

Affidavit of Robert Wiczorek

parameter changes and when yearly rates are updated based on those same CPUC authorized parameters. The annual updates to the CPUC form the basis of the “single-issue” Section 205 depreciation rate change filings SDG&E makes at the FERC. The CPUC and FERC depreciation rate change filings are discussed more fully below.

4. I received an Associate of Arts degree from Glendale Community College, a Bachelor of Science degree in Business Administration with an emphasis in Accounting from California State University at Northridge, and a Masters of Business Administration from the National University here in San Diego. I have been a member of the Society of Depreciation Professionals and have attended many of their depreciation training programs. I have also been a member of Society of Human Resources Management (SHRM) and was also certified as a Compensation Professional during that time period.

5. I submitted depreciation testimony in SDG&E’s Fourth TO Formula rate mechanism (“TO4 Formula”) and in SDG&E’s Depreciation Rate Change Filing for TO4 Cycles 2 & 3, as well as previous Section 205 Filings. I submitted testimony on depreciation before the CPUC in SDG&E’s and SoCalGas’ 2012 General Rate Cases (A.10-12-005 and A.10-12-006). I have completed the testimony on depreciation for SDG&E’s current 2016 General Rate Case (A.14-11-003).

6. The purpose of my affidavit is to describe SDG&E’s proposed revisions to the non-transmission depreciation rates reflected in SDG&E’s TO4 Formula transmission rate (“Formula Rate”) for 2015, the Base Period of SDG&E’s TO4 Cycle 4 Formula Rate. The proposed revisions are necessary to implement the CPUC Decision, issued May 9, 2013, in SDG&E’s 2012 General Rate Case (D.13-05-010 or CPUC Decision).

7. My affidavit is organized as follows:

- In Section II, I provide background on SDG&E’s Formula Rate and the calculation of non-transmission depreciation expense under the Formula Rate;
- In Section III, I describe the CPUC Decision, the method of determination of non- transmission depreciation rates in the CPUC Decision, and the proposed revised non-transmission depreciation rates adopted in the CPUC Decision;
- In Section IV, I describe the revisions to the depreciation module of the Formula Rate necessary to conform to the CPUC Decision on non-transmission depreciation rates; and
- In Section V, I discuss the quantification of the changes in Electric General Plant and Common Plant accounts.

II. BACKGROUND ON SDG&E’S FORMULA RATE

8. SDG&E’s TO4 Formula consists of Appendix VIII, Formula Rate Protocols (“Protocols”) and a Formula Rate Spreadsheet. The TO4 Formula became effective on September 1, 2013 upon Commission approval of the Offer of Settlement (“Settlement”) embodying the TO4 Formula on May 27, 2014.¹ Thereafter, all other Informational Filings under the TO4 Formula become effective on January 1 of the given calendar year and remain in effect through December 31 of the applicable calendar year. Thus, the TO4 Cycle 4 Rate Effective Period is January 1, 2017 through December 31, 2017.

9. Under Section 1.6 of the Settlement and Section D.5 of the Protocols, SDG&E may incorporate the CPUC-approved change in non-transmission depreciation rates for Electric

¹ *San Diego Gas & Electric Company*, 147 FERC ¶61, 150 (2014).

General and Common Plant by making a single-issue filing to reflect changes in the non-transmission depreciation rates for Electric General Plant and Common Plant.

10. This is the third non-transmission depreciation rate filing for Electric General and Common Plant that SDG&E has made under the TO4 Formula. Specifically, SDG&E filed to revise its non-transmission depreciation rates for Common Plant and Electric General Plant for the TO4 Cycle 3 on July 16, 2015 in Docket No. ER15-2215. The Commission accepted that Filing by delegated letter order on October 14, 2015. This Non-Transmission Depreciation Rate Filing proposes to incorporate non-transmission depreciation rates for Common Plant and Electric General Plant applicable to the TO4 Cycle 4 Rate Effective Period, January 1, 2017 through December 31, 2017.

III. SUMMARY OF THE CPUC DECISION'S DEPRECIATION DETERMINATIONS

11. The CPUC Decision adopted a revenue requirement for SDG&E's CPUC-jurisdictional Electric, Gas, General Plant, Common Plant and Intangible Plant assets.

12. Among other things, the CPUC Decision reviewed, adopted, and authorized (without modification) all of the SDG&E FERC account proposals that I submitted for the Test Year 2012 and for the subsequent years 2013, 2014 and 2015. This includes the Electric General and Common rates that are utilized and specified by FERC in the SDG&E TO4 Formula Rate. As required by D.13-05-010, SDG&E will rebuild and recalculate depreciation rates for Common Plant and Electric General Plant each January for the calendar years through and including 2015.

13. The 2012 GRC and D.13-05-010 (or CPUC Decision) require no change to the currently-effective Intangible Plant amortization periods and subsequent rates. Accordingly, this single-issue filing does not address amortization; it is limited solely to specifying and outlining changes in the depreciation rates for Electric General Plant and Common Plant.

14. More particularly, pursuant to D.13-05-010, the 2012 Test Year Electric General Plant and Common Plant depreciation rates were recalculated resulting in the 2012 Electric General Plant and Common Plant depreciation rates stated in the TO4 Formula. In January 2013, consistent with the guidance in the CPUC Decision, the 2013 Electrical General Plant and Common Plant rates were recalculated effective January 1 for the full calendar year of 2013. The first Section 205 Filing incorporated those changes and was forwarded to and approved by FERC for the same 2013 calendar year. In similar fashion, the second Section 205 Filing was submitted and approved by FERC for the 2014 calendar year.

15. In November of 2015, in compliance with the CPUC Decision, SDG&E submitted its 2015 Annual Report on Depreciation Rates, reflecting updated depreciation rates incorporating the authorized lives, salvage percentages and procedural changes.

16. This current filing, applicable to TO4 Cycle 4, reflects the 2015 Electric General Plant and Common Plant rates recalculated and effective as of January 1, 2015, for the full calendar year of 2015. This update to the non-transmission depreciation rates for Common Plant and Electric General Plant for 2015, incorporating the parameters included in SDG&E's CPUC 2015 Annual Report, is the sole basis and reason for this non-transmission depreciation rate filing.² See Exhibit No. SDG-2.

17. SDG&E uses the Actuarial³ method of depreciation analysis to determine the Average Service Lives and the Iowa Curve for each mortality account. There are also numerous forecast accounts that generate rates based on their end-lives. Straight-line depreciation is the

² See Exhibit Nos. SDG-1-1 through SDG-1-4 for final 2014 Common Plant and Electric General Plant and recalculated 2015 Common Plant and Electric General Plant.

³ Actuarial Method is appropriate when both the asset installation and retirement is captured by vintage year. This direct analysis from more precise record-keeping delivers results superior to simulated SPR methods.

accepted CPUC method. The changes in plant and reserve balances, with their effect on the remaining lives for each FERC account, and any authorized future salvage influence, will generate the yearly rate differences during the GRC period. Compared to 2014, the 2015 Electric General Plant rates increased for one (1) FERC account and, decreased for nine (9) FERC accounts. The same comparison shows Common Plant rates increased for six (6) FERC accounts, decreased for five (5) FERC accounts, and stayed the same for one (1) FERC account. Both Electric General Plant and Common Plant are comprised of numerous items each having relatively low values. Following FERC guidelines, the items in these accounts are not accounted for individually, but are depreciated by vintage group over the specified service life and retired at the end of the life span. Accounting for property in such a way eliminates costly record keeping and continuous physical tracking of the assets.

IV. REVISIONS TO THE NON-TRANSMISSION DEPRECIATION RATE MODULE OF THE FORMULA RATE TO CONFORM TO THE CPUC DECISION

18. The CPUC-authorized changes to the non-transmission depreciation rates require modifications to two exhibits in the depreciation module of the Formula Rate, Docket No. ER15-2215 (*See* Exhibit Nos. SDG-1-1, “Electric General Plant Depreciation Rates – 2014” and SDG-1-2, “Common Plant Depreciation Rates – 2014”). These two exhibits are being replaced, starting January 1, 2015, with the Exhibits for 2015, set forth as Exhibit Nos. SDG-1-3 and SDG-1-4, respectively).

19. Under SDG&E’s Formula Rate Protocols, this single-issue change to the non-transmission depreciation rates in the Formula Rate, does not result in a redetermination of the Base TRR and transmission rates. Any rate impact resulting from changes in the non-transmission depreciation rates will be reflected in SDG&E’s TO4 Cycle Informational Filing.

V. QUANTIFICATION OF CHANGED DEPRECIATION RATES

20. While this filing does not result in a change in the Base TRR and transmission rates, to provide a rough estimate of the future impact of these depreciation rate changes on SDG&E's Base TRR, SDG&E has rebuilt the recorded 2015 depreciation expense (for illustrative purposes) comparing against the 2014 Electric General Plant and Common Plant rates. *See* Exhibit Nos. SDG-1-5 and SDG-1-6 for that detail. That comparison, using 2015 plant balances (2015 rates vs 2014 rates), results in a net <\$5,555,936> expense decrease consisting of a total Electric General Plant expense increase of \$10,043 and a total Common Plant expense decrease of <\$5,565,979>.

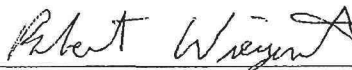
VI. CONCLUSION

21. My Affidavit demonstrates that the revisions SDG&E is proposing to the Formula Rate are necessary to properly implement the Formula Rate Protocols and reflect the CPUC Decision (D.13-05-010). Such revised depreciation rates for Common Plant and Electric General Plant are effective for the full 2015 calendar year, in accordance with SDG&E's TO4 Formula Rate Protocols.

VERIFICATION

State of California)
County of San Diego)

Robert Wiczorek, being first duly sworn, on oath, says that he is the Robert Wiczorek, identified in the foregoing Affidavit of Robert Wiczorek; that he prepared or caused to be prepared such Affidavit on behalf of San Diego Gas & Electric Company; that the statements appearing therein are true to the best of his knowledge and his belief; and that if asked, his statements would, under oath, be the same.

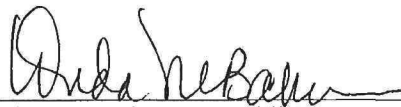
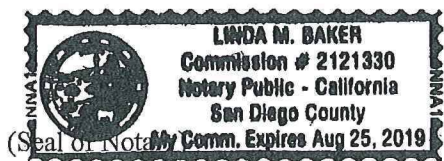


Robert Wiczorek

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Diego

Subscribed and sworn to (or affirmed) before me on this 14 day of April, 2016, by Robert Wiczorek, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



Signature of Notary Public

SAN DIEGO GAS AND ELECTRIC COMPANY
Statement AJ - Workpapers
TO4 - Annual Electric General Plant Depreciation Rates

Cycle 3, For 12 - Months Ending December 31, 2014
For Use During the 12-Months Period from January 1 to December 31, 2014

2014 Electric General Rates ^{1, 2}

| Rates based on 12/31/2013 Plant Balances | | | | | | |
|--|--------------|----------------------|------------------|---------------------|---------------------------|---------|
| Line No | FERC Account | Description | (a) Life Rate | (b) Removal Rate | (c) = a + b Total Rate | Line No |
| 1 | | | | | | 1 |
| 2 | E0139000 | Struct. and Improv. | 4.50% | 1.12% | 5.62% | 2 |
| 3 | E0139220 | Transprt Eq-Trailer | 4.46% | 0.00% | 4.46% | 3 |
| 4 | E0139310 | Stores Equip.-Other | 1.59% | 0.00% | 1.59% | 4 |
| 5 | E0139411 | Portable Tools-Other | 3.78% | 0.00% | 3.78% | 5 |
| 6 | E0139420 | Shop Equipment | 4.77% | 0.00% | 4.77% | 6 |
| 7 | E0139510 | Laboratory Eq.-Other | 7.41% | 0.00% | 7.41% | 7 |
| 8 | E0139710 | Commun. Equip.-Other | 3.23% | 0.48% | 3.71% | 8 |
| 9 | E0139720 | Commun. Equip.-SWPL | 2.56% | 0.39% | 2.95% | 9 |
| 10 | E0139760 | Commun. Equip.-SRPL | 3.55% | 0.53% | 4.08% | 10 |
| 11 | E0139810 | Misc. Equip. - Other | 6.98% | 0.00% | 6.98% | 11 |
| 12 | | | | | | 12 |

¹ The above Electric General Plant depreciation rates are applicable to SDG&E's 2014 calendar year recorded depreciation.

² These rates may not be changed absent a section 205 or 206 filing. The annual Information Filing will reference the docket number of the FERC proceeding that establishes new General Plant and Common Plant depreciation rates and Intangible Plant amortization periods.

SAN DIEGO GAS AND ELECTRIC COMPANY

Statement AJ - Workpapers

TO4 - Annual Common Plant Depreciation Rates

Cycle 3, For 12 - Months Ending December 31, 2014

For Use During the 12-Months Period from January 1 to December 31, 2014

2014 Common Rates^{1, 2}

| Rates based on 12/31/2013 Plant Balances | | | | | | |
|--|--------------|----------------------|------------------|---------------------|---------------------------|---------|
| Line No | FERC Account | Description | (a) Life Rate | (b) Removal Rate | (c) = a + b Total Rate | Line No |
| 1 | | | | | | 1 |
| 2 | C1839010 | Struct & Imprv-Other | 4.74% | 0.47% | 5.21% | 2 |
| 3 | C1839110 | Offc Furn & Eq-Other | 5.73% | 0.00% | 5.73% | 3 |
| 4 | C1839120 | Offc Furn & Eq-Cmptr | 14.07% | 0.00% | 14.07% | 4 |
| 5 | C1839220 | Transprt Eq-Trailer | 20.18% | 0.00% | 20.18% | 5 |
| 6 | C1839310 | Stores Equip.-Other | 8.72% | 0.00% | 8.72% | 6 |
| 7 | C1839411 | Portable Tools-Other | 4.51% | 0.00% | 4.51% | 7 |
| 8 | C1839421 | Shop Equip. - Other | 4.86% | 0.00% | 4.86% | 8 |
| 9 | C1839431 | Garage Equip.-Other | 8.54% | 0.00% | 8.54% | 9 |
| 10 | C1839510 | Laboratory Eq.-Other | 4.22% | 0.00% | 4.22% | 10 |
| 11 | C1839710 | Commun. Equip.-Other | 7.29% | 0.00% | 7.29% | 11 |
| 12 | C1839810 | Misc. Equip. - Other | 9.32% | 0.00% | 9.32% | 12 |
| 13 | | | | | | 13 |

¹ The above Common Plant depreciation rates are applicable to SDG&E's 2014 calendar year recorded depreciation.

² These rates may not be changed absent a section 205 or 206 filing. The annual Information Filing will reference the docket number of the FERC proceeding that establishes new General Plant and Common Plant depreciation rates and Intangible Plant amortization periods.

SAN DIEGO GAS AND ELECTRIC COMPANY
Statement AJ - Workpapers
TO4 - Annual Electric General Plant Depreciation Rates

Cycle 4, For 12 - Months Ending December 31, 2015
For Use During the 12-Months Period from January 1 to December 31, 2015

2015 Electric General Rates ^{1, 2}

| Rates based on 12/31/2014 Plant Balances | | | | | | |
|--|--------------|----------------------|------------------|---------------------|---------------------------|---------|
| Line No | FERC Account | Description | (a) Life Rate | (b) Removal Rate | (c) = a + b Total Rate | Line No |
| 1 | | | | | | 1 |
| 2 | E0139000 | Struct. and Improv. | 4.38% | 1.09% | 5.47% | 2 |
| 3 | E0139220 | Transprtn Eq-Trailer | 4.43% | 0.00% | 4.43% | 3 |
| 4 | E0139310 | Stores Equip.-Other | 0.45% | 0.00% | 0.45% | 4 |
| 5 | E0139411 | Portable Tools-Other | 3.75% | 0.00% | 3.75% | 5 |
| 6 | E0139420 | Shop Equipment | 4.72% | 0.00% | 4.72% | 6 |
| 7 | E0139510 | Laboratory Eq.-Other | 5.19% | 0.00% | 5.19% | 7 |
| 8 | E0139710 | Commun. Equip.-Other | 3.28% | 0.49% | 3.77% | 8 |
| 9 | E0139720 | Commun. Equip.-SWPL | 2.54% | 0.38% | 2.92% | 9 |
| 10 | E0139760 | Commun. Equip.-SRPL | 3.53% | 0.53% | 4.06% | 10 |
| 11 | E0139810 | Misc. Equip. - Other | 6.85% | 0.00% | 6.85% | 11 |
| 12 | | | | | | 12 |

¹ The above Electric General Plant depreciation rates are applicable to SDG&E's 2015 calendar year recorded depreciation.

² These rates may not be changed absent a section 205 or 206 filing. The annual Information Filing will reference the docket number of the FERC proceeding that establishes new Electric General Plant and Common Plant depreciation rates and Intangible Plant amortization periods.

SAN DIEGO GAS AND ELECTRIC COMPANY

Statement AJ - Workpapers

TO4 - Annual Common Plant Depreciation Rates

Cycle 4, For 12 - Months Ending December 31, 2015

For Use During the 12-Months Period from January 1 to December 31, 2015

2015 Common Rates^{1, 2}

| Rates based on 12/31/2014 Plant Balances | | | | | | |
|--|--------------|----------------------|------------------|---------------------|---------------------------|---------|
| Line No | FERC Account | Description | (a) Life Rate | (b) Removal Rate | (c) = a + b Total Rate | Line No |
| 1 | | | | | | 1 |
| 2 | C1839010 | Struct & Imprv-Other | 3.54% | 0.35% | 3.89% | 2 |
| 3 | C1839110 | Offc Furn & Eq-Other | 5.73% | 0.00% | 5.73% | 3 |
| 4 | C1839120 | Offc Furn & Eq-Cmptr | 11.39% | 0.00% | 11.39% | 4 |
| 5 | C1839220 | Transprt Eq-Trailer | 12.11% | 0.00% | 12.11% | 5 |
| 6 | C1839310 | Stores Equip.-Other | 10.61% | 0.00% | 10.61% | 6 |
| 7 | C1839411 | Portable Tools-Other | 4.49% | 0.00% | 4.49% | 7 |
| 8 | C1839421 | Shop Equip. - Other | 4.82% | 0.00% | 4.82% | 8 |
| 9 | C1839431 | Garage Equip.-Other | 8.61% | 0.00% | 8.61% | 9 |
| 10 | C1839510 | Laboratory Eq.-Other | 4.24% | 0.00% | 4.24% | 10 |
| 11 | C1839710 | Commun. Equip.-Other | 7.33% | 0.00% | 7.33% | 11 |
| 12 | C1839810 | Misc. Equip. - Other | 9.44% | 0.00% | 9.44% | 12 |
| 13 | | | | | | 13 |

¹ The above Common Plant depreciation rates are applicable to SDG&E's 2015 calendar year recorded depreciation.

² These rates may not be changed absent a section 205 or 206 filing. The annual Information Filing will reference the docket number of the FERC proceeding that establishes new General Plant and Common Plant depreciation rates and Intangible Plant amortization periods.

**SAN DIEGO GAS AND ELECTRIC COMPANY
TO4 CYCLE 4, 12 MONTH PERIOD (ILLUSTRATIVE COMPARISON)
ELECTRIC GENERAL**

| Asset Class | A | B | C | D | E | F |
|--|-------------------------------------|----------------------|--|----------------------|-----------------------------------|------------------|
| | Recorded 2015 Expense Jan-Dec | 2015 Depr Rate | Depreciable Base <u>Electric General</u> | 2014 Depr Rate | Jan-Dec Expense w/2014 rate | A-E Delta |
| E0139000 | \$ 1,765,570 | 0.0547 | \$ 32,272,844 | 0.0562 | \$ 1,813,734 | \$ (48,163) |
| E0139220 | 2,578 | 0.0443 | 58,147 | 0.0446 | 2,593 | (15) |
| E0139310 | 69 | 0.0045 | 15,420 | 0.0159 | 245 | (176) |
| E0139411 | 868,238 | 0.0375 | 23,125,528 | 0.0378 | 874,145 | (5,907) |
| E0139420 | 16,117 | 0.0472 | 341,135 | 0.0477 | 16,272 | (155) |
| E0139510 | 124,660 | 0.0519 | 2,401,586 | 0.0741 | 177,958 | (53,298) |
| E0139710 | 8,312,219 | 0.0377 | 220,608,437 | 0.0371 | 8,184,573 | 127,646 |
| E0139720 | 198,748 | 0.0292 | 6,807,477 | 0.0295 | 200,821 | (2,073) |
| E0139760 | 569,472 | 0.0406 | 14,030,790 | 0.0408 | 572,456 | (2,985) |
| E0139810 | 247,248 | 0.0685 | 3,611,470 | 0.0698 | 252,081 | (4,832) |
| | <u>\$ 12,104,921</u> | | | | <u>\$ 12,094,877</u> | <u>\$ 10,043</u> |
| Allocation of Electric General to Electric Transmission - 16.95% (Labor Ratio) | | | | | | \$ 1,702 |

**SAN DIEGO GAS AND ELECTRIC COMPANY
TO4 CYCLE 4, 12 MONTH PERIOD (ILLUSTRATIVE COMPARISON)
COMMON PLANT**

| IMPACT OF USING 2014 RATES IN 2015 (12 Months) | | | | | | |
|---|----------------------|--------------------------------------|----------------------|-----------------------------------|-----------------------|--|
| A | B | C | D | E | F | |
| Recorded 2015 Expense Jan-Dec | 2015 Depr Rate | Depreciable Base <u>Common</u> | 2014 Depr Rate | Jan-Dec Expense w/2014 rate | A-E Delta | |
| C1839010 | \$ 12,411,765 | \$ 319,401,299 | 0.0521 | \$ 16,640,808 | \$ (4,229,042) | |
| C1839110 | 1,529,081 | 26,679,212 | 0.0573 | 1,528,719 | 362 | |
| C1839120 | 5,984,680 | 52,546,338 | 0.1407 | 7,393,270 | (1,408,590) | |
| C1839220 | 2,224 | 18,371 | 0.2018 | 3,707 | (1,483) | |
| C1839310 | 7,523 | 70,924 | 0.0872 | 6,185 | 1,338 | |
| C1839411 | 55,331 | 1,232,027 | 0.0451 | 55,564 | (234) | |
| C1839421 | 10,298 | 213,461 | 0.0486 | 10,374 | (76) | |
| C1839431 | 93,691 | 1,087,687 | 0.0854 | 92,888 | 802 | |
| C1839510 | 84,874 | 2,001,826 | 0.0422 | 84,477 | 396 | |
| C1839710 | 12,923,824 | 176,350,792 | 0.0729 | 12,855,973 | 67,851 | |
| C1839810 | 216,673 | 2,295,885 | 0.0932 | 213,976 | 2,696 | |
| | <u>\$ 33,319,963</u> | | | <u>\$ 38,885,942</u> | <u>\$ (5,565,979)</u> | |
| | | | | | | Allocation of Common to Electric - 75.96% (Labor Ratio) |
| | | | | | | Allocation of Electric Portion of Common to Electric Transmission - 16.95% (Labor Ratio) |
| | | | | | | \$ (4,227,918) |
| | | | | | | \$ (716,632) |

Illustrative Labor Ratio - Common - 12 months



Clay Faber - Director
CA & Federal Regulatory
8330 Century Park Court
San Diego, CA 92123-1548
CFaber@semprautilities.com

November 4, 2015

Mr. Edward F. Randolph, Director
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: 2015 Annual Report on Depreciation Rates

Dear Mr. Randolph,

In compliance with California Public Utilities Commission (CPUC) Standard Practice U-4, San Diego Gas & Electric Company (SDG&E) is providing the attached proposed depreciation rates to be used for calculating depreciation expense for SDG&E for the year 2015. Rates are now being calculated within the SDG&E PowerPlan module at a more definitive level, as reflected by the annual accrual percentage.

These proposed rates incorporate the lives, salvage percents and procedural changes recommended and approved by the CPUC in D.13-05-010 dated May 9, 2013.

If you have any questions, please contact Joff Morales at (858) 654-4098.

Sincerely,

CLAY FABER
Director – CA & Federal Regulatory

Attachment

cc: Bob Wieczorek, SDG&E
Matt Vanderbilt, SDG&E

SAN DIEGO GAS & ELECTRIC
ANNUAL DEPRECIATION ACCRUAL RATE CALCULATION FOR 2015
STRAIGHT LINE REMAINING LIFE METHOD
BALANCES AS OF JANUARY 1, 2015
USING AUTHORIZED NET SALVAGE RATES AND SERVICE LIVES

| FERC ACCT | ASSET CLASS | DESCRIPTION | RECORDED GROSS PLANT AS OF 01/01/2015 (A) | FUTURE NET SALVAGE PERCENT (B) | FUTURE NET SALVAGE AMOUNT (C) | RECORDED DEPR RES AS OF 01/01/2015 (D) | NET BALANCE (E) | AVERAGE REMAINING LIFE (YRS) (F) | AVERAGE SERVICE LIFE (YRS) (G) | TOTAL ANNUAL ACCRUAL AMOUNT (H) | TOTAL ANNUAL ACCRUAL PERCENT (I) |
|--|-------------|---------------------------|---|--------------------------------|-------------------------------|--|-----------------|----------------------------------|--------------------------------|---------------------------------|----------------------------------|
| 4004 Steam Production (Total) | | | | | | | | | | | |
| 311 | E0131100 | Struct. and Improv. | 86,224,356 | (12.03) | (10,373,684) | (27,812,807) | 68,785,233 | 19.462 | 30 / 29 | 3,534,307 | 4.098966% |
| 312 | E0131200 | Boiler Plant Equip. | 155,861,986 | (6.85) | (10,670,014) | (54,284,599) | 112,247,401 | 19.193 | 30 / 29 | 5,848,409 | 3.752300% |
| 314 | E0131400 | Turbogenerator Units | 123,699,482 | (1.77) | (2,185,897) | (32,837,007) | 93,048,372 | 20.428 | 30 / 29 | 4,554,977 | 3.682293% |
| 315 | E0131500 | Accessory Elect. Eq. | 80,014,150 | (0.93) | (745,081) | (26,974,274) | 53,784,957 | 17.449 | 30 / 29 | 3,082,371 | 3.852282% |
| 316 | E0131600 | Misc. Power Plant Eq. | 43,031,029 | (2.72) | (4,172,028) | (7,241,063) | 36,961,994 | 20.766 | 30 / 29 | 1,779,943 | 4.136417% |
| Total Steam Production - ALL | | | 488,831,003 | | (25,146,704) | (149,149,750) | 364,827,957 | | | 18,800,007 | 3.845911% |
| 4006 Nuclear Production* | | | | | | | | | | | |
| 321 | E0132100 | Struct. and Improv. | 8,680,016 | 0.00 | 0 | (2,658,163) | 6,021,854 | 8.500 | EL 2022 | 0 | 0.000000% |
| 322 | E0132200 | Reactor Plant Equip. | 199,267,949 | 0.00 | 0 | (21,662,438) | 177,614,687 | 8.500 | EL 2022 | 0 | 0.000000% |
| 323 | E0132300 | Turbogenerator Units | 9,814,886 | 0.00 | 0 | (2,370,893) | 7,443,793 | 8.500 | EL 2022 | 0 | 0.000000% |
| 324 | E0132400 | Accessory Electric Eq. | 6,743,639 | 0.00 | 0 | (1,458,233) | 5,285,407 | 8.500 | EL 2022 | 0 | 0.000000% |
| 325 | E0132500 | Misc. Power Plant Eq. | 122,019,990 | 0.00 | 0 | (48,807,804) | 73,212,187 | 8.500 | EL 2022 | 0 | 0.000000% |
| Total Nuclear Plant | | | 346,526,280 | | 0 | (76,957,531) | 269,577,928 | | | 0 | 0%* |
| *SONGS retirement occurred in June 2013 <- Nuclear Rates are established at 0.00% for 2015 | | | | | | | | | | | |
| 4008 Other Production (TOTAL) | | | | | | | | | | | |
| 341 | E0134100 | Struct. and Improv. | 22,703,424 | (0.923) | (209,524) | (5,276,222) | 17,636,726 | 18.171 | COMP | 970,614 | 4.275187% |
| 342 | E0134200 | Fuel Holders, Prod., Acc. | 20,348,101 | (1.942) | (395,074) | (5,919,517) | 14,823,658 | 19.865 | COMP | 746,204 | 3.667190% |
| 343 | E0134300 | Prime Movers | 85,663,027 | 0.000 | 0 | (26,706,909) | 58,956,118 | 16.029 | COMP | 3,678,030 | 4.293603% |
| 344 | E0134400** | Generators | 342,447,458 | (0.283) | (969,719) | (107,655,801) | 235,761,376 | 18.031 | COMP | 13,075,631 | 3.818288% |
| 345 | E0134500** | Accessory Electric Eq. | 32,506,375 | (1.292) | (419,929) | (9,883,840) | 23,042,464 | 17.319 | COMP | 1,330,501 | 4.093047% |
| 346 | E0134600 | Misc. Power Plant Eq. | 24,160,286 | 0.000 | 0 | (11,084,413) | 13,075,873 | 14.512 | COMP | 901,052 | 3.729474% |
| 348 | E0134800 | Batteries - Generation | 0 | 0.000 | 0 | 0 | 0 | 9.500 | 10.00 | 0 | 0.000000% |
| Total Other Production | | | 527,828,671 | | (1,994,246) | (166,526,702) | 363,296,215 | | | 20,702,032 | 3.922112% |
| **Includes Solar/Wind | | | | | | | | | | | |

SAN DIEGO GAS & ELECTRIC
ANNUAL DEPRECIATION ACCRUAL RATE CALCULATION FOR 2015
STRAIGHT LINE REMAINING LIFE METHOD
BALANCES AS OF JANUARY 1, 2015
USING AUTHORIZED NET SALVAGE RATES AND SERVICE LIVES

| FERC ACCT | ASSET CLASS | DESCRIPTION | RECORDED GROSS PLANT AS OF 01/01/2015 (A) | FUTURE NET SALVAGE PERCENT (B) | FUTURE NET SALVAGE AMOUNT (C) | RECORDED DEPR RES AS OF 01/01/2015 (D) | NET BALANCE (E) | AVERAGE REMAINING LIFE (YRS) (F) | AVERAGE SERVICE LIFE (YRS) (G) | TOTAL ANNUAL ACCRUAL AMOUNT (H) | TOTAL ANNUAL ACCRUAL PERCENT (I) |
|-----------------------------|-------------|----------------------------|---|--------------------------------|-------------------------------|--|----------------------|----------------------------------|--------------------------------|---------------------------------|----------------------------------|
| 4012 Electric Distribution | | | | | | | | | | | |
| 361 | E0136100 | Struct. and Improv. | 4,018,871 | (100) | (4,018,871) | (1,774,226) | 6,263,516 | 37.655 | 54 | 166,340 | 4.138974% |
| 362 | E0136210 | Station Equip.-Other | 465,807,803 | (100) | (465,807,803) | (126,176,738) | 805,438,867 | 39.100 | 49 | 20,599,512 | 4.422320% |
| 363 | E0136300 | Storage Battery Eq | 6,892,564 | 0 | - | (798,301) | 6,094,264 | 8.584 | 10 | 709,923 | 10.299840% |
| 364 | E0136400 | Poles, Towers & Fxtr | 590,295,852 | (95) | (560,781,060) | (250,405,601) | 900,671,311 | 35.888 | 44 | 25,096,516 | 4.251515% |
| 365 | E0136500 | Overhead Cond & Dev | 467,119,213 | (70) | (326,983,449) | (180,488,069) | 613,614,593 | 39.546 | 48 | 15,516,516 | 3.321746% |
| 366 | E0136600 | Underground Conduit | 1,055,883,303 | (40) | (422,353,321) | (418,500,804) | 1,059,735,820 | 39.074 | 53 | 27,121,253 | 2.568584% |
| 367 | E0136700 | Undergrmd Cond & Dev | 1,372,232,963 | (55) | (754,728,130) | (820,727,963) | 1,306,233,130 | 26.842 | 40 | 48,664,141 | 3.546347% |
| 368 | E0136810 | Line Transformers | 537,589,667 | (45) | (241,915,350) | (107,143,620) | 672,361,398 | 25.706 | 33 | 26,156,324 | 4.865481% |
| 368 | E0136820 | Capacitors | 22,912,810 | (50) | (11,456,405) | (4,061,443) | 30,307,771 | 9.644 | 13 | 3,142,688 | 13.715857% |
| 369 | E0136910 | Services Overhead | 131,009,882 | (90) | (117,908,894) | (120,925,782) | 127,992,994 | 38.730 | 50 | 3,304,734 | 2.522507% |
| 369 | E0136920 | Services Underground | 324,533,257 | (70) | (227,173,280) | (228,533,192) | 323,173,345 | 32.252 | 48 | 10,020,413 | 3.087638% |
| 370 | E0137010 | Meters | 2,763,955 | 0 | - | (282,188) | 2,481,767 | 44.241 | 48 | 56,097 | 2.029598% |
| 370 | E0137011 | Meters-Electronic | 187,665,095 | 0 | - | (53,557,511) | 134,107,584 | 10.730 | 15 | 12,497,911 | 6.659689% |
| 370 | E0137020 | Meter Installations | 4,981,363 | 0 | - | (144,756) | 4,836,607 | 46.871 | 48 | 103,189 | 2.071499% |
| 370 | E0137021 | Meter Installns-Electronic | 50,467,773 | 0 | - | (12,152,316) | 38,315,457 | 11.058 | 15 | 3,464,985 | 6.865738% |
| 371 | E0137100 | Installns -Cust Prem | 7,827,825 | (90) | (7,045,042) | (10,786,320) | 4,086,547 | 8.933 | 19 | 457,461 | 5.844040% |
| 373 | E0137320 | St. Lghtg & Sgnl Sys | 26,550,715 | (70) | (18,585,501) | (19,280,191) | 25,856,025 | 22.404 | 32 | 1,154,091 | 4.346742% |
| Total Electric Distribution | | | 5,258,552,910 | | (3,158,757,104) | (2,355,739,021) | 6,061,570,993 | | | 198,232,094 | 3.769708% |
| 4014 Electric General | | | | | | | | | | | |
| 390 | E0139000 | Struct. and Improv. | 32,473,669 | (25) | (8,118,417) | (22,844,279) | 17,747,807 | 9.990 | 30 | 1,776,557 | 5.470762% |
| 392 | E0139220 | Transprrn Eq-Trailer | 58,146 | 0 | - | (8,389) | 49,757 | 19.299 | 27 | 2,578 | 4.433940% |
| 393 | E0139310 | Stores Equip.-Other | 15,720 | 0 | - | (15,290) | 430 | 6.080 | 25 | 71 | 0.450385% |
| 394 | E0139411 | Portable Tools-Other | 22,432,189 | 0 | - | (7,279,197) | 15,152,992 | 17.992 | 27 | 842,207 | 3.754458% |
| 394 | E0139420 | Shop Equipment | 341,136 | 0 | - | (227,271) | 113,865 | 7.065 | 24 | 16,117 | 4.724651% |
| 395 | E0139510 | Laboratory Eq.-Other | 2,147,777 | 0 | - | (109,818) | 2,037,959 | 18.280 | 20 | 111,485 | 5.190720% |
| 397 | E0139710 | Commun. Equip.-Other | 214,536,113 | (15) | (32,180,417) | (75,991,418) | 170,725,113 | 21.120 | 28 | 8,083,422 | 3.767861% |
| 397 | E0139720 | Commun. Equip.-SWPL | 6,721,298 | (15) | (1,008,195) | (5,095,552) | 2,633,941 | 13.423 | 28 | 196,232 | 2.919552% |
| 397 | E0139760 | Commun. Equip.-SRPL | 14,030,613 | (15) | (2,104,592) | (1,471,268) | 14,663,937 | 25.750 | 28 | 569,464 | 4.058728% |
| 398 | E0139810 | Misc. Equip. - Other | 1,515,803 | 0 | - | (415,613) | 1,100,190 | 10.602 | 15 | 103,775 | 6.846198% |
| 398 | E0139860 | Misc. Equip. - SRPL | | | | | | 0.000 | 15 | - | 0.000000% |
| Total Electric General | | | 294,272,464 | | (43,411,621) | (113,458,094) | 224,225,991 | | | 11,701,909 | 3.976556% |

SAN DIEGO GAS & ELECTRIC
ANNUAL DEPRECIATION ACCRUAL RATE CALCULATION FOR 2015
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| FERC ACCT | ASSET CLASS | DESCRIPTION | RECORDED GROSS PLANT AS OF 01/01/2015 (A) | FUTURE NET SALVAGE PERCENT (B) | FUTURE NET SALVAGE AMOUNT (C) | RECORDED DEPR RES AS OF 01/01/2015 (D) | NET BALANCE (E) | AVERAGE REMAINING SERVICE LIFE (YRS) (F) | AVERAGE SERVICE LIFE (YRS) (G) | TOTAL ANNUAL ACCRUAL AMOUNT (H) | TOTAL ANNUAL ACCRUAL PERCENT (I) |
|------------------------|-------------|---------------------------|---|--------------------------------|-------------------------------|--|--------------------|--|--------------------------------|---------------------------------|----------------------------------|
| 4020 Other Storage | | | | | | | | | | | |
| 363 | G0136360 | LNG Distrib Storg Eq | 1,979,252 | 0 | - | (829,949) | 1,149,303 | 14.500 | 20 | 79,262 | 4.004657% |
| 366 | G0136600 | Struct and Land Imp. | 11,948,402 | 0 | - | (9,829,096) | 2,119,306 | 8.960 | 30 | 236,530 | 1.979592% |
| 367 | G0136700 | Mains | 182,941,412 | (5) | (9,147,071) | (65,359,933) | 126,728,550 | 34.380 | 45 | 3,686,113 | 2.014914% |
| 368 | G0136800 | Compressor Staln Eq | 83,922,172 | (25) | (20,980,543) | (66,763,822) | 38,138,893 | 23.210 | 27 | 1,643,210 | 1.958016% |
| 369 | G0136900 | Meas & Reg Staln Eq | 20,940,606 | (5) | (1,047,030) | (15,795,675) | 6,191,961 | 8.780 | 23 | 705,235 | 3.367786% |
| Total Gas Transmission | | | 299,752,593 | | (31,174,644) | (157,748,527) | 173,178,709 | | | 6,271,086 | 2.092087% |
| 4024 Gas Distribution | | | | | | | | | | | |
| 375 | G0137500 | Struct & Imp | 43,447 | 0 | - | (61,253) | (17,806) | 3.250 | 44 | (5,479) | 0.00% |
| 376 | G0137600 | Mains | 633,743,301 | (45) | (285,184,485) | (343,529,593) | 575,398,193 | 43.203 | 60 | 13,318,632 | 2.101581% |
| 378 | G0137800 | Meas & Reg Staln Eq | 17,513,094 | (15) | (2,626,964) | (7,261,560) | 12,878,498 | 32.998 | 42 | 390,281 | 2.228511% |
| 380 | G0138000 | Services | 249,995,456 | (75) | (187,496,592) | (289,627,736) | 147,864,313 | 26.945 | 48 | 5,487,655 | 2.195102% |
| 381 | G0138100 | Meters & Regulators | 79,661,435 | 0 | - | (28,384,040) | 51,277,394 | 32.178 | 44 | 1,593,545 | 2.000396% |
| 381 | G0138101 | Meters-Regs-Modules | 74,347,459 | 0 | - | (19,556,896) | 54,790,563 | 11.120 | 15 | 4,927,209 | 6.627273% |
| 382 | G0138200 | Meter & Reg Instllns | 65,321,301 | (45) | (29,394,565) | (24,438,986) | 70,276,901 | 27.220 | 38 | 2,581,859 | 3.952552% |
| 382 | G0138201 | Mtr-Reg-Mod Installations | 25,247,352 | 0 | - | (7,523,660) | 17,723,692 | 10.530 | 15 | 1,683,162 | 6.666686% |
| 385 | G0138500 | Ind Meas & Reg St Eq | 1,516,811 | 0 | - | (1,124,118) | 392,693 | 8.830 | 24 | 44,473 | 2.931982% |
| 387 | G0138711 | Other Equipment | 993,722 | 0 | - | (711,755) | 281,967 | 4.130 | 11 | 68,273 | 6.870419% |
| 387 | G0138712 | Other Eq -CNG Deprec | 3,571,353 | 0 | - | (3,458,184) | 113,169 | 3.670 | 11 | 30,836 | 0.863433% |
| Total Gas Distribution | | | 1,151,954,730 | | (504,702,627) | (725,677,781) | 930,979,576 | | | 30,120,445 | 2.614725% |
| 4026 Gas General | | | | | | | | | | | |
| 392 | G0139220 | Transprt Eq-Trailer | 74,501 | 0 | - | (74,501) | (0) | 3.099 | 21 | (0) | 0.00% |
| 394 | G0139410 | Portable Tools | 7,965,908 | 0 | - | (3,628,657) | 4,337,251 | 11.494 | 23 | 377,346 | 4.737010% |
| 394 | G0139420 | Shop Equipment | 76,864 | 0 | - | (43,085) | 33,779 | 5.469 | 23 | 6,177 | 8.035727% |
| 395 | G0139500 | Laboratory Equipment | 283,094 | 0 | - | (268,281) | 14,812 | 2.500 | 14 | 5,925 | 2.092941% |
| 396 | G0139600 | Power Operated Equip. | 162,284 | 0 | - | (143,846) | 18,438 | 2.500 | 20 | 7,375 | 4.544602% |
| 397 | G0139700 | Communication Equip. | 2,649,799 | 0 | - | (911,899) | 1,737,899 | 9.233 | 15 | 188,229 | 7.103520% |
| 398 | G0139800 | Misc. Equipment | 198,325 | 0 | - | (89,364) | 108,961 | 6.787 | 19 | 16,054 | 8.094843% |
| Total Gas General | | | 11,410,774 | | 0 | (5,159,633) | 6,251,141 | | | 601,106 | 5.267878% |

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| FERC ACCT | ASSET CLASS | DESCRIPTION | RECORDED GROSS PLANT AS OF 01/01/2015 (A) | FUTURE NET SALVAGE PERCENT (B) | FUTURE NET SALVAGE AMOUNT (C) | RECORDED DEPR RES AS OF 01/01/2015 (D) | NET BALANCE (E) | AVERAGE REMAINING LIFE (YRS) (F) | AVERAGE SERVICE LIFE (YRS) (G) | TOTAL ANNUAL ACCRUAL AMOUNT (H) | TOTAL ANNUAL ACCRUAL PERCENT (I) |
|-----------|--------------|----------------------|---|--------------------------------|-------------------------------|--|-----------------|----------------------------------|--------------------------------|---------------------------------|----------------------------------|
| | 4028 Common | | | | | | | | | | |
| 390 | C1839010 | Struct & Imprv-Other | 309,527,988 | (10) | (30,352,799) | (130,654,027) | 203,226,760 | 17.230 | 26 | 11,794,937 | 3.885947% |
| 391 | C1839110 | Offc Furn & Eq-Other | 26,296,373 | 0 | - | (12,358,803) | 13,937,570 | 9.248 | 18 | 1,507,139 | 5.731357% |
| 391 | C1839120 | Offc Furn & Eq-Cmptr | 85,393,379 | 0 | - | (61,079,029) | 24,314,351 | 2.500 | 5 | 9,725,740 | 11.389338% |
| 392 | C1839220 | Transprt Eq-Trailer | 33,369 | 0 | - | (23,269) | 10,101 | 2.500 | 20 | 4,040 | 12.107651% |
| 393 | C1839310 | Stores Equip.-Other | 79,141 | 0 | - | (57,096) | 22,045 | 2.626 | 20 | 8,395 | 10.607205% |
| 394 | C1839411 | Portable Tools-Other | 1,232,027 | 0 | - | (258,616) | 973,410 | 17.593 | 23 | 55,331 | 4.491029% |
| 394 | C1839421 | Shop Equip. - Other | 222,948 | 0 | - | (139,560) | 83,388 | 7.753 | 29 | 10,755 | 4.824203% |
| 394 | C1839431 | Garage Equip.-Other | 1,056,076 | 0 | - | (91,108) | 964,969 | 10.608 | 21 | 90,968 | 8.613756% |
| 395 | C1839510 | Laboratory Eq.-Other | 2,090,237 | 0 | - | (927,472) | 1,162,765 | 13.121 | 26 | 88,622 | 4.239806% |
| 397 | C1839710 | Commun. Equip.-Other | 135,304,341 | 0 | - | (62,321,488) | 72,982,853 | 7.360 | 13 | 9,915,744 | 7.328475% |
| 398 | C1839810 | Misc. Equip. - Other | 2,481,414 | 10.0 | 248,141 | (1,448,084) | 765,188 | 3.353 | 14 | 234,182 | 9.437434% |
| | Total Common | | 557,717,294 | | (30,104,657) | (269,358,553) | 318,463,399 | | | 33,435,853 | 5.995126% |

CERTIFICATE OF SERVICE

I hereby certify that I have this day served an electronic copy of the foregoing document upon each person designated on the official service list compiled by the Secretary in Docket No. ER13-941-000 and ER15-2215-000. In addition, I certify that I have also caused the foregoing to be served by overnight delivery upon the following:

Arocles Aguilar (via Overnight Mail)
General Counsel
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Roger Collanton (via Overnight Mail)
General Counsel
California Independent System Operator Corporation
250 Outcropping Way
Folsom, CA 95630

Dated at San Diego, California, this 2nd day of May, 2016.

/s/ Tamara Grabowski

Tamara Grabowski
Legal Administrative Associate
8330 Century Park Court, 2nd Floor
San Diego, CA 92123
(858) 654-1827