

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

Application of San Diego Gas & Electric Company
(U-902-M) for Approval of Electric and Natural Gas
Energy Efficiency Shareholder Earnings for Program
Year 2009

Application 11-06-
(Filed: June 29, 2011)

**APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-M) FOR
APPROVAL OF ELECTRIC AND NATURAL GAS ENERGY EFFICIENCY
SHAREHOLDER EARNINGS FOR PROGRAM YEAR 2009**

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June 29, 2011

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**I.
INTRODUCTION**

In compliance the California Public Utilities Commission (“Commission” or “CPUC”) Rules of Practice and Procedure, specifically Rule 3.2 and the terms of Decision (“D.”) 10-12-049, San Diego Gas & Electric Company (“SDG&E”) hereby files its Application for Approval of Electric and Natural Gas Energy Efficiency Shareholder Earnings for Program Year 2009.

**II.
BACKGROUND**

On December 16, 2010, the Commission issued D 10-12-049 which approved and established the methodology and process for the determination of shareholder incentives associated with PY 2009. D.10-12-049 (at page 4) states:

“This decision, which concerns the final phase of the 2006-2006 period, adopts modifications to the incentive mechanism for purposes of calculating the 2006-2008 true-up. Further, we determine that this same mechanism should be applied to the 2009 program year, and establish a process by which incentives for the 2009 program year will be determined.”

Furthermore, D.10-12-049 (at page 62) determines how and when the 2009 earnings would be submitted by the utilities and addressed.

“To that end, the utilities shall file applications in which they calculate for energy efficiency incentives in 2009 pursuant to the modifications made to the incentive mechanism adopted herein. These applications shall be submitted to the Commission no later than June 30, 2011 to allow for consideration and disposition by December 31, 2011.”

A. Mechanism to be Applied to PY 2009 Shareholder Earnings Calculations

The decision also provides for the mechanism that should be used for the PY 2009 earnings calculations. The following is a brief outline of the mechanism (D.10-12-049 at page 63).

1. Minimum Performance Standard (“MPS”)

The MPS will not include the 2004-2005 goals and savings. The MPS will include the 2006-2008 net goals and 2009 gross goals, the 50% decay from 2006-2008, and verified C&S savings using 50% for pre-2006 and 100% post-2006 as directed in other Commission decisions. The utility must achieve at least 85% of the cumulative 2006-2009 Energy Efficiency Goals.

2. Performance Earnings Basis (“PEB”) and Earnings Rate

The PEB is calculated as the sum of 2/3 of the Total Resource Cost net benefits and 1/3 of the Program Administrator Cost net benefits. The earnings rate is 7%.

B. Requirements to be Included in the Application

The utilities shall provide the following with their applications in order to facilitate the Commission’s review of their incentive claims:

- a) The Microsoft Access ERT tool the utilities used to modify the 2009 *ex- ante* numbers to gross savings;
- b) The Risk Reward Spreadsheet template used to calculate the incentive amounts; and
- c) A document that describes the files or tables that were changed, and what specific changes were made

III SUMMARY OF APPLICATION

In compliance with the requirements of Decision 10-12-049, SDG&E's EE Application requests the Commission to:

1. Approve SDG&E's corrections to Energy Division's Risk Reward Spreadsheet Template ("RRST") to reflect the correct 2006-2008 measure decay and the correction to SDG&E's 2006-2009 cumulative therm goal.
2. Approve SDG&E's cumulative savings calculations derived using the Energy Division's 2006-2008 Evaluation Report ERT Software Tool using *ex ante* input assumptions adjusted by *ex post* installation rates, inclusion of additional 50% of verified pre-2006 and 100% of post-2005 codes & standards advocacy work, update for PY 2006-2008 CFL purchases installed in PY 2009 and updates to PY 2006-2008 measure decay;
3. Approve the resulting earnings award of \$15,108,031;
4. Authorize SDG&E to record \$14,654,790 in rewards to its electric "Rewards and Penalties Balancing Account" ("RPBA") and \$453,241 will be to its gas RPBA; and

5. Authorize SDG&E to recover balances in the RPBAAs as a twelve-month amortization in electric and gas rates in connection with SDG&E's applicable annual regulatory account balance update filings effective January 1 of the following year.

SDG&E's EE Application is supported by the testimony of one witness. Ms. Athena Besa, Customer Programs Policy and Support Manager, provides testimony describing the manner and method of SDG&E's compliance with D.10-12-049 in calculating SDG&E's 2009 EE earnings. The witness' prepared direct testimony is served concurrently herewith and incorporated in the Application by reference.

IV. STATUTORY AND PROCEDURAL REQUIREMENTS

A. Proposed Category, Issues to be Considered, Need for Hearings and Proposed Schedule

SDG&E proposes to categorize this Application as a "rate-setting" proceeding within the meaning of Rules 1.3(e) and 7.1. SDG&E proposes the following schedule:

Schedule

| | |
|--|--------------------|
| Filing of Application | June 29, 2011 |
| Protests Due | July 29, 2011 |
| Reply to Protests | Aug 12, 2011 |
| Commission Issues Proposed Decision | September 15, 2011 |
| Comments on Proposed Decision | October 13, 2011 |
| Replies to Comments on Proposed Decision | October 24, 2011 |
| Commission Issues Final Decision | November 2011 |

B. Statutory Authority – Rule 2.1

This Application is made pursuant to Sections 451, 701, 702 , 728, and 729 of the Public Utilities Code of the State of California; the Commission’s Rule of Practice and Procedure; and the other relevant prior decisions, orders, and resolutions of the Commission.

C. Legal Name, Place of Business/Incorporation – Rule 2.1(a)

Applicant’s legal name is San Diego Gas & Electric Company. SDG&E is a public utility corporation organized and existing under the laws of the State of California, with its principal place of business at 8830 Century Park Court, San Diego, California 92123.

D. Correspondence – Rule 2.1(b)

Correspondence or communications regarding this application should be addressed to:

Joy Yamagata
Regulatory Manager For:
San Diego Gas & Electric Company
8330 Century Park Court
San Diego, California 92123
Telephone: (858) 654-1755
Facsimile: (858) 654-1788
E-Mail: jyamagata@semprautilities.com

With a copy to:

Steven D. Patrick
Attorney For:
San Diego Gas & Electric Company
555 West 5th Street, Suite 1400
Los Angeles, CA 90013
Telephone: (213) 244-2954
Facsimile: (213) 629-9620
E-Mail: SDPatrick@semprautilities.com

E. Articles of Incorporation - Rule 16

SDG&E is incorporated under the laws of the State of California. A certified copy of the restated Articles of Incorporation, as last amended, currently in effect and certified by the California Secretary of State, was filed with the Commission on August 31, 2009 in connection with SDG&E Application No. 09-08-019, and is incorporated herein by reference.

F. Financial Statement, Balance Sheet, and Income Statement - Rule 3.2(a)(4)

Appendix A to this Application is SDG&E's Financial Statement, Balance Sheet and Income Statement as of March 31, 2011.

G. Rates – Rules 3.2(a)(2) and 3.2(a)(3)

The current and proposed rates that will result from this Application are described in Appendix B.

H. Property and Equipment – Rule 3.2(a)(4)

A general description of SDG&E's property and equipment was previously filed with the Commission on October 5, 2001, in connection with SDG&E's Application 01-10-005, and is being incorporated herein by reference. Appendix C to this Application is a statement of SDG&E's Original Costs and Depreciation Reserve applicable thereto as of March 31, 2011.

I. Summary of Earnings – Rules 3.2(a)(5)

Appendix D to this Application is a Summary of Earnings for SDG&E for the 3 months ended March 31, 2011.

J. Depreciation – Rule 3.2(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.

K. Proxy Statement – Rule 3.2(a)(8)

A copy of SDG&E’s most recent proxy statement, dated April 27, 2011, was mailed to the California Public Utilities Commission on May 4, 2011 and is incorporated herein by reference.

L. Pass Through of Costs – Rule 3.2(a)(10)

The changes that SDG&E seeks in this Application reflect estimated costs to SDG&E, and SDG&E proposes to pass through to customers only costs that SDG&E incurs for the services and commodities it furnishes.

M. Service and Notice – Rule 3.2(b)

SDG&E is serving this Application on all parties R.09-01-019. Within ten days of filing this application, SDG&E will mail notice of this Application to the State of California and to cities and counties within SDG&E's service territory and SDG&E will post the notice in its offices and publish the notice in newspapers of general circulation in each county in its service territory. In addition, SDG&E will include notices with the regular bills mailed to all customers affected by the proposed rate changes. The service list of state and government agencies is attached hereto as Appendix E.

**VI.
RELIEF REQUESTED**

For the reasons set forth in this Application and accompanying testimony, SDG&E respectfully asks the Commission to:

- 1) Consider this Application and grant all the relief requested herein.
- 2) Find that SDG&E's proposals are in conformance with the Commission directives and policies.
- 3) Grant other such relief as the Commission may deem necessary.

WHEREFORE, SDG&E respectfully requests the Commission grant its Application as filed.

Dated this 29th day of June, 2011.

Respectfully submitted,

/s/ Hal Snyder

Hal Snyder
Vice President
San Diego Gas & Electric Company

/s/ Steven D. Patrick

Steven D. Patrick
Attorney for
San Diego Gas & Electric Company

VERIFICATION

I am an officer of San Diego Gas & Electric Company, and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing Application are true and to my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 29th day of June, 2011 at Los Angeles, California.

/s/ Hal Snyder

Hal Snyder

Vice President

San Diego Gas & Electric Company

Appendix A

SAN DIEGO GAS & ELECTRIC COMPANY
FINANCIAL STATEMENT
MARCH 31, 2011

(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 |
| \$1.70 | 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, 04-01-009, 06-05-015 and 10-10-023 to which references are hereby made.

(c) Brief Description of Mortgage:

Full information as to this item is given in Application Nos. 08-07-029 and 10-10-023 to which references are hereby made.

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

| <u>First Mortgage Bonds:</u> | <u>Nominal Date of Issue</u> | <u>Par Value Authorized and Issued</u> | <u>Outstanding</u> | <u>Interest Paid in 2010</u> |
|------------------------------|--------------------------------------|--|--------------------|----------------------------------|
| 6.8% Series KK, due 2015 | 12-01-91 | 14,400,000 | 14,400,000 | 979,200 |
| Var% Series OO, due 2027 | 12-01-92 | 250,000,000 | 150,000,000 | 7,612,500 |
| 5.85% Series RR, due 2021 | 06-29-93 | 60,000,000 | 60,000,000 | 3,510,000 |
| 2.539% Series VV, due 2034 | 06-17-04 | 43,615,000 | 43,615,000 | 2,562,368 |
| 2.539% Series WW, due 2034 | 06-17-04 | 40,000,000 | 40,000,000 | 2,349,987 |
| 2.516% Series XX, due 2034 | 06-17-04 | 35,000,000 | 35,000,000 | 2,056,239 |
| 2.832% Series YY, due 2034 | 06-17-04 | 24,000,000 | 24,000,000 | 1,409,993 |
| 2.832% Series ZZ, due 2034 | 06-17-04 | 33,650,000 | 33,650,000 | 1,976,927 |
| 2.8275% Series AAA, due 2039 | 06-17-04 | 75,000,000 | 75,000,000 | 179,199 |
| 5.35% Series BBB, due 2035 | 05-19-05 | 250,000,000 | 250,000,000 | 13,375,000 |
| 5.30% Series CCC, due 2015 | 11-17-05 | 250,000,000 | 250,000,000 | 13,250,000 |
| 6.00% Series DDD, due 2026 | 06-08-06 | 250,000,000 | 250,000,000 | 15,000,000 |
| Var Series EEE, due 2018 | 09-21-06 | 161,240,000 | 161,240,000 | 382,603 |
| 6.125% Series FFF, due 2037 | 09-20-07 | 250,000,000 | 250,000,000 | 15,312,500 |
| 6.00% Series GGG, due 2039 | 05-14-09 | 300,000,000 | 300,000,000 | 18,000,000 |
| 5.35% Series HHH, due 2040 | 05-13-10 | 250,000,000 | 250,000,000 | 6,761,806 |
| 4.50% Series III, due 2040 | 08-15-10 | 500,000,000 | 500,000,000 | 0 |
| <u>Unsecured Bonds:</u> | | | | |
| 5.9% CPCFA96A, due 2014 | 06-01-96 | 129,820,000 | 129,820,000 | 7,659,380 |
| 5.3% CV96A, due 2021 | 08-02-96 | 38,900,000 | 38,900,000 | 2,061,700 |
| 5.5% CV96B, due 2021 | 11-21-96 | 60,000,000 | 60,000,000 | 3,300,000 |
| 4.9% CV97A, due 2023 | 10-31-97 | 25,000,000 | 25,000,000 | 1,225,000 |

**SAN DIEGO GAS & ELECTRIC COMPANY
FINANCIAL STATEMENT
MARCH 31, 2011**

| <u>Other Indebtedness:</u> | <u>Date of Issue</u> | <u>Date of Maturity</u> | <u>Interest Rate</u> | <u>Outstanding</u> | <u>Interest Paid 2010</u> |
|----------------------------------|--------------------------|-----------------------------|--------------------------|--------------------|-------------------------------|
| Commercial Paper & ST Bank Loans | Various | Various | Various | 0 | \$79,249 |

Amounts and Rates of Dividends Declared:

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

| <u>Preferred Stock</u> | <u>Shares Outstanding 12-31-10</u> | <u>Dividends Declared</u> | | | | |
|----------------------------|--|---------------------------|--------------------|------------------------|--------------------|--------------------|
| | | 2006 | 2007 | 2008 | 2009 | 2010 |
| 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 | 0 | 1,145,625 | 969,375 | 242,344 | 0 | 0 |
| \$ 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>3,413,770</u> | <u>\$5,965,293</u> | <u>\$5,789,043</u> | <u>\$5,062,012 [2]</u> | <u>\$4,819,668</u> | <u>\$4,819,668</u> |

Common Stock

| | | | | | |
|--------|-----|-----|-----|-------------------|-----|
| Amount | \$0 | \$0 | \$0 | \$150,000,000 [1] | \$0 |
|--------|-----|-----|-----|-------------------|-----|

A balance sheet and a statement of income and retained earnings of Applicant for the three months ended March 31, 2011 are attached hereto.

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

[2] Includes \$242,344 of interest expense related to redeemable preferred stock.

APPENDIX B

On June 29, 2011, San Diego Gas & Electric Company (“SDG&E”) filed a proposed application with the California Public Utilities Commission (CPUC) requesting approval of energy efficiency incentive earnings for program year 2009 achievements. CPUC Decision 10-12-049, directed utilities to file their requests consistent with the risk/reward mechanism as modified by the decision. SDG&E seeks approval of incentive earnings in the amount of \$15.108 million.

If the CPUC approves SDG&E’s request, SDG&E will adjust rates to reflect authorization of the incentive earnings. Electric rates will increase by \$14.655 million. Gas rates will increase by \$0.453 million. SDG&E requests that the amounts approved by the CPUC be recorded to existing regulatory accounts and recovered annually in electric distribution and gas transportation rates commencing January 1, 2012.

Electric rate impacts of SDG&E’s proposal as compared to present rates are shown in the table below.

| San Diego Gas & Electric Proposed Electric Rate Increase 2012 | | | | |
|--|--------------|--------------|---------------|--------------|
| Customer Class | 2011 | 2012 | Change | |
| | ¢/kWh | ¢/kWh | ¢ | % |
| (a) | (b) | (c) | (d) | (e) |
| Residential | 18.336 | 18.443 | 0.107 | 0.58% |
| Small Commercial | 17.609 | 17.692 | 0.083 | 0.47% |
| Med & Lg Commercial/Industrial | 13.913 | 13.956 | 0.043 | 0.31% |
| Agriculture | 17.161 | 17.242 | 0.081 | 0.47% |
| Street Lighting | 15.379 | 15.435 | 0.056 | 0.36% |
| System Total | 15.931 | 16.003 | 0.072 | 0.45% |

The monthly summer electric bill for a typical residential customer living in the inland climate zone using 500 kWh will change from \$80.99 at present rates to \$81.20 in 2012. This represents a 0.3% increase.

Gas rate impacts of SDG&E’s proposal as compared to present rates are shown in the table below.

**San Diego Gas & Electric
Proposed Gas Rate Increase
2012**

| Customer Class | 2011 | 2012 | Change | |
|-----------------------|--------------|--------------|---------------|--------------|
| | ¢/th | ¢/th | ¢ | % |
| (a) | (b) | (c) | (d) | (e) |
| <u>Core</u> | | | | |
| Residential | 67.411 | 67.527 | 0.116 | 0.2 |
| Commercial/Industrial | 24.933 | 24.970 | 0.037 | 0.1 |
| Natural Gas Vehicle | 8.722 | 8.730 | 0.008 | 0.1 |
| <u>Noncore</u> | | | | |
| Commercial/Industrial | 14.050 | 14.068 | 0.018 | 0.1 |

The average monthly residential gas bill of 33 therms will change from \$38.76 at present rates to \$38.80 in 2012. This represents a 0.1% increase.

Appendix C

SAN DIEGO GAS & ELECTRIC COMPANY
COST OF PROPERTY AND
DEPRECIATION RESERVE APPLICABLE THERETO
AS OF MARCH 31, 2011

| <u>No.</u> | <u>Account</u> | <u>Original Cost</u> | <u>Reserve for Depreciation and Amortization</u> |
|----------------------------|---------------------------------------|--------------------------|--|
| ELECTRIC DEPARTMENT | | | |
| 302 | Franchises and Consents | \$ 222,841 | \$ 202,900 |
| 303 | Misc. Intangible Plant | 28,081,719 | 26,572,541 |
| | TOTAL INTANGIBLE PLANT | 28,304,560 | 26,775,442 |
| 310.1 | Land | 14,526,518 | 46,518 |
| 310.2 | Land Rights | 0 | 0 |
| 311 | Structures and Improvements | 49,489,539 | 14,156,096 |
| 312 | Boiler Plant Equipment | 116,849,359 | 25,160,214 |
| 314 | Turbogenerator Units | 101,236,689 | 23,448,495 |
| 315 | Accessory Electric Equipment | 34,200,678 | 7,503,505 |
| 316 | Miscellaneous Power Plant Equipment | 19,528,080 | 3,429,692 |
| | Steam Production Decommissioning | 0 | 0 |
| | TOTAL STEAM PRODUCTION | 335,830,863 | 73,744,519 |
| 320.1 | Land | 0 | 0 |
| 320.2 | Land Rights | 283,677 | 283,677 |
| 321 | Structures and Improvements | 275,232,962 | 269,865,044 |
| 322 | Boiler Plant Equipment | 546,444,353 | 399,649,118 |
| 323 | Turbogenerator Units | 142,323,280 | 136,367,217 |
| 324 | Accessory Electric Equipment | 172,961,687 | 166,883,255 |
| 325 | Miscellaneous Power Plant Equipment | 309,518,572 | 227,806,161 |
| 107 | ICIP CWIP | 0 | 0 |
| | TOTAL NUCLEAR PRODUCTION | 1,446,764,531 | 1,200,854,472 |
| 340.1 | Land | 143,476 | 0 |
| 340.2 | Land Rights | 2,428 | 2,428 |
| 341 | Structures and Improvements | 17,010,097 | 1,958,025 |
| 342 | Fuel Holders, Producers & Accessories | 19,170,415 | 2,904,257 |
| 343 | Prime Movers | 51,569,644 | 6,799,230 |
| 344 | Generators | 208,426,863 | 26,945,165 |
| 345 | Accessory Electric Equipment | 18,163,152 | 2,000,702 |
| 346 | Miscellaneous Power Plant Equipment | 489,800 | 83,963 |
| | TOTAL OTHER PRODUCTION | 314,975,876 | 40,693,770 |
| | TOTAL ELECTRIC PRODUCTION | 2,097,571,270 | 1,315,292,761 |

| <u>No.</u> | <u>Account</u> | <u>Original Cost</u> | <u>Reserve for Depreciation and Amortization</u> |
|------------|---|--------------------------|--|
| 350.1 | Land | \$ 40,542,973 | \$ 0 |
| 350.2 | Land Rights | 63,046,023 | 11,382,951 |
| 352 | Structures and Improvements | 101,011,125 | 31,982,029 |
| 353 | Station Equipment | 676,467,143 | 144,752,243 |
| 354 | Towers and Fixtures | 109,122,114 | 82,910,660 |
| 355 | Poles and Fixtures | 211,444,685 | 43,752,999 |
| 356 | Overhead Conductors and Devices | 276,608,911 | 162,797,155 |
| 357 | Underground Conduit | 133,594,115 | 19,642,695 |
| 358 | Underground Conductors and Devices | 117,242,093 | 21,931,969 |
| 359 | Roads and Trails | 28,557,289 | 6,128,303 |
| | TOTAL TRANSMISSION | 1,757,636,471 | 525,281,005 |
| 360.1 | Land | 16,176,228 | 0 |
| 360.2 | Land Rights | 72,476,710 | 30,923,588 |
| 361 | Structures and Improvements | 3,313,388 | 1,401,070 |
| 362 | Station Equipment | 360,142,146 | 74,102,196 |
| 364 | Poles, Towers and Fixtures | 476,833,150 | 207,208,553 |
| 365 | Overhead Conductors and Devices | 373,947,944 | 138,173,481 |
| 366 | Underground Conduit | 903,269,142 | 343,760,577 |
| 367 | Underground Conductors and Devices | 1,193,585,982 | 681,300,224 |
| 368.1 | Line Transformers | 460,630,357 | 77,608,080 |
| 368.2 | Protective Devices and Capacitors | 16,305,494 | (7,165,012) |
| 369.1 | Services Overhead | 114,562,248 | 121,628,048 |
| 369.2 | Services Underground | 295,280,165 | 196,471,194 |
| 370.1 | Meters | 184,551,266 | (19,927,460) |
| 370.2 | Meter Installations | 39,665,575 | (26,264,191) |
| 371 | Installations on Customers' Premises | 6,323,265 | 10,653,640 |
| 373.1 | St. Lighting & Signal Sys.-Transformers | 0 | 0 |
| 373.2 | Street Lighting & Signal Systems | 24,252,405 | 17,081,499 |
| | TOTAL DISTRIBUTION PLANT | 4,541,315,465 | 1,846,955,488 |
| 389.1 | Land | 7,511,040 | 0 |
| 389.2 | Land Rights | 0 | 0 |
| 390 | Structures and Improvements | 29,853,022 | 16,232,621 |
| 392.1 | Transportation Equipment - Autos | 0 | 49,884 |
| 392.2 | Transportation Equipment - Trailers | 58,146 | (1,336) |
| 393 | Stores Equipment | 19,150 | 16,584 |
| 394.1 | Portable Tools | 17,674,862 | 5,517,411 |
| 394.2 | Shop Equipment | 350,581 | 187,253 |
| 395 | Laboratory Equipment | 320,845 | 27,240 |
| 396 | Power Operated Equipment | 92,162 | 149,134 |
| 397 | Communication Equipment | 133,820,014 | 59,784,027 |
| 398 | Miscellaneous Equipment | 462,560 | 96,254 |
| | TOTAL GENERAL PLANT | 190,162,380 | 82,059,073 |
| 101 | TOTAL ELECTRIC PLANT | 8,614,990,146 | 3,796,363,769 |

| <u>No.</u> | <u>Account</u> | <u>Original Cost</u> | <u>Reserve for Depreciation and Amortization</u> |
|------------------|--|--------------------------|--|
| GAS PLANT | | | |
| 302 | Franchises and Consents | \$ 86,104 | \$ 86,104 |
| 303 | Miscellaneous Intangible Plant | 713,559 | 574,758 |
| | TOTAL INTANGIBLE PLANT | 799,663 | 660,862 |
| 360.1 | Land | 0 | 0 |
| 361 | Structures and Improvements | 43,992 | 43,992 |
| 362.1 | Gas Holders | 0 | 0 |
| 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 | 0 | 0 |
| 363.4 | Measuring and Regulating Equipment | 0 | 0 |
| 363.5 | Other Equipment | 0 | 0 |
| 363.6 | LNG Distribution Storage Equipment | 1,843,078 | 535,234 |
| | TOTAL STORAGE PLANT | 1,887,070 | 579,226 |
| 365.1 | Land | 4,649,144 | 0 |
| 365.2 | Land Rights | 2,217,185 | 1,154,198 |
| 366 | Structures and Improvements | 11,523,041 | 8,876,040 |
| 367 | Mains | 125,825,974 | 56,729,386 |
| 368 | Compressor Station Equipment | 73,107,045 | 50,739,238 |
| 369 | Measuring and Regulating Equipment | 17,590,374 | 13,338,709 |
| 371 | Other Equipment | 0 | 0 |
| | TOTAL TRANSMISSION PLANT | 234,912,763 | 130,837,570 |
| 374.1 | Land | 102,187 | 0 |
| 374.2 | Land Rights | 8,061,046 | 5,712,301 |
| 375 | Structures and Improvements | 43,447 | 61,253 |
| 376 | Mains | 533,711,505 | 304,377,368 |
| 378 | Measuring & Regulating Station Equipment | 12,740,199 | 6,322,196 |
| 380 | Distribution Services | 237,834,285 | 272,181,220 |
| 381 | Meters and Regulators | 128,133,055 | 31,568,754 |
| 382 | Meter and Regulator Installations | 82,367,663 | 22,792,821 |
| 385 | Ind. Measuring & Regulating Station Equipm | 1,516,811 | 941,114 |
| 386 | Other Property On Customers' Premises | 0 | 0 |
| 387 | Other Equipment | 5,274,409 | 4,661,279 |
| | TOTAL DISTRIBUTION PLANT | 1,009,784,607 | 648,618,306 |

| <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 | 7,105,929 | 2,832,210 |
| 394.2 | Shop Equipment | 84,181 | 26,205 |
| 395 | Laboratory Equipment | 283,094 | 180,310 |
| 396 | Power Operated Equipment | 162,284 | 62,205 |
| 397 | Communication Equipment | 1,751,741 | 1,111,237 |
| 398 | Miscellaneous Equipment | 269,875 | 111,060 |
| | TOTAL GENERAL PLANT | 9,731,605 | 4,423,231 |
| 101 | TOTAL GAS PLANT | 1,257,115,708 | 785,119,196 |

COMMON PLANT

| | | | |
|-------|---|-------------|-------------|
| 303 | Miscellaneous Intangible Plant | 277,685,029 | 197,884,056 |
| 350.1 | Land | 0 | 0 |
| 360.1 | Land | 0 | 0 |
| 389.1 | Land | 5,612,511 | 0 |
| 389.2 | Land Rights | 1,080,961 | 27,275 |
| 390 | Structures and Improvements | 200,828,695 | 85,152,674 |
| 391.1 | Office Furniture and Equipment - Other | 26,309,764 | 15,221,349 |
| 391.2 | Office Furniture and Equipment - Computer E | 51,660,997 | 21,866,901 |
| 392.1 | Transportation Equipment - Autos | 33,942 | (338,930) |
| 392.2 | Transportation Equipment - Trailers | 33,369 | (26,897) |
| 393 | Stores Equipment | 133,501 | 24,457 |
| 394.1 | Portable Tools | 1,217,414 | 78,162 |
| 394.2 | Shop Equipment | 287,325 | 157,851 |
| 394.3 | Garage Equipment | 1,558,794 | 358,789 |
| 395 | Laboratory Equipment | 2,408,787 | 900,150 |
| 396 | Power Operated Equipment | 0 | (192,979) |
| 397 | Communication Equipment | 89,378,312 | 48,435,339 |
| 398 | Miscellaneous Equipment | 2,259,218 | 643,290 |
| 118.1 | TOTAL COMMON PLANT | 660,488,621 | 370,191,487 |

| | | |
|----------------------|---------------|---------------|
| TOTAL ELECTRIC PLANT | 8,614,990,146 | 3,796,363,769 |
| TOTAL GAS PLANT | 1,257,115,708 | 785,119,196 |
| TOTAL COMMON PLANT | 660,488,621 | 370,191,487 |

| | | | |
|----------------|-------|----------------|---------------|
| 101 & 118.1 | TOTAL | 10,532,594,475 | 4,951,674,451 |
|----------------|-------|----------------|---------------|

| | | | |
|-----|-----------------------------------|--------------------|--------------------|
| 101 | PLANT IN SERV-SONGS FULLY RECOVER | \$ (1,164,131,236) | \$ (1,164,131,236) |
|-----|-----------------------------------|--------------------|--------------------|

| | | | |
|-----|--|------|------|
| 101 | PLANT IN SERV-ELECTRIC NON-RECON Common | \$ 0 | \$ 0 |
|-----|--|------|------|

| | | | |
|-----|---|-----------------|-----------------|
| 118 | PLANT IN SERV-COMMON NON-RECON Common - Transferred Asset Adjustment | \$ (17,525,963) | \$ (17,525,963) |
|-----|---|-----------------|-----------------|

| <u>No.</u> | <u>Account</u> | <u>Original Cost</u> | <u>Reserve for Depreciation and Amortization</u> |
|------------|--|--------------------------|--|
| 101 | Accrual for Retirements | | |
| | Electric | \$ (4,182,260) | \$ (4,182,260) |
| | Gas | (112,002) | (112,002) |
| | TOTAL PLANT IN SERV-NON RECON ACC1 | (4,294,262) | (4,294,262) |
| | Electric | 0 | 0 |
| | Gas | 0 | 0 |
| | TOTAL PLANT PURCHASED OR SOLD | 0 | 0 |
| 105 | Plant Held for Future Use | | |
| | Electric | 60,629,680 | 0 |
| | Gas | 0 | 0 |
| | TOTAL PLANT HELD FOR FUTURE USE | 60,629,680 | 0 |
| 107 | Construction Work in Progress | | |
| | Electric | 1,070,129,536 | |
| | Gas | 9,990,930 | |
| | Common | 78,896,117 | |
| | TOTAL CONSTRUCTION WORK IN PROGRESS | 1,159,016,583 | 0 |
| 108 | Accum. Depr SONGS Mitigation/Spent Fuel Disallowance | | |
| | Electric | 0 | 221,468 |
| 108 | Accum. Depr SONGS SGRP Removal | | |
| | Electric | 0 | 0 |
| 108.5 | Accumulated Nuclear Decommissioning | | |
| | Electric | 0 | 707,917,279 |
| | TOTAL ACCUMULATED NUCLEAR DECOMMISSIONING | 0 | 707,917,279 |
| 101.1 | ELECTRIC CAPITAL LEASES | 778,390,265 | 34,636,226 |
| 118.1 | COMMON CAPITAL LEASE | 26,058,321 | 7,670,248 |
| | | 804,448,586 | 42,306,474 |
| 120 | NUCLEAR FUEL FABRICATION | 63,240,556 | 24,889,418 |
| 143 | FAS 143 ASSETS - Legal Obligation | 114,954,310 | (597,436,959) |
| | FIN 47 ASSETS - Non-Legal Obligation | 42,421,035 | 17,594,409 |
| 143 | FAS 143 ASSETS - Legal Obligation | 0 | (1,224,380,349) |
| | TOTAL FAS 143 | 157,375,345 | (1,804,222,900) |
| | UTILITY PLANT TOTAL | \$ 11,591,353,765 | \$ 2,736,834,730 |

Appendix D

**SAN DIEGO GAS & ELECTRIC COMPANY
SUMMARY OF EARNINGS
THREE MONTHS ENDED MARCH 31, 2011
(DOLLARS IN MILLIONS)**

| <u>Line No.</u> | <u>Item</u> | <u>Amount</u> |
|-----------------|----------------------------|--------------------|
| 1 | Operating Revenue | \$941 |
| 2 | Operating Expenses | <u>848</u> |
| 3 | Net Operating Income | <u><u>\$93</u></u> |
| 4 | Weighted Average Rate Base | \$4,732 |
| 5 | Rate of Return* | 8.40% |

*Authorized Cost of Capital

APPENDIX E

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

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

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

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

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

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

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

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

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

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

Alpine County
Attn. County Clerk
99 Water Street, P.O. Box 158
Markleeville, CA 96120

City of Carlsbad
Attn. Office of the County Clerk
1200 Carlsbad Village Drive
Carlsbad, CA 92008-19589

City of Coronado
Attn. Office of the City Clerk
1825 Strand Way
Coronado, CA 92118

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

City of El Cajon
Attn. City Clerk
200 Civic Way
El Cajon, CA 92020

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

City of Fallbrook
Attn. City Clerk
233 E. Mission Road
Fallbrook, CA 92028

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

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

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

Borrego Springs Chamber of
Commerce Attn. City Clerk
786 Palm Canyon Dr
PO Box 420
Borrego Springs CA 92004-0420

City of Chula Vista
Attn: Office of the City Clerk
276 Fourth Avenue
Chula Vista, California 91910-2631

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

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

City of El Cajon
Attn. City Attorney
200 Civic Way
El Cajon, CA 92020

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

City of Fallbrook
Attn. City Attorney
233 E. Mission Road
Fallbrook, CA 92028

City of Julian
Attn. City Clerk
P.O. Box 1866
2129 Main Street
Julian, CA

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

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

City of Lakeside
Attn. City Clerk
9924 Vine Street
Lakeside CA 92040

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

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

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

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

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

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

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

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

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

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

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

County of Orange
Attn. County Clerk
12 Civic Center Plaza, Room 101
Santa Ana, CA 92701

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

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

City of Ramona
Attn. City Clerk
960 Main Street
Ramona, CA 92065

City of Ramona
Attn. City Attorney
960 Main Street
Ramona, CA 92065

City of Rancho San Diego - Jamul
Attn. City Clerk
3855 Avocado Blvd.
Suite 230
La Mesa, CA 91941

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

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

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

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 Street
San Diego, CA 92101

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

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

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

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

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

Valley Center Chamber of
Commerce
Attn. City Clerk
P.O. Box 8
Valley Center, CA 92082

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

City of Vista
Attn. City Clerk
200 Civic Center Drive
Vista, CA 92084

Spring Valley Chamber of
Commerce
Attn. City Clerk
3322 Sweetwater Springs Blvd,
Ste. 202
Spring Valley, CA 91977-3142

City of Vista
Attn. City Attorney
200 Civic Center Drive, Bldg. K
Vista, CA 92084