

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND  
COMPLIANCE DIVISION  
Energy Branch

RESOLUTION E-3410  
Date April 26, 1995

R E S O L U T I O N

RESOLUTION E-3410. SAN DIEGO GAS & ELECTRIC COMPANY (SDG&E) ORDER CORRECTING PREVIOUSLY AUTHORIZED 1995 ELECTRIC AND GAS PERFORMANCE BASE RATEMAKING (PBR) BASE RATE REVENUE REQUIREMENTS REFLECTING AN OVERSTATEMENT OF DEFERRED TAX RESERVES.

BY ADVICE LETTER 940-E/954-G FILED ON MARCH 22, 1995.

---

SUMMARY

1. San Diego Gas & Electric Company (SDG&E) requests approval to revise its 1995 electric and gas Performance Based Ratemaking (PBR) base rate revenue requirements, authorized in Resolution E-3401 on December 21, 1994, which was effective January 1, 1995.
2. The revision is to correct an inadvertent mistake in the calculation of the Deferred Tax Reserve component for SDG&E's electric and gas revenue requirements.
3. There were no protests to Advice Letter (AL) 940-E/954-G.

BACKGROUND

1. By AL 940-E/954-G, SDG&E informs the Commission of a discrepancy in the development of its 1995 PBR base rate revenue requirements, filed in AL 927-E-A/936-G-A on October 17, 1994 pursuant to D.94-08-023 in A.92-10-017, SDG&E's PBR proceeding; subsequently, modified on November 30, 1994 pursuant to D.94-11-076 in A.94-05-013, SDG&E's Cost of Capital proceeding. In addition to 1995 base rate revenues and 1995 financial attrition, the revenues authorized included a reward granted in D.94-12-021 in A.94-04-038 for SDG&E's 1993 Demand Side Management proceeding.
2. The mistake was made in the calculation of SDG&E's Deferred Tax Reserve component for both electric and gas departments. The mistake set SDG&E's electric ERAM Authorized Base Rate Revenue too high by \$549,000 and its Gas Base Cost Amount too high by \$3,000.

April 26, 1995

3. The corrected 1995 electric PBR revenue increase is \$73,679,000, and the corrected 1995 gas PBR revenue increase is \$13,146,000.

4. The discrepancy was inadvertently carried into SDG&E's AL 942-G, filed pursuant to D.94-12-052 in A.93-09-048, SDG&E's 1993 BCAP proceeding. By this AL, SDG&E also requests to revise the Gas Base Cost Amount filed in AL 942-G to reflect its corrected 1995 gas department revenue requirements.

5. SDG&E is not proposing to revise its electric or gas rates at this time. Rather, it is proposing to correct its 1995 base rate revenue requirement by making a one-time entry to its ERAM Balancing Account and its Gas Fixed Cost Account, reflecting the overstated amounts due to the mistake being corrected herein.

#### NOTICE

1. Public notice of this advice letter was made by publication in the Commission calendar and by SDG&E's mailing copies to utilities, governmental agencies and other interested parties requesting such notification, including parties to A.92-10-017, SDG&E's PBR docket.

#### PROTESTS

1. No protests were received to this Advice Letter.

#### DISCUSSION

1. SDG&E has brought to our attention that there was an inadvertent error made in the calculation of its authorized 1995 revenue requirements.

2. Appropriate corrections to SDG&E's electric and gas balancing accounts (plus standard application of the 3 months commercial paper interest rate) will hold ratepayers harmless.

3. It is reasonable for SDG&E to reflect the corrected base rate revenue requirement, which was effective January 1, 1995, by making a one-time entry to its ERAM Balancing Account and its Gas Fixed Cost Account, reflecting the overstated amounts.

#### FINDINGS

1. SDG&E filed AL 940-E/954-G on March 22, 1995, requesting approval to revise its 1995 electric and gas Performance Based Ratemaking (PBR) base rate revenue requirements, authorized in Resolution E-3401 on December 21, 1994, which was effective January 1, 1995.

2. A revision of SDG&E's 1995 PBR Base Rate Revenue Requirements is necessary to correct an inadvertent mistake in

April 26, 1995

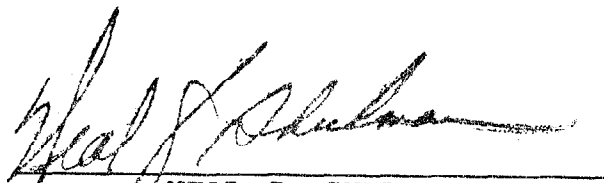
the calculation of the Deferred Tax Reserve component for SDG&E's electric and gas revenue requirements.

3. The mistake set SDG&E's electric ERAM Authorized Base Rate Revenue too high by \$549,000 and its Gas Base Cost Amount too high by \$3,000.
4. The discrepancy was inadvertently carried into SDG&E's AL 942-G, filed pursuant to a decision in SDG&E's 1993 BCAP Proceeding.
5. It is reasonable for SDG&E to correct its 1995 base rate revenue requirement by making a one-time entry to its ERAM Balancing Account and its Gas Fixed Cost Account, reflecting the amount overstated due to the mistake being corrected herein.

**THEREFORE, IT IS ORDERED that:**

1. San Diego Gas & Electric Company (SDG&E) is authorized to decrease its ERAM Authorized Base Rate Revenue by \$549,000 and decrease its Gas Base Cost Amount by \$3,000.
2. SDG&E shall reflect these changes effective January 1, 1995.
3. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on April 26, 1995. The following Commissioners approved it:

  
\_\_\_\_\_  
NEAL J. SHULMAN  
Executive Director

DANIEL Wm. FESSLER  
President  
P. GREGORY CONLON  
JESSIE J. KNIGHT, Jr.  
HENRY M. DUQUE  
Commissioners