | (86,861)  | 341,620   | (99,462)  | (131,076) | 206,695   | 34,654    |
| 9 Ending Balance (1b+8):              |           | (527,656) | (778,752) | (494,319) | (456,143) | (579,455) | (149,658) | (248,710) | (335,571) | 6,049     | (93,414)  | (224,490) | (17,795)  | (17,795)  |

**Interest Assumption:** 0.14% 0.14% 0.17% 0.18% 0.20% 0.19% 0.21% 0.22% 0.20% 0.20% 0.20% 0.20% 0.20%

**Supporting Calculation - 2012 Net PBOP Revenue/Costs**

|   | Authorized<br>Cost  | Recorded<br>Cost    |
|---|---------------------|---------------------|
| Gross Revenues/Costs                        | \$ 15,500,233       |                     |
| Less: Electric Transmission Carve Out       | (1,719,725)         |                     |
| Electric Distribution Allocation            | (10,417,008)        |                     |
| Gas Allocation                              | 3,363,500           | \$ 3,750,681        |
| Less:                                       |                     |                     |
| Amount Capitalized                          | (1,029,231)         | (1,346,236)         |
| Billings to SoCalGas/Unregulated Affiliates | (159,942)           | (509,580)           |
| Plus:                                       |                     |                     |
| Billings from SoCalGas                      | 106,352             | 176,523             |
| Net Revenues/Costs                          | 2,280,679           | 2,071,389           |
| Other Adjustments/Corrections               |                     |                     |
| Depreciation/Return                         |                     |                     |
| Net Costs - Gas Department                  | <u>\$ 2,280,679</u> | <u>\$ 2,071,389</u> |

1/ 2012 true-up as end of Dec 2011 and March 2012.

2/ Authorized monthly amortization for 2011 is \$234,376/12 = \$19,531

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

**Attachment E**  
SDG&E AL 2146-G  
San Diego Gas & Electric Company Cash Balance Plan

**Development of 2012 Minimum Required Contribution**

|   |                 |                     |
|---|-----------------|---------------------|
| 1. 2012 Funding target liability  | \$760,053,535   |                     |
| [ Net Effective Interest Rate ]   | 6.93%           |                     |
| 2. 2012 Plan Assets   | \$728,171,006   |                     |
| 3. 2012 Plan Normal Cost  |                 | \$25,857,780        |
| [includes estimated plan expenses of \$4,300,000]                                     |                 |                     |
| 4. 2008 shortfall amortization charge (amortized through 2014)                        |                 | 5,477,831           |
| 5. 2009 shortfall amortization charge (amortized through 2015)                        |                 | 22,409,481          |
| 6. 2010 shortfall amortization charge (amortized through 2016)                        |                 | (3,903,301)         |
| 7. 2011 shortfall amortization charge (amortized through 2017)                        |                 | 10,515,864          |
| 8. Funding shortfall [ (1) - (2) ]  | \$31,882,529    |                     |
| (a) Less present value of 2008 shortfall amortization charge                          | (\$15,585,963)  |                     |
| [based on amortization over 3 years at 5.54%]   |                 |                     |
| (b) Less present value of 2009 shortfall amortization charge                          | (82,823,761)    |                     |
| [based on amortization over 4 years at 5.54%]   |                 |                     |
| (c) Less present value of 2010 shortfall amortization credit                          | 17,572,345      |                     |
| [based on amortization over 5 years at 5.54%]   |                 |                     |
| (d) Less present value of 2011 shortfall amortization credit                          | (54,892,011)    |                     |
| [based on amortization over first 5 years at 5.54% and next year at 6.85%]            |                 |                     |
| (e) 2012 funding shortfall base [ ( 8 ) + ( 8(a) ) + ( 8(b) ) + ( 8(c) ) + ( 8(d) ) ] | (\$103,846,861) |                     |
| 9. 2012 Amortization factor   | 0.16972459      |                     |
| [based on amortization of shortfall over 7 years, assuming                            |                 |                     |
| a 5.54% rate for the first 5 years and 6.85% rate for the final 2 years]              |                 |                     |
| 10. 2012 funding shortfall to be amortized in 2012-2018 [ ( 8(e) ) x (9) ]            |                 | (17,625,366)        |
| <b>11. 2012 Minimum required contribution</b>   |                 | <b>\$42,732,289</b> |
| <b>[ (3) + (4) + (5) + (6) + (7) + (10) , amount as of 1/1/2012 ]</b>                 |                 |                     |

**Timing of 2012 Minimum Required Contribution**

|  |                     |
|--|---------------------|
|  | Funding             |
| First quarterly contribution deposited on April 2, 2012                | \$19,300,000        |
| Second quarterly contribution deposited on July 2, 2012                | \$16,300,000        |
| Final 2012 contribution estimated to be deposited on December 15, 2012 | \$8,514,540         |
| <b>Sum of payments made for the 2012 Plan Year</b>                     | <b>\$44,114,540</b> |
| <b>1/1/2012 Present value of 2012 Plan Year contributions</b>          | <b>\$42,732,289</b> |

**Attachment F**  
SDG&E AL 2146-G  
San Diego Gas & Electric Company Cash Balance Plan

**Postretirement Welfare Plans**

**Development of 2012 Contribution**

|  |               |                     |
|--|---------------|---------------------|
| 1. 2012 APBO   | \$166,151,127 |                     |
| 2. Discount rate   | 5.05%         |                     |
| 3. 2012 Fair Value of Assets   | \$105,409,596 |                     |
| 4. 2012 Plan Service Cost  |               | \$7,043,524         |
| 5. Interest cost   |               | 8,606,080           |
| 6. Expected return on assets<br>[ based on expected return of 7% on assets ] |               | (7,391,609)         |
| 7. Transition obligation amortization  |               | 998,098             |
| 8. Prior service cost amortization   |               | 4,129,084           |
| 9. Unrecognized (gain)/loss amortization                                     |               | 0                   |
| <b>10. Net periodic benefit cost</b>   |               | <b>\$13,385,177</b> |

**Timing of Estimated 2012 Contribution**

|   |                     |
|---|---------------------|
|   | Funding             |
| <b>Contributions through December 31 made in quarterly installments</b> | <b>\$13,385,177</b> |