

CTC TAX WORKSHOP
SAN DIEGO GAS & ELECTRIC
NON-NUCLEAR GENERATION REGULATORY RECEIVABLE FOR TAXES - PROPERTY RELATED

Total Non-Nuclear		
Net Book Value at January 1, 1998		151,866,000
Net Book Value Tax Gross up:		
Net Book Value	151,866,000	
Remaining State Tax Basis	(101,234,086)	
Net	50,631,914	
Apportioned State Tax Rate	8.84%	
Net to Gross Multiplier for Taxes	1.68765	
Total		7,553,686
Net Book Value	151,866,000	
Remaining Federal Tax Basis	(90,964,825)	
State Tax Differences before Gross Up (1)	(4,475,861)	
Net	56,425,314	
Federal Tax Rate	35%	
Net to Gross Multiplier for Taxes	1.68765	
Total		33,329,159
Normalized Deferred Tax Reserve:		
ACRS/MACRS Deferred Tax (2)	5,265,000	
Unicap Deferred Tax	(1,067,000)	
Normalized Taxes	4,198,000	
Net to Gross Multiplier for Taxes	1.68765	
Total		(7,084,754)
Deferred ITC:		
Unamortized ITC (3)	2,550,592	
Net to Gross Multiplier for Taxes	1.68765	
Total		(4,304,506)
CTC Revenue Requirement before Valuation		181,359,585
Less Valuation (4)		0
Net CTC Revenue Requirement		181,359,585
Net Book Value		(151,866,000)
Net CTC Revenue Requirement for Taxes		29,493,585

(1) Amount is computed as \$50,631,914 * 9.3%

(2) Amount includes ARAM. If the plant was sold or valued at an amount other than zero, a portion of this would not be available to ratepayers in compliance with the Internal Revenue Code normalization rules.

(3) If the plant is sold or is valued at an amount other than zero, a portion of Deferred ITC would not be available to ratepayers in compliance with the Internal Revenue Code normalization rules.

(4) For purposes of this computation, pending actual valuation or sale, the valuation has been assumed to be zero.