

Application of San Diego Gas & Electric Company  
(U-902-E) for Adoption of an Advanced Metering  
Infrastructure Deployment Scenario and Associated Cost  
Recovery and Rate Design.

Application 05-03-015  
Exhibit No.: \_\_\_\_\_

**CHAPTER 15**  
**AMI REVENUE REQUIREMENT**

**JULY 14, 2006, AMENDMENT**  
**Prepared Supplemental, Consolidating,**  
**Superseding and Replacement Testimony**  
**of**  
**MICHAEL A. CALABRESE**

**SAN DIEGO GAS & ELECTRIC COMPANY**

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

**July 14, 2006**

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1 **CHAPTER 15**

2 **AMI REVENUE REQUIREMENT**

3 **JULY 14, 2006, AMENDMENT**

4 **Prepared Updated Supplemental, Consolidating,**  
5 **Superseding and Replacement Testimony**

6 **of**

7 **MICHAEL A. CALABRESE**

8 **SAN DIEGO GAS & ELECTRIC COMPANY**

9 **I. PURPOSE AND SUMMARY**

10 The purpose of this *amended* testimony is to update and correct my March 28,  
11 2006 testimony to include material information which will impact my (Chapter 15)  
12 testimony in which I identify the forecasted Advanced Metering Infrastructure (AMI)  
13 revenue requirements based on the estimated AMI costs and benefits presented by San  
14 Diego Gas & Electric Company's (SDG&E) witnesses in their testimony. More  
15 specifically, this testimony describes the development of the forecasted AMI revenue  
16 requirements for the periods 2007-2011 under SDG&E's full deployment proposal. In  
17 addition to updating and correcting the costs and benefits presented in Table MAC 15-1,  
18 this testimony corrects an error in the tax treatment of software development expenses  
19 that further increases ratepayer tax benefits. This change results in a net decrease in the  
20 income tax expense component of the revenue requirement that related only to the 5 year  
21 IT asset group over years 2007-2011. In addition, my revenue requirement tables  
22 incorporate the corrections and updates to the cost and benefits of witnesses Mark Gaines  
23 (Chapter 5), Steve George (Chapter 6), Pat Charles (Chapter 9), Paul Pruschki (Chapter  
24 11), and Jose Carranza (Chapter 12).

25 This testimony consolidates, supersedes, and replaces all previous direct and  
26 supplemental testimony filed by me or by any other SDG&E witness testifying in this  
27 docket, on the topics covered herein.

28 **II. DESCRIPTION OF INCREMENTAL AMI COSTS AND BENEFITS**

29 **A. Summary**

30 The forecasted AMI revenue requirements identified in Attachment MC 15-1  
31 include the incremental electric distribution and gas transportation AMI capital

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and O&M costs/benefits presented in the testimony of various SDG&E witnesses. Only electric distribution and gas transportation costs and benefits are included in the AMI revenue requirements for recovery under the proposed ratemaking framework in this proceeding since the incremental costs and benefits do not currently have a mechanism in place to ensure cost recovery outside a general ratemaking proceeding, as described in the testimony of SDG&E witness Hansen (Chapter 14). These costs and benefits were adjusted to include applicable sales taxes, overhead loaders, and price escalations as identified in the supplemental testimony of SDG&E witness Kyle (Chapter 13). Table MAC 15-1 below provides at the aggregate level, the adjusted AMI capital and O&M costs/benefits that are reflected in the AMI revenue requirements for electric and gas operations for years 2007-2011.

**TABLE MAC 15-1**

***Capital and O&M Costs/Benefits***  
**(includes escalations, sales taxes, and loaders)**

<b>Description</b>	<b>2007 (\$000)</b>	<b>2008 (\$000)</b>	<b>2009 (\$000)</b>	<b>2010 (\$000)</b>	<b>2011 (\$000)</b>
<b>Electric</b>					
Capital					
<i>Costs</i>	\$29,060	\$71,910	\$96,519	\$94,652	\$7,896
<i>Benefits</i>	\$1,649	\$3,071	\$3,551	\$5,993	\$7,243
O&M					
<i>Costs</i>	\$2,517	\$7,522	\$12,476	\$14,044	\$11,198
<i>Benefits</i>	\$83	\$913	\$4,931	\$10,171	\$12,610
<b>Gas</b>					
Capital					
<i>Costs</i>	\$12,542	\$28,067	\$38,172	\$37,560	\$3,109
<i>Benefits</i>	\$140	\$262	\$19	\$205	\$387
O&M					
<i>Costs</i>	\$2,166	\$6,473	\$10,735	\$12,085	\$9,636
<i>Benefits</i>	\$71	\$786	\$4,243	\$8,752	\$10,851

1                   **B. Capital Costs and Benefits**

2                   This section describes the incremental capital costs and benefits that will be  
3 included in the revenue requirement for years 2007-2011. Table 2-A of  
4 Attachment MC 15-2 identifies the capital costs and benefits included in the AMI  
5 revenue requirements, and the SDG&E witness for the particular cost and benefit.  
6 The major capital costs include (a) information technology (IT) systems  
7 development and implementation costs (SDG&E witness Welch (Chapter 10)),  
8 (b) AMI-compatible electric meters, communication equipment and  
9 programmable controllable thermostats (SDG&E witness Pruschki (Chapter 11)),  
10 and (c) AMI gas meters and modules, along with installation costs of both gas and  
11 electric meters (SDG&E witness Carranza (Chapter 12)).

12                   The capital benefits comprise (a) reduced meter reading IT expense (SDG&E  
13 witness Welch (Chapter 10)), (b) avoided load research meter requirements  
14 (SDG&E witness Gaines (Chapter 5)), (c) reduced electromechanical meters  
15 replacement costs for new customer growth and Avoided TOU Meter  
16 Replacement Costs (SDG&E witness Pruschki (Chapter 11)), (d) reduction in  
17 replacement costs and inventory of existing gas meters (SDG&E witness Carranza  
18 (Chapter 12)), (e) reduced meter reading equipment and equipment maintenance  
19 costs, and customer service field savings (SDG&E witness Teeter (Chapter 3)),  
20 and (f) deferral of distribution capacity projects and avoided distribution capacity  
21 additions (SDG&E witness Lee (Chapter 4)).

22                   **C. Operating and Maintenance (O&M) Costs and Benefits**

23                   This section describes the incremental operating and maintenance (O&M)  
24 costs and benefits that will be incurred from the deployment of AMI. Table 2-B  
25 of Attachment MC 15-2 identifies the O&M cost and benefit elements included in  
26 the AMI revenue requirements and the SDG&E witness for the particular cost or  
27 benefit element. These O&M costs and benefits comprise numerous elements  
28 associated with the following areas and addressed by the following witnesses: (a)  
29 IT (SDG&E witness Welch (Chapter 10)); (b) load research (SDG&E witness  
30 Gaines (Chapter 5)); (c) project management, human resources and facilities  
31 (SDG&E witness Charles (Chapter 9)); (d) electric meters, programmable

1 controllable thermostats and communication equipment and installation (SDG&E  
2 witness Pruschki (Chapter 11)); (e) gas Meters, gas modules, and facilities  
3 (SDG&E witness Carranza (Chapter 12)); (f) meter reading, billing, and customer  
4 field services (SDG&E witness Teeter (Chapter 3)); (g) customer education and  
5 customer contact (SDG&E witness Gaines (Chapter 5)); and (h) distribution  
6 (SDG&E witness Lee (Chapter 4)).

7 **1. Adjustments to Direct Costs**

8 AMI costs and benefits reflect direct capital and O&M costs/benefits  
9 adjusted to include appropriate escalation factors, sales taxes, Allowance for  
10 Funds Used During Construction (AFUDC), and overhead rates, if applicable.

11 **1. Escalation & Overhead Rates**

12 Escalation factors and applicable overhead rates are applied to both  
13 AMI capital and O&M costs and benefits. Escalation factors and  
14 overhead rates are further discussed in the supplemental testimony of Mr.  
15 Kyle (Chapter 13).

16 **2. Sales Taxes**

17 AMI costs also include applicable sales taxes on purchased materials  
18 and service. Sales taxes are further discussed in the supplemental  
19 testimony of Mr. Kyle (Chapter 13).

20 **D. Allowance for Funds Used During Construction (AFUDC)**

21 SDG&E will finance AMI capital projects using debt, equity and preferred  
22 stock in proportions matching its Commission-authorized capital structure.  
23 SDG&E recovers new project financing costs through the AFUDC mechanism  
24 while projects are in Construction Work in Progress (CWIP). Consequently,  
25 SDG&E has projected AFUDC for AMI related IT capital projects that are in  
26 CWIP. AFUDC is applied until such time as the project is completed and  
27 transferred into service at which time AFUDC is no longer applied since the  
28 capital project then earns SDG&E's authorized return on rate base. AFUDC has  
29 been applied using SDG&E's authorized capital structure and rates of return as  
30 shown in table MAC 15-3 of this testimony.

1 Monthly capital expenditures were projected for years 2007-2011 together  
2 with project-completion dates. The capital expenditure schedule along with the  
3 authorized capital structure and cost percentages are the input variables that  
4 determine the AFUDC amounts.

5 **III. REVENUE REQUIREMENTS**

6 The forecasted AMI revenue requirements for the deployment period 2007-2011  
7 are presented in Attachment MC 15-1 Tables 1-A, 1-B, 1-C and 1-D. The various  
8 components of the revenue requirements are discussed below.

9 **A. Net Rate Base**

10 This section presents the net rate base used in the calculation of the return on  
11 rate base, as addressed in Section III, C of this testimony. Net rate base reflects  
12 the sum of all AMI capital costs minus AMI capital benefits. The average net rate  
13 base and its components used in the calculation of the 2007-2010 AMI revenue  
14 requirements are presented in Table MAC 15-2:

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**TABLE MAC-15-2**  
**AMI Average Net Rate Base**

Description	Average 2007 (\$000)	Average 2008 (\$000)	Average 2009 (\$000)	Average 2010 (\$000)	Average 2011 (\$000)
<b>Electric Rate Base</b>					
Electric Plant	\$1,671	\$44,415	143,332	234,294	278,937
Working Cash	\$292	\$792	904	464	(169)
Accumulated Depreciation	(\$24)	(\$1,580)	(12,577)	(31,523)	(55,624)
Accumulated Deferred Taxes	(\$1)	(\$362)	(1,915)	(3,117)	(3,390)
Total Rate Base	\$1,938	\$43,265	\$129,744	\$200,118	\$219,754
<b>Gas Rate Base</b>					
Gas Plant	\$1,829	\$19,886	59,504	97,313	117,244
Working Cash	\$251	\$681	778	399	(146)
Accumulated Depreciation	(\$29)	(\$702)	(5,016)	(12,488)	(22,077)
Accumulated Deferred Taxes	(\$10)	(\$164)	(772)	(1,259)	(1,413)
Total Rate Base	\$2,041	\$19,701	\$54,495	\$83,965	\$93,608

**B. Net O&M Costs**

As stated above, net O&M costs reflect the sum of AMI O&M costs minus benefits. The net O&M costs used in the calculation of the 2007-2011 AMI revenue requirements for both electric and gas operations are presented in Table MAC 15-1.

**C. Return**

The return on rate base included in the AMI revenue requirements is calculated by multiplying SDG&E's currently authorized Rate of Return (ROR) of 8.23 percent by the AMI average net rate base for each year. The average net rate bases used in the return calculations are identified in Table MAC 15-2. The authorized ROR is based on SDG&E's authorized capital structure, authorized cost of debt, cost of preferred stock, and authorized Return on Equity (ROE), effective January 1, 2006. The ROR calculation is shown on Table MAC-15-3:



<b>Capital Structure</b>	<b>Weighting</b>	<b>Cost</b>	<b>ROR</b>
Debt	45.25%	5.75%	2.60%
Preferred Stock	5.75%	6.83%	0.39%
Common Equity	49.00%	10.70%	5.24%
Total	100.00%		8.23%

**D. Depreciation**

This section addresses the depreciation expense and accumulated reserve for depreciation of the AMI assets.

The proposed depreciation uses the straight-line remaining life depreciation method consistent with Standard Practice U-4, Determination of Straight-Line Remaining Life Depreciation Accruals. The CPUC issued this standard practice in 1961 as a guide for determining proper depreciation accruals.

For the interim period 2007-2011, SDG&E proposes depreciable lives of 5 years for IT assets, 9 years for telecommunication equipment, 15 years for AMI electric meters and gas modules, and 34 years for gas meters. The 5-year book life for IT assets and 34-year book life of gas meters are in accordance with the book lives adopted for these assets in D.04-12-015 issued in Phase 1 of SDG&E’s Cost of Service (COS) proceeding. As stated in the prepared supplemental testimony of SDG&E witness Pruschki (Chapter 11), AMI electric meters and communication equipment are estimated to have a useful life of 15 years. Finally, as stated in the prepared supplemental testimony of SDG&E witness Carranza (Chapter 12), AMI gas modules are assumed to have a useful life of 15 years. The resulting depreciation rates equal 20% for IT assets, 11.11% for telecommunication equipment, 6.67% for AMI electric meters and gas modules, and 2.94% for gas meters.

**E. Taxes**

**1. Property Taxes**

The forecasted property tax expenses for AMI assets are calculated by multiplying the projected assessed annual value of the assets as of the given year by the estimated tax rate of 1.1752 percent.

1           The assessed value is based on a Historical Cost Less Depreciation  
2 (HCLD) indicator of value, which is the primary value indicator for rate base  
3 regulated utility property. HCLD is the estimated cost of property that is  
4 subject to assessment by the State Board of Equalization (SBE) less  
5 depreciation on this property. The deferred federal income tax reserve related  
6 to taxable property further reduces the HCLD indicator.

7           **2. Income Taxes**

8           This section provides SDG&E's estimate of income taxes that will be  
9 incurred due to AMI investments, and discusses the assumptions and  
10 methodology used to make the income tax estimates.

11           California Corporation Franchise Tax (CCFT) and federal income tax  
12 expense are estimated based on net operating income before income taxes.  
13 The estimated federal and state income tax expenses are identified in the  
14 forecasted AMI revenue requirements provided in Attachment MC 15-1.

15           Current tax law has been utilized to compute income taxes for AMI  
16 investments. Since the bonus depreciation provisions of the Jobs and Growth  
17 Tax Relief Reconciliation Act of 2003 expired on December 31, 2004, which  
18 is prior to the investment in AMI, bonus depreciation has not been reflected in  
19 the calculation of tax depreciation in either case. Federal income tax expense,  
20 including deferred income tax, is calculated by multiplying the currently  
21 effective corporate federal income tax rate of 35 percent by applicable federal  
22 taxable income. Similarly, state income tax expense is calculated by  
23 multiplying the statutory rate of 8.84 percent of state taxable income.

24           Following established Commission policy, federal income taxes are  
25 computed on a normalized basis. Deferred federal income taxes are calculated  
26 as the difference between book depreciation and federal tax depreciation times  
27 the federal tax rate. The Accumulated Deferred Federal Income Tax Reserve  
28 is included as a credit in rate base. State income taxes are calculated on a  
29 flow through basis.

1 For AMI federal tax depreciation is calculated in accordance with the Tax  
2 Reform Act of 1986, as amended. State tax depreciation is based on the Asset  
3 Depreciation Range system specified by California Law.

### 4 **3. Tax Lives**

5 In classifying property for tax depreciation purposes, SDG&E has  
6 followed IRS guidelines under the Modified Accelerated Cost Recovery  
7 System (MACRS). Accordingly, capitalized computer software is depreciated  
8 over a three-year period using a straight-line method. Other advanced  
9 metering property is depreciated over the normal 20-year period for utility  
10 property. While certain advanced metering components have a recovery  
11 period of 15 years for book purposes, there is no IRS guidance that would  
12 provide for a shorter recovery period than 20 years for tax purposes. SDG&E,  
13 in conjunction with other affected utilities, would welcome the opportunity to  
14 seek a ruling from the IRS providing for a shorter recovery period for certain  
15 advanced metering property. If approval to use a shorter recovery period were  
16 obtained from the IRS, SDG&E proposes that the benefit be reflected in rates  
17 at that time.

### 18 **4. Computer Software**

19 Computer Software is comprised of purchased software and internally  
20 developed software. Purchased software is capitalized and depreciated over  
21 three years using a straight-line method for both federal and state taxes. Self-  
22 developed software may be deducted currently as an expense. SDG&E has  
23 flowed through the deductible portion of internally developed software costs  
24 in calculating income tax expense for ratemaking purposes, thereby lowering  
25 ratemaking income tax expense.

### 26 **5. Working Cash**

27 The Working Cash requirement is computed by multiplying total  
28 estimated annual O&M expenses (excluding depreciation and fuel costs) by  
29 one-eighth. The resulting amount represents 45 days of O&M expenses. This  
30 method, which is accepted by the Federal Energy Regulatory Commission

1 (FERC), is used for this filing because a traditional working cash study based  
2 on historical data related to AMI operations is not available.

3 **F. Franchise Fees and Uncollectibles (FF&U)**

4 Franchise Fees and Uncollectibles (FF&U) is the revenue requirement needed  
5 to pay required franchise fees on electric and gas sales and to recover estimated  
6 uncollectible expenses. The FF&U factor used in calculating the proposed  
7 revenue requirement is 4.10 percent for electric and 2.45 percent for gas, which  
8 are the factors adopted in D.04-12-015 for Phase I of SDG&E's COS proceeding.

9 This concludes my supplemental testimony

1 **IV. QUALIFICATIONS OF MICHAEL A. CALABRESE**

2 My name is Michael A. Calabrese. I am employed with Southern California Gas  
3 Company (SoCalGas). My business address is 555 W. Fifth Street, Los Angeles,  
4 California, 90013-1011. I am currently Manager – Regulatory Case Financial in the  
5 Business Strategy and Analysis Department and am responsible for the calculation of  
6 revenue requirements for specific cases or projects filed before the CPUC. In addition I  
7 am also responsible for conducting financial analysis and project evaluations requiring  
8 the use of and the development of various revenue requirement models. I have held this  
9 position since June 2005.

10 I received a Bachelor of Science degree in Accounting and Management (double  
11 major) from California State University, Northridge, in 1981. I am a Certified Public  
12 Accountant and a member of the American Institute of Certified Public Accountants and  
13 the California Society of Certified Public Accountants. I continue to maintain my license  
14 with practice rights by adhering to continuing professional education requirements. I  
15 began my employment in June 1981 in the Internal Audit Department of Pacific Lighting  
16 Corporation, then parent company of SoCalGas. In 1982, I joined Pacific Interstate  
17 Company, a regulated subsidiary of Pacific Lighting Corporation, and held various  
18 positions of increasing responsibility including Supervisor of Fixed Asset Accounting,  
19 Budgeting, and Payroll. In February 1994, I joined SoCalGas as a Senior Depreciation  
20 Analyst in support of the company's General Rate Case (GRC). Later in 1995, I rejoined  
21 the Internal Audit Department until transferring to the Business Planning Department of  
22 SoCalGas in 1998 where I held the position of Principal Business Analyst until being  
23 promoted to my current position.

# **ATTACHMENT**

## **MC 15-1**

**San Diego Gas & Electric**  
**Advanced Metering Infrastructure (AMI)**  
**Forecasted AMI Annual Revenue Requirement - 2007-2011**  
**Total AMI Revenue Requirement (Combined Electric and Gas Operations)**

<b>Line No.</b>	<b>Description</b>	<b>2007</b> <b>(\$000)</b>	<b>2008</b> <b>(\$000)</b>	<b>2009</b> <b>(\$000)</b>	<b>2010</b> <b>(\$000)</b>	<b>2011</b> <b>(\$000)</b>
1	Franchise Fees & Uncollectibles	(\$287)	\$592	\$2,076	\$2,752	\$2,748
2	O&M expenses	\$4,528	\$12,296	\$14,037	\$7,205	(\$2,628)
3	Property Taxes	\$46	\$762	\$2,165	\$3,339	\$3,683
4	Preferred Equity Interest	\$15	\$246	\$719	\$1,108	\$1,222
5	Interest Expense	\$102	\$1,637	\$4,790	\$7,386	\$8,147
6	Depreciation Expense	\$128	\$7,355	\$21,768	\$31,294	\$35,765
7	Federal Tax Expense	(\$9,911)	(\$5,962)	\$4,618	\$9,248	\$10,034
8	State Tax Expense	(\$2,497)	(\$2,146)	\$679	\$2,117	\$3,111
9	Return on Equity	\$205	\$3,299	\$9,654	\$14,886	\$16,420
10						
11	<b>Revenue Requirement</b>	<b>(\$7,669)</b>	<b>\$18,079</b>	<b>\$60,506</b>	<b>\$79,336</b>	<b>\$78,502</b>
12						

**San Diego Gas & Electric**  
**Advanced Metering Infrastructure (AMI)**  
**Forecasted AMI Annual Revenue Requirement - 2007-2011**  
**Electric AMI Revenue Requirement**

<b>Line No.</b>	<b>Description</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
1	Franchise Fees & Uncollectibles	(\$263)	\$406	\$1,600	\$2,176	\$2,215
2	O&M expenses	\$2,434	\$6,609	\$7,545	\$3,873	(\$1,412)
3	Property Taxes	\$23	\$524	\$1,525	\$2,352	\$2,583
4	Preferred Equity Interest	\$8	\$169	\$506	\$780	\$857
5	Interest Expense	\$50	\$1,125	\$3,373	\$5,203	\$5,714
6	Depreciation Expense	\$59	\$5,250	\$15,638	\$22,417	\$25,564
7	Federal Tax Expense	(\$7,274)	(\$4,447)	\$3,216	\$6,520	\$7,046
8	State Tax Expense	(\$1,831)	(\$1,589)	\$457	\$1,487	\$2,200
9	Return on Equity	\$102	\$2,267	\$6,799	\$10,486	\$11,515
10						
11	<b>Revenue Requirement</b>	(\$6,693)	\$10,315	\$40,659	\$55,294	\$56,281



**San Diego Gas & Electric**  
**Advanced Metering Infrastructure (AMI)**  
**Forecasted AMI Annual Revenue Requirement - 2007-2011**  
**Gas AMI Revenue Requirement**

<b>Line No.</b>	<b>Description</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
		<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>
1	Franchise Fees & Uncollectibles	(\$23)	\$186	\$476	\$576	\$532
2	O&M expenses	\$2,094	\$5,687	\$6,492	\$3,333	(\$1,215)
3	Property Taxes	\$23	\$237	\$640	\$987	\$1,100
4	Preferred Equity Interest	\$8	\$77	\$213	\$327	\$365
5	Interest Expense	\$52	\$512	\$1,417	\$2,183	\$2,434
6	Depreciation Expense	\$69	\$2,104	\$6,131	\$8,877	\$10,201
7	Federal Tax Expense	(\$2,638)	(\$1,515)	\$1,401	\$2,728	\$2,988
8	State Tax Expense	(\$666)	(\$557)	\$222	\$631	\$911
9	Return on Equity	\$104	\$1,032	\$2,856	\$4,400	\$4,905
10						
11	<b>Revenue Requirement</b>	<b>(\$976)</b>	<b>\$7,764</b>	<b>\$19,847</b>	<b>\$24,042</b>	<b>\$22,221</b>

**San Diego Gas & Electric**  
**Advanced Metering Infrastructure (AMI)**  
**Monthly Revenue Requirement - 2007-2011**  
**Total AMI Revenue Requirement (Combined Electric and Gas Operations)**

Line No.	Description	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total 2007
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
1	Franchise Fees & Uncollectibles	(25)	(25)	(25)	(24)	(24)	(24)	(24)	(24)	(24)	(23)	(23)	(23)	(287)
2	O&M expenses	377	377	377	377	377	377	377	377	377	377	377	377	4,528
3	Property Taxes	1	1	2	3	3	4	4	4	5	6	6	7	46
4	Preferred Equity Interest	0	0	1	1	1	1	1	1	2	2	2	2	15
5	Interest Expense	1	3	5	6	7	8	9	10	11	13	14	15	102
6	Depreciation Expense	2	5	7	9	12	14	8	10	12	14	17	19	128
7	Income Tax Expense	(1,035)	(1,035)	(1,035)	(1,035)	(1,035)	(1,035)	(1,033)	(1,033)	(1,033)	(1,033)	(1,033)	(1,033)	(12,408)
8	Return on Equity	3	6	9	12	14	17	18	20	23	25	28	30	205
9														
10	<b>Revenue Requirement</b>	<b>(676)</b>	<b>(666)</b>	<b>(659)</b>	<b>(651)</b>	<b>(644)</b>	<b>(637)</b>	<b>(639)</b>	<b>(634)</b>	<b>(627)</b>	<b>(619)</b>	<b>(612)</b>	<b>(605)</b>	<b>(7,669)</b>
11														
12														
13														
14		<b>Jan-08</b>	<b>Feb-08</b>	<b>Mar-08</b>	<b>Apr-08</b>	<b>May-08</b>	<b>Jun-08</b>	<b>Jul-08</b>	<b>Aug-08</b>	<b>Sep-08</b>	<b>Oct-08</b>	<b>Nov-08</b>	<b>Dec-08</b>	<b>Total 2008</b>
15	<b>Description</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>
16														
17	Franchise Fees & Uncollectibles	14	17	20	23	26	29	66	74	77	79	82	85	592
18	O&M expenses	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	12,296
19	Property Taxes	10	17	23	29	35	40	90	94	99	104	108	113	762
20	Preferred Equity Interest	3	6	8	10	11	13	22	31	33	34	36	38	246
21	Interest Expense	23	38	51	64	77	89	150	209	219	229	240	250	1,637
22	Depreciation Expense	53	87	121	155	189	223	1,002	1,036	1,070	1,105	1,139	1,173	7,355
23	Income Tax Expense	(676)	(676)	(676)	(676)	(676)	(676)	(676)	(676)	(676)	(676)	(676)	(676)	(8,108)
24	Return on Equity	46	76	102	128	154	180	302	420	441	462	483	504	3,299
25														
26	<b>Revenue Requirement</b>	<b>499</b>	<b>589</b>	<b>674</b>	<b>758</b>	<b>841</b>	<b>925</b>	<b>1,980</b>	<b>2,214</b>	<b>2,289</b>	<b>2,363</b>	<b>2,437</b>	<b>2,511</b>	<b>18,079</b>

**San Diego Gas & Electric**  
**Advanced Metering Infrastructure (AMI)**  
**Monthly Revenue Requirement - 2007-2011**  
**Total AMI Revenue Requirement (Combined Electric and Gas Operations)**

	<b>Jan-09</b>	<b>Feb-09</b>	<b>Mar-09</b>	<b>Apr-09</b>	<b>May-09</b>	<b>Jun-09</b>	<b>Jul-09</b>	<b>Aug-09</b>	<b>Sep-09</b>	<b>Oct-09</b>	<b>Nov-09</b>	<b>Dec-09</b>	<b>Total 2009</b>
<b>Description</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>
1 Franchise Fees & Uncollectibles	145	152	156	161	165	169	177	182	186	190	195	199	2,076
2 O&M expenses	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	14,037
3 Property Taxes	126	142	151	159	167	176	186	196	204	212	220	228	2,165
4 Preferred Equity Interest	42	47	50	53	56	58	62	65	68	70	73	76	719
5 Interest Expense	279	315	333	352	370	389	411	433	451	468	486	504	4,790
6 Depreciation Expense	1,469	1,526	1,583	1,640	1,697	1,754	1,874	1,931	1,988	2,045	2,102	2,159	21,768
7 Income Tax Expense	441	441	441	441	441	441	441	441	441	441	441	441	5,297
8 Return on Equity	562	635	672	709	746	783	828	872	908	944	980	1,015	9,654
9													
10 <b>Revenue Requirement</b>	<b>4,233</b>	<b>4,428</b>	<b>4,556</b>	<b>4,685</b>	<b>4,813</b>	<b>4,940</b>	<b>5,148</b>	<b>5,290</b>	<b>5,415</b>	<b>5,541</b>	<b>5,666</b>	<b>5,791</b>	<b>60,506</b>

	<b>Jan-10</b>	<b>Feb-10</b>	<b>Mar-10</b>	<b>Apr-10</b>	<b>May-10</b>	<b>Jun-10</b>	<b>Jul-10</b>	<b>Aug-10</b>	<b>Sep-10</b>	<b>Oct-10</b>	<b>Nov-10</b>	<b>Dec-10</b>	<b>Total 2010</b>
<b>Description</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>
17 Franchise Fees & Uncollectibles	205	210	214	219	223	227	232	236	240	245	249	253	2,752
18 O&M expenses	600	600	600	600	600	600	600	600	600	600	600	600	7,205
19 Property Taxes	235	245	252	260	267	275	282	290	297	304	312	319	3,339
20 Preferred Equity Interest	78	81	84	86	89	91	94	96	99	101	103	106	1,108
21 Interest Expense	521	541	558	575	592	608	625	641	657	674	690	706	7,386
22 Depreciation Expense	2,281	2,339	2,397	2,454	2,512	2,570	2,645	2,703	2,761	2,819	2,877	2,935	31,294
23 Income Tax Expense	947	947	947	947	947	947	947	947	947	947	947	947	11,366
24 Return on Equity	1,049	1,091	1,125	1,158	1,192	1,226	1,259	1,292	1,325	1,358	1,390	1,422	14,886
25													
26 <b>Revenue Requirement</b>	<b>5,916</b>	<b>6,053</b>	<b>6,177</b>	<b>6,300</b>	<b>6,423</b>	<b>6,545</b>	<b>6,685</b>	<b>6,806</b>	<b>6,927</b>	<b>7,048</b>	<b>7,168</b>	<b>7,288</b>	<b>79,336</b>

**San Diego Gas & Electric**  
**Advanced Metering Infrastructure (AMI)**  
**Monthly Revenue Requirement - 2007-2011**  
**Total AMI Revenue Requirement (Combined Electric and Gas Operations)**

Description	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Total 2011
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
1 Franchise Fees & Uncollectibles	232	231	231	230	229	228	230	229	228	227	227	226	2,748
2 O&M expenses	(219)	(219)	(219)	(219)	(219)	(219)	(219)	(219)	(219)	(219)	(219)	(219)	(2,628)
3 Property Taxes	321	318	315	312	310	307	306	305	302	299	296	293	3,683
4 Preferred Equity Interest	106	106	105	104	103	102	101	101	100	99	98	97	1,222
5 Interest Expense	709	704	697	691	685	679	676	674	667	661	655	649	8,147
6 Depreciation Expense	2,953	2,953	2,953	2,953	2,953	2,953	3,008	3,008	3,008	3,008	3,008	3,008	35,765
7 Income Tax Expense	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095	1,095	13,145
8 Return on Equity	1,429	1,418	1,406	1,393	1,381	1,368	1,363	1,358	1,345	1,332	1,320	1,307	16,420
9													
10 <b>Revenue Requirement</b>	<b>6,626</b>	<b>6,605</b>	<b>6,582</b>	<b>6,559</b>	<b>6,536</b>	<b>6,513</b>	<b>6,561</b>	<b>6,551</b>	<b>6,527</b>	<b>6,504</b>	<b>6,480</b>	<b>6,457</b>	<b>78,502</b>

**San Diego Gas & Electric**  
**Advanced Metering Infrastructure (AMI)**  
**Monthly Revenue Requirement - 2007-2011**  
**Electric AMI Revenue Requirement**

Line No.	Description	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Total 2007
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
1	Franchise Fees & Uncollectibles	(23)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(21)	(21)	(263)
2	O&M expenses	203	203	203	203	203	203	203	203	203	203	203	203	2,434
3	Property Taxes	0	1	1	1	2	2	2	2	2	3	3	3	23
4	Preferred Equity Interest	0	0	0	0	1	1	1	1	1	1	1	1	8
5	Interest Expense	1	2	2	3	4	4	5	5	5	6	7	7	50
6	Depreciation Expense	1	2	4	5	6	7	2	4	5	6	7	9	59
7	Income Tax Expense	(759)	(759)	(759)	(759)	(759)	(759)	(758)	(758)	(758)	(758)	(758)	(758)	(9,104)
8	Return on Equity	1	3	5	6	7	9	9	10	11	12	14	15	102
9														
10	<b>Revenue Requirement</b>	<b>(575)</b>	<b>(570)</b>	<b>(567)</b>	<b>(563)</b>	<b>(559)</b>	<b>(555)</b>	<b>(559)</b>	<b>(556)</b>	<b>(553)</b>	<b>(549)</b>	<b>(545)</b>	<b>(541)</b>	<b>(6,693)</b>
11														
12														
13														
14		<b>Jan-08</b>	<b>Feb-08</b>	<b>Mar-08</b>	<b>Apr-08</b>	<b>May-08</b>	<b>Jun-08</b>	<b>Jul-08</b>	<b>Aug-08</b>	<b>Sep-08</b>	<b>Oct-08</b>	<b>Nov-08</b>	<b>Dec-08</b>	<b>Total 2008</b>
15	<b>Description</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>
16														
17	Franchise Fees & Uncollectibles	5	8	10	12	15	17	47	54	56	58	60	62	406
18	O&M expenses	551	551	551	551	551	551	551	551	551	551	551	551	6,609
19	Property Taxes	6	10	14	19	23	27	63	66	69	73	76	79	524
20	Preferred Equity Interest	2	3	5	6	8	9	15	22	23	24	25	26	169
21	Interest Expense	13	23	32	41	50	60	103	146	153	161	168	175	1,125
22	Depreciation Expense	33	57	81	105	129	153	722	746	770	794	818	842	5,250
23	Income Tax Expense	(503)	(503)	(503)	(503)	(503)	(503)	(503)	(503)	(503)	(503)	(503)	(503)	(6,035)
24	Return on Equity	25	46	65	83	102	120	208	294	309	324	338	353	2,267
25														
26	<b>Revenue Requirement</b>	<b>131</b>	<b>195</b>	<b>255</b>	<b>315</b>	<b>374</b>	<b>434</b>	<b>1,206</b>	<b>1,376</b>	<b>1,429</b>	<b>1,481</b>	<b>1,534</b>	<b>1,586</b>	<b>10,315</b>

**San Diego Gas & Electric**  
**Advanced Metering Infrastructure (AMI)**  
**Monthly Revenue Requirement - 2007-2011**  
**Electric AMI Revenue Requirement**

Description	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Total 2009
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
1 Franchise Fees & Uncollectibles	111	116	120	123	127	130	136	140	144	147	151	154	1,600
2 O&M expenses	629	629	629	629	629	629	629	629	629	629	629	629	7,545
3 Property Taxes	89	100	106	112	118	124	131	138	144	149	155	160	1,525
4 Preferred Equity Interest	29	33	35	37	39	41	43	46	48	50	51	53	506
5 Interest Expense	196	222	235	248	261	274	289	305	318	330	342	355	3,373
6 Depreciation Expense	1,058	1,098	1,139	1,179	1,219	1,260	1,346	1,387	1,427	1,468	1,508	1,548	15,638
7 Income Tax Expense	306	306	306	306	306	306	306	306	306	306	306	306	3,674
8 Return on Equity	395	446	473	499	525	551	583	615	640	665	690	715	6,799
9													
10 <b>Revenue Requirement</b>	<b>2,812</b>	<b>2,951</b>	<b>3,042</b>	<b>3,133</b>	<b>3,224</b>	<b>3,315</b>	<b>3,464</b>	<b>3,565</b>	<b>3,655</b>	<b>3,744</b>	<b>3,833</b>	<b>3,921</b>	<b>40,659</b>

Description	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Total 2010
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
17 Franchise Fees & Uncollectibles	162	166	169	173	176	180	183	187	190	194	197	200	2,176
18 O&M expenses	323	323	323	323	323	323	323	323	323	323	323	323	3,873
19 Property Taxes	166	172	178	183	188	194	199	204	209	214	219	224	2,352
20 Preferred Equity Interest	55	57	59	61	63	64	66	68	69	71	73	74	780
21 Interest Expense	367	382	393	405	417	428	440	452	463	474	485	496	5,203
22 Depreciation Expense	1,636	1,677	1,718	1,759	1,800	1,841	1,895	1,936	1,977	2,018	2,059	2,100	22,417
23 Income Tax Expense	667	667	667	667	667	667	667	667	667	667	667	667	8,007
24 Return on Equity	740	769	793	817	840	863	887	910	933	956	978	1,001	10,486
25													
26 <b>Revenue Requirement</b>	<b>4,117</b>	<b>4,213</b>	<b>4,301</b>	<b>4,387</b>	<b>4,474</b>	<b>4,561</b>	<b>4,660</b>	<b>4,746</b>	<b>4,831</b>	<b>4,917</b>	<b>5,001</b>	<b>5,086</b>	<b>55,294</b>

**San Diego Gas & Electric**  
**Advanced Metering Infrastructure (AMI)**  
**Monthly Revenue Requirement - 2007-2011**  
**Electric AMI Revenue Requirement**

<b>Description</b>		<b>Jan-11</b>	<b>Feb-11</b>	<b>Mar-11</b>	<b>Apr-11</b>	<b>May-11</b>	<b>Jun-11</b>	<b>Jul-11</b>	<b>Aug-11</b>	<b>Sep-11</b>	<b>Oct-11</b>	<b>Nov-11</b>	<b>Dec-11</b>	<b>Total 2011</b>
		<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>
1	Franchise Fees & Uncollectibles	187	187	186	185	185	184	185	184	184	183	182	182	2,215
2	O&M expenses	(118)	(118)	(118)	(118)	(118)	(118)	(118)	(118)	(118)	(118)	(118)	(118)	(1,412)
3	Property Taxes	226	224	222	220	218	216	214	213	211	209	207	204	2,583
4	Preferred Equity Interest	75	74	74	73	72	72	71	71	70	69	69	68	857
5	Interest Expense	499	495	491	487	482	478	474	470	466	461	457	452	5,714
6	Depreciation Expense	2,113	2,113	2,113	2,113	2,113	2,113	2,148	2,148	2,148	2,148	2,148	2,148	25,564
7	Income Tax Expense	770	770	770	770	770	770	770	770	770	770	770	770	9,246
8	Return on Equity	1,006	999	990	981	972	963	956	948	939	930	921	912	11,515
9														
10	<b>Revenue Requirement</b>	<b>4,759</b>	<b>4,745</b>	<b>4,728</b>	<b>4,711</b>	<b>4,695</b>	<b>4,678</b>	<b>4,701</b>	<b>4,687</b>	<b>4,670</b>	<b>4,653</b>	<b>4,636</b>	<b>4,619</b>	<b>56,281</b>

**San Diego Gas & Electric  
Advanced Metering Infrastructure (AMI)  
Monthly Revenue Requirement - 2007-2011  
Gas AMI Revenue Requirement**

Line No.	Description	Jan-07 (\$000)	Feb-07 (\$000)	Mar-07 (\$000)	Apr-07 (\$000)	May-07 (\$000)	Jun-07 (\$000)	Jul-07 (\$000)	Aug-07 (\$000)	Sep-07 (\$000)	Oct-07 (\$000)	Nov-07 (\$000)	Dec-07 (\$000)	Total 2007 (\$000)
1	Franchise Fees & Uncollectibles	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(23)
2	O&M expenses	175	175	175	175	175	175	175	175	175	175	175	175	2,094
3	Property Taxes	0	1	1	1	2	2	2	2	3	3	3	3	23
4	Preferred Equity Interest	0	0	0	0	1	1	1	1	1	1	1	1	8
5	Interest Expense	1	2	2	3	3	4	5	5	6	6	7	8	52
6	Depreciation Expense	1	2	3	4	5	6	5	6	7	8	9	10	69
7	Income Tax Expense	(275)	(275)	(275)	(275)	(275)	(275)	(275)	(275)	(275)	(275)	(275)	(275)	(3,303)
8	Return on Equity	1	3	4	6	7	8	9	10	12	13	14	16	104
9														
10	<b>Revenue Requirement</b>	<b>(100)</b>	<b>(96)</b>	<b>(92)</b>	<b>(89)</b>	<b>(85)</b>	<b>(82)</b>	<b>(80)</b>	<b>(78)</b>	<b>(74)</b>	<b>(71)</b>	<b>(67)</b>	<b>(64)</b>	<b>(976)</b>
11														
12														
13														
14														
15														
16														
17	Franchise Fees & Uncollectibles	9	9	10	11	11	12	19	20	21	21	22	22	186
18	O&M expenses	474	474	474	474	474	474	474	474	474	474	474	474	5,687
19	Property Taxes	5	7	8	10	12	14	27	28	30	31	32	34	237
20	Preferred Equity Interest	2	2	3	3	4	4	7	9	10	10	11	11	77
21	Interest Expense	10	15	19	22	26	30	46	63	66	69	72	75	512
22	Depreciation Expense	20	30	40	50	60	70	281	291	300	310	320	330	2,104
23	Income Tax Expense	(173)	(173)	(173)	(173)	(173)	(173)	(173)	(173)	(173)	(173)	(173)	(173)	(2,072)
24	Return on Equity	20	30	37	45	53	60	94	126	132	139	145	151	1,032
25														
26	<b>Revenue Requirement</b>	<b>367</b>	<b>394</b>	<b>419</b>	<b>443</b>	<b>467</b>	<b>491</b>	<b>774</b>	<b>838</b>	<b>860</b>	<b>882</b>	<b>903</b>	<b>925</b>	<b>7,764</b>



**San Diego Gas & Electric**  
**Advanced Metering Infrastructure (AMI)**  
**Monthly Revenue Requirement - 2007-2011**  
**Gas AMI Revenue Requirement**

Description	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Total 2009
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
1 Franchise Fees & Uncollectibles	34	35	36	37	38	39	40	41	42	43	44	45	476
2 O&M expenses	541	541	541	541	541	541	541	541	541	541	541	541	6,492
3 Property Taxes	37	42	45	47	50	52	55	58	60	63	65	67	640
4 Preferred Equity Interest	12	14	15	16	16	17	18	19	20	21	22	22	213
5 Interest Expense	83	93	99	104	110	115	121	128	133	138	144	149	1,417
6 Depreciation Expense	411	428	444	461	478	494	528	544	561	577	594	610	6,131
7 Income Tax Expense	135	135	135	135	135	135	135	135	135	135	135	135	1,624
8 Return on Equity	167	188	199	210	221	232	245	258	268	279	289	300	2,856
9													
10 <b>Revenue Requirement</b>	<b>1,421</b>	<b>1,477</b>	<b>1,514</b>	<b>1,552</b>	<b>1,589</b>	<b>1,625</b>	<b>1,684</b>	<b>1,724</b>	<b>1,761</b>	<b>1,797</b>	<b>1,833</b>	<b>1,869</b>	<b>19,847</b>

Description	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Total 2010
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
17 Franchise Fees & Uncollectibles	43	44	45	46	47	48	49	49	50	51	52	53	576
18 O&M expenses	278	278	278	278	278	278	278	278	278	278	278	278	3,333
19 Property Taxes	69	72	74	77	79	81	83	86	88	90	92	95	987
20 Preferred Equity Interest	23	24	25	25	26	27	28	28	29	30	31	31	327
21 Interest Expense	153	160	165	170	175	180	185	190	195	199	204	209	2,183
22 Depreciation Expense	645	661	678	695	712	729	750	767	784	801	818	835	8,877
23 Income Tax Expense	280	280	280	280	280	280	280	280	280	280	280	280	3,359
24 Return on Equity	309	321	332	342	352	362	372	382	392	402	412	421	4,400
25													
26 <b>Revenue Requirement</b>	<b>1,800</b>	<b>1,840</b>	<b>1,876</b>	<b>1,912</b>	<b>1,948</b>	<b>1,984</b>	<b>2,025</b>	<b>2,060</b>	<b>2,096</b>	<b>2,131</b>	<b>2,167</b>	<b>2,202</b>	<b>24,042</b>

**San Diego Gas & Electric**  
**Advanced Metering Infrastructure (AMI)**  
**Monthly Revenue Requirement - 2007-2011**  
**Gas AMI Revenue Requirement**

<b>Description</b>		<b>Jan-11</b>	<b>Feb-11</b>	<b>Mar-11</b>	<b>Apr-11</b>	<b>May-11</b>	<b>Jun-11</b>	<b>Jul-11</b>	<b>Aug-11</b>	<b>Sep-11</b>	<b>Oct-11</b>	<b>Nov-11</b>	<b>Dec-11</b>	<b>Total 2011</b>
		<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>	<b>(\$000)</b>
1	Franchise Fees & Uncollectibles	45	45	44	44	44	44	45	45	45	44	44	44	532
2	O&M expenses	(101)	(101)	(101)	(101)	(101)	(101)	(101)	(101)	(101)	(101)	(101)	(101)	(1,215)
3	Property Taxes	95	94	93	92	92	91	91	92	91	90	89	89	1,100
4	Preferred Equity Interest	31	31	31	31	30	30	30	31	30	30	30	29	365
5	Interest Expense	210	208	206	205	203	201	202	203	202	200	198	196	2,434
6	Depreciation Expense	840	840	840	840	840	840	860	860	860	860	860	860	10,201
7	Income Tax Expense	325	325	325	325	325	325	325	325	325	325	325	325	3,899
8	Return on Equity	423	419	416	412	409	405	408	410	406	403	399	395	4,905
9														
10	<b>Revenue Requirement</b>	<b>1,867</b>	<b>1,861</b>	<b>1,854</b>	<b>1,848</b>	<b>1,841</b>	<b>1,835</b>	<b>1,860</b>	<b>1,864</b>	<b>1,858</b>	<b>1,851</b>	<b>1,844</b>	<b>1,838</b>	<b>22,221</b>

# **ATTACHMENT**

## **MC 15-2**

**San Diego Gas & Electric**  
**Advanced Metering Infrastructure (AMI)**  
**Forecasted AMI Costs and Benefits Details - 2007-2011**  
**Capital Costs & Benefits Details (includes overhead loaders, sales tax, and escalation)**

Line No.	Witness	2007 (\$000)	2008 (\$000)	2009 (\$000)	2010 (\$000)	2011 (\$000)
1	<b>AMI Capital Costs</b>					
2						
3	Carranza	\$0	\$27,298	\$47,480	\$48,365	\$1,671
4	Charles	\$13,078	\$16,977	\$21,063	\$21,600	\$3,939
5	Pruschki	\$0	\$39,624	\$60,897	\$61,895	\$4,432
6	Welch	\$28,524	\$16,079	\$5,251	\$351	\$964
7	Total	\$41,602	\$99,977	\$134,691	\$132,212	\$11,006
8						
9	<b>AMI Capital Benefits</b>					
10						
11	Carranza	\$312	\$363	\$418	\$428	\$99
12	Gaines	\$0	\$0	\$1,040	\$356	\$0
13	Lee	\$0	\$0	\$0	\$3,252	\$6,329
14	Pruschki	\$958	\$2,006	\$2,062	\$2,128	\$1,158
15	Teeter	\$0	\$35	\$51	\$34	\$44
16	Welch	\$518	\$929	\$0	\$0	\$0
17	Total	\$1,789	\$3,334	\$3,570	\$6,198	\$7,630

\* Includes Gas Transportation and Electric Distribution costs and benefits.

**San Diego Gas & Electric**  
**Advanced Metering Infrastructure (AMI)**  
**Forecasted AMI Costs and Benefits Details - 2007-2011**  
**O&M Costs & Benefits Details (includes overhead loaders, sales tax, and escalation) \***

Line No.	Witness	2007 (\$000)	2008 (\$000)	2009 (\$000)	2010 (\$000)	2011 (\$000)
1	<b>AMI O&amp;M Costs</b>					
2						
3	Carranza	\$244	\$2,170	\$3,551	\$3,918	\$749
4	Charles	\$3,562	\$5,510	\$6,500	\$6,417	\$2,173
5	Gaines	\$0	\$1,575	\$4,029	\$4,357	\$3,609
6	Pruschki	\$0	\$240	\$1,752	\$3,639	\$5,706
7	Teeter	\$0	\$684	\$1,315	\$1,535	\$948
8	Welch	\$876	\$3,815	\$6,064	\$6,263	\$7,649
9	Total	\$4,682	\$13,995	\$23,211	\$26,128	\$20,834
10						
11	<b>AMI O&amp;M Benefits</b>					
12						
13	Carranza	\$32	\$161	\$337	\$435	\$233
14	Gaines	\$0	\$24	\$225	\$380	\$392
15	Lee	\$0	\$0	\$0	\$896	\$927
16	Teeter	\$0	\$1,283	\$8,290	\$16,816	\$21,498
17	Welch	\$122	\$231	\$323	\$395	\$411
18	Total	\$154	\$1,699	\$9,175	\$18,923	\$23,462

\* Includes Gas Transportation and Electric Distribution costs and benefits.