

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

In the Matter of the Application of SAN DIEGO GAS & ELECTRIC COMPANY (U 902-M), for Authority to Expand its Short-Term Borrowing Authorization to an Aggregate Amount not to Exceed \$575,000,000 in Addition to that Amount Otherwise Authorized by Public Utilities Code Section 823(c)

Application 19-01-\_\_\_\_  
(Filed January 23, 2019)

**APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY FOR AUTHORITY  
TO EXPAND ITS SHORT-TERM BORROWING AUTHORITY**

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January 23, 2019

## TABLE OF CONTENTS

I.	SUMMARY OF AUTHORIZATION SOUGHT.....	1
II.	DESCRIPTION OF SDG&E’S CURRENT SHORT-TERM BORROWING AUTHORITY .....	2
III.	SDG&E REQUESTS AUTHORIZATION TO EXPAND ITS CURRENT PUBLIC UTILITIES CODE SECTION 816 SHORT-TERM BORROWING AUTHORITY TO \$575 MILLION THROUGH DECEMBER 31, 2023.....	2
IV.	USE OF PROCEEDS .....	4
V.	FEE.....	4
VI.	STATUTORY AND PROCEDURAL REQUIREMENTS .....	4
	A. Rule 2.1 (a) – (c) .....	4
	B. Rule 2.2 – Articles of Incorporation.....	6
	C. Financial Information.....	7
VII.	SCHEDULES .....	7
VIII.	REQUESTED AUTHORIZATIONS.....	8
IX.	CONCLUSION .....	9

### **ATTACHMENTS:**

**Attachment A - Statement of Original Cost and Depreciation**

**Attachment B – Financial Statement, Balance Sheet and Income Statement**

**Attachment C - Regulatory Capitalization**

**Attachment D – Schedules I – XI**

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**I.  
SUMMARY OF AUTHORIZATION SOUGHT**

Pursuant to California Public Utilities Code (“P.U. Code”) Sections 816 through 830, inclusive, San Diego Gas and Electric Company (“SDG&E”) requests that the California Public Utilities Commission (“Commission”) authorize SDG&E short-term debt authority of Five Hundred Seventy-Five Million Dollars (\$575,000,000) from 2020 through 2023. The Commission previously authorized SDG&E to incur Four Hundred Million Dollars (\$400,000,000) of short-term debt in Decision (D.) 15-08-015, dated August 13, 2015. That authorization expires on December 31, 2019. The short-term debt authorization requested herein is in addition to the aggregate principal amount of notes otherwise authorized without Commission approval by P.U. Code Section 823(c).

## **II. DESCRIPTION OF SDG&E’S CURRENT SHORT-TERM BORROWING AUTHORITY**

SDG&E’s most recent short-term borrowing authority was granted by the Commission on August 13, 2015 in D.15-08-015 (the “Decision”). The Decision: (1) granted SDG&E authority under P.U. Code Section 816 *et seq.* to issue \$400 million of short-term debt through December 31, 2019; and (2) directed SDG&E to report on a semiannual basis the information required by General Order (“GO”) 24-C related to short-term debt. The short-term debt authorized by the Decision was in addition to the short-term debt that SDG&E may issue without Commission authorization pursuant to P.U. Code Section 823(c), which as of September 30, 2018, is \$273 million.

## **III. SDG&E REQUESTS AUTHORIZATION TO EXPAND ITS CURRENT PUBLIC UTILITIES CODE SECTION 816 SHORT-TERM BORROWING AUTHORITY TO \$575 MILLION THROUGH DECEMBER 31, 2023**

It is necessary that SDG&E retain an additional level of short-term borrowing authority in excess of SDG&E’s Section 823(c) short-term debt authority, noted above. SDG&E’s short-term borrowing authorization will be used to maintain SDG&E’s financial flexibility to obtain adequate temporary financing of: (1) undercollections of SDG&E’s balancing accounts, (2) retirements, tenders, calls or other refunding of SDG&E’s debt, (3) financing of SDG&E’s nuclear fuel investments and customer commodity hedge cash requirements, and (4) to satisfy such other short-term cash needs that may arise from time to time.

The Commission previously authorized SDG&E to incur up to \$400 million of short-term debt through December 31, 2019.<sup>1</sup> SDG&E is investing on average \$1.4 billion in capital annually. Also, SDG&E has on average balancing account undercollections of \$300 million which it must fund. While long-term financing will be used to fund the permanent financing of SDG&E’s capital projects, short-term debt capacity may be used as a temporary back-up should

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<sup>1</sup> On April 18, 2018 SDG&E executed an arm’s length promissory note with Sempra Energy for a line of credit up to \$250 million to supplement existing shared line of credits. Under the credit agreement, for each requested borrowing all payments of principal, interest and applicable margin are due and payable no later than October 15, 2020 (the “maturity date”). Although this agreement does not increase SDG&E’s authorized funding level, SDG&E is providing reference of this recently executed agreement for purposes of informing the Commission.

long-term capital markets become difficult to access. Consequently, SDG&E seeks to continue to mitigate these risk factors by requesting a measured increase to its current level of P.U. Code Section 816 short-term borrowing authority.

**Capital Expenditures** As indicated by Attachment D - Schedule I, SDG&E is investing \$4.2 billion during the 2019 – 2021 time period, which averages to \$1.4 billion annually. As SDG&E continues to make capital investments in safety and reliability, including infrastructure hardening, SDG&E expects this level of capital spending to continue. Attachment D reflects the cash flow and financial rationales that support the request for a measured increase in SDG&E's level of short-term borrowing authority.

In financing SDG&E's capital investment plan, SDG&E could at certain times require large amounts of short-term borrowing. As outlined in Attachment D - Schedules II and IIIa, SDG&E plans to finance these expenditures with timely placements of long-term debt; however, should there be a temporary disruption impacting the long-term debt market, it may be beneficial to fulfill its commitments with short-term borrowings should the capital markets be either inaccessible or only available at a premium when long-term funds are needed. An example of this was the 2008 Financial Crisis which temporarily injected high levels of investor uncertainty into the financial markets. Additionally, SDG&E may require short-term debt to fund collateral calls related to SDG&E's customer commodity hedging plan. SDG&E's margin calls for customer hedging have been over \$20 million since July 1<sup>st</sup> of 2018.

The \$575 million of additional short-term borrowing authority requested in this application is a measured increase from the \$400 million previously granted in D.15-08-015. As the Commission recognized in D.15-08-015, short-term borrowing authority provides the necessary financial flexibility required to efficiently manage the growth and structure of SDG&E's long-term capital investments. Additionally, the continued availability of liquidity assists in the achievement of SDG&E's safety and reliability infrastructure goals.

**Summary** SDG&E periodically requires short-term debt to bridge the cyclical fluctuations in seasonal cash flows, regulatory lags in recovering costs in rates and to provide the risk mitigation described above. Additionally, the San Onofre Nuclear Generating Station Settlement authorized a short-term rate of return for SDG&E's Nuclear Fuel Investments of \$87 million; consequently, short-term debt is assumed to finance this investment through 2022. SDG&E expects to carry short-term debt for many or all the rationales indicated above.

Finally, due to uncertainty regarding unforeseen market factors, SDG&E believes that a measured increase to \$575 million short-term borrowing authority level under P.U. Code Section 816, in addition to SDG&E's P.U. Code Section 823(c) short-term borrowing authority (which does not expire), is prudent to address all potential contingencies during this four-year planning horizon.

#### **IV. USE OF PROCEEDS**

As previously explained, SDG&E proposes to use the proceeds from the issuance of short-term debt for: (1) bridge financing during potential financial market disruptions; (2) undercollections of SDG&E's balancing accounts; (3) retirements of SDG&E's long-term debt and financing of SDG&E's nuclear fuel inventories and customer commodity hedge programs; and (4) such other short-term cash needs that may arise from time to time. As discussed in Section III above, the total requested authorization of \$575 million in renewed short-term borrowing authority provides the flexibility to finance large capital expenditures at a time when capital-market access becomes unexpectedly limited, or expensive, while also allowing for the funding of potentially significant amounts of collateral calls related to SDG&E's customer commodity hedging plan, and for other requirements as noted above.

#### **V. FEE**

SDG&E proposes to pay a fee of \$293,500 as prescribed by P.U. Code Section 1904(b) upon the Commission's approval of the authorization requested in this Application. The calculation of the fee is shown in Attachment D - Schedule X.

#### **VI. STATUTORY AND PROCEDURAL REQUIREMENTS**

This Application is made pursuant to P.U. Code Sections 701, 702, 816, 817, 818, 821, 823(c), and 830 the Commission's Rules of Practice and Procedure, and prior decisions, orders and resolutions of the Commission.

##### **A. Rule 2.1 (a) – (c)**

In accordance with Rule 2.1 (a) – (c) of the Commission's Rules of Practice and Procedure, SDG&E provides the following information.

**1. Rule 2.1 (a) - Legal Name**

SDG&E is a corporation organized and existing under the laws of the State of California. SDG&E is engaged in the business of providing electric service in a portion of Orange County and electric and gas service in San Diego County. SDG&E's principal place of business is 8330 Century Park Court, San Diego, California 92123. SDG&E's attorney in this matter is Keith W. Melville.

**2. Rule 2.1 (b) - Correspondence**

Correspondence or communications regarding this Application should be addressed to:

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**3. Rule 2.1 (c)**

**a. Proposed Category of Proceeding**

In accordance with Rule 7.1, SDG&E requests that this Application be categorized as ratesetting.

**b. Need for Hearings**

SDG&E believes that approval of this Application will not require hearings. SDG&E has provided ample supporting analysis and documentation that provide the Commission with a sufficient record upon which to grant the relief requested. Furthermore, applications for financing authority have historically been treated without the need for hearings.

**c. Issues to be Considered**

The issues to be considered are described in this Application and the accompanying attachments.

**d. Proposed Schedule**

SDG&E proposes the following procedural schedule for resolving this Application:

<b>PROPOSED SCHEDULE - NO HEARINGS</b>	
<b><u>ACTION</u></b>	<b><u>DATE</u></b>
Application filed	January 23, 2019
Responses/Protests, if any	On or before March 1, 2019
Reply to Responses/Protests	On or before March 11, 2019
Draft Commission Decision	July 2019

**B. Rule 2.2 – Articles of Incorporation**

A copy of SDG&E’s Restated Articles of Incorporation as last amended, presently in effect and certified by the California Secretary of State, was filed with the Commission on



August 11, 2017 in connection with SDG&E's Application No. 17-08-017 and is incorporated herein by reference.

### **C. Financial Information**

A copy of the most recent proxy statement sent to all shareholders of SDG&E's parent company, Sempra Energy, dated March 23, 2018 was mailed to the Commission on May 9, 2018, and is incorporated herein by reference.

SDG&E is in the business of generating, transmitting and distributing electric energy to San Diego County and part of Orange County. SDG&E has electric transmission, distribution and service lines in San Diego, Orange and Imperial Counties. This includes a composite 92% ownership in the 500,000 volt Southwest Powerlink including substations and transmission lines, which run through San Diego and Imperial Counties to the Palo Verde substation in Arizona. This also includes full ownership of the 500,000 volt Sunrise Powerlink including substations and transmission lines, which run through San Diego and Imperial Counties to the Imperial Valley substation. SDG&E also purchases, transmits and distributes natural gas to customers in San Diego County. Gas facilities consist of the Moreno gas compressor station in Riverside County and the Rainbow compressor station located in San Diego County. The gas is transmitted through high and low-pressure distribution mains and service lines. A statement of Original Cost and Depreciation Reserve attributable thereto for the nine-month period ending September 30, 2018 is attached as Attachment A.

SDG&E's Financial Statement, Balance Sheet and Income Statement for the nine-month period ending September 30, 2018 are included with this Application as Attachment B.

SDG&E's regulatory capitalization at September 30, 2018 is attached as Attachment C.

## **VII. SCHEDULES**

This Application is supported by Schedules I – XI, attached hereto as Attachment D and incorporated herein by reference. The eleven attached Schedules set forth information required by the Commission's Rules of Practice and Procedure or otherwise applicable to short term financing applications. Schedules I through XI provide various financial data for use by the Commission in assessing SDG&E's short-term financing application. The schedules follow the same format and content as those that have accompanied SDG&E's previous short-term

financing applications. Schedule I is a three-year forecast of the Company's capital expenditures. Schedules II and IIIa summarize SDG&E's 2019 – 2021 cash flow forecasts on a monthly and annual basis, respectively. Schedule IIIc presents the ratio of capital expenditures to internally-generated funds over the three-year planning horizon. Schedule IV sets out SDG&E's unreimbursed capital construction position as of September 31, 2018. Schedule V delineates SDG&E's 2017 California and non-California revenues. Schedules VI and VII provide details about SDG&E's 2016 - 2018 and 2019 projected long-term financing activities. Schedule VIII calculates SDG&E's §823(c) short-term borrowing allowance. Schedule IX presents in pro-forma fashion how SDG&E's maximum requested short term borrowing would hypothetically affect the Company's capital structure assuming it was all issued at September 31, 2018. Schedule X provides a calculation of the application fee required by P.U. Code Section 1904(b), and Schedule XI details SDG&E's long-term debt portfolio at September 30, 2018.

### **VIII. REQUESTED AUTHORIZATIONS**

WHEREFORE, SDG&E respectfully requests that the Commission issue its Decision herein, providing specifically<sup>2</sup> for the following:

1. A \$575 million authority level pursuant to the provisions of P.U. Code Sections 816 through 830, inclusive, to issue short-term debt at any time and from time to time through December 31, 2023, in a revised aggregate principal amount outstanding at any one time not to exceed Five Hundred Seventy-Five Million Dollars (\$575,000,000), on the terms and conditions and for purposes consistent with those contemplated by this Application.
2. A determination that such authorization is in addition to SDG&E's current authority to issue short-term debt pursuant to P.U. Code Section 823 (c).

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<sup>2</sup> Assuming the Commission approves the authorizations requested in this Application, it is extremely important that the language in the Commission's decision mirror the language set forth in this section. The financial institutions and their representatives will scrutinize the Ordering Paragraphs of the Commission's decision for confirmation that Applicant has sufficient regulatory authority for issuance of the Securities addressed herein.

3. A determination that the effective date of such authorization shall be the date of the Commission's Decision.
4. A finding that a public hearing on this Application is not required.
5. A determination that payment of \$293,500 as a fee pursuant to P.U. Code Section 1904 (b) is appropriate.
6. Such further relief as may be proper.

**IX.  
CONCLUSION**

WHEREFORE, SDG&E requests that the Commission grant SDG&E's Application as described herein.

Respectfully submitted,

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Attorney for  
SAN DIEGO GAS & ELECTRIC COMPANY

/s/ Bruce Folkmann  
Bruce Folkmann  
Vice President  
Controller & Chief Financial Officer  
SAN DIEGO GAS & ELECTRIC COMPANY

January 23, 2019

## OFFICER VERIFICATION

I, Bruce Folkmann, declare the following:

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 OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-M) FOR AUTHORITY TO EXPAND ITS SHORT-TERM BORROWING AUTHORITY** are true 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 to the best of my knowledge.

Executed this 23rd day of January 2019, at San Diego, California.

*/s/ Bruce Folkmann* \_\_\_\_\_

Bruce Folkmann

Vice President

Controller & Chief Financial Officer

SAN DIEGO GAS & ELECTRIC COMPANY

**Attachment A**  
**Statement of Original Cost and Depreciation**

**SAN DIEGO GAS & ELECTRIC COMPANY**

**COST OF PROPERTY AND  
DEPRECIATION RESERVE APPLICABLE THERETO  
AS OF SEPTEMBER 30, 2018**

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
<b>ELECTRIC DEPARTMENT</b>			
302	Franchises and Consents	222,841.36	202,900.30
303	Misc. Intangible Plant	<u>178,592,058.86</u>	<u>125,268,083.95</u>
	TOTAL INTANGIBLE PLANT	<u>178,814,900.22</u>	<u>125,470,984.25</u>
310.1	Land	14,526,518.29	46,518.29
310.2	Land Rights	0.00	0.00
311	Structures and Improvements	89,230,272.75	41,757,102.84
312	Boiler Plant Equipment	161,752,233.19	77,199,366.30
314	Turbogenerator Units	130,881,904.46	50,825,314.80
315	Accessory Electric Equipment	83,852,556.38	39,928,344.67
316	Miscellaneous Power Plant Equipment	49,998,833.19	14,459,499.15
	Steam Production Contra Accounts	<u>(1,621,911.83)</u>	<u>(470,229.65)</u>
	TOTAL STEAM PRODUCTION	<u>528,620,406.43</u>	<u>223,745,916.40</u>
320.1	Land	0.00	0.00
320.2	Land Rights	0.00	0.00
321	Structures and Improvements	27,285,711.08	2,658,162.87
322	Boiler Plant Equipment	243,225,717.06	21,662,290.99
323	Turbogenerator Units	26,982,364.66	2,370,893.39
324	Accessory Electric Equipment	10,878,214.63	1,458,232.53
325	Miscellaneous Power Plant Equipment	166,754,468.81	48,807,803.51
101	SONGS PLANT CLOSURE GROSS PLANT-C	<u>(475,126,476.33)</u>	<u>(76,957,383.29)</u>
	TOTAL NUCLEAR PRODUCTION	<u>(0.09)</u>	<u>0.00</u>
340.1	Land	224,368.91	0.00
340.2	Land Rights	2,427.96	2,427.96
341	Structures and Improvements	23,529,950.99	8,901,979.24
342	Fuel Holders, Producers & Accessories	21,368,233.00	8,087,773.26
343	Prime Movers	94,575,339.90	42,149,571.14
344	Generators	360,077,971.61	156,001,772.94
345	Accessory Electric Equipment	32,510,919.85	15,038,708.85
346	Miscellaneous Power Plant Equipment	<u>29,087,796.47</u>	<u>15,425,425.03</u>
	TOTAL OTHER PRODUCTION	<u>561,377,008.69</u>	<u>245,607,658.42</u>
	TOTAL ELECTRIC PRODUCTION	<u>1,089,997,415.03</u>	<u>469,353,574.82</u>

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
350.1	Land	77,827,209.51	0.00
350.2	Land Rights	161,387,770.81	23,778,841.84
352	Structures and Improvements	537,386,626.77	79,070,758.57
353	Station Equipment	1,710,121,925.35	344,888,681.77
354	Towers and Fixtures	900,966,680.38	184,588,939.40
355	Poles and Fixtures	600,064,916.49	119,286,844.53
356	Overhead Conductors and Devices	654,615,080.06	242,305,965.32
357	Underground Conduit	456,586,221.74	67,320,044.31
358	Underground Conductors and Devices	518,568,520.03	65,967,471.90
359	Roads and Trails	320,628,960.42	36,871,750.01
101	SONGS PLANT CLOSURE GROSS PLANT-C	0.00	0.00
	TOTAL TRANSMISSION	5,938,153,911.56	1,164,079,297.65
360.1	Land	16,558,313.10	0.00
360.2	Land Rights	88,412,505.50	44,060,804.07
361	Structures and Improvements	9,321,203.30	1,619,793.25
362	Station Equipment	547,176,331.98	202,687,930.96
363	Storage Battery Equipment	124,269,130.82	26,319,167.06
364	Poles, Towers and Fixtures	764,676,388.40	283,055,904.85
365	Overhead Conductors and Devices	743,469,939.47	226,021,736.01
366	Underground Conduit	1,318,884,752.78	507,723,366.85
367	Underground Conductors and Devices	1,606,438,999.77	940,155,526.29
368.1	Line Transformers	640,608,509.15	179,076,948.11
368.2	Protective Devices and Capacitors	34,061,366.83	9,406,533.37
369.1	Services Overhead	172,105,185.03	117,685,980.03
369.2	Services Underground	361,458,414.22	254,527,049.70
370.1	Meters	196,818,316.98	99,554,665.76
370.2	Meter Installations	58,655,280.65	26,114,602.06
371	Installations on Customers' Premises	9,360,128.68	10,498,157.03
373.1	St. Lighting & Signal Sys.-Transformers	0.00	0.00
373.2	Street Lighting & Signal Systems	31,160,189.31	20,217,576.06
	TOTAL DISTRIBUTION PLANT	6,723,434,955.97	2,948,725,741.46
389.1	Land	7,312,142.54	0.00
389.2	Land Rights	0.00	0.00
390	Structures and Improvements	44,850,290.10	25,888,083.96
392.1	Transportation Equipment - Autos	0.00	49,884.21
392.2	Transportation Equipment - Trailers	58,145.67	18,047.26
393	Stores Equipment	46,521.59	531.34
394.1	Portable Tools	33,263,509.74	9,595,007.24
394.2	Shop Equipment	278,147.42	207,215.61
395	Laboratory Equipment	5,333,953.73	893,002.61
396	Power Operated Equipment	60,528.93	117,501.67
397	Communication Equipment	302,470,411.71	119,076,988.06
398	Miscellaneous Equipment	18,168,839.54	1,998,621.19
	TOTAL GENERAL PLANT	411,842,490.97	157,844,883.15
101	TOTAL ELECTRIC PLANT	14,342,243,673.75	4,865,474,481.33

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
<b>GAS PLANT</b>			
302	Franchises and Consents	86,104.20	86,104.20
303	Miscellaneous Intangible Plant	0.00	0.00
	<b>TOTAL INTANGIBLE PLANT</b>	<b>86,104.20</b>	<b>86,104.20</b>
360.1	Land	0.00	0.00
361	Structures and Improvements	0.00	0.00
362.1	Gas Holders	0.00	0.00
362.2	Liquefied Natural Gas Holders	0.00	0.00
363	Purification Equipment	0.00	0.00
363.1	Liquefaction Equipment	0.00	0.00
363.2	Vaporizing Equipment	0.00	0.00
363.3	Compressor Equipment	0.00	0.00
363.4	Measuring and Regulating Equipment	0.00	0.00
363.5	Other Equipment	0.00	0.00
363.6	LNG Distribution Storage Equipment	2,242,164.87	1,254,337.90
	<b>TOTAL STORAGE PLANT</b>	<b>2,242,164.87</b>	<b>1,254,337.90</b>
365.1	Land	4,649,143.75	0.00
365.2	Land Rights	3,515,541.91	1,474,582.24
366	Structures and Improvements	19,306,097.54	10,747,287.22
367	Mains	244,206,472.31	84,172,238.01
368	Compressor Station Equipment	92,181,833.42	71,548,133.48
369	Measuring and Regulating Equipment	27,307,998.16	17,363,626.62
371	Other Equipment	1,994,264.34	102,032.16
	<b>TOTAL TRANSMISSION PLANT</b>	<b>393,161,351.43</b>	<b>185,407,899.73</b>
374.1	Land	1,083,616.95	0.00
374.2	Land Rights	8,372,869.81	7,189,249.97
375	Structures and Improvements	43,446.91	61,253.10
376	Mains	1,207,988,580.87	401,841,603.66
378	Measuring & Regulating Station Equipment	19,025,030.10	8,758,431.64
380	Distribution Services	314,129,551.34	297,410,351.30
381	Meters and Regulators	162,001,323.69	65,512,915.77
382	Meter and Regulator Installations	103,635,103.94	44,407,723.29
385	Ind. Measuring & Regulating Station Equipme	1,516,810.70	1,254,330.86
386	Other Property On Customers' Premises	0.00	0.00
387	Other Equipment	11,402,034.82	5,561,192.56
	<b>TOTAL DISTRIBUTION PLANT</b>	<b>1,829,198,369.13</b>	<b>831,997,052.15</b>



<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
392.1	Transportation Equipment - Autos	0.00	25,503.00
392.2	Transportation Equipment - Trailers	0.00	0.13
394.1	Portable Tools	11,637,669.14	4,352,177.63
394.2	Shop Equipment	53,038.12	31,837.63
395	Laboratory Equipment	0.00	(7,344.15)
396	Power Operated Equipment	16,162.40	13,031.16
397	Communication Equipment	2,066,323.73	730,941.80
398	Miscellaneous Equipment	465,784.09	110,437.55
	TOTAL GENERAL PLANT	14,238,977.48	5,256,584.75
101	TOTAL GAS PLANT	2,238,926,967.11	1,024,001,978.73
<b>COMMON PLANT</b>			
303	Miscellaneous Intangible Plant	521,298,693.05	342,938,277.88
350.1	Land	0.00	0.00
360.1	Land	0.00	0.00
389.1	Land	7,494,792.37	0.00
389.2	Land Rights	856,578.73	27,775.65
390	Structures and Improvements	425,505,879.71	156,827,600.17
391.1	Office Furniture and Equipment - Other	39,628,607.13	14,808,980.42
391.2	Office Furniture and Equipment - Computer Ec	50,989,156.88	14,305,413.70
392.1	Transportation Equipment - Autos	594,873.39	223,530.73
392.2	Transportation Equipment - Trailers	107,977.72	580.77
392.3	Transportation Equipment - Aviation	11,580,557.15	628,300.30
393	Stores Equipment	333,835.97	16,873.43
394.1	Portable Tools	1,520,822.86	468,329.86
394.2	Shop Equipment	142,759.33	90,378.13
394.3	Garage Equipment	1,854,148.83	303,044.26
395	Laboratory Equipment	1,731,116.64	768,963.28
396	Power Operated Equipment	0.00	(192,979.10)
397	Communication Equipment	230,270,983.03	74,914,894.70
398	Miscellaneous Equipment	5,151,851.74	215,084.31
118.1	TOTAL COMMON PLANT	1,299,062,634.53	606,345,048.49
	TOTAL ELECTRIC PLANT	14,342,243,673.75	4,865,474,481.33
	TOTAL GAS PLANT	2,238,926,967.11	1,024,001,978.73
	TOTAL COMMON PLANT	1,299,062,634.53	606,345,048.49
101 & 118.1	TOTAL	17,880,233,275.39	6,495,821,508.55
101	PLANT IN SERV-SONGS FULLY RECOVERE	0.00	0.00
101	PLANT IN SERV-ELECTRIC NON-RECON		
	Electric	0.00	0.00
	Gas	0.00	0.00
	Common	0.00	0.00
		0.00	0.00

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
101	PLANT IN SERV-CONTRA-ELECTRIC		
	Electric	0.00	0.00
	Common	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
101	PLANT IN SERV-LEGACY METER RECLASS		
	Electric	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
101	PLANT IN SERV-PP TO SAP OUT OF BAL		
	Electric	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
118	PLANT IN SERV-COMMON NON-RECON		
	Common - Transferred Asset Adjustment	(1,540,513.52)	(1,540,513.52)
		<u>(1,540,513.52)</u>	<u>(1,540,513.52)</u>
101	Accrual for Retirements		
	Electric	(4,759,459.52)	(4,759,459.52)
	Gas	(435,362.71)	(435,362.71)
		<u>(4,759,459.52)</u>	<u>(4,759,459.52)</u>
	TOTAL PLANT IN SERV-ACCRUAL FOR RE	<u>(5,194,822.23)</u>	<u>(5,194,822.23)</u>
102	Electric	279,421.69	0.00
	Gas	0.00	0.00
		<u>279,421.69</u>	<u>0.00</u>
	TOTAL PLANT PURCHASED OR SOLD	<u>279,421.69</u>	<u>0.00</u>
104	Electric	85,194,000.02	19,225,724.58
	Gas	0.00	0.00
		<u>85,194,000.02</u>	<u>19,225,724.58</u>
	TOTAL PLANT LEASED TO OTHERS	<u>85,194,000.02</u>	<u>19,225,724.58</u>
105	Plant Held for Future Use		
	Electric	0.00	0.00
	Gas	0.00	0.00
		<u>0.00</u>	<u>0.00</u>
	TOTAL PLANT HELD FOR FUTURE USE	<u>0.00</u>	<u>0.00</u>
107	Construction Work in Progress		
	Electric	1,072,815,410.20	
	Gas	105,735,960.72	
	Common	152,015,752.40	
		<u>1,330,567,123.32</u>	
	TOTAL CONSTRUCTION WORK IN PROGRESS	<u>1,330,567,123.32</u>	<u>0.00</u>
108	Accum. Depr SONGS Mitigation/Spent Fuel Disallowance		
	Electric	0.00	0.00
		<u>0.00</u>	<u>0.00</u>

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
108.5	Accumulated Nuclear Decommissioning Electric	0.00	1,040,779,458.92
	TOTAL ACCUMULATED NUCLEAR DECOMMISSIONING	0.00	1,040,779,458.92
101.1	ELECTRIC CAPITAL LEASES	1,352,823,281.00	306,191,775.00
118.1	COMMON CAPITAL LEASE	14,305,775.75	12,476,541.94
		1,367,129,056.75	318,668,316.94
120	NUCLEAR FUEL FABRICATION	62,963,775.37	40,861,208.00
120	SONGS PLANT CLOSURE-NUCLEAR FUEL-	(62,963,775.37)	(40,861,208.00)
143	FAS 143 ASSETS - Legal Obligation	17,125,479.67	(1,038,527,427.03)
	SONGS Plant Closure - FAS 143 contra	0.00	0.00
	FIN 47 ASSETS - Non-Legal Obligation	100,964,116.53	40,162,963.19
143	FAS 143 ASSETS - Legal Obligation	0.00	(1,634,437,856.68)
	TOTAL FAS 143	118,089,596.20	(2,632,802,320.52)
	UTILITY PLANT TOTAL	20,774,757,137.62	5,234,957,352.72

**Attachment B**  
**Financial Statement, Balance Sheet and Income Statement**

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**BALANCE SHEET**  
**ASSETS AND OTHER DEBITS**  
**September 30,2018**

<b>1. UTILITY PLANT</b>		<b>2018</b>
101	UTILITY PLANT IN SERVICE	\$ 18,076,186,935
102	UTILITY PLANT PURCHASED OR SOLD	279,422
104	UTILITY PLANT LEASED TO OTHERS	85,194,000
105	PLANT HELD FOR FUTURE USE	0
106	COMPLETED CONSTRUCTION NOT CLASSIFIED	-
107	CONSTRUCTION WORK IN PROGRESS	1,330,567,123
108	ACCUMULATED PROVISION FOR DEPRECIATION OF UTILITY PLANT	(5,510,929,374)
111	ACCUMULATED PROVISION FOR AMORTIZATION OF UTILITY PLANT	(863,743,883)
114	ELEC PLANT ACQUISITION ADJ	3,750,722
115	ACCUM PROVISION FOR AMORT OF ELECTRIC PLANT ACQUIS ADJ	(1,687,824)
118	OTHER UTILITY PLANT	1,303,370,018
119	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF OTHER UTILITY PLANT	(266,380,066)
120	NUCLEAR FUEL - NET	-
	<b>TOTAL NET UTILITY PLANT</b>	<b>\$ 14,156,607,072</b>
<b>2. OTHER PROPERTY AND INVESTMENTS</b>		
121	NONUTILITY PROPERTY	\$ 6,028,916
122	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	(326,049)
158	NON-CURRENT PORTION OF ALLOWANCES	153,004,279
123	INVESTMENTS IN SUBSIDIARY COMPANIES	-
124	OTHER INVESTMENTS	-
125	SINKING FUNDS	-
128	OTHER SPECIAL FUNDS	1,041,688,168
175	LONG-TERM PORTION OF DERIVATIVE ASSETS	98,473,756
	<b>TOTAL OTHER PROPERTY AND INVESTMENTS</b>	<b>\$ 1,298,869,070</b>

Data from SPL as of November 15, 2018

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**BALANCE SHEET**  
**ASSETS AND OTHER DEBITS**  
**September 30,2018**

<b>3. CURRENT AND ACCRUED ASSETS</b>		2018
131	CASH	\$ 8,679,418
132	INTEREST SPECIAL DEPOSITS	-
134	OTHER SPECIAL DEPOSITS	-
135	WORKING FUNDS	500
136	TEMPORARY CASH INVESTMENTS	-
141	NOTES RECEIVABLE	-
142	CUSTOMER ACCOUNTS RECEIVABLE	403,359,872
143	OTHER ACCOUNTS RECEIVABLE	133,123,963
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS	(4,871,013)
145	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	-
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	723,143
151	FUEL STOCK	655,097
152	FUEL STOCK EXPENSE UNDISTRIBUTED	-
154	PLANT MATERIALS AND OPERATING SUPPLIES	136,585,635
156	OTHER MATERIALS AND SUPPLIES	-
158	ALLOWANCES	272,239,297
158	LESS: NON-CURRENT PORTION OF ALLOWANCES	(153,004,279)
163	STORES EXPENSE UNDISTRIBUTED	-
164	GAS STORED	365,298
165	PREPAYMENTS	109,370,868
171	INTEREST AND DIVIDENDS RECEIVABLE	2,424,619
173	ACCRUED UTILITY REVENUES	71,348,000
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	2,400,000
175	DERIVATIVE INSTRUMENT ASSETS	132,604,309
175	LESS: LONG -TERM PORTION OF DERIVATIVE INSTRUMENT ASSETS	(98,473,756)
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 1,017,530,971
<b>4. DEFERRED DEBITS</b>		
181	UNAMORTIZED DEBT EXPENSE	\$ 35,191,699
182	UNRECOVERED PLANT AND OTHER REGULATORY ASSETS	1,668,321,332
183	PRELIMINARY SURVEY & INVESTIGATION CHARGES	682,437
184	CLEARING ACCOUNTS	(414,398)
185	TEMPORARY FACILITIES	323,699
186	MISCELLANEOUS DEFERRED DEBITS	126,035,739
188	RESEARCH AND DEVELOPMENT	-
189	UNAMORTIZED LOSS ON REACQUIRED DEBT	6,948,253
190	ACCUMULATED DEFERRED INCOME TAXES	140,760,086
	TOTAL DEFERRED DEBITS	\$ 1,977,848,847
	TOTAL ASSETS AND OTHER DEBITS	\$ 18,450,855,960

Data from SPL as of November 15, 2018

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**BALANCE SHEET**  
**LIABILITIES AND OTHER CREDITS**  
**September 30,2018**

<b>5. PROPRIETARY CAPITAL</b>		2018
201	COMMON STOCK ISSUED	\$ 291,458,395
204	PREFERRED STOCK ISSUED	-
207	PREMIUM ON CAPITAL STOCK	591,282,978
210	GAIN ON RETIRED CAPITAL STOCK	-
211	MISCELLANEOUS PAID-IN CAPITAL	479,665,368
214	CAPITAL STOCK EXPENSE	(24,605,640)
216	UNAPPROPRIATED RETAINED EARNINGS	4,537,331,009
219	ACCUMULATED OTHER COMPREHENSIVE INCOME	(13,802,425)
TOTAL PROPRIETARY CAPITAL		\$ 5,861,329,685
<b>6. LONG-TERM DEBT</b>		
221	BONDS	\$ 4,776,266,000
223	ADVANCES FROM ASSOCIATED COMPANIES	-
224	OTHER LONG-TERM DEBT	-
225	UNAMORTIZED PREMIUM ON LONG-TERM DEBT	-
226	UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	(12,823,314)
TOTAL LONG-TERM DEBT		\$ 4,763,442,686
<b>7. OTHER NONCURRENT LIABILITIES</b>		
227	OBLIGATIONS UNDER CAPITAL LEASES - NONCURRENT	\$ 991,240,490
228.2	ACCUMULATED PROVISION FOR INJURIES AND DAMAGES	23,683,235
228.3	ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	175,464,960
228.4	ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS	-
244	LONG TERM PORTION OF DERIVATIVE LIABILITIES	107,472,404
230	ASSET RETIREMENT OBLIGATIONS	863,459,256
TOTAL OTHER NONCURRENT LIABILITIES		\$ 2,161,320,345

Data from SPL as of November 15, 2018

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**BALANCE SHEET**  
**LIABILITIES AND OTHER CREDITS**  
**September 30,2018**

<b>8. CURRENT AND ACCRUED LIABILITES</b>		2018
231	NOTES PAYABLE	\$ 48,000,000
232	ACCOUNTS PAYABLE	445,137,643
233	NOTES PAYABLE TO ASSOCIATED COMPANIES	-
234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	52,392,077
235	CUSTOMER DEPOSITS	78,802,461
236	TAXES ACCRUED	37,733,370
237	INTEREST ACCRUED	58,315,429
238	DIVIDENDS DECLARED	250,000,000
241	TAX COLLECTIONS PAYABLE	5,414,155
242	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	259,305,218
243	OBLIGATIONS UNDER CAPITAL LEASES - CURRENT	57,220,250
244	DERIVATIVE INSTRUMENT LIABILITIES	149,254,500
244	LESS: LONG-TERM PORTION OF DERIVATIVE LIABILITIES	(107,472,404)
245	DERIVATIVE INSTRUMENT LIABILITIES - HEDGES	-
	TOTAL CURRENT AND ACCRUED LIABILITIES	\$ 1,334,102,699
<b>9. DEFERRED CREDITS</b>		
252	CUSTOMER ADVANCES FOR CONSTRUCTION	\$ 54,590,239
253	OTHER DEFERRED CREDITS	312,629,900
254	OTHER REGULATORY LIABILITIES	2,207,491,998
255	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	15,913,107
257	UNAMORTIZED GAIN ON REACQUIRED DEBT	-
281	ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED	-
282	ACCUMULATED DEFERRED INCOME TAXES - PROPERTY	1,612,853,805
283	ACCUMULATED DEFERRED INCOME TAXES - OTHER	127,181,496
	TOTAL DEFERRED CREDITS	\$ 4,330,660,545
	TOTAL LIABILITIES AND OTHER CREDITS	\$ 18,450,855,960

Data from SPL as of November 15, 2018



**SAN DIEGO GAS & ELECTRIC COMPANY**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**September 30,2018**

**1. UTILITY OPERATING INCOME**

400	OPERATING REVENUES		\$ 3,833,640,636
401	OPERATING EXPENSES	\$ 2,358,985,257	
402	MAINTENANCE EXPENSES	118,287,250	
403-7	DEPRECIATION AND AMORTIZATION EXPENSES	484,763,212	
408.1	TAXES OTHER THAN INCOME TAXES	107,088,155	
409.1	INCOME TAXES	59,034,001	
410.1	PROVISION FOR DEFERRED INCOME TAXES	144,733,508	
411.1	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(58,728,155)	
411.4	INVESTMENT TAX CREDIT ADJUSTMENTS	(1,726,942)	
411.6	GAIN FROM DISPOSITION OF UTILITY PLANT	<u>-</u>	
	TOTAL OPERATING REVENUE DEDUCTIONS		<u>\$3,212,436,286</u>
	NET OPERATING INCOME		\$ 621,204,350

**2. OTHER INCOME AND DEDUCTIONS**

415	REVENUE FROM MERCHANDISING, JOBBING AND CONTRACT WORK	\$ -	
417	REVENUES OF NONUTILITY OPERATIONS	-	
417.1	EXPENSES OF NONUTILITY OPERATIONS	(314)	
418	NONOPERATING RENTAL INCOME	24,880	
418.1	EQUITY IN EARNINGS OF SUBSIDIARIES	-	
419	INTEREST AND DIVIDEND INCOME	11,928,996	
419.1	ALLOWANCE FOR OTHER FUNDS USED DURING CONSTRUCTION	49,295,400	
421	MISCELLANEOUS NONOPERATING INCOME	662,098	
421.1	GAIN ON DISPOSITION OF PROPERTY	<u>-</u>	
	TOTAL OTHER INCOME	<u>\$ 61,911,060</u>	
421.2	LOSS ON DISPOSITION OF PROPERTY	\$ -	
425	MISCELLANEOUS AMORTIZATION	187,536	
426	MISCELLANEOUS OTHER INCOME DEDUCTIONS	<u>3,278,730</u>	
	TOTAL OTHER INCOME DEDUCTIONS	<u>\$ 3,466,266</u>	
408.2	TAXES OTHER THAN INCOME TAXES	\$ 494,640	
409.2	INCOME TAXES	3,464,600	
410.2	PROVISION FOR DEFERRED INCOME TAXES	28,615,773	
411.2	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	<u>(24,589,289)</u>	
	TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS	<u>\$ 7,985,724</u>	
	TOTAL OTHER INCOME AND DEDUCTIONS		<u>\$ 50,459,070</u>
	INCOME BEFORE INTEREST CHARGES		671,663,420
	EXTRAORDINARY ITEMS AFTER TAXES		-
	NET INTEREST CHARGES*		<u>151,163,791</u>
	NET INCOME		<u>\$ 520,499,629</u>

\*NET OF ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION, (\$16,584,174)

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**September 30,2018**

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**3. RETAINED EARNINGS**

RETAINED EARNINGS AT BEGINNING OF PERIOD, AS PREVIOUSLY REPORTED	\$ 4,266,831,380
NET INCOME (FROM PRECEDING PAGE)	520,499,629
DIVIDEND TO PARENT COMPANY	-
DIVIDENDS DECLARED - PREFERRED STOCK	-
DIVIDENDS DECLARED - COMMON STOCK	(250,000,000)
OTHER RETAINED EARNINGS ADJUSTMENTS	-
RETAINED EARNINGS AT END OF PERIOD	<u>\$ 4,537,331,009</u>

SAN DIEGO GAS & ELECTRIC COMPANY  
FINANCIAL STATEMENT  
September 30, 2018

<b>(a) Amounts and Kinds of Stock Authorized:</b>			
Common Stock	255,000,000	shares	Without Par Value
<b>Amounts and Kinds of Stock Outstanding:</b>			
Common Stock	116,583,358	shares	291,458,395

**(b) Brief Description of Mortgage:**

Full information as to this item is given in Application Nos. 93-09-069,04-01-009, 06-05-015, 08-07-029, 10-10-023, 12-03-005, 15-08-011, and 18-02-012 to which references are hereby made.

**(c) Number and Amount of Bonds Authorized and Issued:**

	Nominal	Par Value		Interest Paid (update required in Q4' 20xx) as of Q4' 2017
	Date of Issue	Authorized and Issued	Outstanding	
<b>First Mortgage Bonds:</b>				
5.875% Series VV, due 2034	06-17-04	43,615,000	43,615,000	2,562,319
5.875% Series WW, due 2034	06-17-04	40,000,000	40,000,000	2,349,979
5.875% Series XX, due 2034	06-17-04	35,000,000	35,000,000	2,056,232
5.875% Series YY, due 2034	06-17-04	24,000,000	24,000,000	1,409,987
5.875% Series ZZ, due 2034	06-17-04	33,650,000	33,650,000	1,976,920
4.00% Series AAA, due 2039	06-17-04	75,000,000	75,000,000	3,000,000
5.35% Series BBB, due 2035	05-19-05	250,000,000	250,000,000	13,375,000
6.00% Series DDD, due 2026	06-08-06	250,000,000	250,000,000	15,000,000
1.65% Series EEE, due 2018	09-21-06	161,240,000	0	2,660,460
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	13,375,000
4.50% Series III, due 2040	08-26-10	500,000,000	500,000,000	22,500,000
3.00% Series JJJ, due 2021	08-18-11	350,000,000	350,000,000	10,500,000
3.95% Series LLL, due 2041	11-17-11	250,000,000	250,000,000	9,875,000
4.30% Series MMM, due 2042	03-22-12	250,000,000	250,000,000	10,750,000
3.60% Series NNN, due 2023	09-09-13	450,000,000	450,000,000	16,200,000
1.9140% Series PPP, due 2022	03-12-15	250,000,000	42,077,292	3,536,512
2.50% Series QQQ, due 2026	05-19-16	500,000,000	500,000,000	12,500,000
3.75% Series RRR, due 2047	06-08-17	400,000,000	400,000,000	7,208,333
4.15% Series SSS, due 2048	05-15-18	400,000,000	400,000,000	-
<b>Total 1st. Mortgage Bonds:</b>			<b>4,693,342,292</b>	<b>184,148,242</b>
<b>Total Bonds:</b>				<b>184,148,242</b>
<b>TOTAL LONG-TERM DEBT</b>			<b>4,693,342,292</b>	

**SAN DIEGO GAS & ELECTRIC COMPANY  
FINANCIAL STATEMENT**

September 30, 2018

Other Indebtedness:	Date of Issue	Date of Maturity	Interest Rate	Outstanding	Interest Paid 2018
Commercial Paper & ST Bank Loans	Various	Various	Various	48,000,000	\$3,351,193

Amounts and Rates of Dividends Declared:

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

Preferred Stock	Shares Outstanding	2014	2015	2016	2017	2018
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

Common Stock	2014	2015	2016	2017	2018
Dividend to Parent [1]	\$200,000,000	300,000,000	175,000,000	450,000,000	250,000,000

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

**Attachment C**  
**Regulatory Capitalization**

**San Diego Gas & Electric Company Total Regulatory Capitalization**  
**September 30, 2018**  
(\$ Millions)

No.	Interest %	Bond	Maturity	Principal (\$ millions)
1	5.875%	SERIES VV (CV2004A)	2/15/34	43.6
2	5.875%	SERIES WW (CV2004B)	2/15/34	40.0
3	5.875%	SERIES XX (CV2004C)	2/15/34	35.0
4	5.875%	SERIES YY (CV2004D)	1/01/34	24.0
5	5.875%	SERIES ZZ (CV2004E)	1/01/34	33.7
6	4.000%	SERIES AAA (CV2004F)	5/01/39	75.0
7	5.350%	SERIES BBB	5/15/35	250.0
8	6.000%	SERIES DDD	6/1/26	250.0
10	6.125%	SERIES FFF	9/15/37	250.0
11	6.000%	SERIES GGG	6/1/39	300.0
12	5.350%	SERIES HHH	5/15/40	250.0
13	4.500%	SERIES III	8/15/40	500.0
14	3.000%	SERIES JJJ	8/15/21	350.0
15	3.950%	SERIES LLL	11/15/41	250.0
16	4.300%	SERIES MMM	4/1/42	250.0
17	3.600%	SERIES NNN	9/1/23	450.0
18	1.914%	SERIES PPP	2/1/22	42.1
19	2.500%	SERIES QQQ	5/15/26	500.0
20	3.750%	SERIES RRR	6/1/47	400.0
	4.150%	SERIES SSS	5/15/48	400.0
<b>Total First Mortgage Bonds</b>				<b>4,693.3</b>
<b>TOTAL LT-DEBT BEFORE Unamortized premiums, issue expenses &amp; loss on reacquired debt net of tax</b>				<b>4,693.3</b>
Unamortized discount less premium				(12.8)
Unamortized issued expense				(35.2)
Unamortized loss on reacquired debt net of tax				(4.2)
<b>Total Unamortized Debt (less premiums, issue expenses &amp; loss on reacquired debt net of tax)</b>				<b>(52.2)</b>
<b>TOTAL LT-DEBT NET of Unamortized premiums, issue expenses &amp; loss on reacquired debt net of tax</b>				<b>4,641.1</b>
<b>Equity Capital</b>				
Common Stock Equity				5,861.3
<b>Total Equity</b>				<b>5,861.3</b>
<b>TOTAL REGULATORY CAPITALIZATION</b>				<b>10,502.4</b>

**Attachment D**  
**Schedules I – XI**

**Schedule I**  
**San Diego Gas & Electric Company**  
**Construction Estimates**  
(\$ millions)

	2019	2020	2021
Gas T&D, Elect Dist. And Generation	\$1,150 - \$1,300	\$900 - \$1,050	\$1,100 - \$1,250
Electric Transmission	300 - 350	250 - 300	200 - 250
Total Cash Required for Construction Expenditures	<b><u>\$1,450 - \$1,650</u></b>	<b><u>\$1,150 - \$1,350</u></b>	<b><u>\$1,300 - \$1,500</u></b>



**Schedule II**  
**San Diego Gas & Electric Company**  
**2019 Monthly Cash Flow Projections (\$ millions)**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY 2019
Cash (short-term debt) beginning balance	(285)	(224)	(280)	(267)	(413)	(471)	(64)	(98)	(62)	(81)	(252)	(325)	(285)
Change in Free Cash Flow <sup>1</sup>	61	(38)	13	(146)	(58)	7	116	54	(19)	(21)	(73)	(90)	(194)
Common Dividends <sup>2</sup>	-	-	-	-	-	-	(150)	-	-	(150)	-	-	(300)
Long Term Debt Issuances <sup>2</sup>	-	-	-	-	-	400	-	-	-	-	-	-	400
Long Term Debt Redemptions & Maturities <sup>2</sup>		(18)	-	-	-	-	-	(18)	-	-	-	-	(36)
Cash (short-term debt) beginning balance	(224)	(280)	(267)	(413)	(471)	(64)	(98)	(62)	(81)	(252)	(325)	(415)	(415)

<sup>1</sup>Projections are based on current cash flow estimates and are subject to change.

<sup>2</sup>Common dividends and financings are subject to change.

**Schedule II**  
**San Diego Gas & Electric Company**  
**2020 Monthly Cash Flow Projections (\$ millions)**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY 2020
Cash (short-term debt) beginning balance	(415)	(331)	(364)	(328)	(451)	(486)	(126)	(167)	(108)	(104)	(102)	(153)	(415)
Change in Free Cash Flow <sup>1</sup>	84	(15)	36	(123)	(35)	60	109	77	4	2	(51)	(68)	80
Common Dividends <sup>2</sup>	-	-	-	-	-	-	(150)	-	-	-	-	(150)	(300)
Long Term Debt Issuances <sup>2</sup>	-	-	-	-	-	300	-	-	-	-	-	-	300
Long Term Debt Redemptions & Maturities <sup>2</sup>	-	(18)	-	-	-	-	-	(18)	-	-	-	-	(36)
Cash (short-term debt) beginning balance	(331)	(364)	(328)	(451)	(486)	(126)	(167)	(108)	(104)	(102)	(153)	(371)	(371)

<sup>1</sup>Projections are based on current cash flow estimates and are subject to change.

<sup>2</sup>Common dividends and financings are subject to change.

**Schedule II**  
**San Diego Gas & Electric Company**  
**2021 Monthly Cash Flow Projections (\$ millions)**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY 2021
Cash (short-term debt) beginning balance	(371)	(302)	(350)	(329)	(466)	(516)	29	(26)	(332)	(343)	(356)	(421)	(371)
Change in Free Cash Flow <sup>1</sup>	69	(30)	21	(137)	(50)	45	95	62	(11)	(13)	(65)	(82)	(96)
Common Dividends <sup>2</sup>	-	-	-	-	-	-	(150)	-	-	-	-	(150)	(300)
Long Term Debt Issuances <sup>2</sup>	-	-	-	-	-	500	-	-	-	-	-	-	500
Long Term Debt Redemptions & Maturities <sup>2</sup>	-	(18)	-	-	-	-	-	(368)	-	-	-	-	(386)
Cash (short-term debt) beginning balance	(302)	(350)	(329)	(466)	(516)	29	(26)	(332)	(343)	(356)	(421)	(653)	(653)

<sup>1</sup>Projections are based on current cash flow estimates and are subject to change.

<sup>2</sup>Common dividends and financings are subject to change.

**Schedule IIIa**  
**San Diego Gas & Electric Company**  
**Statement of Cash Requirements for the Years 2019, 2020, and 2021**  
(\$ millions)

	2019	2020	2021
Funds for construction (capital expenditures)	(\$1,550)	(\$1,250)	(\$1,400)
Maturing long-term debt <sup>1</sup>	(36)	(36)	(386)
Beginning of year cash (short-term debt) balance	(285)	(415)	(371)
Subtotal	(1,871)	(1,701)	(2,157)
Less: Estimated cash from internal sources	1,356	1,330	1,304
External funds required	(515)	(371)	(853)
External funds provided & common dividends paid:			
Common dividends	(300)	(300)	(300)
Preferred stock <sup>2</sup>	-	-	-
Long-term debt issuances <sup>2</sup>	400	300	500
End of year cash (short term debt) balance	(\$415)	(\$371)	(\$653)

<sup>1</sup>See previous page for detailed breakdown.

<sup>2</sup>Amount ultimately raised will be a function of the Company's access to long-term capital markets at the time funds are required & the updated cash flow forecast at the time of issuance.

**Schedule IIIa (continued)**  
**San Diego Gas & Electric Company**  
**Statement of Cash Requirements for the Years 2019, 2020, and 2021**  
(\$ millions)

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Maturing long-term debt	(\$36)	(\$36)	(\$386)
Total	<u>(\$36)</u>	<u>(\$36)</u>	<u>(\$386)</u>

**Schedule IIIb**  
**San Diego Gas & Electric Company**  
**Amount and Percentage of Internal Funds Provided**  
(\$ millions)

<u>Year</u>	<u>Internal Sources</u>	<u>Internal Sources as % Construction Expenditures</u>
2019	\$1,356	87%
2020	\$1,330	106%
2021	\$1,304	93%

**Schedule IV**  
**San Diego Gas & Electric Company**  
**Statement of Unreimbursed Construction**

Net utility plant		\$11,674,478,853
Net proceeds from securities:		
Preferred stock	\$ -	
Common stock	(771,123,763)	
Premium on capital stock	(591,282,978)	
Long-term debt	<u>(4,693,342,292)</u>	
Total net proceeds		\$ (6,055,749,033)
Advances for construction		<u>(34,528,666)</u>
Total deductions		<u>(6,090,277,699)</u>
Unreimbursed construction as of September 30, 2018		<u>\$ 5,584,201,154</u>

**Schedule V**  
**San Diego Gas & Electric Company**  
**Fiscal Year 2017 Revenue Data<sup>1</sup>**  
(\$ millions)

Company operating revenue	\$4,476
California operating revenue	\$4,476
California operating revenue % company	100%
Company net income before preferred dividend & call requirements	\$407
Sales for resale	-

<sup>1</sup>All figures above are 2017 actuals.



**Schedule VI**  
**San Diego Gas & Electric Company**  
**2016, 2017 & 2018 Historical Financing Data**

<b>Date</b>	<b>Transaction</b>	<b>Principal amount (\$ million)</b>
May 19, 2016	Issued first-mortgage bond Series QQQ	\$500.0
March 9, 2017	Maturity of Series OOO	(\$140.0)
June 5, 2017	Issued first-mortgage bond Series RRR	\$400.0
May 17, 2018	Issued first-mortgage bond Series SSS	\$400.0
July 1, 2018	Maturity of Series EEE (CV2006)	(\$161.0)
	Total	\$999.0

**Schedule VII**  
**San Diego Gas & Electric Company**  
**2019 Projected Financing**

<b>Date</b>	<b>Transaction</b>	<b>Principal amount (\$ million)</b>
mid-year	New First-Mortgage Bonds	\$400.0

<sup>1</sup>Amount ultimately raised will be a function of the Company's access to long-term capital markets and the cash flow forecast at the time the funds are required.

**Schedule VIII**  
**San Diego Gas & Electric Company**  
**Short-Term Financing in Excess of CPUC Code §823 (c) Allowance**  
(\$ thousands)

	<u>September 30, 2018</u>
Common stock issued	\$771,124
Preferred and preference stock	-
Long-term debt (excluding capital leases)	<u>4,693,342</u>
Total capitalization at September 30, 2018	<u><u>5,464,466</u></u>
5% allowed by CPUC Code §823 (c)	273,223
Maximum anticipated amount of short-term debt	<u>848,223</u>
Total excess financing authority required	575,000
Current excess financing authority	<u>-</u>
Additional short-term financing authority requested in this application	<u><u>\$575,000</u></u>

**Schedule IX**  
**San Diego Gas & Electric Company**  
**Capital Ratios as of September 30, 2018 and Pro-forma**  
(\$ thousands)

	<b>9/30/18 Actual</b>		<b><sup>1</sup> Pro-forma, showing the effect of Short-Term requested authority</b>	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
<b>Long-term Debt</b>				
Long-term debt <sup>2</sup>	\$4,693,342		\$4,693,342	
Less: Unamortized expenses and discounts <sup>3</sup>	(48,015)		(48,015)	
Total long-term debt	<u>4,645,327</u>	<u>44%</u>	<u>4,645,327</u>	<u>41%</u>
<b>Short-term Debt</b>				
<i>Short-term borrowings under PUC Code §823(c)</i>	-		273,223	
<i>Short-term borrowings</i>	48,000		575,000	
Current portion of long-term debt	35,714		35,714	
Total short-term debt	<u>83,714</u>	<u>1%</u>	<u>883,937</u>	<u>8%</u>
Total debt	<u>4,729,041</u>	<u>45%</u>	<u>5,529,264</u>	<u>48%</u>
<b>Preferred Equity</b>				
Current balance	0		0	
Total preferred equity	<u>-</u>	<u>0%</u>	<u>-</u>	<u>0%</u>
<b>Common Equity</b>				
Common equity held by Sempra Corp. <sup>4</sup>	5,875,132		5,875,132	
Total common equity	<u>5,875,132</u>	<u>55%</u>	<u>5,875,132</u>	<u>52%</u>
<b>Total Capitalization</b>	<u><u>10,604,173</u></u>	<u><u>100%</u></u>	<u><u>11,404,396</u></u>	<u><u>100%</u></u>

<sup>1</sup> Pro Forma assumes all authority issued on one day (9/30/18) and is not representative of planned usage.

<sup>2</sup> Excludes capital leases.

<sup>3</sup> Excludes loss on reacquisition of long-term debt.

<sup>4</sup> Excludes accumulated other comprehensive income.

**Schedule X**  
**San Diego Gas & Electric Company**  
**Computation of Fee**

Item	Amount	Rate	Fee
\$500 million of short-term borrowing authority	\$ 1,000,000	\$2 per thousand	\$ 2,000
	9,000,000	\$1 per thousand	9,000
	<u>565,000,000</u>	\$0.50 per thousand	<u>282,500</u>
	<u>\$ 575,000,000</u>	Total fee required	<u>\$ 293,500</u>

**Schedule XI**  
**San Diego Gas & Electric Debt Outstanding**  
**September 30, 2018**

<u>No.</u>	<u>Type</u> <sup>1</sup>	<u>Bond</u>	<u>Maturity</u>	<u>Principal</u> <u>(\$ millions)</u>
1	IDB	Series VV/ CV2004A	02/15/34	43.6
2	IDB	Series WW/ CV2004B	02/15/34	40.0
3	IDB	Series XX/ CV2004C	02/15/34	35.0
4	IDB	Series YY/ CV2004D	01/01/34	24.0
5	IDB	Series ZZ/ CV2004E	01/01/34	33.7
6	IDB	Series AAA/ CV2004F	05/01/39	75.0
7	FMB	Series BBB	05/15/35	250.0
8	FMB	Series DDD	06/01/26	250.0
9	FMB	Series FFF	09/15/37	250.0
10	FMB	Series GGG	06/01/39	300.0
11	FMB	Series HHH	05/15/40	250.0
12	FMB	Series III	08/15/40	500.0
13	FMB	Series JJJ	08/15/21	350.0
14	FMB	Series LLL	11/15/41	250.0
15	FMB	Series MMM	04/01/42	250.0
16	FMB	Series NNN	09/01/23	450.0
17	FMB	Series *PPP	02/01/22	42.1
18	FMB	Series QQQ	05/15/26	500.0
19	FMB	Series RRR	06/01/47	400.0
20	FMB	Series SSS	05/15/48	400.0
<hr/>				
Total				4,693.3

<sup>1</sup> "IDB" = Industrial Development Bonds

"FMB" = First Mortgage Bonds

\* Series PPP only reflects the SONGS related principle portion