

Company: San Diego Gas & Electric Company (U 902 M)
Proceeding: 2024 General Rate Case
Application: A.22-05-015/016 (cons.)
Exhibit No: SDG&E-45-WP-R

REVISED
WORKPAPERS TO
PREPARED DIRECT TESTIMONY OF
MELANIE E. HANCOCK
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



August 2022

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PROPOSED POST-TEST YEAR RATEMAKING MECHANISM – SDG&E

A. TOTAL REVENUE REQUIREMENT

As described in my testimony (Exhibit SDG&E-45), SDG&E’s post-test year (PTY) ratemaking mechanism proposes to adjust 2024 test-year (TY) authorized revenue requirement in the PTY’s 2025, 2026, and 2027 for:

1. Labor and non-labor costs based on IHS/Markit Global Insight’s forecast (Section B.1.),
2. Medical costs based on the Willis Towers Watson forecast (Section B.2),
3. Capital investments based on an escalated five-year average of capital additions (Section C), and
4. Capital exceptions for limited projects (Section E).

The base margin amounts adopted in SDG&E’s TY 2024 are from the testimony of SDG&E witness Ryan Hom (Exhibit SDG&E-44) and utilized throughout these workpapers. Table 1 below summarizes the total revenue requirement associated with SDG&E’s PTY ratemaking mechanism including Miscellaneous Revenues and Franchise Fees & Uncollectible (FF&U). FF&U is addressed in Section D.

Table 1

Line No.	Description (\$ in millions)	2025*	2026*	2027*
1	Total O&M Margin (excluding FFU)	1,084.0	1,106.9	1,132.0
2	Medical Expense	32.2	34.0	35.7
3	Capital Related Costs (Depreciation, Taxes, Return)	1,959.8	2,044.0	2,130.2
4	Total (L1 + L2 + L3)	3,076.1	3,184.8	3,297.8
5	FF&U (Electric = 3.81%, Gas = 2.37%)	101.0	101.8	102.8
6	Total Base Margin (L4 + L5)	3,177.0	3,286.7	3,400.5
7	Miscellaneous Revenues	36.7	36.7	36.7
8	Total Revenue Requirement (L6 + L7)	3,213.8	3,323.4	3,437.3
9	PTY Capital Exceptions Related Cost (Exc. FF&U)	152.3	374.3	561.6
10	PTY Capital Exceptions FF&U	5.3	12.5	18.9
11	Adjusted Total Revenue Requirement (L8 + L9 + L10)	3,371.4	3,710.2	4,017.7
12	Revenue Requirement Increase \$	364.3	338.8	307.5
13	Revenue Requirement Increase %	12.12%	10.05%	8.29%

**Difference due to rounding.*

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B. OPERATION & MAINTENANCE (O&M) EXPENSES

The starting base for O&M escalation is the TY 2024 revenue requirement excluding miscellaneous revenues, capital-related margin, medical expense, and FF&U (O&M Margin). O&M expenses are determined in total for the electric distribution, electric generation and gas rate components. Medical costs are escalated separately.

1. Escalation of O&M (excluding medical): For simplicity in calculating PTY escalation, a gas and electric O&M utility input price index (GEOMPI) is used to adjust O&M expenses to reflect the expected cost inflation of goods and services that SDG&E will incur to serve its customers. The calculation of GEOMPI is described in the testimony of Scott Wilder (Exhibit SDG&E-41). The PTY O&M revenue requirement prior to FF&U gross up is calculated below in Table 2 (differences due to rounding):

Table 2

Line No.	O&M Expense Adjustment (\$ in millions)	TY-2024	2025	2026	2027
1	Prior Year O&M Margin		\$1,066.3	\$1,084.0	\$1,106.9
2	O&M Escalation Rate		1.67%	2.11%	2.26%
3	Attrition-year O&M Escalation (L1* L2)		\$17.8	\$22.8	\$25.1
4	O&M Expense (L1+ L3)	\$1,066.3	\$1,084.0	\$1,106.9	\$1,132.0

2. Escalation of Medical Costs: Medical costs adopted in SDG&E's Test Year 2024 will be escalated annually using the Willis Towers Watson medical escalation projections as described in the testimony of Debbie Robinson (Exhibit SDG&E-29). The associated revenue requirement prior to FF&U gross up is calculated in Table 3 below (differences due to rounding):

Table 3

Line No.	Medical Cost Adjustment (\$ in millions)	TY-2024	2025	2026	2027
1	Prior Year Medical Expense		\$30.4	\$32.2	\$34.0
2	Medical Escalation Rate		6.00%	5.50%	5.00%
3	Attrition-year Medical Escalation (L1* L2)		\$1.8	\$1.8	\$1.7
4	Medical Expense (L1+ L3)	\$30.4	\$32.2	\$34.0	\$35.7

C. CAPITAL-RELATED COSTS

1. Introduction: This section describes the development of PTY plant additions and other PTY rate base changes to determine the capital-related revenue requirement (authorized return, depreciation expense, taxes and gross up) for the electric distribution (ED), electric generation (EG) and gas distribution (GD) rate

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components. The recorded (2020-2021) plant additions are taken from historically recorded rate base. The recorded (2020-2021) and forecasted (2022-2024) rate base components, plant additions and plant retirements are from the testimony and workpapers of SDG&E witness Steven P. Dais (Exhibit SDG&E-35 and SDG&E-35-WP). SDG&E escalates the average of 2020-2024 capital additions to determine PTY capital additions. Incremental depreciation and amortization reserve and deferred taxes are also calculated to determine the rate base for the attrition-year. The change in year-over-year rate base is used to calculate the capital costs components of the revenue requirement. The capital-related revenue requirement is shown in Table 4 below (differences due to rounding):

Table 4

Line No.	Capital-Related Attrition (\$ in millions)	TY-2024	2025	2026	2027
1	Prior Year Capital-Related Costs		\$1,773.4	\$1,959.8	\$2,044.0
2	Capital-Related Attrition		\$186.4	\$84.2	\$86.2
3	Capital-Related Costs (L1+ L2)	\$1,773.4	\$1,959.8	\$2,044.0	\$2,130.2

The development of the PTY rate base and the derivation of individual revenue requirement components are described in detail below.

2. Weighted Average (WAVG) Rate Base (Tables 5, 7, 9): The starting point in developing WAVG rate base for each attrition-year is the prior year plant-in-service, accumulated depreciation reserve and accumulated amortization reserve. WAVG plant additions are added and plant retirements are subtracted to determine net plant additions. Changes to the net depreciation and net amortization reserve and accumulated deferred tax reserve are calculated as further described below.

a) Weighted Net Plant Additions:

- 1) Plant additions (Table 6, 8, 10: Lines 10, 11-13) for the PTY are calculated using a five-year period of recorded (2020-2021) and forecasted (2022-2024) capital additions. Each year is escalated to 2024 dollars and then averaged. The five-year average is then escalated to 2025, 2026, and 2027 dollars using Global Insight indices, as described in Mr. Wilder’s testimony (Ex. SDG&E-41). The five-year average excludes certain programs¹ to prevent double counting when determining the five-year average.

¹ Gas Integrity Management Programs (TIMP, DIMP, GSEP), WMP, and Smart Meter 2.0

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- 2) Plant retirements (Table 6, 8, 10: Lines 10, 14-16) for the PTY are calculated using a five-year period of recorded (2020-2021) and forecasted (2022-2024) capital retirements. Each year is escalated to 2024 dollars and then averaged. The five-year average is then escalated to 2025, 2026 and 2027 dollars using Global Insight indices, as described in Mr. Wilder's testimony (Ex. SDG&E-41). The five-year average excludes certain programs² to prevent double counting when determining the five-year average.
 - 3) WAVG Net Plant Additions (Table 6, 8, 10: Lines 1-3, 17): Each PTY's WAVG net plant additions is calculated using the ratio of the prior year WAVG net plant additions balance to the prior year end of year (EOY) net plant additions balance multiplied by the attrition-year's EOY net plant additions.
- b) Change in Accumulated Depreciation Reserve (Tables 6, 8, 10: Lines 4-6): Each PTY's WAVG net depreciation reserve is calculated using the ratio of the prior year WAVG net depreciation reserve to the prior year EOY net depreciation reserve multiplied by the attrition-year's EOY net depreciation reserve. Net depreciation reserve includes annual retirements, cost of removal, and salvage.
 - c) Change in Net Amortization Reserve (Tables 6, 8, 10: Lines 7-9): Each PTY's WAVG net amortization reserve is calculated using the ratio of the prior year WAVG net amortization reserve to the prior year EOY net amortization reserve multiplied by the attrition-year's EOY net amortization reserve.
 - d) Change in Accumulated Deferred Tax Reserve (Tables 5, 7: Line 12, Table 9: Line 13): Each PTY's WAVG accumulated deferred tax is calculated by multiplying the ratio of test year deferred taxes, adjusted for the phase down of bonus depreciation, to the test year WAVG plant in service by the PTY's WAVG plant in service.

² Gas Integrity Management Programs (TIMP, DIMP, GSEP) and Smart Meter 2.0

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- e) Working Capital and Other (Tables 5, 7: Lines 3, 4, 7, Table 9: Lines 3, 4, 5, 8): SDG&E is not proposing to change the rate base elements of Fuel in Storage, Materials and Supplies, Working Cash, and Customer Advances for Construction from the Test Year 2024 amounts.

- f) Repair Deductions Rate Base Adjustment (Tables 5, 7: Line 6, Table 9: Line 7): SDG&E continues the amortization of this rate base adjustment as ordered in D.16-06-054, page 192.

The resulting WAVG Depreciated Rate Base and supporting calculations are shown in the tables 5-12 below.

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Table 5

San Diego Gas and Electric Company
WEIGHTED AVERAGE DEPRECIATED RATE BASE
ELECTRIC DISTRIBUTION
(Thousands of Dollars)

		2024 RO Model				2025-2027 Attrition Year		
		Source: Witness: Steven P. Dais / Exhibit SDG&E-35						
Line No.	Account Description	Recorded	Estimated Year		Test	PTY	PTY	PTY
		Year 2021	2022	2023	Year 2024	AY 2025	AY 2026	AY 2027
Fixed Capital								
1	Plant In Service	9,499,098	10,002,182	10,621,108	11,532,056	12,705,400	13,379,772	14,066,161
2	Total Fixed Capital	9,499,098	10,002,182	10,621,108	11,532,056	12,705,400	13,379,772	14,066,161
Working Capital								
3	Materials & Supplies	68,324	70,965	73,979	76,066	76,066	76,066	76,066
4	Working Cash	82,363	82,363	82,363	228,700	228,700	228,700	228,700
5	Total Working Capital	150,688	153,328	156,342	304,766	304,766	304,766	304,766
6	Repair Deductions Rate Base Adjustment (2016 - 2042)	(34,314)	(32,680)	(31,046)	(29,412)	(27,778)	(26,144)	(24,510)
7	Customer Advances For Construction	(19,992)	(20,672)	(19,356)	(17,723)	(17,723)	(17,723)	(17,723)
8	Total Other	(54,306)	(53,352)	(50,402)	(47,135)	(45,501)	(43,867)	(42,233)
Deductions For Reserves								
9	Accumulated Deferred Taxes - 2017 Tax Cuts & Jobs Act Adj	200,700	193,453	185,882	180,915	175,947	170,980	166,012
10	Accumulated Depreciation Reserve	3,792,167	4,025,091	4,318,328	4,607,055	4,898,455	5,213,603	5,545,251
11	Accumulated Amortization Reserve	503,328	513,001	592,120	684,592	790,376	905,604	1,026,897
12	Accumulated Deferred Taxes	350,085	342,562	327,269	311,193	342,856	361,054	379,576
13	Total Deductions For Reserves	4,846,280	5,074,107	5,423,599	5,783,755	6,207,634	6,651,240	7,117,736
14	Weighted Average Depreciated Rate Base	4,749,200	5,028,051	5,303,450	6,005,932	6,757,030	6,989,430	7,210,958
15	Total Weighted Average Rate Base	5,028,051	5,303,450	6,005,932	6,757,030	6,989,430	7,210,958	7,210,958

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Table 6

San Diego Gas and Electric Company
WAVG Rate Base Support: Capital Additions, Capital Retirements, Net Depreciation and Amortization Reserve
ELECTRIC DISTRIBUTION
(Thousands of Dollars)

Line	2024 RO Model		2025-2027 Attrition Year									
	2024		2025			2026			2027			
No. Description	End of Year	WAVG	End of Year	WAVG	WAVG Increase	End of Year	WAVG	WAVG Increase	End of Year	WAVG	WAVG Increase	
Plant-in-Service												
1	Beginning of the Year	11,119,337	11,119,337	12,505,601	12,505,601	1,386,264	13,176,697	13,176,697	671,096	13,858,796	13,858,796	682,099
2	Net Plant Additions	1,386,264	412,719	671,096	199,799	(212,920)	682,099	203,075	3,276	696,508	207,365	4,290
3	Total	12,505,601	11,532,056	13,176,697	12,705,400	1,173,344	13,858,796	13,379,772	674,372	14,555,305	14,066,161	686,389
Accumulated Depreciation Reserve												
4	Beginning of the Year	4,496,989	4,496,989	4,777,190	4,777,190	280,202	5,085,901	5,085,901	308,711	5,410,998	5,410,998	325,097
5	Net Depreciation Reserve	280,202	110,066	308,711	121,265	11,199	325,097	127,701	6,436	341,774	134,252	6,551
6	Total	4,777,190	4,607,055	5,085,901	4,898,455	291,400	5,410,998	5,213,603	315,148	5,752,773	5,545,251	331,648
Accumulated Amortization Reserve												
7	Beginning of the Year	659,986	659,986	763,267	763,267	103,281	877,056	877,056	113,789	996,884	996,884	119,829
8	Net Amortization Reserve	103,281	24,606	113,789	27,109	2,504	119,829	28,548	1,439	125,976	30,013	1,465
9	Total	763,267	684,592	877,056	790,376	105,784	996,884	905,604	115,228	1,122,860	1,026,897	121,293
Recorded												
Forecast												
PTY												
		2020 (2020\$)	2021 (2021\$)	2022 (2022\$)	2023 (2023\$)	2024 (2024\$)	2025	2026	2027			
10	Escalation Rates to 2024\$	16.422%	11.330%	7.187%	2.821%	0.000%	1.254%	1.640%	2.112%			
11	Capital Additions (Table 11)	568,025	429,842	797,058	737,364	931,770						
12	Capital Additions (2024\$)	661,309	478,545	854,344	758,163	931,770						
13	Capital Additions 5-Year Average					736,826	746,063	758,295	774,314			
14	Capital Retirements (Table 12)	53,486	68,607	69,572	75,387	79,459						
15	Capital Retirements (2024\$)	62,270	76,380	74,572	77,513	79,459						
16	Capital Retirements 5-Year Average					74,039	74,967	76,196	77,806			
17	Net Plant Additions for Ratebase						671,096	682,099	696,508			

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Table 7

San Diego Gas and Electric Company
WEIGHTED AVERAGE DEPRECIATED RATE BASE
ELECTRIC GENERATION
(Thousands of Dollars)

		2024 RO Model			2025-2027 Attrition Year			
Source: Witness: Steven P. Dais / Exhibit SDG&E-35								
Line No.	Account Description	Recorded	Estimated Year		Test	PTY	PTY	PTY
		Year 2021	2022	2023	Year 2024	AY 2025	AY 2026	AY 2027
Fixed Capital								
1	Plant In Service	1,111,038	1,215,687	1,267,245	1,313,285	1,336,032	1,374,923	1,414,480
2	Total Fixed Capital	1,111,038	1,215,687	1,267,245	1,313,285	1,336,032	1,374,923	1,414,480
Working Capital								
3	Materials & Supplies	38,672	33,834	33,983	34,301	34,301	34,301	34,301
4	Working Cash	11,974	11,974	11,974	28,489	28,489	28,489	28,489
5	Total Working Capital	50,647	45,808	45,957	62,790	62,790	62,790	62,790
6	Repair Deductions Rate Base Adjustment (2016 - 2042)	-	-	-	-	-	-	-
7	Customer Advances For Construction	-	-	-	-	-	-	-
8	Total Other	-	-	-	-	-	-	-
Deductions For Reserves								
9	Accumulated Deferred Taxes - 2017 Tax Cuts & Jobs Act Adj	27,351	26,408	25,452	24,843	24,234	23,626	23,017
10	Accumulated Depreciation Reserve	577,634	626,168	670,822	719,190	765,016	812,299	860,939
11	Accumulated Amortization Reserve	0	17,664	22,113	26,831	-	-	0
12	Accumulated Deferred Taxes	45,059	44,545	41,338	38,145	38,805	39,935	41,084
13	Total Deductions For Reserves	650,045	714,786	759,726	809,008	828,055	875,860	925,040
14	Weighted Average Depreciated Rate Base	511,640	546,710	553,477	567,066	570,766	561,853	552,230
15	Total Weighted Average Rate Base		546,710	553,477	567,066	570,766	561,853	552,230

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Table 8

San Diego Gas and Electric Company
WAVG Rate Base Support: Capital Additions, Capital Retirements, Net Depreciation and Amortization Reserve
ELECTRIC GENERATION
(Thousands of Dollars)

Line No.	Description	2024 RO Model			2025-2027 Attrition Year							
		2024		2025			2026			2027		
		End of Year	WAVG	End of Year	WAVG	WAVG Increase	End of Year	WAVG	WAVG Increase	End of Year	WAVG	WAVG Increase
Plant-in-Service												
1	Beginning of the Year	1,173,585	1,173,585	1,218,340	1,218,340	44,755	1,256,044	1,256,044	37,704	1,294,129	1,294,129	38,085
2	Net Plant Additions	44,755	139,699	37,704	117,692	(22,008)	38,085	118,879	1,187	38,556	120,352	1,472
3	Total	1,218,340	1,313,285	1,256,044	1,336,032	22,747	1,294,129	1,374,923	38,892	1,332,685	1,414,480	39,557
Accumulated Depreciation Reserve												
4	Beginning of the Year	663,836	663,836	708,704	708,704	44,867	754,348	754,348	45,644	801,321	801,321	46,973
5	Net Depreciation Reserve	44,867	55,353	45,644	56,312	959	46,973	57,951	1,639	48,325	59,618	1,667
6	Total	708,704	719,190	754,348	765,016	45,826	801,321	812,299	47,284	849,645	860,939	48,640
Accumulated Amortization Reserve												
7	Beginning of the Year	-	-	-	-	-	-	-	-	-	-	-
8	Net Amortization Reserve	-	26,831	-	-	(26,831)	-	-	-	-	-	-
9	Total	-	26,831	-	-	(26,831)	-	-	-	-	-	-

	Recorded		Forecast			PTY		
	2020 (2020\$)	2021 (2021\$)	2022 (2022\$)	2023 (2023\$)	2024 (2024\$)	2025	2026	2027
10 Escalation Rates to 2024\$	16.429%	6.403%	1.960%	1.329%	0.000%	1.102%	1.009%	1.239%
11 Capital Additions (Table 11)	24,063	68,792	68,422	66,387	88,481			
12 Capital Additions (2024\$)	28,016	73,197	69,763	67,269	88,481			
13 Capital Additions 5-Year Average					65,345	66,065	66,732	67,558
14 Capital Retirements (Table 12)	1,277	68,389	20,581	21,936	22,791			
15 Capital Retirements (2024\$)	1,487	72,768	20,985	22,228	22,791			
16 Capital Retirements 5-Year Average					28,052	28,361	28,647	29,002
17 Net Plant Additions for Ratebase						37,704	38,085	38,556

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Table 9

San Diego Gas and Electric Company
WEIGHTED AVERAGE DEPRECIATED RATE BASE
GAS DISTRIBUTION
(Thousands of Dollars)

		2024 RO Model			2025-2027 Attrition Year			
		Source: Witness: Steven P. Dais / Exhibit SDG&E-35						
Line No.	Account Description	Recorded	Estimated Year		Test	PTY	PTY	PTY
		Year 2021	2022	2023	Year 2024	AY 2025	AY 2026	AY 2027
Fixed Capital								
1	Plant In Service	3,135,388	3,414,094	3,709,438	4,044,115	4,370,090	4,593,490	4,821,211
2	Total Fixed Capital	3,135,388	3,414,094	3,709,438	4,044,115	4,370,090	4,593,490	4,821,211
Working Capital								
3	Fuel in Storage	340	339	339	339	339	339	339
4	Materials & Supplies	11,500	12,371	11,755	11,355	11,355	11,355	11,355
5	Working Cash	14,866	14,866	14,866	44,937	44,937	44,937	44,937
6	Total Working Capital	26,705	27,576	26,960	56,631	56,631	56,631	56,631
7	Repair Deductions Rate Base Adjustment (2016 - 2042)	-	-	-	-	-	-	-
8	Customer Advances For Construction	(2,437)	(2,548)	(2,652)	(2,652)	(2,652)	(2,652)	(2,652)
9	Total Other	(2,437)	(2,548)	(2,652)	(2,652)	(2,652)	(2,652)	(2,652)
Deductions For Reserves								
10	Accumulated Deferred Taxes - 2017 Tax Cuts & Jobs Act Adj	45,358	43,925	42,403	41,113	39,823	38,533	37,243
11	Accumulated Depreciation Reserve	1,217,085	1,285,511	1,363,947	1,453,744	1,554,750	1,662,334	1,775,331
12	Accumulated Amortization Reserve	131,726	135,378	165,059	198,487	234,310	272,471	312,021
13	Accumulated Deferred Taxes	128,438	130,683	133,394	136,317	147,304	154,835	162,510
14	Total Deductions For Reserves	1,522,607	1,595,497	1,704,804	1,829,661	1,976,187	2,128,172	2,287,105
15	Weighted Average Depreciated Rate Base	1,637,048	1,843,625	2,028,942	2,268,433	2,447,882	2,519,297	2,588,085
16	Total Weighted Average Rate Base	1,843,625	2,028,942	2,268,433	2,447,882	2,519,297	2,588,085	2,588,085

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Table 10

San Diego Gas and Electric Company
WAVG Rate Base Support: Capital Additions, Capital Retirements, Net Depreciation and Amortization Reserve
GAS DISTRIBUTION
(Thousands of Dollars)

		2024 RO Model		2025-2027 Attrition Year								
Line		2024		2025			2026			2027		
No.	Description	End of Year	WAVG	End of Year	WAVG	WAVG Increase	End of Year	WAVG	WAVG Increase	End of Year	WAVG	WAVG Increase
Plant-in-Service												
1	Beginning of the Year	3,878,206	3,878,206	4,278,047	4,278,047	399,842	4,499,869	4,499,869	221,822	4,725,495	4,725,495	225,626
2	Net Plant Additions	399,842	165,909	221,822	92,042.17	(73,867)	225,626	93,621	1,579	230,674	95,715	2,095
3	Total	4,278,047	4,044,115	4,499,869	4,370,090	325,975	4,725,495	4,593,490	223,400	4,956,169	4,821,211	227,721
Accumulated Depreciation Reserve												
4	Beginning of the Year	1,404,670	1,404,670	1,501,720	1,501,720	97,050	1,606,592	1,606,592	104,873	1,716,826	1,716,826	110,234
5	Net Depreciation Reserve	97,050	49,075	104,873	53,030	3,956	110,234	55,741	2,711	115,699	58,505	2,763
6	Total	1,501,720	1,453,744	1,606,592	1,554,750	101,006	1,716,826	1,662,334	107,584	1,832,525	1,775,331	112,997
Accumulated Amortization Reserve												
7	Beginning of the Year	181,267	181,267	215,701	215,701	34,434	252,911	252,911	37,210	292,023	292,023	39,112
8	Net Amortization Reserve	34,434	17,221	37,210	18,609	1,388	39,112	19,560	951	39,987	19,998	438
9	Total	215,701	198,487	252,911	234,310	35,822	292,023	272,471	38,161	332,010	312,021	39,550

	Recorded		Forecast			PTY		
	2020 (2020\$)	2021 (2021\$)	2022 (2022\$)	2023 (2023\$)	2024 (2024\$)	2025	2026	2027
10 Escalation Rates to 2024\$	13.585%	-1.262%	-8.218%	-3.404%	0.000%	-0.887%	1.715%	2.237%
11 Capital Additions (Table 11)	283,831	339,131	188,077	175,643	182,798			
12 Capital Additions (2024\$)	322,388	334,852	172,620	169,665	182,798			
13 Capital Additions 5-Year Average					236,465	234,367	238,386	243,720
14 Capital Retirements (Table 12)	16,163	6,695	12,360	13,230	14,195			
15 Capital Retirements (2024\$)	18,358	6,610	11,344	12,779	14,195			
16 Capital Retirements 5-Year Average					12,657	12,545	12,760	13,046
17 Net Plant Additions for Ratebase						221,822	225,626	230,674

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Table 11

SAN DIEGO GAS & ELECTRIC
RECORDED & FORECASTED CAPITAL ADDITIONS BY FUNCTION
(Thousands of Dollars)

Asset ID	Description/Function	RECORDED		EXCLUSIONS FOR POST-TEST YEAR CAPITAL EXCEPTIONS		ADJUSTED RECORDED		FORECASTS			EXCLUSIONS FOR POST-TEST YEAR CAPITAL EXCEPTIONS			ADJUSTED FORECASTS		
		2020	2021	2020	2021	2020	2021	2022	2023	2024	2022	2023	2024	2022	2023	2024
10	Steam Production Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Steam Production Easements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Steam Production Other	5,572	8,499	-	-	5,572	8,499	-	-	-	-	-	-	-	-	-
40	Other Production Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50	Other Production Easements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60	Other Production Other	12,994	31,214	-	-	12,994	31,214	44,864	51,019	59,440	-	-	-	44,864	51,019	59,440
70	Electric Transmission Assigned to Generation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
80	Electric Distribution Assigned to Generation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
90	Nuclear Generation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100	Electric Distribution Software & Franchises	14,451	24	-	-	14,451	24	41,575	39,391	43,529	-	2,924	41,575	39,391	40,604	-
100	Electric Distribution Software & Franchises - Fully Recovered	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	Electric Distribution Land	-	966	-	961	-	5	-	-	-	-	-	-	-	-	-
120	Electric Distribution Easements	2,728	2,202	227	199	2,501	2,003	2,871	3,005	3,089	-	-	2,871	3,005	3,089	-
130	Electric Distribution Other	587,096	550,284	235,724	316,042	351,371	234,242	436,306	491,719	1,078,577	-	538,622	436,306	491,719	539,956	-
140	Electric Generation Assigned to Electric Distribution	604,275	553,476	235,951	317,201	368,324	236,275	480,751	534,114	1,125,195	-	541,546	480,751	534,114	583,649	-
150	Electric Transmission Land Assigned to Electric Distribution	-	7	-	-	-	7	-	-	-	-	-	-	-	-	-
151	Electric Transmission Easement Assigned to Electric Distribution	-	0	-	-	-	0	-	-	-	-	-	-	-	-	-
152	Electric Transmission Other Assigned to Electric Distribution	31,866	1,371	-	-	31,866	1,371	-	-	-	-	-	-	-	-	-
160	Electric General Land & Non Depreciables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170	Electric General Other	49,073	18,006	10,988	7,513	38,085	10,494	41,874	32,558	56,256	-	13,952	41,874	32,558	42,304	-
180	Gas Storage Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
190	Gas Storage Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
200	Gas Transmission Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
210	Gas Transmission Easements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
220	Gas Transmission Other	109,770	104,904	519	(149)	109,252	105,053	49,521	38,525	41,625	25,255	23,308	28,465	24,266	15,217	13,100
230	Gas Distribution Software & Franchises	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
230	Gas Distribution Software & Franchises - Fully Recovered	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
240	Gas Distribution & General Land	(0)	-	-	-	(0)	-	-	-	-	-	-	-	-	-	-
250	Gas Distribution & General Easements	5	4	-	-	5	4	-	-	-	-	-	-	-	-	-
260	Gas Distribution & General Other	153,212	156,215	43,471	65,493	109,741	90,723	166,599	215,090	256,531	67,544	95,323	146,889	99,055	119,767	109,642
270	Common Software 5 Year	77,271	64,248	11,664	10,238	65,607	54,010	181,017	154,460	280,216	3,800	31,314	32,161	177,218	123,146	248,054
270	Common Software 5 Year-Fully Recovered	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
280	Common Software 15 Year	-	201,852	-	-	-	201,852	-	-	-	-	-	-	-	-	-
280	Common Software 15 Year-Fully Recovered	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
290	Common Land & Non-Depreciable Easements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
300	Common IT Hardware	34,455	24,907	36	-	34,420	24,907	44,650	24,058	13,764	-	-	44,650	24,058	13,764	-
310	Common Other	122,234	87,272	22,180	13,913	100,053	73,359	140,880	79,516	186,311	-	53,274	140,880	79,516	133,037	-
	Total	2,200,727	1,251,973	324,809	414,208	875,919	837,765	1,150,155	1,129,339	2,019,337	96,598	149,945	816,288	1,053,557	979,394	1,203,049
Allocation of Common IT:																
	Electric Generation	4,493	17,194	-	-	5,496	29,079	20,986	15,109	18,550	-	-	-	23,558	15,368	29,040
	Electric Distribution	165,824	248,027	28,757	20,105	129,750	181,696	244,467	167,818	368,695	-	64,937	274,433	170,692	305,818	-
	Gas	63,644	113,056	5,123	4,046	64,834	143,352	101,094	75,107	93,046	3,800	31,314	20,499	64,756	40,660	59,996
	Total	233,960	378,278	33,880	24,150	200,081	354,127	366,547	258,034	480,290	3,800	31,314	85,435	362,747	226,720	394,855
Description/Function Asset ID	2020	2021	2020	2021	2020	2021	2022	2023	2024	2022	2023	2024	2022	2023	2024	
Electric Distribution 100+110+120+130+140+150+151+152+160+170+Common IT	851,038	820,887	275,696	344,819	568,025	429,842	767,092	734,490	1,550,146	-	-	620,435	797,058	737,364	931,770	
Electric Generation 10+20+30+40+50+60+70+80+Common IT	23,059	56,908	-	-	24,063	68,792	65,849	66,128	77,990	-	-	-	68,422	66,387	88,481	
Gas Distribution 180+190+200+210+220+230+240+250+260+Common IT	326,630	374,179	49,113	69,389	283,831	339,131	317,213	328,722	391,202	96,598	149,945	195,853	188,077	175,643	182,798	
	1,200,727	1,251,973	324,809	414,208	875,919	837,765	1,150,155	1,129,339	2,019,337	96,598	149,945	816,288	1,053,557	979,394	1,203,049	

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Table 12

**SAN DIEGO GAS & ELECTRIC
CAPITAL RETIREMENTS BY FUNCTION
(Thousands of Dollars)**

Asset ID	Description/Function	RECORDED		FORECASTS			EXCLUSIONS FOR POST-TEST YEAR CAPITAL EXCEPTIONS			ADJUSTED FORECASTS		
		2020	2021	2022	2023	2024	2022	2023	2024	2022	2023	2024
10	Steam Production Land	-	-	-	-	-	-	-	-	-	-	-
20	Steam Production Easements	-	-	-	-	-	-	-	-	-	-	-
30	Steam Production Other	161	-	5,842	5,779	5,716	-	-	-	5,842	5,779	5,716
		161	0	5,842	5,779	5,716	-	-	-	5,842	5,779	5,716
40	Other Production Land	-	-	-	-	-	-	-	-	-	-	-
50	Other Production Easements	-	-	-	-	-	-	-	-	-	-	-
60	Other Production Other	872	37,991	7,809	8,348	8,970	-	-	-	7,809	8,348	8,970
		872	37,991	7,809	8,348	8,970	-	-	-	7,809	8,348	8,970
70	Electric Transmission Assigned to Generation	-	-	-	-	-	-	-	-	-	-	-
80	Electric Distribution Assigned to Generation	-	-	-	-	-	-	-	-	-	-	-
90	Nuclear Generation	-	-	-	-	-	-	-	-	-	-	-
100	Electric Distribution Software & Franchises	-	-	-	-	-	-	-	-	-	-	-
100	Electric Distribution Software & Franchises - Fully Recovered	-	-	-	-	-	-	-	-	-	-	-
110	Electric Distribution Land	-	-	-	-	-	-	-	-	-	-	-
120	Electric Distribution Easements	0	5	537	550	564	-	-	-	537	550	564
130	Electric Distribution Other	42,338	37,580	43,060	45,244	47,724	-	-	-	43,060	45,244	47,724
		42,338	37,585	43,597	45,794	48,288	-	-	-	43,597	45,794	48,288
140	Electric Generation Assigned to Electric Distribution	-	-	-	-	-	-	-	-	-	-	-
150	Electric Transmission Land Assigned to Electric Distribution	-	-	-	-	-	-	-	-	-	-	-
151	Electric Transmission Easement Assigned to Electric Distribution	-	-	-	-	-	-	-	-	-	-	-
152	Electric Transmission Other Assigned to Electric Distribution	80	-	-	-	-	-	-	-	-	-	-
		80	-	-	-	-	-	-	-	-	-	-
160	Electric General Land & Non Depreciables	-	-	-	-	-	-	-	-	-	-	-
170	Electric General Other	855	527	2,547	2,754	2,911	-	-	-	2,547	2,754	2,911
		855	527	2,547	2,754	2,911	-	-	-	2,547	2,754	2,911
180	Gas Storage Land	-	-	-	-	-	-	-	-	-	-	-
190	Gas Storage Other	-	-	14	14	14	-	-	-	14	14	14
		-	-	14	14	14	-	-	-	14	14	14
200	Gas Transmission Land	-	-	-	-	-	-	-	-	-	-	-
210	Gas Transmission Easements	0	0	2	2	2	-	-	-	2	2	2
220	Gas Transmission Other	1,271	0	297	332	359	-	18	17	297	314	343
		1,271	0	300	335	362	-	18	17	300	317	345
230	Gas Distribution Software & Franchises	-	-	-	-	-	-	-	-	-	-	-
230	Gas Distribution Software & Franchises - Fully Recovered	-	-	-	-	-	-	-	-	-	-	-
240	Gas Distribution & General Land	-	-	-	-	-	-	-	-	-	-	-
250	Gas Distribution & General Easements	-	2	28	28	28	-	-	-	28	28	28
260	Gas Distribution & General Other	11,806	3,717	7,855	8,386	9,077	-	226	319	7,855	8,160	8,759
		11,806	3,719	7,884	8,414	9,106	-	226	319	7,884	8,189	8,787
270	Common Software 5 Year	9,116	51,843	-	-	-	-	-	-	-	-	-
270	Common Software 5 Year-Fully Recovered	-	-	-	-	-	-	-	-	-	-	-
280	Common Software 15 Year	-	-	-	-	-	-	-	-	-	-	-
280	Common Software 15 Year-Fully Recovered	-	-	-	-	-	-	-	-	-	-	-
290	Common Land & Non-Depreciable Easements	-	-	-	-	-	-	-	-	-	-	-
300	Common IT Hardware	1,883	3,660	3,940	5,244	5,847	-	-	-	3,940	5,244	5,847
310	Common Other	2,544	8,365	30,581	34,114	35,568	-	-	-	30,581	34,114	35,568
		13,543	63,868	34,521	39,358	41,414	-	-	-	34,521	39,358	41,414
	Total	70,926	143,691	102,513	110,796	116,781	-	244	335	102,513	110,552	116,445
Allocation of Common IT:												
Electric Generation		244	30,398	6,931	7,783	8,070	-	-	-	6,931	7,810	8,106
Electric Distribution		10,213	30,495	23,428	26,747	28,134	-	-	-	23,428	26,838	28,260
Gas		3,086	2,976	4,162	4,828	5,210	-	-	-	4,162	4,710	5,048
		13,543	63,868	34,521	39,358	41,414	-	-	-	34,521	39,358	41,414
Description/Function	Asset ID	2020	2021	2022	2023	2024	2022	2023	2024	2022	2023	2024
Electric Distribution	100+110+120+130+140+150+151+152+160+170+Common IT	53,486	68,607	69,572	75,295	79,333	-	-	-	69,572	75,387	79,459
Electric Generation	10+20+30+40+50+60+70+80+Common IT	1,277	68,389	20,581	21,910	22,755	-	-	-	20,581	21,936	22,791
Gas Distribution	180+190+200+210+220+230+240+250+260+Common IT	16,163	6,695	12,360	13,591	14,692	-	244	335	12,360	13,230	14,195
Total Retirements by Major Function		70,926	143,691	102,513	110,796	116,781	-	244	335	102,513	110,552	116,445

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3. Capital-Related Revenue Requirement Calculations: The capital-related revenue requirement components for each attrition-year are calculated using the methodology described below:
- a) Depreciation Expense (Tables 14, 17, 20: Lines 1-7): Depreciation expense is calculated by multiplying the current PTY plant-in-service weighted average increase by the TY's system average depreciation rate (ED 4.65%, EG 5.28%, GD 3.81%).
 - b) Ad Valorem Tax (Tables 14, 17, 20: Lines 8-14): Ad Valorem Tax is calculated by multiplying the current attrition-year additions by the TY's system ad valorem tax rate (ED 0.92%, EG 0.92%, GD 0.92%).
 - c) State Tax Depreciation (Tables 14, 17, 20: Lines 15-23): State Tax Depreciation income tax expense is calculated by multiplying the current attrition-year additions by the TY's system average state tax depreciation rate (ED 2.67%, EG 3.49%, GD 3.16%) and by the state income tax rate (8.84%).
 - d) Payroll Tax (Tables 14, 17, 20: Lines 24-28): Payroll Tax is calculated by multiplying the prior year payroll taxes by the current attrition-year labor escalation rate forecasted by Global Insight (2.82% 2025, 2.87% 2026, 2.90% 2027).
 - e) Federal Tax Depreciation (Tables 15, 18, 21: Lines 1-9): Federal Tax Depreciation income tax expense is calculated by multiplying current attrition-year additions by the TY's system average federal tax depreciation rate (ED 2.90%, EG 5.15%, GD 2.78%) and by the federal income tax rate (21%).
 - f) California Corporation Franchise Tax (Prior Year) (Tables 15, 18, 21: Lines 10-28): Prior Year's state income tax is a deduction for federal income tax purposes.
 - g) Long-Term Debt Cost (Tables 16, 19, 22: Lines 4-10): Long-Term Debt Cost is calculated by multiplying the attrition-year change in WAVG rate base by the authorized weighted cost of Long-Term Debt.

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- h) Preferred Stock Cost (Tables 16, 19, 22: Lines 11-17): Preferred Stock Cost is calculated by multiplying the attrition-year change in WAVG rate base by the authorized weighted return on Preferred Stock.
- i) Common Equity Cost (Tables 16, 19, 22: Lines 18-24): Common Equity Cost is calculated by multiplying the attrition-year change in WAVG rate base by the authorized weighted return on Common Equity.
- j) Gross Ups: All revenue requirement components which are not directly deductible for income taxes are grossed up for income taxes by factors shown in Table 13. These components are Book Depreciation, State Tax Depreciation, Federal Tax Depreciation, Preferred Stock Cost, Common Equity Cost, and California Corporation Franchise Tax (Prior Year). All revenue requirement components are grossed up for FF&U, as described in Section D.

D. FRANCHISE FEES AND UNCOLLECTIBLE GROSS UP

All revenue requirement components are grossed up for FF&U using the franchise fee factors of 3.46% (electric) and 2.10% (gas), and the uncollectible factor of 0.219% (electric and gas). The calculations of the gross up factors (Table 13) are from the TY 2024 GRC Results of Operations (RO) Model.

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Table 13

SAN DIEGO GAS & ELECTRIC COMPANY
TEST YEAR 2024
NET-TO-GROSS MULTIPLIER

Line No.	Description	Uncollectible and Franchise Fee Factor		State & Federal Tax Factor	N-T-G Multiplier	
		Electric	Gas	Electric and Gas	Electric	Gas
1	Revenues	1.000000	1.000000	1.000000	1.000000	1.000000
2	Uncollectible Tax Rate	0.002190	0.002190	0.000000	0.002190	0.002190
3	Uncollectible Amount Applied	1.000000	1.000000	1.000000	1.000000	1.000000
4	Less: Uncollectible (Line 2 * Line 3)	0.002190	0.002190	0.000000	0.002190	0.002190
5	Subtotal (Line 3 - Line 4)	0.997810	0.997810	1.000000	0.997810	0.997810
6	Franchise Fees Tax Rate	0.034573	0.021027	0.000000	0.034573	0.021027
7	Franchise Fees Amount Applied (Line 5)	0.997810	0.997810	1.000000	0.997810	0.997810
8	Less: Franchise Fees (Line 6 * Line 7)	0.034497	0.020981	0.000000	0.034497	0.020981
9	Subtotal (Line 7 - Line 8)	0.963313	0.976829	1.000000	0.963313	0.976829
10	S.I.T. Rate			0.088400	0.088400	0.088400
11	S.I.T. Amount Applied (Line 9)			1.000000	0.963313	0.976829
12	Less: S.I.T. (Line 10 * Line 11)			0.088400	0.085157	0.086352
13	Subtotal (Line 11 - Line 12)			0.911600	0.878156	0.890477
14	F.I.T. Rate			0.210000	0.210000	0.210000
15	F.I.T. Amount Applied (Line 13)			0.911600	0.878156	0.890477
16	Less: F.I.T. (Line 14 * Line 15)			0.191436	0.184413	0.187000
17	Net Operating Revenues (Line 15 - Line 16)			0.720164	0.693743	0.703477
18	Uncollectible and Franchise Fee Factor (1 / Line 9)	1.038085	1.023721			
19	State & Federal Tax Factor (1 / Line 17)			1.388573		
20	N-T-G Multiplier (1 / Line 17)				1.4414556	1.421510

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Table 14

SAN DIEGO GAS & ELECTRIC
2024 CPUC General Rate Case (Application)
Electric Distribution
Calculation of Revenue Requirement Increase
Depreciation Expense, State Tax Depreciation, Ad Valorem Taxes, & Payroll Taxes
(Thousands of Dollars)

Line No.	Description	TY 2024	PTY 2025	PTY 2026	PTY 2027
<u>Depreciation Expense</u>					
1	Test Year (TY) Accrual	536,608			
2	/ TY Weighted Average (WAVG) Plant-in-Service	<u>11,532,056</u>			
3	= System Average Depreciation Rate	4.65%	4.65%	4.65%	4.65%
4	x Plant in Service Weighted Average Increase		<u>1,173,344</u>	<u>674,372</u>	<u>686,389</u>
5	= Increase in Depreciation Expense		54,598	31,380	31,939
6	x Net-to-Gross Multiplier	1.441456	<u>1.441456</u>	<u>1.441456</u>	<u>1.441456</u>
7	= Increase in Revenue Requirement		<u>78,700</u>	<u>45,233</u>	<u>46,039</u>
<u>Ad Valorem Taxes</u>					
8	TY Ad Valorem Taxes	114,762			
9	/ TY Plant In Service	<u>12,505,601</u>			
10	= System Average Ad Valorem Tax Rate	0.92%	0.92%	0.92%	0.92%
11	x Current Attrition Year Additions		<u>671,096</u>	<u>682,099</u>	<u>696,508</u>
12	= Increase to Ad Valorem Taxes		6,159	6,260	6,392
13	x FF&U Factor	1.038085	<u>1.038085</u>	<u>1.038085</u>	<u>1.038085</u>
14	= Increase in Revenue Requirement		<u>6,393</u>	<u>6,498</u>	<u>6,635</u>
<u>State Regulatory Tax Depreciation</u>					
15	TY State Tax Depreciation	334,397			
16	/ TY Plant In Service	<u>12,505,601</u>			
17	= System Average State Tax Depreciation Rate	2.67%	2.67%	2.67%	2.67%
18	x Current Attrition Year Additions		<u>671,096</u>	<u>682,099</u>	<u>696,508</u>
19	= Increase in State Tax Depreciation Expense		17,945	18,239	18,625
20	x -State Income Tax Rate	(0.0884)	<u>(0.0884)</u>	<u>(0.0884)</u>	<u>(0.0884)</u>
21	= State Income Taxes		(1,586)	(1,612)	(1,646)
22	x Net-to-Gross Multiplier	1.441456	<u>1.441456</u>	<u>1.441456</u>	<u>1.441456</u>
23	= Decrease in Revenue Requirement		<u>(2,287)</u>	<u>(2,324)</u>	<u>(2,373)</u>
<u>Payroll Taxes</u>					
24	Prior Year Payroll Taxes		13,585	13,968	14,369
25	x Current Year Labor Escalation Rate		<u>2.82%</u>	<u>2.87%</u>	<u>2.90%</u>
26	= Increase in Full Year Additions		383	401	417
27	x FF&U Factor		<u>1.038085</u>	<u>1.038085</u>	<u>1.038085</u>
28	= Increase in Revenue Requirement		<u>397</u>	<u>416</u>	<u>433</u>

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Table 15

SAN DIEGO GAS & ELECTRIC
2024 CPUC General Rate Case (Application)
Electric Distribution
Calculation of Revenue Requirement Increase
Federal Tax Depreciation Expense & Prior Year CCFT
(Thousands of Dollars)

Line No.	Description	TY 2024	PTY 2025	PTY 2026	PTY 2027
<u>Federal Regulatory Tax Depreciation</u>					
1	TY Federal Tax Depreciation	362,419			
2	/ TY Plant-In-Service	<u>12,505,601</u>			
3	= System Average Federal Tax Depreciation Rate	2.90%	2.90%	2.90%	2.90%
4	x Current Attrition Year Additions		<u>671,096</u>	<u>682,099</u>	<u>696,508</u>
5	= Increase in Federal Tax Depreciation Expense		19,449	19,768	20,185
6	x -Federal Income Tax Rate	(0.2100)	<u>(0.2100)</u>	<u>(0.2100)</u>	<u>(0.2100)</u>
7	= Federal Income Taxes		(4,084)	(4,151)	(4,239)
8	x Net-to-Gross Multiplier	1.441456	1.441456	1.441456	1.441456
9	= Decrease in Revenue Requirement		<u>(5,887)</u>	<u>(5,984)</u>	<u>(6,110)</u>
<u>California Corporation Franchise Tax (Prior Year)</u>					
10	+ RevReq from Book Depreciation			78,700	45,233
11	+ RevReq from State Tax Depreciation			(2,287)	(2,324)
12	+ RevReq from Federal Tax Depreciation (ACRS,MACRS)			(5,887)	(5,984)
13	+ Rate Base: Preferred Stock			1,841	569
14	+ Rate Base: Common Stock Equity			57,382	17,755
15	+ CCFT			<u>(2,621)</u>	<u>(2,922)</u>
16	= Revenue Requirement Increase			127,127	52,327
17	x Prior Year State Income Tax Cumulative Component			<u>0.088400</u>	<u>0.088400</u>
18	= Prior Year State Income Tax Increase			11,238	4,626
19	+ Prior Year State Income Tax (State Tax Depreciation Expense)			(1,586)	(1,612)
20	+ Prior Year State Income Tax (State Rate Change)			<u>-</u>	<u>-</u>
21	= Prior Year Total State Income Tax Increase			9,652	3,013
22	Prior Year Current California Corp Franchise Tax		30,301	39,953	42,966
23	- Prior Year CCFT Deductible for Federal Income Taxes		<u>21,641</u>	<u>30,301</u>	<u>39,953</u>
24	= Increase CCFT Deduction on Federal Income Taxes		8,660	9,652	3,013
25	x -Federal Income Tax Rate		<u>(0.2100)</u>	<u>(0.2100)</u>	<u>(0.2100)</u>
26	= Federal Income Taxes		(1,819)	(2,027)	(633)
27	x Net-To-Gross Multiplier		1.441456	1.441456	1.441456
28	= Decrease in Revenue Requirement		<u>(2,621)</u>	<u>(2,922)</u>	<u>(912)</u>

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Table 16

SAN DIEGO GAS & ELECTRIC
2024 CPUC General Rate Case (Application)
Electric Distribution
Calculation of Revenue Requirement Increase
Return on Rate Base
(Thousands of Dollars)

Line No.	Description	TY 2024	PTY 2025	PTY 2026	PTY 2027
<u>Change in Weighted Average Rate Base</u>					
1	TY W AVG Rate Base	6,005,932	6,005,932		
2	CY W AVG Rate Base		6,757,030	6,989,430	7,210,958
3	Change in W AVG Rate Base		751,098	232,400	221,527
<u>Long Term Debt</u>					
4	Prior Year Return on Debt	4.59%	4.59%	4.59%	4.59%
5	x Prior Year Debt Capitalization	45.25%	45.25%	45.25%	45.25%
6	= Prior Year Weighted Cost of Debt	2.08%	2.08%	2.08%	2.08%
7	x Change in W AVG Rate Base		751,098	232,400	221,527
8	= Change in Weighted Cost of Debt		15,623	4,834	4,608
9	x FF&U Factor	1.038085	1.038085	1.038085	1.038085
10	= Increase in Revenue Requirement		16,218	5,018	4,783
<u>Preferred Stock</u>					
11	Prior Year Return on Preferred Stock	6.22%	6.22%	6.22%	6.22%
12	x Prior Year Preferred Stock Capitalization	2.75%	2.75%	2.75%	2.75%
13	= Prior Year Weighted Cost of Preferred Stock	0.17%	0.17%	0.17%	0.17%
14	x Change in W AVG Rate Base		751,098	232,400	221,527
15	= Change in Weighted Cost of Preferred Stock		1,277	395	377
16	x Net-To-Gross Multiplier	1.441456	1.441456	1.441456	1.441456
17	= Increase in Revenue Requirement		1,841	569	543
<u>Common Equity</u>					
18	Prior Year Return on Common Equity	10.20%	10.20%	10.20%	10.20%
19	x Prior Year Common Equity Capitalization	52.00%	52.00%	52.00%	52.00%
20	= Prior Year Weighted Cost of Common Equity	5.30%	5.30%	5.30%	5.30%
21	x Change in W AVG Rate Base		751,098	232,400	221,527
22	= Change in Weighted Cost of Common Equity		39,808	12,317	11,741
23	x Net-To-Gross Multiplier	1.441456	1.441456	1.441456	1.441456
24	= Increase in Revenue Requirement		57,382	17,755	16,924
25	Total Increase in ED Revenue Requirement		150,136	64,259	65,961

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Table 17

SAN DIEGO GAS & ELECTRIC
2024 CPUC General Rate Case (Application)
Electric Generation
Calculation of Revenue Requirement Increase
Depreciation Expense, State Tax Depreciation, Ad Valorem Taxes, & Payroll Taxes
(Thousands of Dollars)

Line No.	Description	TY 2024	PTY 2025	PTY 2026	PTY 2027
<u>Depreciation Expense</u>					
1	Test Year (TY) Accrual	69,292			
2	/ TY Weighted Average (WAVG) Plant-in-Service	<u>1,313,285</u>			
3	= System Average Depreciation Rate	5.28%	5.28%	5.28%	5.28%
4	x Plant in Service Weighted Average Increase		<u>22,747</u>	<u>38,892</u>	<u>39,557</u>
5	= Increase in Depreciation Expense		1,200	2,052	2,087
6	x Net-to-Gross Multiplier	1.441456	<u>1.441456</u>	<u>1.441456</u>	<u>1.441456</u>
7	= Increase in Revenue Requirement		<u>1,730</u>	<u>2,958</u>	<u>3,008</u>
<u>Ad Valorem Taxes</u>					
8	TY Ad Valorem Taxes	11,222			
9	/ TY Plant In Service	<u>1,218,340</u>			
10	= System Average Ad Valorem Tax Rate	0.92%	0.92%	0.92%	0.92%
11	x Current Attrition Year Additions		<u>37,704</u>	<u>38,085</u>	<u>38,556</u>
12	= Increase to Ad Valorem Taxes		347	351	355
13	x FF&U Factor	1.038085	<u>1.038085</u>	<u>1.038085</u>	<u>1.038085</u>
14	= Increase in Revenue Requirement		<u>361</u>	<u>364</u>	<u>369</u>
<u>State Regulatory Tax Depreciation</u>					
15	TY State Tax Depreciation	42,519			
16	/ TY Plant In Service	<u>1,218,340</u>			
17	= System Average State Tax Depreciation Rate	3.49%	3.49%	3.49%	3.49%
18	x Current Attrition Year Additions		<u>37,704</u>	<u>38,085</u>	<u>38,556</u>
19	= Increase in State Tax Depreciation Expense		1,316	1,329	1,346
20	x -State Income Tax Rate	(0.0884)	<u>(0.0884)</u>	<u>(0.0884)</u>	<u>(0.0884)</u>
21	= State Income Taxes		(116)	(117)	(119)
22	x Net-to-Gross Multiplier	1.441456	<u>1.441456</u>	<u>1.441456</u>	<u>1.441456</u>
23	= Decrease in Revenue Requirement		<u>(168)</u>	<u>(169)</u>	<u>(171)</u>
<u>Payroll Taxes</u>					
24	Prior Year Payroll Taxes		1,644	1,690	1,739
25	x Current Year Labor Escalation Rate		<u>2.82%</u>	<u>2.87%</u>	<u>2.90%</u>
26	= Increase in Full Year Additions		46	48	50
27	x FF&U Factor		<u>1.038085</u>	<u>1.038085</u>	<u>1.038085</u>
28	= Increase in Revenue Requirement		<u>48</u>	<u>50</u>	<u>52</u>

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Table 18

SAN DIEGO GAS & ELECTRIC
2024 CPUC General Rate Case (Application)
Electric Generation
Calculation of Revenue Requirement Increase
Federal Tax Depreciation Expense & Prior Year CCFT
(Thousands of Dollars)

Line No.	Description	TY 2024	PTY 2025	PTY 2026	PTY 2027
<u>Federal Regulatory Tax Depreciation</u>					
1	TY Federal Tax Depreciation	62,800			
2	/ TY Plant-In-Service	<u>1,218,340</u>			
3	= System Average Federal Tax Depreciation Rate	5.15%	5.15%	5.15%	5.15%
4	x Current Attrition Year Additions		<u>37,704</u>	<u>38,085</u>	<u>38,556</u>
5	= Increase in Federal Tax Depreciation Expense		1,944	1,963	1,987
6	x -Federal Income Tax Rate	(0.2100)	(0.2100)	(0.2100)	(0.2100)
7	= Federal Income Taxes		(408)	(412)	(417)
8	x Net-to-Gross Multiplier	1.441456	1.441456	1.441456	1.441456
9	= Decrease in Revenue Requirement		<u>(588)</u>	<u>(594)</u>	<u>(602)</u>
<u>California Corporation Franchise Tax (Prior Year)</u>					
10	+ RevReq from Book Depreciation			1,730	2,958
11	+ RevReq from State Tax Depreciation			(168)	(169)
12	+ RevReq from Federal Tax Depreciation (ACRS,MACRS)			(588)	(594)
13	+ Rate Base: Preferred Stock			9	(22)
14	+ Rate Base: Common Stock Equity			283	(681)
15	+ CCFT			(89)	4
16	= Revenue Requirement Increase			<u>1,177</u>	<u>1,495</u>
17	x Prior Year State Income Tax Cumulative Component			<u>0.088400</u>	<u>0.088400</u>
18	= Prior Year State Income Tax Increase			104	132
19	+ Prior Year State Income Tax (State Tax Depreciation Expense)			(116)	(117)
20	+ Prior Year State Income Tax (State Rate Change)			-	-
21	= Prior Year Total State Income Tax Increase			(12)	15
22	Prior Year Current California Corp Franchise Tax		6,564	6,552	6,567
23	- Prior Year CCFT Deductible for Federal Income Taxes		<u>6,270</u>	<u>6,564</u>	<u>6,552</u>
24	= Increase CCFT Deduction on Federal Income Taxes		294	(12)	15
25	x -Federal Income Tax Rate		(0.2100)	(0.2100)	(0.2100)
26	= Federal Income Taxes		(62)	3	(3)
27	x Net-To-Gross Multiplier		1.441456	1.441456	1.441456
28	= Increase (Decrease) in Revenue Requirement		<u>(89)</u>	<u>4</u>	<u>(4)</u>

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Table 19

SAN DIEGO GAS & ELECTRIC
2024 CPUC General Rate Case (Application)
Electric Generation
Calculation of Revenue Requirement Increase
Return on Rate Base
(Thousands of Dollars)

Line No.	Description	TY 2024	PTY 2025	PTY 2026	PTY 2027
<u>Change in Weighted Average Rate Base</u>					
1	TY W AVG Rate Base	567,066	567,066		
2	CY W AVG Rate Base		570,766	561,853	552,230
3	Change in W AVG Rate Base		3,700	(8,913)	(9,623)
<u>Long Term Debt</u>					
4	Prior Year Return on Debt	4.59%	4.59%	4.59%	4.59%
5	x Prior Year Debt Capitalization	45.25%	45.25%	45.25%	45.25%
6	= Prior Year Weighted Cost of Debt	2.08%	2.08%	2.08%	2.08%
7	x Change in W AVG Rate Base		3,700	(8,913)	(9,623)
8	= Change in Weighted Cost of Debt		77	(185)	(200)
9	x FF&U Factor	1.038085	1.038085	1.038085	1.038085
10	= Increase (Decrease) in Revenue Requirement		80	(192)	(208)
<u>Preferred Stock</u>					
11	Prior Year Return on Preferred Stock	6.22%	6.22%	6.22%	6.22%
12	x Prior Year Preferred Stock Capitalization	2.75%	2.75%	2.75%	2.75%
13	= Prior Year Weighted Cost of Preferred Stock	0.17%	0.17%	0.17%	0.17%
14	x Change in W AVG Rate Base		3,700	(8,913)	(9,623)
15	= Change in Weighted Cost of Preferred Stock		6	(15)	(16)
16	x Net-To-Gross Multiplier	1.441456	1.441456	1.441456	1.441456
17	= Increase (Decrease) in Revenue Requirement		9	(22)	(24)
<u>Common Equity</u>					
18	Prior Year Return on Common Equity	10.20%	10.20%	10.20%	10.20%
19	x Prior Year Common Equity Capitalization	52.00%	52.00%	52.00%	52.00%
20	= Prior Year Weighted Cost of Common Equity	5.30%	5.30%	5.30%	5.30%
21	x Change in W AVG Rate Base		3,700	(8,913)	(9,623)
22	= Change in Weighted Cost of Common Equity		196	(472)	(510)
23	x Net-To-Gross Multiplier	1.441456	1.441456	1.441456	1.441456
24	= Increase (Decrease) in Revenue Requirement		283	(681)	(735)
25	Total Increase in EG Revenue Requirement		1,665	1,717	1,685

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Table 20

SAN DIEGO GAS & ELECTRIC
2024 CPUC General Rate Case (Application)
Gas Distribution
Calculation of Revenue Requirement Increase
Depreciation Expense, State Tax Depreciation, Ad Valorem Taxes, & Payroll Taxes
(Thousands of Dollars)

Line No.	Description	TY 2024	PTY 2025	PTY 2026	PTY 2027
<u>Depreciation Expense</u>					
1	Test Year (TY) Accrual	154,087			
2	/ TY Weighted Average (WAVG) Plant-in-Service	<u>4,044,115</u>			
3	= System Average Depreciation Rate	3.81%	3.81%	3.81%	3.81%
4	x Plant in Service Weighted Average Increase		<u>325,975</u>	<u>223,400</u>	<u>227,721</u>
5	= Increase in Depreciation Expense		12,420	8,512	8,677
6	x Net-to-Gross Multiplier	1.421510	1.421510	1.421510	1.421510
7	= Increase in Revenue Requirement		<u>17,655</u>	<u>12,100</u>	<u>12,334</u>
<u>Ad Valorem Taxes</u>					
8	TY Ad Valorem Taxes	39,431			
9	/ TY Plant In Service	<u>4,278,047</u>			
10	= System Average Ad Valorem Tax Rate	0.92%	0.92%	0.92%	0.92%
11	x Current Attrition Year Additions		<u>221,822</u>	<u>225,626</u>	<u>230,674</u>
12	= Increase to Ad Valorem Taxes		2,045	2,080	2,126
13	x FF&U Factor	1.023721	1.023721	1.023721	1.023721
14	= Increase in Revenue Requirement		<u>2,093</u>	<u>2,129</u>	<u>2,177</u>
<u>State Regulatory Tax Depreciation</u>					
15	TY State Tax Depreciation	135,157			
16	/ TY Plant In Service	<u>4,278,047</u>			
17	= System Average State Tax Depreciation Rate	3.16%	3.16%	3.16%	3.16%
18	x Current Attrition Year Additions		<u>221,822</u>	<u>225,626</u>	<u>230,674</u>
19	= Increase in State Tax Depreciation Expense		7,008	7,128	7,288
20	x -State Income Tax Rate	(0.0884)	(0.0884)	(0.0884)	(0.0884)
21	= State Income Taxes		(620)	(630)	(644)
22	x Net-to-Gross Multiplier	1.421510	1.421510	1.421510	1.421510
23	= Decrease in Revenue Requirement		<u>(881)</u>	<u>(896)</u>	<u>(916)</u>
<u>Payroll Taxes</u>					
24	Prior Year Payroll Taxes		6,960	7,156	7,361
25	x Current Year Labor Escalation Rate		<u>2.82%</u>	<u>2.87%</u>	<u>2.90%</u>
26	= Increase in Full Year Additions		196	205	214
27	x FF&U Factor		<u>1.023721</u>	<u>1.023721</u>	<u>1.023721</u>
28	= Increase in Revenue Requirement		<u>201</u>	<u>210</u>	<u>219</u>

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Table 21

SAN DIEGO GAS & ELECTRIC
2024 CPUC General Rate Case (Application)
Gas Distribution
Calculation of Revenue Requirement Increase
Federal Tax Depreciation Expense & Prior Year CCFT
(Thousands of Dollars)

Line No.	Description	TY 2024	PTY 2025	PTY 2026	PTY 2027
<u>Federal Regulatory Tax Depreciation</u>					
1	TY Federal Tax Depreciation	119,017			
2	/ TY Plant-In-Service	<u>4,278,047</u>			
3	= System Average Federal Tax Depreciation Rate	2.78%	2.78%	2.78%	2.78%
4	x Current Attrition Year Additions		<u>221,822</u>	<u>225,626</u>	<u>230,674</u>
5	= Increase in Federal Tax Depreciation Expense		6,171	6,277	6,417
6	x -Federal Income Tax Rate	(0.2100)	<u>(0.2100)</u>	<u>(0.2100)</u>	<u>(0.2100)</u>
7	= Federal Income Taxes		(1,296)	(1,318)	(1,348)
8	x Net-to-Gross Multiplier	1.421510	1.421510	1.421510	1.421510
9	= Decrease in Revenue Requirement		<u>(1,842)</u>	<u>(1,874)</u>	<u>(1,916)</u>
<u>California Corporation Franchise Tax (Prior Year)</u>					
10	+ RevReq from Book Depreciation			17,655	12,100
11	+ RevReq from State Tax Depreciation			(881)	(896)
12	+ RevReq from Federal Tax Depreciation (ACRS,MACRS)			(1,842)	(1,874)
13	+ Rate Base: Preferred Stock			434	173
14	+ Rate Base: Common Stock Equity			13,520	5,380
15	+ CCFT			<u>(374)</u>	<u>(567)</u>
16	= Revenue Requirement Increase			28,512	14,316
17	x Prior Year State Income Tax Cumulative Component			<u>0.088400</u>	<u>0.088400</u>
18	= Prior Year State Income Tax Increase			2,520	1,266
19	+ Prior Year State Income Tax (State Tax Depreciation Expense)			(620)	(630)
20	+ Prior Year State Income Tax (State Rate Change)			<u>-</u>	<u>-</u>
21	= Prior Year Total State Income Tax Increase			1,901	635
22	Prior Year Current California Corp Franchise Tax		8,982	10,883	11,518
23	- Prior Year CCFT Deductible for Federal Income Taxes		<u>7,728</u>	<u>8,982</u>	<u>10,883</u>
24	= Increase CCFT Deduction on Federal Income Taxes		1,253	1,901	635
25	x -Federal Income Tax Rate		<u>(0.2100)</u>	<u>(0.2100)</u>	<u>(0.2100)</u>
26	= Federal Income Taxes		(263)	(399)	(133)
27	x Net-To-Gross Multiplier		1.421510	1.421510	1.421510
28	= Decrease in Revenue Requirement		<u>(374)</u>	<u>(567)</u>	<u>(190)</u>

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Table 22

SAN DIEGO GAS & ELECTRIC
2024 CPUC General Rate Case (Application)
Gas Distribution
Calculation of Revenue Requirement Increase
Return on Rate Base
(Thousands of Dollars)

Line No.	Description	TY 2024	PTY 2025	PTY 2026	PTY 2027
<u>Change in Weighted Average Rate Base</u>					
1	TY WAVG Rate Base	2,268,433	2,268,433		
2	CY WAVG Rate Base		2,447,882	2,519,297	2,588,085
3	Change in WAVG Rate Base		179,449	71,415	68,788
<u>Long Term Debt</u>					
4	Prior Year Return on Debt	4.59%	4.59%	4.59%	4.59%
5	x Prior Year Debt Capitalization	45.25%	45.25%	45.25%	45.25%
6	= Prior Year Weighted Cost of Debt	2.08%	2.08%	2.08%	2.08%
7	x Change in WAVG Rate Base		179,449	71,415	68,788
8	= Change in Weighted Cost of Debt		3,733	1,485	1,431
9	x FF&U Factor	1.023721	1.023721	1.023721	1.023721
10	= Increase in Revenue Requirement		3,821	1,521	1,465
<u>Preferred Stock</u>					
11	Prior Year Return on Preferred Stock	6.22%	6.22%	6.22%	6.22%
12	x Prior Year Preferred Stock Capitalization	2.75%	2.75%	2.75%	2.75%
13	= Prior Year Weighted Cost of Preferred Stock	0.17%	0.17%	0.17%	0.17%
14	x Change in WAVG Rate Base		179,449	71,415	68,788
15	= Change in Weighted Cost of Preferred Stock		305	121	117
16	x Net-To-Gross Multiplier	1.421510	1.421510	1.421510	1.421510
17	= Increase in Revenue Requirement		434	173	166
<u>Common Equity</u>					
18	Prior Year Return on Common Equity	10.20%	10.20%	10.20%	10.20%
19	x Prior Year Common Equity Capitalization	52.00%	52.00%	52.00%	52.00%
20	= Prior Year Weighted Cost of Common Equity	5.30%	5.30%	5.30%	5.30%
21	x Change in WAVG Rate Base		179,449	71,415	68,788
22	= Change in Weighted Cost of Common Equity		9,511	3,785	3,646
23	x Net-To-Gross Multiplier	1.421510	1.421510	1.421510	1.421510
24	= Increase in Revenue Requirement		13,520	5,380	5,182
25	Total Increase in GD Revenue Requirement		34,626	18,176	18,521

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PTY CAPITAL EXCEPTION-RELATED COSTS

SDG&E is proposing limited exceptions to the capital component of the post-test year mechanism, as described in my testimony. These limited exceptions are for capital projects that are either going into service in the post-test years or have capital that are proposed to be balanced in balancing accounts for which revenue requirement for each post-test year is needed for tracking of costs. The proposed capital exceptions are:

- Gas Integrity Programs
 - Distribution Integrity Management Program (DIMP)
 - Transmission Integrity Management Program (TIMP)
 - Facilities Integrity Management Program (FIMP)
 - Gas Safety Enhancement Programs (GSEP)
- Smart Meter (SM) 2.0
- Moreno Compressor Modernization (Moreno)
- Wildfire Mitigation Plan (WMP)

Tables 23-43 provide the revenue requirement, rate base and return, and property tax details for each of the proposed capital exceptions.

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Table 23

DIMP (\$ in Dollars)	Total	2025	2026	2027
Revenue Requirement Summary	81,399,077	13,714,491	26,633,853	41,050,733
FF&U:	1,831,708	308,615	599,337	923,757
O&M:	-	-	-	-
Working Capital:	-	-	-	-
Depreciation:	15,826,607	2,704,534	5,177,347	7,944,726
Return on Common:	32,726,882	5,708,874	10,759,909	16,258,099
Return on Preferred:	1,055,417	184,107	346,999	524,311
Return On Debt:	12,815,406	2,235,518	4,213,435	6,366,453
Federal Taxes:	9,359,135	1,678,605	3,071,561	4,608,969
State Taxes:	2,420,615	422,253	787,291	1,211,072
Property Taxes:	5,363,307	471,985	1,677,974	3,213,347

Table 24

DIMP Rate Base and Return (\$ in Dollars)	Total	2025	2026	2027
Average Monthly Rate Base		107,633,378	202,864,037	306,525,244
Return on Equity (\$)	32,726,882	5,708,874	10,759,909	16,258,099
Weighted Return on Equity (%)		5.30%	5.30%	5.30%
Return on Preferred (\$)	1,055,417	184,107	346,999	524,311
Weighted Return on Preferred (%)		0.17%	0.17%	0.17%
Return on Debt (\$)	12,815,406	2,235,518	4,213,435	6,366,453
Weighted Return on Debt (%)		2.08%	2.08%	2.08%
Total Return	46,597,705	8,128,500	15,320,343	23,148,863
Total Rate of Return		7.55%	7.55%	7.55%

Table 25

DIMP Property Tax (\$ in Dollars)	Total	2025	2026	2027
Average of Month-End Rate Base		107,476,343	202,565,372	306,072,814
Property Tax Rate		0.44%	0.83%	1.05%
Property Tax	5,363,307	471,985	1,677,974	3,213,347

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Table 26

TIMP (\$ in Dollars)	Total	2025	2026	2027
Revenue Requirement	8,353,892	1,589,566	2,788,682	3,975,644
FF&U:	187,986	35,770	62,753	89,463
O&M:	-	-	-	-
Working Capital:	-	-	-	-
Depreciation:	1,556,685	300,636	519,408	736,640
Return on Common:	3,394,806	670,425	1,138,336	1,586,045
Return on Preferred:	109,480	21,621	36,710	51,149
Return On Debt:	1,329,360	262,529	445,757	621,074
Federal Taxes:	965,192	196,070	321,864	447,257
State Taxes:	218,906	43,852	71,143	103,912
Property Taxes:	591,477	58,664	192,710	340,103

Table 27

TIMP Rate Base and Return (\$ in Dollars)	Total	2025	2026	2027
Average Monthly Rate Base		12,639,982	21,461,848	29,902,809
Return on Equity (\$)	3,394,806	670,425	1,138,336	1,586,045
Weighted Return on Equity (%)		5.30%	5.30%	5.30%
Return on Preferred (\$)	109,480	21,621	36,710	51,149
Weighted Return on Preferred (%)		0.17%	0.17%	0.17%
Return on Debt (\$)	1,329,360	262,529	445,757	621,074
Weighted Return on Debt (%)		2.08%	2.08%	2.08%
Total Return	4,833,646	954,575	1,620,804	2,258,268
Total Rate of Return		7.55%	7.55%	7.55%

Table 28

TIMP Property Tax (\$ in Dollars)	Total	2025	2026	2027
Average of Month-End Rate Base		12,621,919	21,430,618	29,859,424
Property Tax Rate		0.46%	0.90%	1.14%
Property Tax	591,477	58,664	192,710	340,103

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Table 29

FIMP (\$ in Dollars)	Total	2025	2026	2027
Revenue Requirement	141,966	25,326	47,220	69,420
FF&U:	2,726	486	907	1,333
O&M:	-	-	-	-
Working Capital:	-	-	-	-
Depreciation:	31,967	5,755	10,619	15,593
Return on Common:	56,154	10,380	18,769	27,005
Return on Preferred:	1,811	335	605	871
Return On Debt:	21,989	4,065	7,350	10,575
Federal Taxes:	15,919	3,009	5,305	7,605
State Taxes:	2,811	506	918	1,387
Property Taxes:	8,589	790	2,746	5,053

Table 30

FIMP Rate Base and Return (\$ in Dollars)	Total	2025	2026	2027
Average Monthly Rate Base		195,699	353,873	509,139
Return on Equity (\$)	56,154	10,380	18,769	27,005
Weighted Return on Equity (%)		5.30%	5.30%	5.30%
Return on Preferred (\$)	1,811	335	605	871
Weighted Return on Preferred (%)		0.17%	0.17%	0.17%
Return on Debt (\$)	21,989	4,065	7,350	10,575
Weighted Return on Debt (%)		2.08%	2.08%	2.08%
Total Return	79,954	14,779	26,725	38,450
Total Rate of Return		7.55%	7.55%	7.55%

Table 31

FIMP Property Tax (\$ in Dollars)	Total	2025	2026	2027
Average of Month-End Rate Base		195,363	353,260	508,253
Property Tax Rate		0.40%	0.78%	0.99%
Property Tax	8,589	790	2,746	5,053

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Table 32

GSEP (\$ in Dollars)	Total	2025	2026	2027
Revenue Requirement	27,137,517	4,757,108	9,279,060	13,101,349
FF&U:	610,670	107,048	208,805	294,817
O&M:	-	-	-	-
Working Capital:	-	-	-	-
Depreciation:	5,816,488	1,037,766	1,988,247	2,790,475
Return on Common:	10,859,171	1,988,684	3,738,823	5,131,663
Return on Preferred:	350,200	64,134	120,574	165,492
Return On Debt:	4,252,305	778,742	1,464,073	2,009,490
Federal Taxes:	3,054,766	567,247	1,051,615	1,435,904
State Taxes:	344,726	53,007	117,360	174,358
Property Taxes:	1,849,191	160,480	589,563	1,099,148

Table 33

GSEP Rate Base and Return (\$ in Dollars)	Total	2025	2026	2027
Average Monthly Rate Base		37,494,051	70,490,627	96,750,818
Return on Equity (\$)	10,859,171	1,988,684	3,738,823	5,131,663
Weighted Return on Equity (%)		5.30%	5.30%	5.30%
Return on Preferred (\$)	350,200	64,134	120,574	165,492
Weighted Return on Preferred (%)		0.17%	0.17%	0.17%
Return on Debt (\$)	4,252,305	778,742	1,464,073	2,009,490
Weighted Return on Debt (%)		2.08%	2.08%	2.08%
Total Return	15,461,676	2,831,560	5,323,470	7,306,646
Total Rate of Return		7.55%	7.55%	7.55%

Table 34

GSEP Property Tax (\$ in Dollars)	Total	2025	2026	2027
Average of Month-End Rate Base		37,429,303	70,369,427	96,583,595
Property Tax Rate		0.43%	0.84%	1.14%
Property Tax	1,849,191	160,480	589,563	1,099,148

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Table 35

SM 2.0 (\$ in Dollars)	Total	2025	2026	2027
Revenue Requirement	59,864,249	4,477,954	21,299,227	34,087,069
FF&U:	1,743,723	100,767	588,779	1,054,177
O&M:	-	-	-	-
Working Capital:	-	-	-	-
Depreciation:	28,477,754	1,792,739	10,079,565	16,605,449
Return on Common:	18,127,691	1,399,491	6,257,875	10,470,325
Return on Preferred:	584,604	45,133	201,812	337,660
Return On Debt:	7,098,560	548,022	2,450,500	4,100,038
Federal Taxes:	4,637,537	431,086	1,672,241	2,534,209
State Taxes:	(1,480,553)	160,717	(97,425)	(1,543,845)
Property Taxes:	674,935	-	145,880	529,055

Table 36

SM 2.0 Rate Base and Return (\$ in Dollars)	Total	2025	2026	2027
Average Monthly Rate Base		26,385,573	117,984,067	197,404,316
Return on Equity (\$)	18,127,691	1,399,491	6,257,875	10,470,325
Weighted Return on Equity (%)		5.30%	5.30%	5.30%
Return on Preferred (\$)	584,604	45,133	201,812	337,660
Weighted Return on Preferred (%)		0.17%	0.17%	0.17%
Return on Debt (\$)	7,098,560	548,022	2,450,500	4,100,038
Weighted Return on Debt (%)		2.08%	2.08%	2.08%
Total Return	25,810,855	1,992,645	8,910,186	14,908,023
Total Rate of Return		7.55%	7.55%	7.55%

Table 37

SM 2.0 Property Tax (\$ in Dollars)	Total	2025	2026	2027
Average of Month-End Rate Base		26,306,622	117,456,726	196,394,762
Property Tax Rate		0.00%	0.12%	0.27%
Property Tax	674,935	-	145,880	529,055

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Table 38

Moreno (\$ in Dollars)	Total	2025	2026	2027
Revenue Requirement	125,716,703	-	53,295,410	72,421,292
FF&U:	2,820,461	-	1,195,565	1,624,895
O&M:	-	-	-	-
Working Capital:	-	-	-	-
Depreciation:	29,044,691	-	12,372,259	16,672,431
Return on Common:	49,531,271	-	21,499,277	28,031,994
Return on Preferred:	1,595,419	-	692,472	902,947
Return On Debt:	19,395,779	-	8,418,828	10,976,951
Federal Taxes:	14,816,661	-	6,818,732	7,997,929
State Taxes:	4,200,531	-	2,298,276	1,902,255
Property Taxes:	4,311,890	-	-	4,311,890

Table 39

Moreno Rate Base and Return (\$ in Dollar	Total	2025	2026	2027
Average Monthly Rate Base		-	405,340,828	528,506,666
Return on Equity (\$)	49,531,271	-	21,499,277	28,031,994
Weighted Return on Equity (%)		-	5.30%	5.30%
Return on Preferred (\$)	1,595,419	-	692,472	902,947
Weighted Return on Preferred (%)		-	0.17%	0.17%
Return on Debt (\$)	19,395,779	-	8,418,828	10,976,951
Weighted Return on Debt (%)		-	2.08%	2.08%
Total Return	70,522,469	-	30,610,577	39,911,892
Total Rate of Return		-	7.55%	7.55%

Table 40

Moreno Property Tax (\$ in Dollars)	Total	2025	2026	2027
Average of Month-End Rate Base		-	404,751,017	527,614,927
Property Tax Rate		-	0.00%	0.82%
Property Tax	4,311,890	-	-	4,311,890

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Table 41

WMP (\$ in Dollars)	Total	2025	2026	2027
Revenue Requirement	822,264,901	133,073,620	273,453,885	415,737,397
FF&U:	29,456,865	4,765,444	9,796,039	14,895,382
O&M:	-	-	-	-
Working Capital:	-	-	-	-
Depreciation:	249,839,324	41,943,820	83,029,468	124,866,036
Return on Common:	287,050,223	49,866,583	96,241,067	140,942,573
Return on Preferred:	9,257,153	1,608,160	3,103,702	4,545,292
Return On Debt:	112,405,003	19,527,083	37,686,706	55,191,214
Federal Taxes:	73,009,578	10,495,125	24,397,073	38,117,380
State Taxes:	14,610,604	1,217,759	4,738,502	8,654,342
Property Taxes:	46,636,152	3,649,647	14,461,326	28,525,178

Table 42

WMP Rate Base and Return (\$ in Dollars)	Total	2025	2026	2027
Average Monthly Rate Base		940,169,359	1,814,499,760	2,657,288,324
Return on Equity (\$)	287,050,223	49,866,583	96,241,067	140,942,573
Weighted Return on Equity (%)		5.30%	5.30%	5.30%
Return on Preferred (\$)	9,257,153	1,608,160	3,103,702	4,545,292
Weighted Return on Preferred (%)		0.17%	0.17%	0.17%
Return on Debt (\$)	112,405,003	19,527,083	37,686,706	55,191,214
Weighted Return on Debt (%)		2.08%	2.08%	2.08%
Total Return	408,712,379	71,001,825	137,031,475	200,679,079
Total Rate of Return		7.55%	7.55%	7.55%

Table 43

WMP Property Tax (\$ in Dollars)	Total	2025	2026	2027
Average of Month-End Rate Base		938,027,676	1,810,297,783	2,651,069,578
Property Tax Rate		0.39%	0.80%	1.08%
Property Tax	46,636,152	3,649,647	14,461,326	28,525,178