

DRA DATA REQUEST
DRA-SDG&E-DR-003
SDG&E 2012 COST OF CAPITAL – A.12-04-016
SDG&E RESPONSE

DATE RECEIVED: AUGUST 31, 2012

DATE RESPONDED: SEPTEMBER 12, 2012

FOLLOW UP QUESTION RECEIVED: SEPTEMBER 13, 2012

FOLLOW UP QUESTION RESPONDED: SEPTEMBER 19, 2012

3. Please quantify all balancing account disallowances for the past five year, by date, balancing account, recovery amount requested, recovery amount authorized, and recovery amount disallowed

DRA FOLLOW UP QUESTION:

SDG&E's original data response does not include the recovery amount requested, only the amount disallowed. Please provide the recovery amount requested.

SDG&E Revised Response:

SDG&E's response has been revised to address the recovery amount requested.

The term disallowance in the Cost of Capital Application (A.12-04-016) refers to cost recovery asked for but not granted, whether because it was struck down by the Commission, settled upon, asked for as part of the program and not granted or exceed authorized spending caps. Therefore, the answer to this data request will incorporate this definition. All amounts, except CEMA, include interest.

- In 2012, we asked for and were not granted recovery of central air conditioning furnace clean and tuning arrived at in a CPUC audit of \$1,041,751 in the Low Income Energy Efficiency Balancing Account and \$177,471 in the Post-2005 Gas Low Income Energy Efficiency Balancing Account and therefore had to remove those costs from the balancing accounts.

Recovery amount requested:

Requested amount: \$1,219,222

Recovery amount disallowed: \$1,219,222.

- On March 8, 2012, D.12-03-014 disallowed \$371,413 related to a SONGS Unit 2 outage from December 28, 2008. The expense was recorded in ERRA in 2009 and the disallowance was part of the 2009 ERRA Compliance decision.

Recovery amount requested:

Compliance filings do not involve requests for revenue requirements, but rather are a showing that what we booked to the ERRA was appropriate and reasonable. This disallowance was not based on a requested amount.

- In 2011, our one-way balancing accounts for Distribution Integrity Management Program, Research, Development and Demonstration, and Tree Trimming exceeded their specified one-way balancing account caps of \$586,052, \$395,291, and \$2,828,158, respectively. That amount had to be removed from the balancing account and written off.

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These are one-way balancing account caps that were exceeded with the requested amount representing the authorized revenue requirement.

Recovery amounts requested:

Tree Trimming:

Requested amount: \$19,652,000

Recorded expense: \$22,480,158

Recovery amount disallowed: \$2,828,158

Research, Development and Demonstration:

Requested amount: \$2,556,000

Recorded expense: \$2,951,291

Recovery amount disallowed: \$395,291

Distribution Integrity Management Program:

Requested amount: \$4,011,000

Recorded expense: \$4,597,052

Recovery amount disallowed: \$586,052.

- In D.10-10-004, SDG&E asked for CEMA 2003 recovery of \$32,186,000 and received an after-settlement decision of \$25,440,000, including FF&U. The difference between the ask and the grant was primarily due to the removal of O&M costs done in the context of the settlement.

Recovery amount requested:

Requested amount: \$32,186,000

Amount Approved: \$25,440,000

Recover amount disallowed: \$6,746,000 (excluding interest).

- In 2010, our one-way balancing account for Tree Trimming exceeded its specified one-way balancing account caps by \$4,147,885. That amount had to be excluded from the balancing account and written off.

This is a one-way balancing account with a cap that was exceeded with the requested amount representing the authorized revenue requirement.

Recovery amount requested:

Requested amount: \$19,652,000

Recorded expense: \$23,799,885

Recovery amount disallowed: \$4,147,885.

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- Also in 2010, we had a write-off of auction costs in our Generation Divestiture Memo Account of \$129,145 from auctions in 1999-2001.

Recovery amount requested:

Because this was a write-off from an audit finding, there is no specific request to list. This represents money booked to the account that we were unable to collect and not based on a specific dollar request.

- In 2009, our one-way balancing account for Tree Trimming exceeded its specified one-way balancing account caps by \$5,673,546. That amount had to be excluded from the balancing account and written off. This is a one-way balancing account with a cap that was exceeded with the requested amount representing the authorized revenue requirement.

Recovery amount requested:

Requested amount: \$19,652,000

Recorded expense: \$25,325,546

Recovery amount disallowed: \$5,673,546.

- In 2008, the Low Income Energy Efficiency Balancing Account exceeded its specified cap by \$103,549. That amount had to be excluded from the balancing account and written off.

Recovery amount requested:

Requested amount: \$7,803,931

Recorded expense: \$7,907,480

Recovery amount disallowed: \$103,549.

- Further, we are waiting to hear from the Commission on a dispute surrounded Least Cost Dispatch at the Palomar Plant in 2010. DRA recommended a disallowance of \$7.2 million. This is part of the ERRA Compliance Proceeding for 2010 (A.11-06-003).

Recovery amount requested:

Compliance filings do not involve requests for revenue requirements, but rather are a showing that what we booked to the ERRA was appropriate and reasonable. This proposed disallowance was not based on a requested amount.