

Clay Faber - Director Regulatory Affairs 8330 Century Park Court San Diego, CA 92123-1548

Tel: 858-654-3563 Fax: 858-654-1788 CFaber@semprautilities.com

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												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
I. Sunk Capital Cost Subaccount													
2 Capital Expenditures	3,322	10,392	2,468	1,795	2,167	3,864	3,281	1,994	1,996	2,818	2,138	2,241	38,475
3 CWIP	98,813	109,820	108,961	113,845	116,440	119,138	120,983	125,286	130,634	92,230	112,139	110,855	110,855
4 Rate Base	103,504	104,677	105,159	106,805	107,782	105,458	103,472	103,344	102,936	103,797	113,965	121,857	106,896
5 Depreciation	817	827	835	851	862	852	843	845	847	856	939	1.010	10.385
6 Taxes on Income	337	342	344	349	355	348	339	339	337	334	303	341	4,067
7 Ad Valorem Taxes	-	-	-	1,940	-	-	-	-	-	-	-	1,977	3,917
8 Return	725	733	736	748	755	738	724	723	721	727	798	853	8,979
9 Subtotal Revenue Requirement	1,879	1,902	1,914	3,887	1,971	1,939	1,907	1,908	1,905	1,917	2,040	4,181	27,348
10 II. Steam Gen Replacement/Removal Capital Cost Subaccount													
11 Capital Expenditures - Replace	61	(982)	440	5	77	802	1,076	(172)	(798)	(469)	12,577	248	12,863
12 Capital Expenditures - Remove	849	714	189	187	325	187	190	201	194	199	(12,420)	(134)	(9,320)
12 Suprial Experiations - Northove	043	714	103	107	020	107	150	201	154	100	(12,420)	(104)	(3,320)
13 Rate Base - Replace	133,780	132,238	130,887	130,029	128,990	128,347	128,197	127,556	125,980	124,261	127,896	129,997	129,013
14 Rate Base - Remove	-	-	-	-	-	-	-	-	-	-	3,713	12,303	1,335
15 CWIP Balance - Replace	_	_	_	_	_	_	_	_	_	_	_	137	137
16 CWIP Balance - Remove	27,349	28,063	28,251	28,439	28,764	28,951	29.141	29.342	29,536	29.735	9,826	-	-
To ovvii Balanco Momovo	21,010	20,000	20,201	20,100	20,701	20,001	20,111	20,012	20,000	20,700	0,020		
17 Depreciation	1,062	1,059	1,057	1,058	1,059	1,062	1,069	1,072	1,068	1,064	1,107	1,152	12,888
18 Taxes on Income	418	413	407	404	400	398	397	395	390	385	369	414	4,789
19 Ad Valorem Taxes	-	-	-	153	-	-	-	-	-	-	-	343	496
20 Return	937	926	916	910	903	898	897	893	882	870	921	996	10,949
21 Subtotal Revenue Requirement	2,417	2,397	2,380	2,526	2,362	2,358	2,363	2,360	2,341	2,318	2,397	2,905	29,123
22 III. O&M Expense Subaccount													
23 Fuel (ERRA)	1,228	(5)	(4)	(6)	(3)	(3)	(4)	(4)	24	-	-	-	1,223
24 Fuel Carrying Costs (ERRA)	10	10	12	13	14	16	20	20	21	19	18	19	192
25 Replacement Power (ERRA)	(5,312)	3,236	4,814	5,333	6,457	5,859	7,618	8,082	8,992	9,849	8,623	8,698	72,249
26 Capacity Payments (ERRA)	6	205	116	411	279	381	378	560	579				2,916
27 Foregone Sales Revenue (ERRA)							206	206	206	46	46	46	756
28 Routine O&M	6,255	7,054	5,914	5,890	6,044	5,099	5,698	5,519	6,402	7,460	5,079	7,145	73,559
29 Refueling (1 in 2012)	3,513	3,828	1,093	186	228	(24)	9	55	(20)	75	85	89	9,116
30 Seismic Safety	3	40	89	97	27	39	52	124	37	87	71	168	832
31 Investigation	-	1,251	3,147	3,317	1,082	1,896	-	5,839	625	-	-	-	17,155
32 Repairs - After Outage	-	572	390	812	351	-	2,496	-	1,382	-	-	-	6,004
33 Regulatory - After Outage	-	-	-	-	39	32	41	13	7	130	642	-	903
34 Defueling	-	-	-	-	-	-	-	32	92	43	-	-	167
35 Litigation	-	-	-	-	-	-	-	-	-	-	-	-	-
36 Payroll Taxes	350	423	347	287	319	292	256	337	242	301	265	324	3,744
37 Other (Pensions, PBOP, Insurance) 38 Subtotal	2,732 8,785	3,197 19,811	2,774 18,693	2,620 18,960	2,850 17,687	2,551 16,139	2,287 19,056	3,092 23,874	2,239 20,826	2,729 20,738	2,302 17,130	2,253 18,741	31,624 220,440
30 Subiolai	0,700	19,011	10,093	10,900	17,007	10,139	19,000	23,074	20,020	20,730	17,130	10,741	220,440
39 IV. Huntington Beach Subaccount	-	-	-	-	-	-	-	-	-	-	-	-	-
40 V. Demand Response Subaccount													
41 Peak Time Rebate - Small Commercial (PTRA)	-	-	-	-	-	-	-	-	-	-	-	-	-
42 Demand Bidding Program (DBP 2012)	-	-	-	-	-	-	-	-	-	-	-	-	-

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

	2012												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
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				_	_	(0)	-	-	1,243	-	-		3,013
Triale 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

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)

39 IV. Huntington Beach Subaccount

(\$000)		SONGS COSTS BY AUTHORIZATION CATEGORY									
		As Reported	SCE GRC	SDG&E GRC	SGRP	ERRA	Other BA- DR	Other BA -	Transmission	NEW	
								NGBA	Owner Tariff		
			D.12-11-051	Pending	D.05-12-040	D.12-07-006 D.12-08-007 D.12-12-022	Resolutions E- 4502, E-4511, D. 12-14-045	AL-2302			
	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									
10 <u>II.</u>	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									
22 <u>III.</u>	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 25	Defueling	166.9								166.9	
35	Litigation		2 744 4							_	
36	Payroll Taxes	3,744.1	3,744.1								
37	Other (Pensions, PBOP, Insurance)	31,623.9 220,440.0	31,623.9								
38	Subtotal	220,440.0									

		As Reported	SCE GRC	SDG&E GRC	SGRP	ERRA	Other BA- DR	Other BA - NGBA	Transmission Owner Tariff	NEW
			D.12-11-051	Pending	D.05-12-040	D.12-07-006	Resolutions E-		Officer runni	
			5112 11 051	, chang	5.00 11 5.0	D.12-08-007	4502, E-4511, D.			
						D.12-12-022	12-14-045			
	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		
	I. 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						

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.

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

Sunk capital line items 3-8 include SDG&E overheads and AFUDC