

Energy Division Central Files Document Coversheet

A. Document Name
Today's Date (Date of Submittal) 12/22/2016 Name: 1. Utility Name: San Diego Gas & Electric (SDG&E) 2. Document Submission Frequency (Annual, Quarterly, Monthly, Weekly, Once, Ad Hoc): Quarterly 3. Report Name: SDG&E Quarterly Report OMA Report 12-22-16 4. Reporting Interval (the date(s) covered by the data, e.g. 2015 Q1): 2016 Q3 5. Name Suffix: Cov 6. Document File Name (format as 1+2 + 3 + 4 + 5): SDG&E Quarterly Report OMA Report 12-22-16 7. Identify whether this filing is <input checked="" type="checkbox"/> original or <input type="checkbox"/> revision to a previous filing. a. If revision, identify date of the original filing:
B. Documents Related to a Proceeding
All submittals should reference both a proceeding and a decision, if applicable. If not applicable, leave blank and fill out Section C. 1. Proceeding Number (starts with R, I, C, A, or P plus 7 numbers): A.98-12-025 , I.12-10-013 2. Decision Number (starts with D plus 7 numbers): D.99-06-007 3. Ordering Paragraph (OP) Number from the decision: Attachment A (Settlement)
C. Documents Submitted as Requested by Other Requirements
If the document submitted is in compliance with something other than a proceeding, (e.g. Resolution, Ruling, Staff Letter, Public Utilities Code, or sender's own motion), please explain:
D. Document Summary
Provide a Document Summary that explains why this report is being riled with the Energy Division. This information is often contained in the cover letter, introduction, or executive summary, so you may want copy if from there and paste it here. In accordance with D.99-06-007 , SDG&E is providing a report of actual expenditures for decommissioning costs and withdrawals from the SDG&E Decommissioning Trust for SONGS Unit 1 for the 3rd Quarter of 2016.
E. Sender Contact Information
1. Sender Name: Joff Morales 2. Sender Organization: SDG&E 3. Sender Phone: (858) 650-4098 4. Sender Email: JMorales@semprautilities.com
F. Confidentiality
1. Is this document confidential? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes a. If Yes, provide an explanation of why confidentiality is claimed and identify the expiration of the confidentiality designation (e.g. Confidential until December 31, 2020.)
G. CPUC Routing
Energy Division's Director, Edward Randolph, requests that you <u>not</u> copy him on filings sent to Energy Division Central Files. Identify below any Commission staff that were copied on the submittal of this document. 1. Names of Commission staff that sender copied on the submittal of this Document: Ed Randolph only



Clay Faber - Director
Regulatory Affairs
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CFaber@semprautilities.com

December 22, 2016

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

RE: San Diego Gas & Electric's (SDG&E) Quarterly Report in Compliance with Investigation (I.) 12-10-013

Dear Mr, Randolph:

Enclosed is SDG&E's quarterly report for the period January 1 through September 30, 2016, as directed by the California Public Utilities Commission (Commission) in Investigation (I.) 12-10-013. Specifically, I.12-10-13 states on page 13 the following:

SCE (Southern California Edison) and SDG&E shall each file a monthly status report with the Commission's Energy Division with the service on the service list. The monthly report shall include an operational update for the units, description of any NRC actions, estimated replacement energy and capacity costs, estimated other operational expenses, estimated forgone revenues due to lost sales of excess energy, and any other information either utility believes is relevant that may impact the Commission's consideration of safe and reliable service at just and reasonable rates, including any additional information directed by the Energy Division Director.

In its comments to the OII filed on December 03, 2012, SDG&E requested to submit its report quarterly with a 90-day lag, which was supported by the Energy Division and granted in the ALJ's January 28 Phase 1 Scoping Memo and Ruling (see page 8).

In addition, SDG&E had requested that the Commission designate SCE as the respondent for itself and on behalf of SDG&E to provide certain operating information. In in the January 28, 2013 Scoping Memo, ALJ Darling provided additional direction on page 8 as follows:

We acknowledge, for example, that as Operating Agent, SCE is the contractual party with the vendor of the steam generators, Mitsubishi Heavy Industries, Inc. (MHI), and has standing to enforce contractual warranties. SCE is the utility with primary responsibility for providing information that is within its own records as Operating Agent. However, as a co-owner, SDG&E has a duty to monitor SCE's responses in this OII and to supplement them or challenge them based on its own obligation to ensure safe and reliable service.

SDG&E has reviewed SCE's monthly status reports for the reporting period (January through September 2016) and does not have any additional information with which to supplement or challenge SCE on the reported status of SONGS.

With the CPUC adoption of the amended and restated settlement agreement in D.14-11-040, incremental monthly entries in certain rows of the SONGSOMA spreadsheet have been revised and in some cases, expenses are no longer recorded. For example, rows 23-27, 39, and 40, which previously displayed "Fuel", "Fuel Carrying Costs", "SONGS Replacement Power", "Huntington Beach" and "Demand Response", no longer have monthly entries, and the revenue requirement in row 55 consists of the authorized regulatory asset amortization. The section entitled "Base Capital Cost Subaccount" beginning on Row 1, now enumerates the actual components being amortized by SDG&E. In addition, beginning with the reporting of 2015 SONGS cost data, SDG&E is no longer including the data reported prior to January 2015, due to inconsistencies caused by SDG&E's decision to report costs in the month they are billed and recorded instead of when SCE incurs them. These timing differences would make an "inception to date" number misleading. The year end 2014 SONGS OMA Report submitted on April 1, 2015 includes all cost data through December 31, 2014.

SDG&E will continue to submit its quarterly report with the above noted changes until such time as the Commission renders a final decision in the 2014 reasonableness review (A.15-02-006), or until the Commission authorizes the report's discontinuance.

If you have any questions, please contact Wendy Johnson at (858) 654-1185 or email at WDJohnson@semprautilities.com.

Sincerely,

CLAY FABER
Director – Regulatory Affairs

cc: Commissioner Catherine Sandoval
ALJ Maribeth Bushey
Eric Greene – Energy Division
Truman Burns, Office of Ratepayer Advocates
Service List I.12-10-013

SAN DIEGO GAS & ELECTRIC COMPANY
SONGS 2&3 Outage Memorandum Account
I.12-10-013
(\$000)

	2016												YTD
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
1 I. Base Capital Cost Subaccount													
2 Capital Expenditures													-
3 CWIP													-
4 Rate Base - End of Month	253,816.6	249,591.2	243,432.2	239,924.3	212,485.0	205,548.8	202,299.2	198,683.6	195,065.6				195,065.6
5 Depreciation	3,544.9	4,225.4	3,398.0	3,505.7	3,513.7	2,992.2	3,607.4	3,616.3	3,617.9				32,021.6
6 Taxes on Income	220.0	219.8	219.6	219.6	219.4	218.6	217.8	217.7	217.6				1,970.1
7 Ad Valorem Taxes	245.4	245.4	245.4	245.4	245.4	245.4	178.7	178.7	178.7				2,008.5
8 Return	348.8	347.5	341.0	336.8	332.5	299.6	270.3	264.9	261.9				2,803.3
9 Subtotal Revenue Requirement	4,359.1	5,038.1	4,204.1	4,307.4	4,311.0	3,755.8	4,274.2	4,277.6	4,276.1	-	-	-	38,803.5
10 II. Steam Gen Replacement/Removal Capital Cost Subaccount													
11 Capital Expenditures - Replace													-
12 Capital Expenditures - Remove													-
13 Rate Base - Replace													-
14 Rate Base - Remove													-
15 CWIP Balance - Replace													-
16 CWIP Balance - Remove													-
17 Depreciation													-
18 Taxes on Income													-
19 Ad Valorem Taxes													-
20 Return													-
21 Subtotal Revenue Requirement	-	-	-	-	-	-	-	-	-	-	-	-	-
22 III. O&M Expense Subaccount													
23 Fuel (ERRA)													-
24 Fuel Carrying Costs (ERRA)													-
25 Replacement Power (ERRA)													-
26 Capacity Payments (ERRA)													-
27 Foregone Sales Revenue (ERRA)													-
28 Routine O&M	7,895.5	1,723.9	4,602.6	4,183.2	998.9	6,460.0	1,670.7	4,085.8	4,674.3				36,295.0
29 Refueling (1 in 2012)													-
30 Seismic Safety	-	106.7	(124.2)	-	-	55.0	0.3	-	232.1				269.9
31 Investigation	-	-	-	-	-	-	-	-	-				-
32 Repairs - After Outage													-
33 Regulatory - After Outage													-
34 Defueling													-
35 Litigation	39.7	6.5	11.2	0.2	8.2	32.2	2.9	-	2.6				103.5
36 Payroll Taxes	51.2	55.5	52.1	45.4	50.7	103.0	52.0	47.8	51.0				508.7
37 Other (Pensions, PBOP, Insurance)	-	40.2	38.7	31.1	-	29.0	0.4	27.8	65.9				233.3
38 Subtotal	7,986.4	1,932.9	4,580.4	4,259.9	1,057.8	6,679.3	1,726.3	4,161.5	5,026.0	-	-	-	37,410.4

	2016												YTD	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
39 IV. Huntington Beach Subaccount														-
40 V. Demand Response Subaccount														
41 Peak Time Rebate - Small Commercial (PTRA)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42 Demand Bidding Program (DBP 2012)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43 Marketing, Education & Outreach (ME&O)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44 Subtotal DR	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45 VI. Transmission Upgrades Subaccount														
46 Capital Expenditures														-
47 Rate Base														-
48 Depreciation														-
49 Taxes on Income														-
50 Ad Valorem Taxes														-
51 Return														-
52 Subtotal Revenue Requirement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53 O&M (if any)														-
54 VII. Authorized Revenue Requirement Subaccount														
55 Monthly Revenue Requirements	4,253.2	4,253.2	4,253.2	4,253.2	4,253.2	4,253.2	4,253.2	4,253.2	4,253.2	4,253.2				38,279.0
56 VIII. Adders to SCE-Originated SONGS Costs														
57 SCE-Billed Costs Not Included by SCE in § III														-
58 SDG&E Portion of Nuclear and Related Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
59 SDG&E Portion of SONGS Site Easement														-
60 SDG&E Overheads on SONGS Costs - Capital (Adder to § I)														-
61 SDG&E Overheads on SONGS Costs - O&M (Adder to § III)														-
62 Net Impact of Billing Lag (Temporary Adder to §§ I & III)														-
63 IX. SDG&E Direct Cost of SONGS Oversight														
64 Operational and Financial Oversight Team	57.7	55.3	214.9	114.8	154.0	135.7	(208.1)	555.7	61.2					1,141.1

NOTES

- All amounts shown reflect SDG&E's actual costs for SONGS, including 20% share of SONGS 100%-level costs incurred by SCE.
- SDG&E's SONGS Oversight includes estimated overheads for Payroll Tax, Incentive Compensation Plan ("ICP"), Pension & Benefits, Workers' Compensation, Vacation & Sick Leave, PLPD Insurance, and Purchasing.
- Property-tax amounts are estimated based on an allocation of total property taxes paid.
- Beginning with the reporting of 2015 SONGS cost data, SDG&E is no longer including the data reported prior to January 2015, due to inconsistencies caused by SDG&E's decision to report costs in the month they are billed and recorded instead of when SCE incurs them. These timing differences would make an "inception to date" number misleading. The year end 2014 SONGS OMA Report submitted on April 1, 2015 includes all cost data through December 31, 2014.
- With the CPUC adoption of the amended and restated settlement agreement in D. 14-11-040, incremental monthly entries in certain rows of the SONGSOMA spreadsheet have been revised or the expenses will no longer be recorded. For example, rows 23 - 27, 39 and 40, which previously displayed Fuel, Fuel Carrying Costs, SONGS Replacement Power, Huntington Beach and Demand Response, no longer have monthly entries.
- The 2016 Base Capital Cost revenue requirement shown is based on the SONGS Settlement Agreement Base Plant defined in
- FF&U is excluded from line #9 and included in line #55.