

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Application of )  
SAN DIEGO GAS & ELECTRIC COMPANY )  
For Authority To Update Marginal Costs, )  
Cost Allocation, And Electric Rate Design )  
\_\_\_\_\_  
(U 902-E) )

Application No. 07-01-\_\_\_\_

**APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E)  
FOR AUTHORITY TO UPDATE MARGINAL COSTS,  
COST ALLOCATION AND ELECTRIC RATE DESIGN**

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January 31, 2007

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Application of	)	
SAN DIEGO GAS & ELECTRIC COMPANY	)	
For Authority To Update Marginal Costs,	)	Application No. 07-01-___
Cost Allocation, And Electric Rate Design	)	
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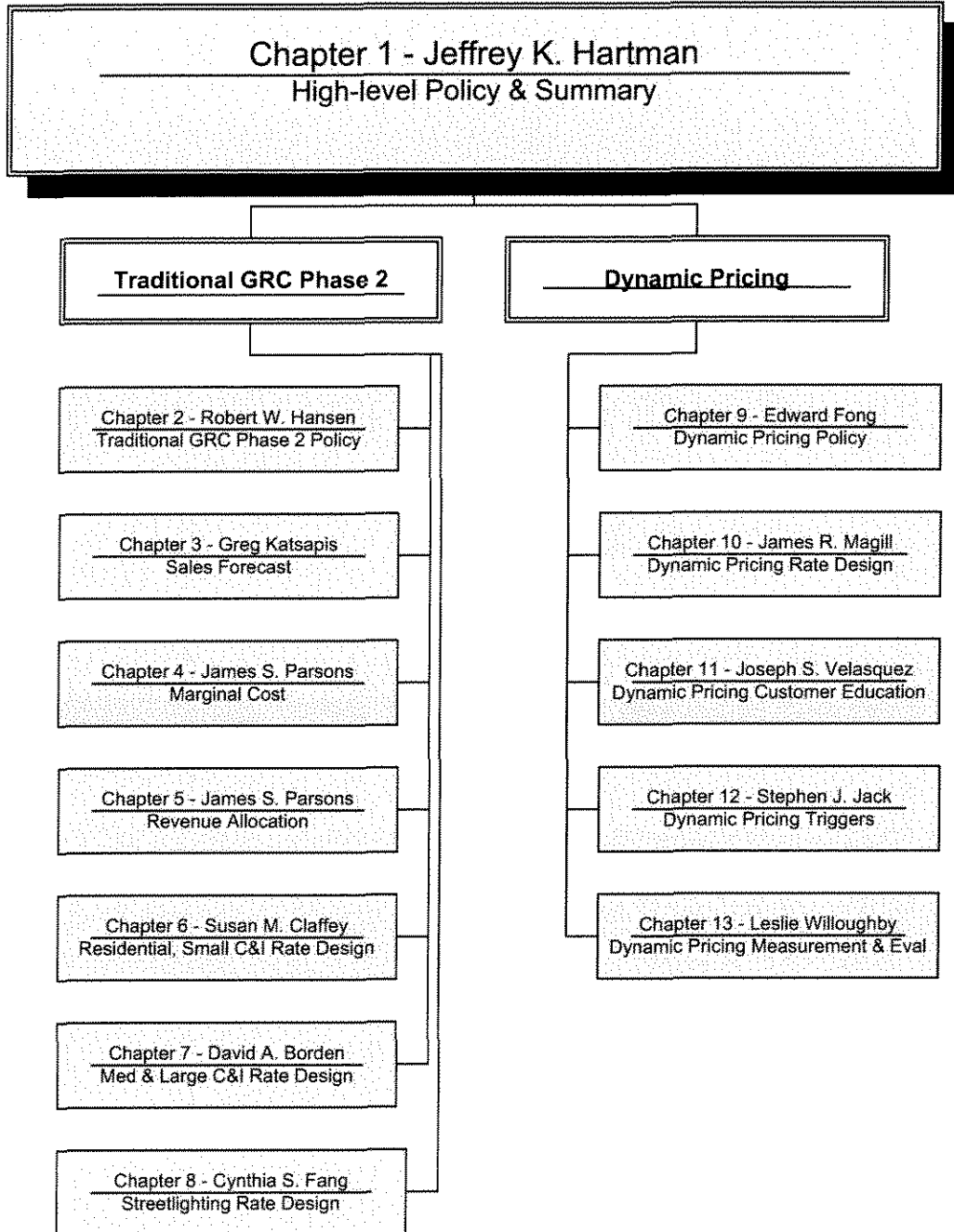
**APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E)  
FOR AUTHORITY TO UPDATE MARGINAL COSTS,  
COST ALLOCATION AND ELECTRIC RATE DESIGN**

San Diego Gas & Electric Company (SDG&E) hereby submits its *Application For Authority To Update Marginal Costs, Cost Allocation And Electric Rate Design*, effective January 1, 2008 (Application). SDG&E submits this Application in accordance with the schedule adopted in Commission decision (D.) 06-09-031, the Commission’s Rate Case Plan as set forth in D.89-01-040, as modified by D.02-10-039, D.95-09-020 and D.94-08-023, and the *Administrative Law Judge’s Ruling Denying San Diego Gas & Electric Company’s Motion and Extending 18-Month Deadline*, issued July 5, 2006, in Application (A.) 05-03-015 (ALJ Ruling).

**I. OVERVIEW OF APPLICATION**

This Application, also known as “Phase 2” of SDG&E’s 2008 Test Year General Rate Case Application (A.06-12-009, filed December 8, 2006, known as “GRC Phase 1”), presents the elements traditionally found in a rate design/Phase 2 type proceeding, while also presenting dynamic pricing proposals as ordered by the ALJ Ruling, and a proposal for addressing the Assembly Bill (AB) 1X rate freeze. As illustrated in the left branch of the diagram that follows, the supporting prepared direct testimony presents SDG&E’s sales forecast, marginal cost analyses, and proposed revenue allocations and rate designs for implementing the Phase 1 electric revenue requirement changes. As illustrated in the right branch of the diagram that follows, additional supporting prepared direct testimony presents SDG&E’s proposals regarding dynamic pricing policy, rate design and implementation. Chapter 1 of the testimony discusses SDG&E’s overall

policy, summarizes the contents of Chapters 2 through 13, and addresses the ABIX rate freeze.



## **II. EFFECT ON DISTRIBUTION AND COMMODITY REVENUES AND RATES**

If approved, SDG&E's Phase 2 proposals would maintain the distribution and commodity revenue requirements collected through the distribution and commodity rates effective January 1, 2008 -- as adopted in A.06-12-009, and discussed in the prepared direct testimony of James S. Parsons, Chapter 5. Pursuant to Rule 3.2(a)(2) and (3), Appendix B of this Application includes a statement of SDG&E's present and proposed electric rates.

## **III. ADDITIONAL INFORMATION**

### **A. Rule 1.9 and 1.10**

In compliance with the Commission's Rules of Practice and Procedure, SDG&E will, within ten days after filing this Application, mail a notice to the state of California and to the cities and counties in its service territory and to all those persons listed in Appendix E. Also within ten days, SDG&E will post in its offices and publish in newspapers of general circulation in each county in its service territory notice of this Application. Within 45 days of the filing of this Application, SDG&E will provide such notice to all of its customers along with the regular bills sent to these customers.

As attached in Appendix G, SDG&E will serve the Notice of Availability of this Application and supporting Exhibits on all parties of record in A.06-12-009 (SDG&E's 2008 Test Year General Rate Case Application); A.05-02-019 (SDG&E's most recent Rate Design Window proceeding); A.05-03-015 (SDG&E's Advanced Metering Infrastructure proceeding); A.05-01-017 (SDG&E's most recent Critical Peak Pricing proceeding); and A.02-12-028 (SDG&E's most recent Cost of Service proceeding).

### **B. Rule 2.1**

This Application is filed pursuant to Section 454 of the California Public Utilities Code, and in compliance with the Commission's Rules of Practice and Procedure.

The Applicant is a corporation organized and existing under the laws of the State of California. It is a gas and electric corporation subject to the jurisdiction of this Commission and is engaged in the business of providing public utility electric service to

portions of southern Orange County and gas and electric service throughout San Diego County.

The exact legal name of the Applicant is San Diego Gas & Electric Company. The location of Applicant's principal place of business is 8306 Century Park Court, San Diego, California. SDG&E's attorneys in this matter are Kelly M. Foley and Johnny Pong. Their office address, telephone/facsimile numbers and e-mail address are:

Kelly M. Foley  
Johnny J. Pong  
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[kfoley@sempra.com](mailto:kfoley@sempra.com)

Correspondence or communications regarding this Application should be addressed to Ms. Lisa Browy, Regulatory Case Manager, with a copy to the attorneys identified above.

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SDG&E proposes that this Phase 2 Application be treated as a "ratesetting" proceeding. The issues to be considered are described in SDG&E's Exhibits containing SDG&E's witnesses' prepared direct testimony and are summarized as follows:

- Should the Commission address the AB1X rate freeze (Chapter 1);
- Are SDG&E's overall revenue allocation and rate design proposals just and reasonable (Chapter 2);
- Should SDG&E's sales forecast and marginal cost studies be accepted (Chapters 3-5);

- Are SDG&E's residential, small commercial and agriculture rate design proposals just and reasonable, and should they be adopted (Chapter 6);
- Are SDG&E's medium and large commercial customer rate design proposals just and reasonable, and should they be adopted (Chapter 7);
- Is SDG&E's Street Lighting customer rate design just and reasonable, and should it be adopted (Chapter 8);
- Are SDG&E's dynamic pricing policies supportive of SDG&E's Advanced Metering Infrastructure deployment plan (Chapter 9);
- Are SDG&E's dynamic pricing rate designs just and reasonable, and should they be adopted (Chapter 10);
- Should SDG&E's proposal for implementation of the dynamic pricing rate designs be adopted (Chapter 11);
- Should SDG&E's proposed elements of the Critical Peak Pricing (CPP) tariff be adopted (Chapter 12); and
- Should SDG&E implement its proposed Measurement and Evaluation of these dynamic pricing tariffs (Chapter 13).

SDG&E assumes hearings will be necessary and therefore suggests the following procedural schedule:

- January 31, 2007 SDG&E files Phase 2 Application.
- March 14, 2007 Pre Hearing Conference held
- May 2, 2007 DRA serves its report.
- May 23, 2007 Other parties serve testimony.
- June 15, 2007 All parties serve rebuttal testimony.
- July 11-15, 2007 Evidentiary hearings, if necessary.
- August 5, 2007 Opening Briefs due.
- August 26, 2007 Reply Briefs due.
- October, 2007 ALJ issues proposed decision.
- December, 2007 Commission issues final decision.
- January 1, 2008 Adopted rate proposals become effective.

**C. Rule 2.2**

A certified copy of SDG&E's Restated Articles of Incorporation as last amended and certified by the California Secretary of State, was filed with the Commission on December 4, 1997, in connection with SDG&E's Application 97-12-012, and is incorporated herein by reference.

**D. Rule 3.2 (a)(1)**

SDG&E's Balance Sheet and Statement of Income and Financial Statement are included in Appendix A.

**E. Rule 3.2 (a)(2) and (3)**

A Statement of SDG&E's Present and Proposed Rates is included in Appendix B.

**F. Rule 3.2 (a)(4)**

A general description of SDG&E's property was filed with the Commission on October 5, 2001, in connection with Application 01-10-005, and is incorporated herein by reference. A statement of Original Cost and Depreciation Reserve is attached as Appendix C.

**G. Rule 3.2 (a)(5) and (6)**

SDG&E's Summary of Earnings is included in Appendix D.

**H. Rule 3.2 (a)(7)**

For financial statement purposes, depreciation of utility plant has been computed on a straight-line remaining life basis, at rates based on the estimated useful lives of plant properties. For federal income tax accrual purposes, SDG&E generally computes depreciation using the straight-line method for tax property additions prior to 1954, and liberalized depreciation, which includes Class Life and Asset Depreciation Range Systems, on tax property additions after 1954 and prior to 1981. For financial reporting and rate-fixing purposes, "flow through accounting" has been adopted for such properties. For tax property additions in years 1981 through 1986, SDG&E has computed its tax depreciation using the Accelerated Cost Recovery System. For years after 1986, SDG&E has computed its tax depreciation using the Modified Accelerated Cost Recovery Systems and, since 1982, has normalized the effects of the depreciation



differences in accordance with the Economic Recovery Tax Act of 1981 and the Tax Reform Act of 1986.

**I. Rule 3.2 (a)(8)**

SDG&E's most recent Proxy Statement was submitted with SDG&E's Application 06-12-009, filed December 8, 2006, and is incorporated herein by reference.

**IV. CONCLUSION**

*WHEREFORE, SAN DIEGO GAS & ELECTRIC COMPANY* requests that the Commission 1) authorize the various rate design and revenue allocation proposals described above; 2) authorize SDG&E to implement the rates as proposed herein; and, 3) grant such additional relief as the Commission believes is just and reasonable.

SDG&E is ready to proceed with its 2008 GRC Phase 2 showing.

Respectfully submitted,

SAN DIEGO GAS & ELECTRIC COMPANY

By: \_\_\_\_\_/s/ Kelly M. Foley

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DATED at San Diego, California, this 31st day of January 2007

# OFFICER VERIFICATION

## **OFFICER VERIFICATION**

I, Lee Schavrien, am an officer of the applicant corporation herein, to wit: Senior Vice President – Regulatory Affairs and am authorized to make this verification on its behalf. The content of this document is true, except as to matters that are stated on information and belief. As to those matters, I believe them to be true. I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 30, 2007 at San Diego, California.

/s/ Lee Schavrien

Lee Schavrien  
Senior Vice President - Regulatory Affairs

**APPENDIX A**

**BALANCE SHEET AND STATEMENT OF INCOME  
AND FINANCIAL STATEMENT**

**SAN DIEGO GAS & ELECTRIC COMPANY  
BALANCE SHEET  
ASSETS AND OTHER DEBITS  
SEPTEMBER 30, 2006**

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<b>1. UTILITY PLANT</b>		<u>2006</u>
101	UTILITY PLANT IN SERVICE	\$7,772,174,959
102	UTILITY PLANT PURCHASED OR SOLD	-
105	PLANT HELD FOR FUTURE USE	290,020
106	COMPLETED CONSTRUCTION NOT CLASSIFIED	-
107	CONSTRUCTION WORK IN PROGRESS	175,343,654
108	ACCUMULATED PROVISION FOR DEPRECIATION OF UTILITY PLANT	(3,668,315,605)
111	ACCUMULATED PROVISION FOR AMORTIZATION OF UTILITY PLANT	(187,698,143)
118	OTHER UTILITY PLANT	464,656,196
119	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF OTHER UTILITY PLANT	(119,041,913)
120	NUCLEAR FUEL - NET	<u>32,893,964</u>
<b>TOTAL NET UTILITY PLANT</b>		<u><b>4,470,303,132</b></u>

<b>2. OTHER PROPERTY AND INVESTMENTS</b>		
121	NONUTILITY PROPERTY	2,932,225
122	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF NONUTILITY PROPERTY	(395,595)
123	INVESTMENTS IN SUBSIDIARY COMPANIES	3,290,000
124	OTHER INVESTMENTS	-
125	SINKING FUNDS	-
128	OTHER SPECIAL FUNDS	<u>669,143,773</u>
<b>TOTAL OTHER PROPERTY AND INVESTMENTS</b>		<u><b>674,970,403</b></u>

**SAN DIEGO GAS & ELECTRIC COMPANY  
BALANCE SHEET  
ASSETS AND OTHER DEBITS  
SEPTEMBER 30, 2006**

**3. CURRENT AND ACCRUED ASSETS**

		2006
131	CASH	17,884,013
132	INTEREST SPECIAL DEPOSITS	-
134	OTHER SPECIAL DEPOSITS	161,240,000
135	WORKING FUNDS	81,641
136	TEMPORARY CASH INVESTMENTS	66,905,305
141	NOTES RECEIVABLE	-
142	CUSTOMER ACCOUNTS RECEIVABLE	144,947,702
143	OTHER ACCOUNTS RECEIVABLE	38,008,923
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS	(2,126,892)
145	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	-
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	19,335,798
151	FUEL STOCK	392,177
152	FUEL STOCK EXPENSE UNDISTRIBUTED	-
154	PLANT MATERIALS AND OPERATING SUPPLIES	52,353,423
156	OTHER MATERIALS AND SUPPLIES	-
163	STORES EXPENSE UNDISTRIBUTED	-
164	GAS STORED	48,928,109
165	PREPAYMENTS	15,267,905
171	INTEREST AND DIVIDENDS RECEIVABLE	15,030,021
173	ACCRUED UTILITY REVENUES	53,584,000
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	34,263,508
175	DERIVATIVE INSTRUMENT ASSETS	38,832,812
	TOTAL CURRENT AND ACCRUED ASSETS	704,928,445

**4. DEFERRED DEBITS**

181	UNAMORTIZED DEBT EXPENSE	20,275,576
182	UNRECOVERED PLANT AND OTHER REGULATORY ASSETS	1,259,067,892
183	PRELIMINARY SURVEY & INVESTIGATION CHARGES	19,382,557
184	CLEARING ACCOUNTS	285,329
185	TEMPORARY FACILITIES	-
186	MISCELLANEOUS DEFERRED DEBITS	13,181,268
188	RESEARCH AND DEVELOPMENT	-
189	UNAMORTIZED LOSS ON REACQUIRED DEBT	38,532,118
190	ACCUMULATED DEFERRED INCOME TAXES	142,087,056
	TOTAL DEFERRED DEBITS	1,492,811,796

	TOTAL ASSETS AND OTHER DEBITS	\$7,343,013,776
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**SAN DIEGO GAS & ELECTRIC COMPANY**  
**BALANCE SHEET**  
**LIABILITIES AND OTHER CREDITS**  
**SEPTEMBER 30, 2006**

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**5. PROPRIETARY CAPITAL**

	<u>2006</u>
201 COMMON STOCK ISSUED	\$291,458,395
204 PREFERRED STOCK ISSUED	78,475,400
207 PREMIUM ON CAPITAL STOCK	592,222,753
210 GAIN ON RETIRED CAPITAL STOCK	-
211 MISCELLANEOUS PAID-IN CAPITAL	279,618,042
214 CAPITAL STOCK EXPENSE	(25,990,045)
216 UNAPPROPRIATED RETAINED EARNINGS	741,633,305
219 ACCUMULATED OTHER COMPREHENSIVE INCOME	<u>(14,051,290)</u>
TOTAL PROPRIETARY CAPITAL	<u>1,943,366,560</u>

**6. LONG-TERM DEBT**

221 BONDS	1,548,145,000
223 ADVANCES FROM ASSOCIATED COMPANIES	10,740,659
224 OTHER LONG-TERM DEBT	269,970,000
225 UNAMORTIZED PREMIUM ON LONG-TERM DEBT	-
226 UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	<u>(2,289,698)</u>
TOTAL LONG-TERM DEBT	<u>1,826,565,961</u>

**7. OTHER NONCURRENT LIABILITIES**

227 OBLIGATIONS UNDER CAPITAL LEASES - NONCURRENT	-
228.2 ACCUMULATED PROVISION FOR INJURIES AND DAMAGES	27,245,672
228.3 ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	3,043,981
228.4 ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS	(9,233)
230 ASSET RETIREMENT OBLIGATIONS	<u>476,813,483</u>
TOTAL OTHER NONCURRENT LIABILITIES	<u>507,093,903</u>

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**BALANCE SHEET**  
**LIABILITIES AND OTHER CREDITS**  
**SEPTEMBER 30, 2006**

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**8. CURRENT AND ACCRUED LIABILITES**

	<u>2006</u>
231 NOTES PAYABLE	-
232 ACCOUNTS PAYABLE	210,764,658
233 NOTES PAYABLE TO ASSOCIATED COMPANIES	65,800,000
234 ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	24,948,418
235 CUSTOMER DEPOSITS	58,797,596
236 TAXES ACCRUED	60,252,042
237 INTEREST ACCRUED	27,431,628
238 DIVIDENDS DECLARED	1,204,917
241 TAX COLLECTIONS PAYABLE	2,056,029
242 MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	181,478,768
243 OBLIGATIONS UNDER CAPITAL LEASES - CURRENT	-
244 DERIVATIVE INSTRUMENT LIABILITIES	458,553,750
245 DERIVATIVE INSTRUMENT LIABILITIES - HEDGES	-
	<hr/>
TOTAL CURRENT AND ACCRUED LIABILITIES	<u>1,091,287,806</u>

**9. DEFERRED CREDITS**

252 CUSTOMER ADVANCES FOR CONSTRUCTION	27,799,417
253 OTHER DEFERRED CREDITS	375,368,566
254 OTHER REGULATORY LIABILITIES	961,058,805
255 ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	31,869,267
257 UNAMORTIZED GAIN ON REACQUIRED DEBT	-
281 ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED	5,201,256
282 ACCUMULATED DEFERRED INCOME TAXES - PROPERTY	508,763,152
283 ACCUMULATED DEFERRED INCOME TAXES - OTHER	64,639,083
	<hr/>
TOTAL DEFERRED CREDITS	<u>1,974,699,546</u>

TOTAL LIABILITIES AND OTHER CREDITS \$7,343,013,776



**SAN DIEGO GAS & ELECTRIC COMPANY**  
**FINANCIAL STATEMENT**  
**SEPTEMBER 30, 2006**

(a) Amounts and Kinds of Stock Authorized:

Preferred Stock	1,375,000 shares	Par Value \$27,500,000
Preferred Stock	10,000,000 shares	Without Par Value
Preferred Stock	Amount of shares not specified	\$80,000,000
Common Stock	255,000,000 shares	Without Par Value

Amounts and Kinds of Stock Outstanding:

**PREFERRED STOCK**

5.0%	375,000 shares	\$7,500,000
4.50%	300,000 shares	6,000,000
4.40%	325,000 shares	6,500,000
4.60%	373,770 shares	7,475,400
\$1.7625	750,000 shares	18,750,000
\$1.70	1,400,000 shares	35,000,000
\$1.82	640,000 shares	16,000,000

**COMMON STOCK**

116,583,358 shares      291,458,395

(b) Terms of Preferred Stock:

Full information as to this item is given in connection with Application Nos. 93-09-069 and 04-01-009, to which references are hereby made.

(c) Brief Description of Mortgage:

Full information as to this item is given in Application Nos. 93-09-069, 96-05-066, 00-01-016 and 04-01-009 to which references are hereby made.

(d) Number and Amount of Bonds Authorized and Issued:

	Nominal Date of Issue	Int. Paid A/C	Par Value Authorized and Issued	Outstanding	Interest Paid in 2005
<u>First Mortgage Bonds:</u>					
6.8% Series KK, due 2015	12-01-91	2183052	14,400,000	14,400,000	979,200
Var% Series OO, due 2027	12-01-92	2183042, 46, 50	250,000,000	150,000,000	11,550,000
5.9% Series PP, due 2018	04-29-93	2183006	70,795,000	68,295,000	4,029,405
5.85% Series RR, due 2021	06-29-93	2183024	60,000,000	60,000,000	3,510,000
5.9% Series SS, due 2018	07-29-93	2183030	92,945,000	92,945,000	5,483,755
2.539% Series VV, due 2034	06-17-04	2183078	43,615,000	43,615,000	1,045,327
2.539% Series WW, due 2034	06-17-04	2183079	40,000,000	40,000,000	973,283
2.516% Series XX, due 2034	06-17-04	2183080	35,000,000	35,000,000	843,908
2.832% Series YY, due 2034	06-17-04	2183081	24,000,000	24,000,000	651,360
2.832% Series ZZ, due 2034	06-17-04	2183082	33,650,000	33,650,000	913,261
2.8275% Series AAA, due 2039	06-17-04	2183083	75,000,000	75,000,000	2,049,937
5.35% Series BBB, due 2035	05-19-05	2183085	250,000,000	250,000,000	6,538,889
5.30% Series CCC, due 2015	11-17-05	2183086	250,000,000	250,000,000	0
<u>Unsecured Bonds:</u>					
5.9% CPCFA96A, due 2014	06-01-96	2183044	129,820,000	129,820,000	7,659,380
Var% CV96A, due 2021	08-02-96	2183010	38,900,000	38,900,000	2,061,700
Var% CV96B, due 2021	11-21-96	2183011	60,000,000	60,000,000	3,300,000
Var% CV97A, due 2023	10-31-97	2183012	25,000,000	25,000,000	1,225,000

**SAN DIEGO GAS & ELECTRIC COMPANY  
FINANCIAL STATEMENT  
SEPTEMBER 30, 2006**

<u>Other Indebtedness:</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Outstanding</u>	<u>Interest Paid 2005</u>
Commercial Paper & ST Bank Loans	Various	Various	Various	0	\$356,948

Amounts and Rates of Dividends Declared:

The amounts and rates of dividends during the past five fiscal years are as follows:

Preferred Stock	Shares Outstanding 12-31-05	Dividends Declared				
		2001	2002	2003	2004	2005
5.0%	375,000	\$375,000	\$375,000	\$375,000	\$375,000	\$375,000
4.50%	300,000	270,000	270,000	270,000	270,000	270,000
4.40%	325,000	286,000	286,000	286,000	286,000	286,000
4.60%	373,770	343,868	343,868	343,868	343,868	343,868
\$ 1.7625	750,000	1,762,500	1,762,500	1,674,375	1,498,125	1,321,875
\$ 1.70	1,400,000	2,380,000	2,380,000	2,380,000	2,380,000	2,380,000
\$ 1.82	640,000	1,164,800	1,164,800	1,164,800	1,164,800	1,164,800
	<u>4,163,770</u>	<u>\$6,582,168</u>	<u>\$6,582,168</u>	<u>\$6,494,043</u>	<u>\$6,317,793</u>	<u>\$6,141,543</u> [2]

Common Stock

Amount	\$400,000,000	\$150,000,000	\$200,000,000	\$200,000,000	\$75,000,000 [1]
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A balance sheet and a statement of income and retained earnings of Applicant for the three months ended March 31, 2006, are attached hereto.

[1] San Diego Gas & Electric Company dividend to parent.

[2] Includes \$1,321,875 of interest expense related to redeemable preferred stock.

**SAN DIEGO GAS & ELECTRIC COMPANY  
STATEMENT OF INCOME AND RETAINED EARNINGS  
NINE MONTHS ENDED SEPTEMBER 30, 2006**

**1. UTILITY OPERATING INCOME**

400	OPERATING REVENUES		\$2,104,617,888
401	OPERATING EXPENSES	\$1,358,291,943	
402	MAINTENANCE EXPENSES	116,354,153	
403-7	DEPRECIATION AND AMORTIZATION EXPENSES	219,265,360	
408.1	TAXES OTHER THAN INCOME TAXES	40,607,670	
409.1	INCOME TAXES	283,111,140	
410.1	PROVISION FOR DEFERRED INCOME TAXES	32,359,759	
411.1	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(188,979,857)	
411.4	INVESTMENT TAX CREDIT ADJUSTMENTS	(2,213,241)	
411.6	GAIN FROM DISPOSITION OF UTILITY PLANT	<u>(1,178,589)</u>	
	TOTAL OPERATING REVENUE DEDUCTIONS		<u>1,857,618,338</u>
	NET OPERATING INCOME		246,999,550

**2. OTHER INCOME AND DEDUCTIONS**

415	REVENUE FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	
417.1	EXPENSES OF NONUTILITY OPERATIONS	(1,105,170)	
418	NONOPERATING RENTAL INCOME	682,670	
418.1	EQUITY IN EARNINGS OF SUBSIDIARIES	-	
419	INTEREST AND DIVIDEND INCOME	13,133,575	
419.1	ALLOWANCE FOR OTHER FUNDS USED DURING CONSTRUCTION	7,001,190	
421	MISCELLANEOUS NONOPERATING INCOME	994,852	
421.1	GAIN ON DISPOSITION OF PROPERTY	<u>73,319</u>	
	TOTAL OTHER INCOME		<u>20,780,436</u>
421.2	LOSS ON DISPOSITION OF PROPERTY	-	
426	MISCELLANEOUS OTHER INCOME DEDUCTIONS	<u>994,468</u>	
	TOTAL OTHER INCOME DEDUCTIONS		<u>994,468</u>
408.2	TAXES OTHER THAN INCOME TAXES	348,361	
409.2	INCOME TAXES	489,919	
410.2	PROVISION FOR DEFERRED INCOME TAXES	1,639,133	
411.2	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	<u>0</u>	
	TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS		<u>2,477,413</u>
	TOTAL OTHER INCOME AND DEDUCTIONS		<u>19,297,491</u>
	INCOME BEFORE INTEREST CHARGES		266,297,041
	NET INTEREST CHARGES*		<u>80,857,662</u>
	NET INCOME		<u><u>\$185,439,379</u></u>

\*NET OF ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION, (3,233,364) 11/20/2006 3:23 PM

**SAN DIEGO GAS & ELECTRIC COMPANY  
STATEMENT OF INCOME AND RETAINED EARNINGS  
NINE MONTHS ENDED SEPTEMBER 30, 2006**

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**3. RETAINED EARNINGS**

RETAINED EARNINGS AT BEGINNING OF PERIOD, AS PREVIOUSLY REPORTED	\$559,808,678
NET INCOME (FROM PRECEDING PAGE)	185,439,379
DIVIDEND TO PARENT COMPANY	0
DIVIDENDS DECLARED - PREFERRED STOCK	(3,614,752)
OTHER RETAINED EARNINGS ADJUSTMENTS	<u>0</u>
RETAINED EARNINGS AT END OF PERIOD	<u>\$741,633,305</u>

**APPENDIX B**

**STATEMENT OF PRESENT AND PROPOSED  
RATES**

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT**  
**2008 GRC Phase 2 (A.07-01-\_\_\_)**

**PRESENT AND PROPOSED UNBUNDLED UNIT CHARGES**

**Total UDC, Commodity, & DWR-BC**

LINE NO.	Description (A)	Present (B)	Proposed (C)	Change	
				\$ (D)	% (E)
1	<b>SCHEDULE DR</b>				
2	Basic Service Fee	0.00	0.00	0.00	0%
3	Summer				
4	Baseline Energy	0.12867	0.13599	0.00732	6%
5	101% to 130% of Baseline	0.14884	0.15496	0.00612	4%
6	131% to 200% of Baseline	0.24405	0.27057	0.02652	11%
7	201% to 300% of Baseline	0.25312	0.27964	0.02652	10%
8	Above 300% of Baseline	0.26895	0.27964	0.01069	4%
9	Winter				
10	Baseline Energy	0.12867	0.13599	0.00732	6%
11	101% to 130% of Baseline	0.14884	0.15496	0.00612	4%
12	131% to 200% of Baseline	0.22843	0.25415	0.02572	11%
13	201% to 300% of Baseline	0.23725	0.26297	0.02572	11%
14	Above 300% of Baseline	0.25533	0.26297	0.00764	3%
15	Minimum Bill	0.170	0.170	0.00000	0%
16					
17	<b>SCHEDULE DR-LI</b>				
18	Basic Service Fee	0.00	0.00	0.00	0%
19	Summer				
20	Baseline Energy	0.12867	0.13599	0.00732	6%
21	101% to 130% of Baseline	0.14884	0.15496	0.00612	4%
22	131% to 200% of Baseline	0.22447	0.27057	0.04610	21%
23	201% to 300% of Baseline	0.22447	0.27964	0.05517	25%
24	Above 300% of Baseline	0.22447	0.27964	0.05517	25%
25	Winter				
26	Baseline Energy	0.12867	0.13599	0.00732	6%
27	101% to 130% of Baseline	0.14884	0.15496	0.00612	4%
28	131% to 200% of Baseline	0.20989	0.25415	0.04426	21%
29	201% to 300% of Baseline	0.20989	0.26297	0.05308	25%
30	Above 300% of Baseline	0.20989	0.26297	0.05308	25%
31	Minimum Bill	0.170	0.170	0.000	0%
32					
33	<b>SCHEDULE DM (CLOSED)</b>				
34	Basic Service Fee	0.00	0.00	0.00	0%
35	Summer				
36	Baseline Energy	0.12867	0.13599	0.00732	6%
37	101% to 130% of Baseline	0.14884	0.15496	0.00612	4%
38	131% to 200% of Baseline	0.24405	0.27057	0.02652	11%
39	201% to 300% of Baseline	0.25312	0.27964	0.02652	10%
40	Above 300% of Baseline	0.26895	0.27964	0.01069	4%
41	Winter				
42	Baseline Energy	0.12867	0.13599	0.00732	6%
43	101% to 130% of Baseline	0.14884	0.15496	0.00612	4%
44	131% to 200% of Baseline	0.22843	0.25415	0.02572	11%
45	201% to 300% of Baseline	0.23725	0.26297	0.02572	11%
46	Above 300% of Baseline	0.25533	0.26297	0.00764	3%
47	Minimum Bill	0.170	0.170	0.000	0%

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT  
2008 GRC Phase 2 (A.07-01-\_\_\_)**

**PRESENT AND PROPOSED UNBUNDLED UNIT CHARGES**

**Total UDC, Commodity, & DWR-BC**

LINE NO.	Description (A)	Present (B)	Proposed (C)	Change	
				\$ (D)	% (E)
1	<b>SCHEDULE DS (CLOSED)</b>				
2	Basic Service Fee	0.00	0.00	0.00	0%
3	Summer				
4	Baseline Energy	0.12867	0.13599	0.00732	6%
5	101% to 130% of BL	0.14884	0.15496	0.00612	4%
6	131% to 200% of Baseline	0.24405	0.27057	0.02652	11%
7	201% to 300% of Baseline	0.25312	0.27964	0.02652	10%
8	Above 300% of Baseline	0.26895	0.27964	0.01069	4%
9	Winter				
10	Baseline Energy	0.12867	0.13599	0.00732	6%
11	101% to 130% of BL	0.14884	0.15496	0.00612	4%
12	131% to 200% of Baseline	0.22843	0.25415	0.02572	11%
13	201% to 300% of Baseline	0.23725	0.26297	0.02572	11%
14	Above 300% of Baseline	0.25533	0.26297	0.00764	3%
15	Basic Service Fee	0.00	0.00	0.00	0%
16	Summer				
17	Baseline Energy CARE	0.12867	0.13599	0.00732	6%
18	101% to 130% of BL - CARE	0.14884	0.15496	0.00612	4%
19	131% to 200% of BL - CARE	0.22447	0.27057	0.04610	21%
20	201% to 300% of BL - CARE	0.22447	0.27964	0.05517	25%
21	Over 300% of BL - CARE	0.22447	0.27964	0.05517	25%
22	Winter				
23	Baseline Energy CARE	0.12867	0.13599	0.00732	6%
24	101% to 130% of BL - CARE	0.14884	0.15496	0.00612	4%
25	131% to 200% of BL - CARE	0.20989	0.25415	0.04426	21%
26	201% to 300% of BL - CARE	0.20989	0.26297	0.05308	25%
27	Over 300% of BL - CARE	0.20989	0.26297	0.05308	25%
28	Unit Discount	0.000	0.000	0.000	0%
29	Minimum Bill				
30					
31	<b>SCHEDULE DT (CLOSED)</b>				
32	Basic Service Fee	0.00	0.00	0.00	0%
33	Summer				
34	Baseline Energy	0.12867	0.13599	0.00732	6%
35	101% to 130% of Baseline	0.14884	0.15496	0.00612	4%
36	131% to 200% of Baseline	0.24405	0.27057	0.02652	11%
37	201% to 300% of Baseline	0.25312	0.27964	0.02652	10%
38	Above 300% of Baseline	0.26895	0.27964	0.01069	4%
39	Winter				
40	Baseline Energy	0.12867	0.13599	0.00732	6%
41	101% to 130% of Baseline	0.14884	0.15496	0.00612	4%
42	131% to 200% of Baseline	0.22843	0.25415	0.02572	11%
43	201% to 300% of Baseline	0.23725	0.26297	0.02572	11%
44	Above 300% of Baseline	0.25533	0.26297	0.00764	3%

(Continued on following sheet)

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT**  
**2008 GRC Phase 2 (A.07-01-\_\_\_)**

**PRESENT AND PROPOSED UNBUNDLED UNIT CHARGES**

**Total UDC, Commodity, & DWR-BC**

LINE NO.	Description (A)	Present (B)	Proposed (C)	Change	
				\$ (D)	% (E)
1	<b>SCHEDULE DT (CLOSED) (Continued)</b>				
2	Basic Service Fee	0.00	0.00	0.00	0%
3	Summer				
4	Baseline Energy CARE	0.12867	0.13599	0.00732	6%
5	101% to 130% of BL - CARE	0.14884	0.15496	0.00612	4%
6	131% to 200% of BL - CARE	0.22447	0.27057	0.04610	21%
7	201% to 300% of BL - CARE	0.22447	0.27964	0.05517	25%
8	Over 300% of BL - CARE	0.22447	0.27964	0.05517	25%
9	Winter				
10	Baseline Energy CARE	0.12867	0.13599	0.00732	6%
11	101% to 130% of BL - CARE	0.14884	0.15496	0.00612	4%
12	131% to 200% of BL - CARE	0.20989	0.25415	0.04426	21%
13	201% to 300% of BL - CARE	0.20989	0.26297	0.05308	25%
14	Over 300% of BL - CARE	0.20989	0.26297	0.05308	25%
15	Space Discount	0.000	0.000	0.000	0%
16	Minimum Bill	0.170	0.170	0.000	0%
17					
18	<b>SCHEDULE DT-RV</b>				
19	Basic Service Fee	0.00	0.00	0.00	0%
20	Summer				
21	Baseline Energy	0.12867	0.13599	0.00732	6%
22	101% to 130% of Baseline	0.14884	0.15496	0.00612	4%
23	131% to 200% of Baseline	0.24405	0.27057	0.02652	11%
24	201% to 300% of Baseline	0.25312	0.27964	0.02652	10%
25	Above 300% of Baseline	0.26895	0.27964	0.01069	4%
26	Winter				
27	Baseline Energy	0.12867	0.13599	0.00732	6%
28	101% to 130% of Baseline	0.14884	0.15496	0.00612	4%
29	131% to 200% of Baseline	0.22843	0.25415	0.02572	11%
30	201% to 300% of Baseline	0.23725	0.26297	0.02572	11%
31	Above 300% of Baseline	0.25533	0.26297	0.00764	3%
32	Basic Service Fee	0.00	0.00	0.00	0%
33	Summer				
34	Baseline Energy CARE	0.12867	0.13599	0.00732	6%
35	101% to 130% of BL - CARE	0.14884	0.15496	0.00612	4%
36	131% to 200% of BL - CARE	0.22447	0.27057	0.04610	21%
37	201% to 300% of BL - CARE	0.22447	0.27964	0.05517	25%
38	Over 300% of BL - CARE	0.22447	0.27964	0.05517	25%
39	Winter				
40	Baseline Energy CARE	0.12867	0.13599	0.00732	6%
41	101% to 130% of BL - CARE	0.14884	0.15496	0.00612	4%
42	131% to 200% of BL - CARE	0.20989	0.25415	0.04426	21%
43	201% to 300% of BL - CARE	0.20989	0.26297	0.05308	25%
44	Over 300% of BL - CARE	0.20989	0.26297	0.05308	25%
45	Minimum Bill	0.170	0.170	0.000	0%



**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT**  
**2008 GRC Phase 2 (A.07-01-\_\_\_)**

**PRESENT AND PROPOSED UNBUNDLED UNIT CHARGES**

**Total UDC, Commodity, & DWR-BC**

LINE NO.	Description (A)	Present (B)	Proposed (C)	Change	
				\$ (D)	% (E)
1	<b>SCHEDULE DR-TOU / DR-TOU-DER</b>				
2	Minimum Bill	0.17	0.17	0.00	0%
3	Metering Charge	3.81	3.81	0.00	0%
4	Summer				
5	On-Peak: Baseline Energy	0.15639	0.17033	0.01394	9%
6	On-Peak: 101% to 130% of Baseline	0.15376	0.17142	0.01766	11%
7	On-Peak: 131% to 200% of Baseline	0.24499	0.29137	0.04638	19%
8	On-Peak: 201% to 300% of Baseline	0.31207	0.38217	0.07010	22%
9	On-Peak: Above 300% of Baseline	0.32790	0.38217	0.05427	17%
10	Off-Peak: Baseline Energy	0.13939	0.14035	0.00096	1%
11	Off-Peak: 101% to 130% of Baseline	0.13676	0.14144	0.00468	3%
12	Off-Peak: 131% to 200% of Baseline	0.22086	0.24348	0.02262	10%
13	Off-Peak: 201% to 300% of Baseline	0.23503	0.25602	0.02099	9%
14	Off-Peak: Above 300% of Baseline	0.25086	0.25602	0.00516	2%
15	Winter				
16	On-Peak: Baseline Energy	0.13365	0.14255	0.00890	7%
17	On-Peak: 101% to 130% of Baseline	0.13875	0.14365	0.00490	4%
18	On-Peak: 131% to 200% of Baseline	0.20903	0.23170	0.02267	11%
19	On-Peak: 201% to 300% of Baseline	0.24829	0.27038	0.02209	9%
20	On-Peak: Above 300% of Baseline	0.26637	0.27038	0.00401	2%
21	Off-Peak: Baseline Energy	0.13166	0.13973	0.00807	6%
22	Off-Peak: 101% to 130% of Baseline	0.13676	0.14082	0.00406	3%
23	Off-Peak: 131% to 200% of Baseline	0.20634	0.22746	0.02112	10%
24	Off-Peak: 201% to 300% of Baseline	0.24039	0.26062	0.02023	8%
25	Off-Peak: Above 300% of Baseline	0.25847	0.26062	0.00215	1%
26	Baseline Adjustment-Summer	(0.01314)	(0.00928)	0.00386	29%
27	101% to 130% of BL - Summer	0.00000	0.00000	0.00000	0%
28	Baseline Adjustment-Winter	(0.00541)	(0.00928)	(0.00387)	72%
29	101% to 130% of BL - Winter	0.00000	0.00000	0.00000	0%
30					
31	<b>SCHEDULE DR-TOU-SES</b>				
32	Minimum Bill	0.17	0.17	0.00	0%
33	Metering Charge	3.81	3.81	0.00	0%
34	On-Peak: Summer	0.10408	0.28170	0.17762	171%
35	Semi-Peak: Summer	0.10244	0.18481	0.08237	80%
36	Off-Peak: Summer	0.10244	0.16787	0.06543	64%
37	Semi-Peak: Winter	0.09471	0.17782	0.08311	88%
38	Off-Peak: Winter	0.09471	0.16890	0.07419	78%
39					
40	<b>SCHEDULE EV-TOU</b>				
41	Minimum Bill	0.17	0.17	0.00	0%
42	Metering Charge	3.81	3.81	0.00	0%
43	On-Peak: Summer	0.20173	0.27059	0.06886	34%
44	Off-Peak: Summer	0.13807	0.15950	0.02143	16%
45	Super Off-Peak: Summer	0.11548	0.13459	0.01911	17%
46	On-Peak: Winter	0.20047	0.16840	(0.03207)	-16%
47	Off-Peak: Winter	0.13807	0.16163	0.02356	17%
48	Super Off-Peak: Winter	0.11548	0.13668	0.02120	18%

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT  
2008 GRC Phase 2 (A.07-01-\_\_\_)**

**PRESENT AND PROPOSED UNBUNDLED UNIT CHARGES**

**Total UDC, Commodity, & DWR-BC**

LINE NO.	Description (A)	Present (B)	Proposed (C)	Change	
				\$ (D)	% (E)
1	<b>SCHEDULE EV-TOU-2</b>				
2	Minimum Bill	0.17	0.17	0.00	0%
3	Metering Charge	3.81	3.81	0.00	0%
4	On-Peak: Summer	0.20171	0.27059	0.06888	34%
5	Off-Peak: Summer	0.13808	0.15950	0.02142	16%
6	Super Off-Peak: Summer	0.11548	0.13459	0.01911	17%
7	On-Peak: Winter	0.20045	0.16840	(0.03205)	-16%
8	Off-Peak: Winter	0.13808	0.16163	0.02355	17%
9	Super Off-Peak: Winter	0.11548	0.13668	0.02120	18%
10					
11	<b>SCHEDULE EV-TOU-3</b>				
12	Minimum Bill	0.16	0.16	0.00	0%
13	Metering Charge	13.13	13.13	0.00	0%
14	On-Peak: Summer	0.20171	0.27059	0.06888	34%
15	Off-Peak: Summer	0.13804	0.15950	0.02146	16%
16	Super Off-Peak: Summer	0.11544	0.13459	0.01915	17%
17	On-Peak: Winter	0.20038	0.16840	(0.03198)	-16%
18	Off-Peak: Winter	0.13804	0.16163	0.02359	17%
19	Super Off-Peak: Winter	0.11544	0.13668	0.02124	18%
20					
21	<b>SCHEDULE A</b>				
22	Basic Service Fee	9.10	10.92	1.82	20%
23	Energy Charge				
24	Summer				
25	Secondary	0.18522	0.19172	0.00650	4%
26	Primary	0.18100	0.18468	0.00368	2%
27	Winter				
28	Secondary	0.14601	0.14896	0.00295	2%
29	Primary	0.14263	0.14354	0.00091	1%
30					
31	<b>SCHEDULE A-TC</b>				
32	Basic Service Fee	9.10	10.92	1.82	20%
33	Energy Charge				
34	Summer	0.13940	0.14833	0.00893	6%
35	Winter	0.13940	0.12425	(0.01515)	-11%
36					
37	<b>SCHEDULE A-TOU</b>				
38	Basic Service Fee				
39	Basic	9.10	10.92	1.82	20%
40	Metering	3.81	3.81	0.00	0%
41	Energy Charge				
42	Summer				
43	On-Peak	0.21903	0.27935	0.06032	28%
44	Semi-Peak	0.15539	0.16053	0.00514	3%
45	Off-Peak	0.12984	0.14064	0.01080	8%
46	Winter				
47	On-Peak	0.21668	0.16777	(0.04891)	-23%
48	Semi-Peak	0.15539	0.16204	0.00665	4%
49	Off-Peak	0.12984	0.14085	0.01101	8%

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT**  
**2008 GRC Phase 2 (A.07-01-\_\_\_)**

**PRESENT AND PROPOSED UNBUNDLED UNIT CHARGES**

**Total UDC, Commodity, & DWR-BC**

LINE NO.	Description (A)	Present (B)	Proposed (C)	Change	
				\$ (D)	% (E)
1	<b>SCHEDULE AD (CLOSED)</b>				
2	Basic Service Fee	23.09	27.71	4.62	20%
3	Demand Charge: Summer				
4	Secondary	13.91	17.52	3.61	26%
5	Primary	13.30	16.89	3.59	27%
6	Demand Charge: Winter				
7	Secondary	13.91	13.42	(0.49)	-4%
8	Primary	13.30	12.84	(0.46)	-3%
9	Power Factor	0.25	0.25	0.00	0%
10	Energy Charge				
11	Summer				
12	Secondary	0.10042	0.09173	(0.00869)	-9%
13	Primary	0.10038	0.09044	(0.00994)	-10%
14	Winter				
15	Secondary	0.10042	0.09401	(0.00641)	-6%
16	Primary	0.10038	0.09267	(0.00771)	-8%
17					
18	<b>SCHEDULE AL-TOU / AL-TOU-DER</b>				
19	Basic Service Fee				
20	Less than or equal to 500 kW				
21	Secondary	48.52	58.22	9.70	20%
22	Primary	48.52	58.22	9.70	20%
23	Secondary Substation	13,858.43	16,630.12	2,771.69	20%
24	Primary Substation	13,858.43	16,630.12	2,771.69	20%
25	Transmission	70.56	84.67	14.11	20%
26	Greater than 500 kW				
27	Secondary	194.06	232.87	38.81	20%
28	Primary	194.06	232.87	38.81	20%
29	Secondary Substation	13,858.43	16,630.12	2,771.69	20%
30	Primary Substation	13,858.43	16,630.12	2,771.69	20%
31	Transmission	282.31	338.77	56.46	20%
32	Greater than 12 MW				
33	Secondary Substation	21,820.90	26,185.08	4,364.18	20%
34	Primary Substation	21,820.90	26,185.08	4,364.18	20%
35	Transmission Multiple Bus	3,000.00	3,000.00	0.00	0%
36	Distance Adjustment Fee OH - Sec. Sub.	1.23	1.23	0.00	0%
37	Distance Adjustment Fee UG - Sec. Sub.	3.17	3.17	0.00	0%
38	Distance Adjustment Fee OH - Pri. Sub.	1.22	1.22	0.00	0%
39	Distance Adjustment Fee UG - Pri. Sub.	3.13	3.13	0.00	0%
40	Non-Coincident Demand				
41	Secondary	10.70	10.14	(0.56)	-5%
42	Primary	10.47	9.92	(0.55)	-5%
43	Secondary Substation	3.93	3.93	0.00	0%
44	Primary Substation	3.81	3.81	0.00	0%
45	Transmission	3.76	3.76	0.00	0%
46	Maximum On-Peak Demand: Summer				
47	Secondary	4.72	9.70	4.98	106%
48	Primary	4.55	9.50	4.95	109%
49	Secondary Substation	0.60	5.64	5.04	840%
50	Primary Substation	0.29	5.56	5.27	1817%
51	Transmission	0.28	5.43	5.15	1839%

(Continued on following sheet)

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT**  
**2008 GRC Phase 2 (A.07-01-\_\_\_)**

**PRESENT AND PROPOSED UNBUNDLED UNIT CHARGES**

**Total UDC, Commodity, & DWR-BC**

LINE NO.	Description (A)	Present (B)	Proposed (C)	Change	
				\$ (D)	% (E)
1	<b>SCHEDULE AL-TOU / AL-TOU-DER (Continued)</b>				
2	Maximum On-Peak Demand: Winter				
3	Secondary	3.59	3.64	0.05	1%
4	Primary	3.59	3.63	0.04	1%
5	Secondary Substation	0.09	0.18	0.09	100%
6	Primary Substation	0.05	0.18	0.13	260%
7	Transmission	0.05	0.17	0.12	240%
8	Power Factor				
9	Secondary	0.25	0.25	0.00	0%
10	Primary	0.25	0.25	0.00	0%
11	Secondary Substation	0.25	0.25	0.00	0%
12	Primary Substation	0.25	0.25	0.00	0%
13	Transmission	0.00	0.00	0.00	0%
14	On-Peak Energy: Summer				
15	Secondary	0.15889	0.10933	(0.04956)	-31%
16	Primary	0.15885	0.10791	(0.05094)	-32%
17	Secondary Substation	0.15889	0.10933	(0.04956)	-31%
18	Primary Substation	0.15880	0.10791	(0.05089)	-32%
19	Transmission	0.15879	0.10634	(0.05245)	-33%
20	Semi-Peak Energy: Summer				
21	Secondary	0.09926	0.09179	(0.00747)	-8%
22	Primary	0.09924	0.09060	(0.00864)	-9%
23	Secondary Substation	0.09926	0.09179	(0.00747)	-8%
24	Primary Substation	0.09922	0.09060	(0.00862)	-9%
25	Transmission	0.09921	0.08941	(0.00980)	-10%
26	Off-Peak Energy: Summer				
27	Secondary	0.07362	0.07327	(0.00035)	0%
28	Primary	0.07361	0.07222	(0.00139)	-2%
29	Secondary Substation	0.07362	0.07327	(0.00035)	0%
30	Primary Substation	0.07359	0.07222	(0.00137)	-2%
31	Transmission	0.07359	0.07149	(0.00210)	-3%
32	On-Peak Energy: Winter				
33	Secondary	0.15864	0.10771	(0.05093)	-32%
34	Primary	0.15861	0.10634	(0.05227)	-33%
35	Secondary Substation	0.15864	0.10771	(0.05093)	-32%
36	Primary Substation	0.15857	0.10634	(0.05223)	-33%
37	Transmission	0.15856	0.10475	(0.05381)	-34%
38	Semi-Peak Energy: Winter				
39	Secondary	0.09926	0.10039	0.00113	1%
40	Primary	0.09924	0.09905	(0.00019)	0%
41	Secondary Substation	0.09926	0.10039	0.00113	1%
42	Primary Substation	0.09922	0.09905	(0.00017)	0%
43	Transmission	0.09922	0.09775	(0.00147)	-1%
44	Off-Peak Energy: Winter				
45	Secondary	0.07362	0.07911	0.00549	7%
46	Primary	0.07361	0.07794	0.00433	6%
47	Secondary Substation	0.07362	0.07911	0.00549	7%
48	Primary Substation	0.07360	0.07794	0.00434	6%
49	Transmission	0.07359	0.07714	0.00355	5%

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT**  
**2008 GRC Phase 2 (A.07-01-\_\_\_)**

**PRESENT AND PROPOSED UNBUNDLED UNIT CHARGES**

**Total UDC, Commodity, & DWR-BC**

LINE NO.	Description (A)	Present (B)	Proposed (C)	Change	
				\$ (D)	% (E)
1	<b>SCHEDULE AY-TOU (CLOSED)</b>				
2	Basic Service Fee				
3	Secondary	48.52	58.22	9.70	20%
4	Primary	48.52	58.22	9.70	20%
5	Transmission	70.56	84.67	14.11	20%
6	Non-Coincident Demand				
7	Secondary	11.31	10.81	(0.50)	-4%
8	Primary	11.07	10.58	(0.49)	-4%
9	Transmission	3.76	3.76	0.00	0%
10	Maximum On-Peak Demand: Summer				
11	Secondary	4.48	9.76	5.28	118%
12	Primary	4.41	9.62	5.21	118%
13	Transmission	0.16	5.43	5.27	3294%
14	Maximum On-Peak Demand: Winter				
15	Secondary	4.48	4.30	(0.18)	-4%
16	Primary	4.41	4.24	(0.17)	-4%
17	Transmission	0.16	0.17	0.01	6%
18	Power Factor				
19	Secondary	0.25	0.25	0.00	0%
20	Primary	0.25	0.25	0.00	0%
21	Transmission	0.00	0.00	0.00	0%
22	On-Peak Energy: Summer				
23	Secondary	0.15882	0.10933	(0.04949)	-31%
24	Primary	0.15879	0.10791	(0.05088)	-32%
25	Transmission	0.15872	0.10634	(0.05238)	-33%
26	Semi-Peak Energy: Summer				
27	Secondary	0.09928	0.09179	(0.00749)	-8%
28	Primary	0.09926	0.09060	(0.00866)	-9%
29	Transmission	0.09923	0.08941	(0.00982)	-10%
30	Off-Peak Energy: Summer				
31	Secondary	0.07363	0.07327	(0.00036)	0%
32	Primary	0.07362	0.07222	(0.00140)	-2%
33	Transmission	0.07361	0.07149	(0.00212)	-3%
34	On-Peak Energy: Winter				
35	Secondary	0.15882	0.10771	(0.05111)	-32%
36	Primary	0.15879	0.10634	(0.05245)	-33%
37	Transmission	0.15872	0.10475	(0.05397)	-34%
38	Semi-Peak Energy: Winter				
39	Secondary	0.09928	0.10039	0.00111	1%
40	Primary	0.09926	0.09905	(0.00021)	0%
41	Transmission	0.09923	0.09775	(0.00148)	-1%
42	Off-Peak Energy: Winter				
43	Secondary	0.07363	0.07911	0.00548	7%
44	Primary	0.07362	0.07794	0.00432	6%
45	Transmission	0.07361	0.07714	0.00353	5%

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT**  
**2008 GRC Phase 2 (A.07-01-\_\_\_)**

**PRESENT AND PROPOSED UNBUNDLED UNIT CHARGES**

**Total UDC, Commodity, & DWR-BC**

LINE NO.	Description (A)	Present (B)	Proposed (C)	Change	
				\$ (D)	% (E)
1	<b>SCHEDULE A6-TOU</b>				
2	Basic Service Fee				
3	Greater than 500 kW				
4	Primary	194.06	232.87	38.81	20%
5	Primary Substation	13,858.43	16,630.12	2,771.69	20%
6	Transmission	1,058.70	1,270.44	211.74	20%
7	Greater than 12 MW -- Pri. Sub.	21,820.90	26,185.08	4,364.18	20%
8	Distance Adjustment Fee OH	1.22	1.22	0.00	0%
9	Distance Adjustment Fee UG	3.13	3.13	0.00	0%
10	Non-Coincident Demand				
11	Primary	10.42	9.92	(0.50)	-5%
12	Primary Substation	3.81	3.81	0.00	0%
13	Transmission	3.76	3.76	0.00	0%
14	Maximum Demand at Time of System Peak: Summer				
15	Primary	5.32	11.67	6.35	119%
16	Primary Substation	0.32	7.15	6.83	2134%
17	Transmission	0.33	6.98	6.65	2015%
18	Maximum Demand at Time of System Peak: Winter				
19	Primary	4.13	4.02	(0.11)	-3%
20	Primary Substation	0.06	0.05	(0.01)	-17%
21	Transmission	0.06	0.05	(0.01)	-17%
22	Power Factor				
23	Primary	0.25	0.25	0.00	0%
24	Primary Substation	0.25	0.25	0.00	0%
25	Transmission	0.00	0.00	0.00	0%
26	On-Peak Energy: Summer				
27	Primary	0.15877	0.10791	(0.05086)	-32%
28	Primary Substation	0.15873	0.10791	(0.05082)	-32%
29	Transmission	0.15872	0.10634	(0.05238)	-33%
30	Semi-Peak Energy: Summer				
31	Primary	0.09920	0.09060	(0.00860)	-9%
32	Primary Substation	0.09918	0.09060	(0.00858)	-9%
33	Transmission	0.09917	0.08941	(0.00976)	-10%
34	Off-Peak Energy: Summer				
35	Primary	0.07358	0.07222	(0.00136)	-2%
36	Primary Substation	0.07356	0.07222	(0.00134)	-2%
37	Transmission	0.07356	0.07149	(0.00207)	-3%
38	On-Peak Energy: Winter				
39	Primary	0.15855	0.10634	(0.05221)	-33%
40	Primary Substation	0.15851	0.10634	(0.05217)	-33%
41	Transmission	0.15850	0.10475	(0.05375)	-34%
42	Semi-Peak Energy: Winter				
43	Primary	0.09920	0.09905	(0.00015)	0%
44	Primary Substation	0.09918	0.09905	(0.00013)	0%
45	Transmission	0.09918	0.09775	(0.00143)	-1%
46	Off-Peak Energy: Winter				
47	Primary	0.07358	0.07794	0.00436	6%
48	Primary Substation	0.07357	0.07794	0.00437	6%
49	Transmission	0.07357	0.07714	0.00357	5%

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT**  
**2008 GRC Phase 2 (A.07-01-\_\_\_)**

**PRESENT AND PROPOSED UNBUNDLED UNIT CHARGES**

**Total UDC, Commodity, & DWR-BC**

LINE NO.	Description (A)	Present (B)	Proposed (C)	Change	
				\$ (D)	% (E)
1	<b>SCHEDULE S</b>				
2	Contracted Demand				
3	Secondary	5.36	5.83	0.47	9%
4	Primary	5.20	5.66	0.46	9%
5	Secondary Substation	1.99	1.98	(0.01)	-1%
6	Primary Substation	1.93	1.92	(0.01)	-1%
7	Transmission	1.90	1.89	(0.01)	-1%
8					
9	<b>SCHEDULE PA-T-1</b>				
10	Basic Service Fee	48.52	58.22	9.70	20%
11	Demand: On-Peak: Summer				
12	Option C				
13	Secondary	5.50	9.83	4.33	79%
14	Primary	5.45	9.63	4.18	77%
15	Transmission	0.22	5.55	5.33	2423%
16	Option D				
17	Secondary	5.51	10.08	4.57	83%
18	Primary	5.46	9.87	4.41	81%
19	Transmission	0.22	5.79	5.57	2532%
20	Option E				
21	Secondary	5.51	9.95	4.44	81%
22	Primary	5.46	9.75	4.29	79%
23	Transmission	0.22	5.67	5.45	2477%
24	Option F				
25	Secondary	5.49	9.70	4.21	77%
26	Primary	5.45	9.50	4.05	74%
27	Transmission	0.21	5.43	5.22	2486%
28	Demand: On-Peak: Winter				
29	Option C				
30	Secondary	5.50	3.64	(1.86)	-34%
31	Primary	5.45	3.63	(1.82)	-33%
32	Transmission	0.22	0.17	(0.05)	-23%
33	Option D				
34	Secondary	5.51	3.65	(1.86)	-34%
35	Primary	5.46	3.64	(1.82)	-33%
36	Transmission	0.22	0.19	(0.03)	-14%
37	Option E				
38	Secondary	5.51	3.65	(1.86)	-34%
39	Primary	5.46	3.64	(1.82)	-33%
40	Transmission	0.22	0.18	(0.04)	-18%
41	Option F				
42	Secondary	5.49	3.65	(1.84)	-34%
43	Primary	5.45	3.64	(1.81)	-33%
44	Transmission	0.21	0.19	(0.02)	-10%
45	Demand: Semi-Peak				
46	Secondary	5.42	5.83	0.41	8%
47	Primary	5.30	5.71	0.41	8%
48	Transmission	3.77	3.76	(0.01)	0%
49	On-Peak Energy: Summer				
50	Secondary	0.15916	0.10933	(0.04983)	-31%
51	Primary	0.15911	0.10791	(0.05120)	-32%
52	Transmission	0.15907	0.10634	(0.05273)	-33%

(Continued on following sheet)

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT**  
**2008 GRC Phase 2 (A.07-01-\_\_\_)**

**PRESENT AND PROPOSED UNBUNDLED UNIT CHARGES**

**Total UDC, Commodity, & DWR-BC**

LINE NO.	Description (A)	Present (B)	Proposed (C)	Change	
				\$ (D)	% (E)
1	<b>SCHEDULE PA-T-1 (Continued)</b>				
2	Semi-Peak Energy: Summer				
3	Secondary	0.09967	0.09179	(0.00788)	-8%
4	Primary	0.09963	0.09060	(0.00903)	-9%
5	Transmission	0.09962	0.08941	(0.01021)	-10%
6	Off-Peak Energy: Summer				
7	Secondary	0.07372	0.07327	(0.00045)	-1%
8	Primary	0.07371	0.07222	(0.00149)	-2%
9	Transmission	0.07371	0.07149	(0.00222)	-3%
10	On-Peak Energy: Winter				
11	Secondary	0.15916	0.10771	(0.05145)	-32%
12	Primary	0.15911	0.10634	(0.05277)	-33%
13	Transmission	0.15907	0.10475	(0.05432)	-34%
14	Semi-Peak Energy: Winter				
15	Secondary	0.09967	0.10039	0.00072	1%
16	Primary	0.09963	0.09905	(0.00058)	-1%
17	Transmission	0.09962	0.09775	(0.00187)	-2%
18	Off-Peak Energy: Winter				
19	Secondary	0.07372	0.07911	0.00539	7%
20	Primary	0.07371	0.07794	0.00423	6%
21	Transmission	0.07371	0.07714	0.00343	5%
22					
23	<b>SCHEDULE PA</b>				
24	Basic Service Fee	12.15	14.58	2.43	20%
25	Energy Charge				
26	Summer	0.15354	0.16893	0.01539	10%
27	Winter	0.15354	0.14837	(0.00517)	-3%
28					
29	<b>LIGHTING</b>	0.15229	0.17276	0.02047	13%



**APPENDIX C**

**COST OF PROPERTY AND DEPRECIATION  
RESERVE**

**SAN DIEGO GAS & ELECTRIC COMPANY**

**COST OF PROPERTY AND  
DEPRECIATION RESERVE APPLICABLE THERETO  
AS OF SEPTEMBER 30, 2006**

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
<b>ELECTRIC DEPARTMENT</b>			
302	Franchises and Consents	\$ 222,841	\$ 202,900
303	Misc. Intangible Plant	25,021,883	18,284,938
	<b>TOTAL INTANGIBLE PLANT</b>	<b>25,244,725</b>	<b>18,487,838</b>
310.1	Land	12,046,518	46,518
310.2	Land Rights	0	0
311	Structures and Improvements	40,032,392	8,370,046
312	Boiler Plant Equipment	115,423,771	15,069,429
314	Turbogenerator Units	98,917,908	8,922,915
315	Accessory Electric Equipment	33,364,110	2,666,144
316	Miscellaneous Power Plant Equipment	18,499,839	526,525
	Steam Production Decommissioning	0	0
	<b>TOTAL STEAM PRODUCTION</b>	<b>318,284,539</b>	<b>35,601,576</b>
320.1	Land	0	0
320.2	Land Rights	283,677	283,677
321	Structures and Improvements	267,873,713	265,219,331
322	Boiler Plant Equipment	393,571,684	393,571,684
323	Turbogenerator Units	135,444,115	135,444,115
324	Accessory Electric Equipment	166,879,502	166,719,993
325	Miscellaneous Power Plant Equipment	244,544,216	201,248,463
107	ICIP CWIP	0	6,017,657
	<b>TOTAL NUCLEAR PRODUCTION</b>	<b>1,208,596,908</b>	<b>1,168,504,922</b>
340.1	Land	143,476	0
340.2	Land Rights	2,428	2,428
341	Structures and Improvements	4,421,921	139,531
342	Fuel Holders, Producers & Accessories	15,295,980	281,026
343	Prime Movers	20,824,413	1,007,948
344	Generators	161,366,537	2,611,681
345	Accessory Electric Equipment	8,780,970	313,079
346	Miscellaneous Power Plant Equipment	359,058	17,379
	<b>TOTAL OTHER PRODUCTION</b>	<b>211,194,783</b>	<b>4,373,071</b>
	<b>TOTAL ELECTRIC PRODUCTION</b>	<b>1,738,076,230</b>	<b>1,208,479,569</b>

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
350.1	Land	\$ 21,560,243	\$ 0
350.2	Land Rights	59,633,184	8,716,238
352	Structures and Improvements	74,741,661	25,177,626
353	Station Equipment	492,759,936	115,980,464
354	Towers and Fixtures	102,090,115	73,112,406
355	Poles and Fixtures	108,749,767	39,784,492
356	Overhead Conductors and Devices	203,219,686	138,185,337
357	Underground Conduit	43,960,182	7,204,394
358	Underground Conductors and Devices	32,560,080	10,123,158
359	Roads and Trails	18,492,706	4,662,388
	<b>TOTAL TRANSMISSION</b>	<b>1,157,767,559</b>	<b>422,946,503</b>
360.1	Land	18,614,974	0
360.2	Land Rights	64,311,409	24,659,731
361	Structures and Improvements	3,218,333	1,869,247
362	Station Equipment	285,584,197	67,705,260
364	Poles, Towers and Fixtures	343,599,393	183,569,453
365	Overhead Conductors and Devices	279,423,633	94,177,512
366	Underground Conduit	727,453,850	281,161,707
367	Underground Conductors and Devices	950,670,079	501,769,772
368.1	Line Transformers	341,315,182	58,400,857
368.2	Protective Devices and Capacitors	22,866,912	2,481,002
369.1	Services Overhead	90,854,475	114,579,070
369.2	Services Underground	248,079,360	143,764,270
370.1	Meters	82,774,583	30,716,889
370.2	Meter Installations	40,034,699	9,788,122
371	Installations on Customers' Premises	6,009,127	8,492,712
373.1	St. Lighting & Signal Sys.-Transformers	0	0
373.2	Street Lighting & Signal Systems	23,445,274	16,677,573
	<b>TOTAL DISTRIBUTION PLANT</b>	<b>3,528,255,480</b>	<b>1,539,813,176</b>
389.1	Land	7,510,993	0
389.2	Land Rights	0	0
390	Structures and Improvements	28,619,366	9,907,379
392.1	Transportation Equipment - Autos	0	49,884
392.2	Transportation Equipment - Trailers	175,979	125,071
393	Stores Equipment	54,331	45,165
394.1	Portable Tools	11,244,924	3,758,248
394.2	Shop Equipment	572,160	305,684
395	Laboratory Equipment	438,662	71,198
396	Power Operated Equipment	92,162	149,134
397	Communication Equipment	94,761,225	41,008,850
398	Miscellaneous Equipment	384,974	(85,919)
	<b>TOTAL GENERAL PLANT</b>	<b>143,854,776</b>	<b>55,334,695</b>
101	<b>TOTAL ELECTRIC PLANT</b>	<b>6,593,198,769</b>	<b>3,245,061,782</b>

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
<b>GAS PLANT</b>			
302	Franchises and Consents	\$ 86,104	\$ 86,104
303	Miscellaneous Intangible Plant	713,559	574,758
	<b>TOTAL INTANGIBLE PLANT</b>	<b>799,663</b>	<b>660,862</b>
360.1	Land	0	0
361	Structures and Improvements	412,998	554,836
362.1	Gas Holders	989,283	1,012,573
362.2	Liquefied Natural Gas Holders	0	0
363	Purification Equipment	0	0
363.1	Liquefaction Equipment	0	0
363.2	Vaporizing Equipment	0	0
363.3	Compressor Equipment	558,651	612,455
363.4	Measuring and Regulating Equipment	0	0
363.5	Other Equipment	0	0
363.6	LNG Distribution Storage Equipment	407,546	338,150
	<b>TOTAL STORAGE PLANT</b>	<b>2,368,477</b>	<b>2,518,014</b>
365.1	Land	4,649,144	0
365.2	Land Rights	2,217,185	964,590
366	Structures and Improvements	10,832,602	7,087,878
367	Mains	121,465,574	44,344,371
368	Compressor Station Equipment	60,260,525	35,187,526
369	Measuring and Regulating Equipment	15,684,505	9,245,481
371	Other Equipment	0	0
	<b>TOTAL TRANSMISSION PLANT</b>	<b>215,109,535</b>	<b>96,829,845</b>
374.1	Land	102,187	0
374.2	Land Rights	7,809,067	4,699,595
375	Structures and Improvements	43,447	61,253
376	Mains	474,622,808	254,453,458
378	Measuring & Regulating Station Equipment	8,241,009	5,371,203
380	Distribution Services	224,010,994	239,742,150
381	Meters and Regulators	69,904,424	30,534,318
382	Meter and Regulator Installations	57,117,942	22,097,257
385	Ind. Measuring & Regulating Station Equipment	1,516,811	706,975
386	Other Property On Customers' Premises	0	0
387	Other Equipment	4,446,936	3,906,212
	<b>TOTAL DISTRIBUTION PLANT</b>	<b>847,815,625</b>	<b>561,572,421</b>

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
392.1	Transportation Equipment - Autos	\$ 0	\$ 25,503
392.2	Transportation Equipment - Trailers	74,501	74,501
394.1	Portable Tools	6,163,888	1,834,246
394.2	Shop Equipment	84,597	(2,567)
395	Laboratory Equipment	344,813	(152,427)
396	Power Operated Equipment	246,939	51,336
397	Communication Equipment	2,950,836	1,379,322
398	Miscellaneous Equipment	310,534	33,991
	TOTAL GENERAL PLANT	<u>10,176,108</u>	<u>3,243,903</u>
101	TOTAL GAS PLANT	<u>1,076,269,407</u>	<u>664,825,046</u>
<b>COMMON PLANT</b>			
303	Miscellaneous Intangible Plant	167,352,728	129,149,388
350.1	Land	0	0
360.1	Land	0	0
389.1	Land	5,753,073	0
389.2	Land Rights	1,872,944	27,275
390	Structures and Improvements	129,411,172	45,773,077
391.1	Office Furniture and Equipment - Other	23,474,474	9,904,824
391.2	Office Furniture and Equipment - Computer Equipm	43,446,098	18,385,928
392.1	Transportation Equipment - Autos	33,942	(338,930)
392.2	Transportation Equipment - Trailers	41,567	(92,149)
393	Stores Equipment	140,123	(199,464)
394.1	Portable Tools	168,535	(8,118)
394.2	Shop Equipment	313,717	124,916
394.3	Garage Equipment	2,624,818	513,523
395	Laboratory Equipment	2,001,015	827,263
396	Power Operated Equipment	0	(192,979)
397	Communication Equipment	76,865,555	43,499,884
398	Miscellaneous Equipment	3,061,525	885,784
118.1	TOTAL COMMON PLANT	<u>456,561,285</u>	<u>248,260,222</u>
	TOTAL ELECTRIC PLANT	6,593,198,769	3,245,061,782
	TOTAL GAS PLANT	1,076,269,407	664,825,046
	TOTAL COMMON PLANT	<u>456,561,285</u>	<u>248,260,222</u>
101 & 118.1	TOTAL	<u>8,126,029,462</u> 0	<u>4,158,147,049</u>
101	PLANT IN SERV-SONGS FULLY RECOVERED	<u>\$ (1,167,685,825)</u>	<u>\$ (1,167,685,825)</u>

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
101	Accrual for Retirements		
	Electric	\$ (5,854,198)	\$ (5,854,198)
	Gas	(183,873)	(183,873)
	TOTAL PLANT IN SERV-NON RECON ACCTS	<u>(6,038,071)</u>	<u>(6,038,071)</u>
	Electric	0	0
	Gas	0	0
	TOTAL PLANT PURCHASED OR SOLD	<u>0</u>	<u>0</u>
105	Plant Held for Future Use		
	Electric	290,020	0
	Gas	0	0
	TOTAL PLANT HELD FOR FUTURE USE	<u>290,020</u>	<u>0</u>
107	Construction Work in Progress		
	Electric	184,466,337	
	Gas	3,757,737	
	Common	7,887,524	
	TOTAL CONSTRUCTION WORK IN PROGRESS	<u>196,111,597</u>	<u>0</u>
108	Accum. Depr SONGS Mitigation/Spent Fuel Disallowance		
	Electric	0	6,503,096
108.5	Accumulated Nuclear Decommissioning		
	Electric	0	569,251,929
	TOTAL ACCUMULATED NUCLEAR DECOMMISSIONING	<u>0</u>	<u>569,251,929</u>
114	ELECTRIC PLANT ACQUISITION ADJUSTMENT	0	0
120	NUCLEAR FUEL FABRICATION	<u>54,579,584</u>	<u>34,566,040</u>
143	FAS 143 ASSETS - Legal Obligation	71,027,918	(525,175,727)
	FIN 47 ASSETS - Legal Obligation	31,886,251	13,401,560
143	FAS 143 ASSETS - Non-legal Obligation	0	(1,008,464,557)
	TOTAL FAS 143	102,914,169	(1,520,238,724)
	UTILITY PLANT TOTAL	<u>\$ 7,306,200,937</u>	<u>\$ 2,074,505,496</u>

**APPENDIX D**  
**SUMMARY OF EARNINGS**

**SAN DIEGO GAS & ELECTRIC COMPANY  
SUMMARY OF EARNINGS  
NINE MONTHS ENDED SEPTEMBER 30, 2006  
(DOLLARS IN MILLIONS)**

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Operating Revenue	\$2,105
2	Operating Expenses	<u>1,858</u>
3	Net Operating Income	<u><u>\$247</u></u>
4	Weighted Average Rate Base	\$3,406
5	Rate of Return*	8.18%

\*Authorized Cost of Capital



## **APPENDIX E**

### **GOVERNMENTAL ENTITIES RECEIVING NOTICE**

State of California  
Attorney General's Office  
P.O. Box 944255  
Sacramento, CA 94244-2550

City of Chula Vista  
Attn. City Attorney  
276 Fourth Ave  
Chula Vista, Ca 91910-2631

United States Government  
General Services Administration  
300 N. Los Angeles  
Los Angeles, CA 90012

State of California  
Attn. Director Dept of General Services  
PO Box 989052  
West Sacramento, CA 95798-9052

City of Coronado  
Attn. City Attorney  
1825 Strand Way  
Coronado, CA 92118

City of Carlsbad  
Attn. City Clerk  
1200 Carlsbad Village Drive  
Carlsbad, CA 92008-1949

City of Carlsbad  
Attn. City Attorney  
1200 Carlsbad Village Drive  
Carlsbad, CA 92008-19589

City of Dana Point  
Attn. City Attorney  
33282 Golden Lantern  
Dana Point, CA 92629

City of Encinitas  
Attn. City Attorney  
505 S. Vulcan Ave.  
Encinitas, CA 92024

City of Del Mar  
Attn. City Attorney  
1050 Camino Del Mar  
Del Mar, CA 92014

City of Escondido  
Attn. City Attorney  
201 N. Broadway  
Escondido, CA 92025

City of Solana Beach  
Attn. City Attorney  
635 S. Highway 101  
Solana Beach, CA 92075

City of Imperial Beach  
Attn. City Clerk  
825 Imperial Beach Blvd  
Imperial Beach, CA 92032

City of Laguna Beach  
Attn. City Clerk  
505 Forest Ave  
Laguna Beach, CA 92651

City of Imperial Beach  
Attn. City Attorney  
825 Imperial Beach Blvd  
Imperial Beach, CA 92032

City of Laguna Niguel  
Attn. City Attorney  
22781 La Paz Ste. B  
Laguna Niguel, CA 92656

City of La Mesa  
Attn. City Attorney  
8130 Allison Avenue  
La Mesa, CA 91941

City of Lemon Grove  
Attn. City Attorney  
3232 Main St.  
Lemon Grove, CA 92045

City of Laguna Beach  
Attn. Attorney  
505 Forest Ave  
Laguna Beach, CA 92651

City of Lemon Grove  
Attn. City Clerk  
3232 Main St.  
Lemon Grove, CA 92045

City of Mission Viejo  
Attn City Attorney  
200 Civic Center  
Mission Viejo, CA 92691

City of Mission Viejo  
Attn City Clerk  
200 Civic Center  
Mission Viejo, CA 92691

City of Oceanside  
Attn. City Clerk  
300 N. Coast Highway  
Oceanside, CA 92054-2885

County of Orange  
Attn. County Clerk  
P.O. Box 838  
Santa Ana, CA 92702

City of National City  
Attn. City Attorney  
1243 National City Blvd  
National City, CA 92050

County of Orange  
Attn. County Counsel  
P.O. Box 1379  
Santa Ana, CA 92702

City of National City  
Attn. City Clerk  
1243 National City Blvd  
National City, CA 92050

City of Poway  
Attn. City Attorney  
P.O. Box 789  
Poway, CA 92064

Naval Facilities Engineering Command  
Navy Rate Intervention  
1314 Harwood Street SE  
Washing Navy Yard, DC 20374-5018

City of Poway  
Attn. City Clerk  
P.O. Box 789  
Poway, CA 92064

City of San Clemente  
Attn. City Attorney  
100 Avenida Presidio  
San Clemente, CA 92672

City of San Diego  
Attn. Mayor  
202 C St.  
San Diego, CA 92010

City of San Clemente  
Attn. City Clerk  
100 Avenida Presidio  
San Clemente, CA 92672

County of San Diego  
Attn. County Clerk  
P.O. Box 121750  
San Diego, CA 92101

City of San Diego  
Attn. City Attorney  
202 C Street.  
San Diego, CA 92101

County of San Diego  
Attn. County Counsel  
1600 Pacific Hwy  
San Diego, CA 92101

City of San Diego  
Attn. City Clerk  
202 C St.  
San Diego, CA 92010

City of San Marcos  
Attn. City Attorney  
1 Civic Center Dr.  
San Marcos, CA 92069

City of San Diego  
Attn. City Manager  
202 C St.  
San Diego, CA 92101

City of San Marcos  
Attn. City Clerk  
1 Civic Center Dr.  
San Marcos, CA 92069

City of Santee  
Attn. City Attorney  
10601 Magnolia Avenue  
Santee, CA 92071

City of Santee  
Attn. City Clerk  
10601 Magnolia Avenue  
Santee, CA 92071

City of Vista  
Attn. City Attorney  
PO Box 1988  
Vista, CA 92083

City of Vista  
Attn. City Clerk  
PO Box 1988  
Vista, CA 92083

**APPENDIX F**

**SERVICE LIST**

**SERVICE LIST FOR A.05-02-019**

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mshames@ucan.org  
gxh@cpuc.ca.gov  
lau@cpuc.ca.gov  
glsg@pge.com  
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epoole@adplaw.com  
rmccann@umich.edu  
dkk@eslawfirm.com  
rliebert@cfbf.com  
dhuard@manatt.com  
bruce.reed@sce.com  
case.admin@sce.com  
ehull@ci.chula-vista.ca.us  
meallen@sempra.com  
liddell@energyattorney.com  
scottanders@sandiego.edu  
lbrowy@semprautilities.com  
tblair@sandiego.gov  
bruce.foster@sce.com  
dwang@nrdc.org  
cem@newsdata.com  
cpuccases@pge.com  
mac@landuselaw.com  
mrw@mrwassoc.com  
rschmidt@bartlewells.com  
bill@jbsenergy.com.  
bsl@cpuc.ca.gov  
dlf@cpuc.ca.gov  
dug@cpuc.ca.gov  
tcx@cpuc.ca.gov  
awp@cpuc.ca.gov

**SERVICE LIST FOR A.06-12-009**

acook@hillfarrer.com;  
alf@cpuc.ca.gov;  
alli@zimmerlucas.com;  
centralfiles@semprautilities.com;  
dug@cpuc.ca.gov;  
jwalsh@sempra.com;  
kmelville@sempra.com;  
mrw@mrwassoc.com;  
mshames@ucan.org;  
npedersen@hanmor.com;  
nsuetake@turn.org;  
pucservice@dralegal.org;  
thaliag@greenlining.org;  
zango@zimmerlucas.com;

**SERVICE LIST FOR A.05-01-017**

cbing@Semprautilities.com;  
cem@newsdata.com;  
centralfiles@semprautilities.com;  
cpuccases@pge.com;  
edwardoneill@dwt.com;  
eparker@qcworld.com;  
jporter@sdchamber.org;  
kpp@cpuc.ca.gov;  
mlc@cpuc.ca.gov;  
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aln2@pge.com;  
andrew.cheung@lausd.net;  
andy.bettwy@swgas.com;  
angela.kim@fticonsulting.com;  
atrowbridge@daycartermurphy.com;  
attys@wellingtonlaw.com;  
aulmer@water.ca.gov;  
awp@cpuc.ca.gov;  
barontramp@aol.com;  
bcragg@gmsr.com;  
ben@cpuc.ca.gov;  
bfinkelstein@turn.org;  
bill@jbsenergy.com.;  
bjneider@ci.burbank.ca.us;  
bkc7@pge.com;  
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bob\_Anderson@apses.com;  
brbarkovich@earthlink.net;  
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bsl@cpuc.ca.gov;  
bts1@pge.com;  
burkee@cts.com;  
bwood@energy.state.ca.us;  
case.admin@sce.com;  
cem@newsdata.com;  
centralfiles@semprautilities.com;  
ceyap@earthlink.net;  
chris@emeter.com;  
chrism@mid.org;  
cjw5@pge.com;  
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enriqueg@lif.org;  
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mfogelman@reedsmith.com;  
mk@utilitycostmanagement.com;  
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mpa@a-klaw.com;  
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mshames@ucan.org;  
nes@a-klaw.com;  
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ofoote@hkcf-law.com;  
pfa@cpuc.ca.gov;  
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phanschen@mofa.com;  
pje@cpuc.ca.gov;  
pk@utilitycostmanagement.com;  
psd@cpuc.ca.gov;  
ptt@cpuc.ca.gov;  
pucservice@manatt.com;  
ram@cpuc.ca.gov;  
richard.stapler@kernrivergas.com;  
ris@rsinger.com;  
rlauchhart@henwoodenergy.com;  
rliibert@cbbf.com;  
rmccann@umich.edu;  
rmp@cpuc.ca.gov;  
rob@clfp.com;  
robert.pettinato@ladwp.com;  
robertg@greenlining.org;  
rochelle489@charter.net;  
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tblair@sandiego.gov;  
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**SERVICE LIST FOR A.05-03-015**

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tgulesserian@adamsbroadwell.com  
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marcel@turn.org  
as2@cpuc.ca.gov  
dwang@nrdc.org  
gchang1@bloomberg.net  
bwt4@pge.com  
DJRo@pge.com  
JxGb@pge.com  
jcr4@pge.com  
klm3@pge.com  
lrn3@pge.com  
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jwiedman@gmsr.com  
cpuccases@pge.com

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jeff@jbsenergy.com  
jeff.francetic@us.landisgyr.com  
tdtamarkin@usclcorp.com  
roger147@aol.com  
rabbott@plexusresearch.com  
agc@cpuc.ca.gov  
bsk@cpuc.ca.gov  
cjb@cpuc.ca.gov  
dmg@cpuc.ca.gov  
eaq@cpuc.ca.gov  
jaa@cpuc.ca.gov  
jf2@cpuc.ca.gov  
lmi@cpuc.ca.gov  
mbe@cpuc.ca.gov  
fly@cpuc.ca.gov  
mfv@cpuc.ca.gov  
nil@cpuc.ca.gov  
gig@cpuc.ca.gov  
scl@cpuc.ca.gov  
tmr@cpuc.ca.gov  
dhungerf@energy.state.ca.us  
kherter@energy.state.ca.us  
mmesseng@energy.state.ca.us

**APPENDIX G**

**CERTIFICATE OF SERVICE**

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the attached **NOTICE OF AVAILABILITY OF THE APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) FOR AUTHORITY TO UPDATE MARGINAL COSTS, COST ALLOCATION AND ELECTRIC RATE DESIGN AND SUPPORTING EXHIBITS** has been served on all parties of record in A.06-12-009; A.05-02-019; A.05-03-015; A.05-01-017; and A.02-12-028, via electronic mail or as otherwise specified by the Commission's Rules of Practice and Procedure.

DATED at San Diego, California, this 31<sup>st</sup> day of January 2007.

/s/ Jenifer Nicola  
Jenifer Nicola



**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Application of )  
SAN DIEGO GAS & ELECTRIC COMPANY )  
For Authority To Update Marginal Costs, ) Application No. 07-01-\_\_\_\_  
Cost Allocation, And Electric Rate Design )  
(U 902-E) )

**NOTICE OF AVAILABILITY OF THE  
APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E)  
FOR AUTHORITY TO UPDATE MARGINAL COSTS, COST ALLOCATION  
AND ELECTRIC RATE DESIGN AND SUPPORTING EXHIBITS**

*PLEASE TAKE NOTICE THAT* on January 31, 2007, San Diego Gas & Electric Company (SDG&E) filed its *Application For Authority To Update Marginal Costs, Cost Allocation And Electric Rate Design*. The Application consists of the application itself, and all of the attachments required by the Commission's Rules of Practice and Procedure. Because the entire Application and supporting Exhibits are composed of over fifty pages, pursuant to Rule 1.9(c) of the Commission's Rules of Practice and Procedure, the Application and the supporting Exhibits can be accessed and downloaded, as of 5:00pm, January 31, 2007, at the following internet address:

[www.sdge.com/regulatory/tariff/cpuc\\_openProceedings.shtml](http://www.sdge.com/regulatory/tariff/cpuc_openProceedings.shtml)

SDG&E will, upon request, provide a paper copy of the entire Application, supporting Exhibits, or any part thereof. Supporting workpapers will also be available upon request. To expedite service of the requested materials, SDG&E asks that requests be submitted in writing to:

Lisa Browy  
Regulatory Case Manager  
San Diego Gas & Electric Company  
8330 Century Park Court  
San Diego, CA 92123  
858/654-1566 (Telephone)  
858/654-1788 (Facsimile)  
[lbrowy@semprautilities.com](mailto:lbrowy@semprautilities.com)

Respectfully submitted,  
SAN DIEGO GAS & ELECTRIC COMPANY

By:           /s/ Kelly M. Foley            
KELLY M. FOLEY  
JOHNNY J. PONG

*Attorneys for*  
SAN DIEGO GAS & ELECTRIC COMPANY  
101 Ash Street  
San Diego, CA 92101  
619/696- 4287 (Telephone)  
619/699-5027 (Facsimile)  
[kfoley@sempra.com](mailto:kfoley@sempra.com)