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April 2, 2013

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 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 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 OMA reports and includes its conclusions in the attached report.

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

Sincerely,

CLAY FABER
Director – Regulatory Affairs

cc: Commissioner Michael Florio
ALJ Melanie Darling
Sepideh Khosrowjah – Comm. Florio's Office
Eric Greene – Energy Division
Truman Burns, Division of Ratepayer Advocates
Service List I.12-10-013

**SAN ONFRE NUCLEAR GENERATING STATION (SONGS)
QUARTERLY STATUS REPORT AS DIRECTED BY I.12-10-013
April 2, 2013**

Operational Update

SDG&E has reviewed SCE's monthly status reports (filed February 1, 2013 and March 1, 2013) which provided an update on SONGS operational status. SDG&E does not have any additional information with which to supplement or challenge SCE on the reported status of SONGS.

Nuclear Regulatory Commission (NRC) Actions

SDG&E has reviewed SCE's monthly status reports (filed February 1, 2013 and March 1, 2013) which provided an update on NRC actions. SDG&E does not have any additional information with which to supplement or challenge SCE on the reported status actions at the NRC.

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

	2012												YTD
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
43 Marketing, Education & Outreach (ME&O)	-	-	-	-	1	-	0	1	38	45	5	3	91
44 Subtotal DR	-	-	-	-	1	-	0	1	38	45	5	3	91
45 VI. Transmission Upgrades Subaccount													
46 Capital Expenditures	-	-	-	-	-	(8)	9	93	1,245	137	653	883	3,013
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	16	16	16	16	16	16	16	16	16	16	16	15	185
56 VIII. Adders to SCE-Originated SONGS Costs													
57 SCE-Billed Costs Not Included by SCE in § III	(12)	3,762	(73)	(101)	(18)	(46)	(39)	(128)	(33)	(46)	106	902	4,274
58 SDG&E Portion of Nuclear and Related Insurance	-	-	956	-	463	-	-	945	-	-	-	-	2,364
59 SDG&E Portion of SONGS Site Easement	-	-	-	20	-	-	-	-	-	-	-	-	20
60 SDG&E Overheads on SONGS Costs - Capital (Adder to § I)	786	964	628	889	574	775	886	958	1,003	1,069	773	678	9,983
61 SDG&E Overheads on SONGS Costs - O&M (Adder to § III)	624	526	550	1,057	661	735	860	723	679	1,197	930	974	9,515
62 Net Impact of Billing Lag (Temporary Adder to §§ I & III)	2,038	(9,161)	(5,575)	10,830	675	491	(637)	(3,352)	1,222	5,777	(1,375)	(4,416)	(3,484)
63 IX. SDG&E Direct Cost of SONGS Oversight													
64 Operational and Financial Oversight Team	45	90	62	40	69	43	56	54	51	60	40	59	668

NOTES

All amounts shown reflect SDG&E's actual costs for SONGS, including 20% share of SONGS 100%-level costs incurred by SCE plus contractual overheads.

SGRP costs reported net of 20% of estimated removal and disposal costs for the original steam generators granted in SDG&E's 2006 SGRP Decision D.06-11-026.

SCE advance bills SDG&E for the month and trues-up previous advance bills. The "Lag Adjustment" converts SONGS data for the billing process to match actual SDG&E posting periods.

SCE's invoices to SDG&E do not allow O&M costs to be broken out into the cost categories shown for O&M. Figures were provided by SCE, who allocated the SDG&E prorated billing based upon SCE's reported costs.

SDG&E has not yet received a 2012 GRC decision authorizing a revenue requirement. Revenue Requirement based on AL 2302-E filed November 10, 2011, pending a final GRC decision.

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.

Replacement Power (ERRA) amount estimated for 2012 excludes lost generation replacement costs for planned refueling and maintenance outage for 01/10/12 through 03/05/12 for SONGS Unit 2 of \$5,039K.

Capacity Payments (ERRA) amount estimated for CPM charges and Resource Adequacy (RA) purchases.

SAN DIEGO GAS & ELECTRIC COMPANY
SONGS 2&3 Outage Memorandum Account
1,12-10-013
(\$000)

SONGS COSTS BY AUTHORIZATION CATEGORY

	As Reported	SCE GRC D.12-11-051	SDG&E GRC Pending	SGRP D.05-12-040	ERRA D.12-07-006 D.12-08-007 D.12-12-022	Other BA- DR Resolutions E- 4502, E-4511, D. 12-14-045	Other BA - NGBA AL-2302	Transmission Owner Tariff	NEW
I. Sunk Capital Cost Subaccount									
2	Capital Expenditures	38,474.9	\$39,250.80	\$10,009.60					
3	CWIP	110,854.7	110,854.7						
4	Rate Base	106,896.3	106,896.3						
5	Depreciation	10,384.7	10,384.7						
6	Taxes on Income	4,067.4	4,067.4						
7	Ad Valorem Taxes	3,916.9	3,916.9						
8	Return	8,979.3	8,979.3						
9	Subtotal Revenue Requirement	27,348.3							
II. Steam Gen Replacement/Removal Capital Cost Subaccount									
11	Capital Expenditures - Replace	12,863.2		12,863.2					
12	Capital Expenditures - Remove	(9,319.5)		(9,319.5)					
13	Rate Base - Replace	129,013.2		129,013.2					
14	Rate Base - Remove	1,334.6		1,334.6					
15	CWIP Balance - Replace	136.6		136.6					
16	CWIP Balance - Remove	-		-					
17	Depreciation	12,888.0		12,888.0					
18	Taxes on Income	4,789.4		4,789.4					
19	Ad Valorem Taxes	495.9		495.9					
20	Return	10,949.3		10,949.3					
21	Subtotal Revenue Requirement	29,122.6							
III. O&M Expense Subaccount									
23	Fuel (ERRA)	1,223.0			1,223.0				
24	Fuel Carrying Costs (ERRA)	192.0			192.0				
25	Replacement Power (ERRA)	72,249.2			72,249.2				
26	Capacity Payments (ERRA)	2,915.9			2,915.9				
27	Foregone Sales Revenue (ERRA)	755.7			755.7				
28	Routine O&M	73,558.7	73,558.7						
29	Refueling (1 in 2012)	9,116.4	9,116.4						
30	Seismic Safety	831.8	831.8						
31	Investigation	17,155.3							17,155.3
32	Repairs - After Outage	6,004.2							6,004.2
33	Regulatory - After Outage	902.9							902.9
34	Defueling	166.9							166.9
35	Litigation	-							-
36	Payroll Taxes	3,744.1	3,744.1						
37	Other (Pensions, PBOP, Insurance)	31,623.9	31,623.9						
38	Subtotal	220,440.0							
IV. Huntington Beach Subaccount									
39		-							

As Reported	SCE GRC	SDG&E GRC	SGRP	ERRA	Other BA- DR	Other BA -	Transmission	NEW
	D.12-11-051	Pending	D.05-12-040	D.12-07-006 D.12-08-007 D.12-12-022	Resolutions 4502, E-4511, D. 12-14-045	E- AL-2302	Owner Tariff	

40 V. Demand Response Subaccount

41	Peak Time Rebate - Small Commercial (PTRA)	-				-		
42	Demand Bidding Program (DBP 2012)	-				-		
43	Marketing, Education & Outreach (ME&O)	90.6				90.6		
44	Subtotal DR	90.6						

45 VI. Transmission Upgrades Subaccount

46	Capital Expenditures	3,012.5						3,012.5
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	185.4					185.4	
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56 VIII. Adders to SCE-Originated SONGS Costs

57	SCE-Billed Costs Not Included by SCE in § III	4,274.3	4,274.3					
58	SDG&E Portion of Nuclear and Related Insurance	2,363.9		2,363.9				
59	SDG&E Portion of SONGS Site Easement	20.1		20.1				
60	SDG&E Overheads on SONGS Costs - Capital (Adder to § I)	9,983.2		9,983.2				
61	SDG&E Overheads on SONGS Costs - O&M (Adder to § III)	9,515.2		9,515.2				
62	Net Impact of Billing Lag (Temporary Adder to §§ I & III)	(3,484.4)	(3,484.4)					

63 IX. SDG&E Direct Cost of SONGS Oversight

64	Operational and Financial Oversight Team	668.3		668.3				
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Sunk capital line items 3-8 include SDG&E overheads and AFUDC