



**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**SAN DIEGO GAS & ELECTRIC COMPANY ) DOCKET NO. ER19-221-002**

**TRANSMISSION OWNER TARIFF  
FIFTH RATE FORMULA**

**OCTOBER 18, 2019**

# T05 Formula

## Appendix VIII

## APPENDIX VIII

### FORMULA FOR CALCULATING ANNUAL BASE TRANSMISSION REVENUE REQUIREMENTS UNDER SDG&E'S TRANSMISSION OWNER TARIFF

This Appendix VIII sets forth the formula for calculating the annual Base Transmission Revenue Requirements ("BTRRs") and is organized into the following sections:

#### Introduction

#### I. Definitions

- A. Allocation Factors
  - 1. HV and LV Allocation Factor
  - 2. Seven-Element Adjustment Factor
  - 3. Transmission Plant Allocation Factor
  - 4. Transmission Property Insurance and Tax Allocation Factor
  - 5. Transmission Wages and Salaries Allocation Factor
  
- B. Terms
  - 1. Accumulated Deferred Income Taxes
  - 2. Administrative and General Expense
  - 3. Amortization of Investment Tax Credits
  - 4. Amortization of Loss on Reacquired Debt
  - 5. Annual Fixed Charge Rate
  - 6. Base Period
  - 7. Base Return on Common Equity
  - 8. CAISO Base Transmission Revenue Requirements
  - 9. CAISO Participation Return on Equity Adder
  - 10. Common Plant
  - 11. Common Plant Depreciation Expense
  - 12. Common Plant Depreciation Reserve
  - 13. CPUC Intervenor Funding Expense
  - 14. Electric Miscellaneous Intangible Plant
  - 15. Electric Miscellaneous Intangible Plant Amortization Expense
  - 16. Electric Miscellaneous Intangible Plant Amortization Reserve
  - 17. End Use Customers Base Transmission Revenue Requirements
  - 18. Forecast Period
  - 19. General Plant
  - 20. General Plant Depreciation Expense

21. General Plant Depreciation Reserve
22. Incentives
23. Incentive Annual Fixed Charge Rate
24. Incentive Transmission Construction Work In Progress
25. Incentive Project
26. Incentive Return and Associated Income Taxes
27. Incentive Return on Equity
28. Incentive Transmission Plant
29. Incentive Transmission Plant Abandoned Project Cost
30. Incentive Transmission Plant Abandoned Project Cost Accumulated Deferred Income Taxes
31. Incentive Transmission Plant Abandoned Project Cost Amortization Expense
32. Incentive Transmission Plant Accumulated Deferred Income Taxes
33. Incentive Transmission Plant Depreciation Expense
34. Incentive Transmission Plant Depreciation Reserves
35. Incentive Weighted Forecast Plant Additions
36. Incentive Weighted Forecast Transmission Construction Work In Progress
37. Materials and Supplies
38. Municipal Franchise Tax Expense
39. Other BTRR Adjustments
40. Other Regulatory Assets/Liabilities
41. Payroll Taxes
42. Prepayments
43. Property Insurance
44. Property Taxes
45. Rate Effective Period
46. Return and Associated Income Taxes – Base ROE
47. Return and Associated Income Taxes – CAISO Participation ROE Adder
48. South Georgia Income Tax Adjustment
49. Total Plant in Service
50. Transmission, General, Common Plant Depreciation Expense, and Electric Misc. Intangible Plant Amortization Expense
51. Transmission Operation and Maintenance Expense
52. Transmission Plant
53. Transmission Plant Abandoned Project Cost
54. Transmission Plant Abandoned Project Cost Accumulated Deferred Income Taxes
55. Transmission Plant Abandoned Project Cost Amortization Expense
56. Transmission Plant Depreciation Expense
57. Transmission Plant Depreciation Reserve
58. Transmission Plant Held for Future Use

- 59. Transmission Related Accumulated Deferred Income Taxes
- 60. Transmission Related A&G Expenses
- 61. Transmission Related Amortization of Excess Deferred Tax Liabilities
- 62. Transmission Related Amortization of Investment Tax Credits
- 63. Transmission Related Cash Working Capital
- 64. Transmission Related Common Plant
- 65. Transmission Related Common Plant Depreciation Expense
- 66. Transmission Related Common Plant Depreciation Reserve
- 67. Transmission Related Depreciation Reserve
- 68. Transmission Related General Plant
- 69. Transmission Related General Plant Depreciation Expense
- 70. Transmission Related General Plant Depreciation Reserve
- 71. Transmission Related Electric Miscellaneous Intangible Plant
- 72. Transmission Related Electric Miscellaneous Intangible Plant Amortization Expense
- 73. Transmission Related Electric Miscellaneous Intangible Plant Amortization Reserve
- 74. Transmission Related Materials & Supplies
- 75. Transmission Related Municipal Franchise Tax Expense
- 76. Transmission Related Payroll Tax Expense
- 77. Transmission Related Prepayments
- 78. Transmission Related Property Taxes
- 79. Transmission Related Regulatory Debits and Credits
- 80. Transmission Related Revenue Credits
- 81. Transmission Related Uncollectible Expense
- 82. True-Up Period
- 83. Uncollectible Expense
- 84. Weighted Forecast Plant Additions

## **II. Calculation of Annual Base Transmission Revenue Requirement**

A. Formula Rate Protocols – Attachment 1

B. Formula Rate Spreadsheet – Attachment 2

## INTRODUCTION

This Appendix sets forth details with respect to the determination each year of San Diego Gas & Electric Company's ("SDG&E") Base Transmission Revenue Requirements used to derive the charges assessed by SDG&E to its End Use Customers ("BTRR<sub>EU</sub>") and SDG&E's Base Transmission Revenue Requirements used to derive the transmission charges assessed by SDG&E pursuant to its Transmission Owner ("TO") Tariff and by the California Independent System Operator Corporation ("CAISO") pursuant to the CAISO Tariff ("BTRR<sub>CAISO</sub>"). This Appendix VIII, which includes the Formula Rate Protocols as Attachment 1 and the Formula Rate Spreadsheet as Attachment 2, constitutes the "TO5 Formula." SDG&E shall calculate its BTRRs<sup>1</sup> using the formula rate that is presented in the spreadsheet format in the Formula Rate Spreadsheet.

The Formula Rate Spreadsheet contains fixed formulae that are described in this Appendix VIII and are embedded in the Formula Rate Spreadsheet. If there is any conflict between the text of this Appendix VIII and the Formula Rate Spreadsheet, the embedded formulae in the Formula Rate Spreadsheet shall control. The fixed formulae in the Formula Rate Spreadsheet are subject to change only pursuant to Sections 205 and 206 of the Federal Power Act ("FPA") and in accordance with the Formula Rate Protocols, and will be populated with data from SDG&E's annual Form 1 filing or SDG&E's underlying ledger accounts in accordance with the Formula Rate Protocols. Information in the Reference sections and footnotes of the Formula Rate Spreadsheet may, however, be changed without a Section 205 or Section 206 filing.

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<sup>1</sup> The term "BTRRs" includes the BTRR<sub>EU</sub> and the BTRR<sub>CAISO</sub> calculated in each annual update.

SDG&E shall update its BTRRs in accordance with the procedures and timelines set forth in the Formula Rate Protocols. SDG&E shall have the burden of demonstrating that its updates to the BTRRs are just and reasonable, consistent with Section C.4 of the Formula Rate Protocols. An Interested Party (as defined in the Protocols) shall have the right to challenge SDG&E's updates, consistent with Sections C.3 and C.4 of the Formula Rate Protocols.

SDG&E has the right to modify the TO5 Formula through single-issue filings under Section 205 of the Federal Power Act only as provided in Section D of the Protocols.

## **I. DEFINITIONS**

Capitalized terms not otherwise defined in Section 3 of SDG&E's Transmission Owner Tariff, or in the CAISO Tariff, or in this Appendix VIII have the following definitions:

### **A. ELECTRIC COMPONENT ALLOCATION FACTORS**

1. High Voltage (HV) and Low Voltage (LV) Allocation Factors:

For purposes of SDG&E's BTRR<sub>CAISO</sub>, SDG&E will allocate its Base Transmission Revenue Requirements between recorded High Voltage ("HV") and recorded Low Voltage ("LV") Transmission Facilities based on the ratio of HV transmission plant and LV transmission plant, respectively, to total gross transmission plant, plus weighted forecast HV and LV Transmission Facilities based on the respective percentages

and in-service dates of such facilities owned by SDG&E, which are classified as such in accordance with CAISO's Tariff.

2. Seven-Element Adjustment Factor shall be a factor calculated by SDG&E to be applied by SDG&E to the relevant accounts, if necessary, for the purposes of properly functionalizing such accounts between transmission, distribution, steam production, and other production in accordance with the guidelines set forth in the Commission's Order No. 888, as those guidelines, as applicable to SDG&E, may be modified by the Commission from time to time. General Plant, Common Plant and Electric Miscellaneous Intangible Plant will not be taken into account in the derivation of the Seven Element Adjustment Factor.
3. Transmission Plant Allocation Factor shall equal the ratio of the sum of SDG&E's total investment in (a) Transmission Plant and Incentive Transmission Plant, (b) Transmission Related General Plant, (c) Transmission Related Common Plant and (d) Transmission Related Electric Miscellaneous Intangible Plant to SDG&E's Total Plant in Service.
4. Transmission Property Insurance and Tax Allocation Factor shall equal the ratio of the sum of SDG&E's total investment in (a) Transmission Plant and Incentive Transmission Plant, (b) Transmission Related General Plant, (c) Transmission Related Common Plant to SDG&E's Total Plant in Service, excluding



SDG&E's ownership share in the San Onofre Nuclear Generation Station ("SONGS") and Electric Miscellaneous Intangible Plant.

5. Transmission Wages and Salaries Allocation Factor shall equal the ratio of SDG&E's transmission direct wages and salaries to SDG&E's total direct wages and salaries, excluding administrative and general wages and salaries.

## **B. TERMS**

1. Accumulated Deferred Income Taxes shall equal the net of the deferred tax balance recorded in FERC Account Nos. 281-283 and the deferred tax balance recorded in FERC Account No. 190.
2. Administrative and General Expense (A&G) shall equal SDG&E's expenses recorded in FERC Account Nos. 920-935, excluding FERC Account No. 930.1 (General Advertising Expense) and Account No. 927 Franchise Requirements.
3. Amortization of Investment Tax Credits shall equal SDG&E's credits recorded in FERC Account No. 411.4.
4. Amortization of Loss on Reacquired Debt shall equal SDG&E's expenses recorded in FERC Account No. 428.1.
5. Annual Fixed Charge Rate ("AFCR") for both End Use and CAISO customers shall be defined as reflected in Attachment 2 (Formula Rate Spreadsheet).
6. Base Period, shall be the calendar year for which SDG&E's most recent FERC Form 1 is available.

7. Base Return on Common Equity shall be 10.10%.
8. CAISO Base Transmission Revenue Requirement (BTTR<sub>CAISO</sub>) shall be calculated as defined in Attachment 2 (Formula Rate Spreadsheet).
9. CAISO Participation Return on Equity Adder shall be 0.50%, unless disallowed by the FERC.
10. Common Plant shall equal SDG&E's gross plant balance recorded in FERC Account Nos. 303 and 389 through 398. Common Plant are costs that are shared between SDG&E's Electric and Gas functions. SDG&E uses labor ratios to segment these costs between Electric and Gas functions.
11. Common Plant Depreciation Expense shall equal SDG&E's depreciation expenses related to Common Plant recorded in FERC Account Nos. 403, 404, and 405 in accordance with depreciation rates approved by FERC, as shown in Statement AJ work papers. These rates may not be changed absent a Section 205 or 206 filing.
12. Common Plant Depreciation Reserve shall equal SDG&E's depreciation reserve balance related to Common Plant recorded in FERC Account Nos. 108 and 111.
13. CPUC Intervenor Funding Expense shall equal those expenses recorded in FERC Account No. 928 incurred by SDG&E associated with its requirement to reimburse intervenors

participating in CPUC regulatory proceedings involving transmission projects as ordered and approved by the CPUC.

14. Electric Miscellaneous Intangible Plant shall equal SDG&E's costs recorded in FERC Account No. 303 related to Electric Miscellaneous Intangible Plant.
15. Electric Miscellaneous Intangible Plant Amortization Expense shall equal SDG&E's costs recorded in FERC Account No. 404 related to the amortization of Electric Miscellaneous Intangible Plant as approved by FERC, shown in Statement AJ work papers. These Amortization Periods may not change absent a Section 205 or 206 filing.
16. Electric Miscellaneous Intangible Plant Amortization Reserve shall equal SDG&E's costs recorded in FERC Account No. 111 related to the amortization reserve of Electric Miscellaneous Intangible Plant.
17. End Use Customer Base Transmission Revenue Requirement (BTRR<sub>EU</sub>) shall be calculated as defined in Attachment 2 (Formula Rate Spreadsheet).
18. Forecast Period shall be the 24-month period beginning January 1, just after the Base Period, and ending the following year on December 31. The second year of the Forecast Period corresponds to the Rate Effective Period. For TO5 Cycle 1, the Forecast Period will be January 1, 2018 through December 31, 2019. The 24-

month Forecast Period will use actual monthly data to the extent that it is available at the time the forecast is developed.

19. General Plant shall equal SDG&E's gross plant balance recorded in FERC Account Nos. 389-399.
20. General Plant Depreciation Expense shall equal SDG&E's depreciation expenses related to General Plant recorded in FERC Account Nos. 403, 404, and 405 in accordance with depreciation rates approved by FERC as shown in Statement AJ work papers. These rates may not be changed absent a Section 205 or 206 filing.
21. General Plant Depreciation Reserve shall equal SDG&E's depreciation reserve balance related to General Plant recorded in FERC Account Nos. 108 and 111.
22. Incentives refer to any of the items delineated in FERC Order No. 679, as may be modified from time to time, including the following:
  - a) Incentive Return on Equity
  - b) 100% Construction Work in Progress (CWIP) in rate base.
  - c) 100% recovery of Abandoned Project Costs

The input values for the incentive as defined herein shall be zero in the Formula until the Commission accepts or approves the recovery of the cost associated with the incentive. SDG&E must submit a Section 205 filing to recover the cost of Incentives in accordance with Section D.2 of the Formula Rate Protocols.

23. Incentive Annual Fixed Charge Rate shall be calculated as reflected in Attachment 2 (Formula Rate Spreadsheet).
24. Incentive Transmission Construction Work in Progress shall be construction work in progress for which SDG&E is authorized to collect Incentives under FERC Order No. 679. These costs shall be recorded in FERC Account No. 107.
25. Incentive Project shall be a transmission capital project for which the recovery of an Incentive has been approved as permitted by FERC Order No. 679, as it may be modified from time to time.
26. Incentive Return and Associated Income Taxes shall equal the product of the Incentive Transmission Rate Base and Incentive Cost of Capital Rate, as adjusted for income taxes, as defined in Attachment 2 (Formula Rate Spreadsheet).
27. Incentive Return on Equity shall equal the Return on Equity that the FERC authorizes SDG&E to collect on Incentive Project(s). The Incentive Return on Equity may vary by Incentive Project.
28. Incentive Transmission Plant shall be the transmission plant for Incentive Projects for which SDG&E is authorized to collect Incentives under FERC Order No. 679. Incentive Transmission Plant shall be tracked individually by Incentive Project.
29. Incentive Transmission Plant Abandoned Project Cost shall be the costs associated with abandoned Incentive Projects which SDG&E is authorized to collect under FERC Order No. 679. These costs

shall be recorded in FERC Account No.182.2 and amortized to FERC Account No. 407.

30. Incentive Transmission Plant Abandoned Project Cost Accumulated Deferred Income Taxes shall equal the balance of Incentive Transmission Plant Abandoned Project Cost Accumulated Deferred Income Taxes, as reflected in a footnote to SDG&E's annual FERC Form 1 which SDG&E shall reference by page in its Informational Filing. Incentive Transmission Abandoned Project Cost Accumulated Deferred Income Taxes shall exclude Financial Accounting Standard 109, or its successor, costs. Incentive Transmission Plant Abandoned Project Cost Accumulated Deferred Income Taxes do not include the Transmission Plant Abandoned Project Cost Accumulated Deferred Income Taxes.
31. Incentive Transmission Plant Abandoned Project Cost Amortization Expense shall equal the annual amortization expense recorded in FERC Account No. 407 related to Incentive Transmission Plant Abandoned Project Cost as approved by FERC. Incentive Transmission Plant Abandoned Project Cost Amortization Expense does not include Transmission Plant Abandoned Project Cost Amortization Expense.
32. Incentive Transmission Plant Accumulated Deferred Income Taxes shall equal the balance of accumulated deferred income taxes

related to Incentive Transmission Plant, as reflected in a footnote to SDG&E's annual FERC Form 1, which SDG&E shall reference by page in its Informational Filing. Incentive Transmission Plant Accumulated Deferred Income Taxes shall exclude Financial Accounting Standard 109, or its successor, costs. Incentive Transmission Plant Accumulated Deferred Income Taxes shall be tracked individually by Incentive Project.

33. Incentive Transmission Plant Depreciation Expense shall equal SDG&E's depreciation expenses related to Incentive Transmission Plant recorded in FERC Account Nos. 403, 404, and 405 in accordance with the TO5 Transmission Plant Depreciation Rates as reflected in Statement AJ work papers. Incentive Transmission Plant Depreciation Expense shall be tracked individually by Incentive Project.
34. Incentive Transmission Plant Depreciation Reserve shall equal the balance of incentive transmission reserves related to Incentive Transmission Plant recorded in FERC Account Nos. 108 and 111. Incentive Transmission Plant Depreciation Reserve shall be tracked individually by Incentive Project.
35. Incentive Weighted Forecast Plant Additions for any Forecast Period shall be the estimated capital investment associated with Incentive Transmission Plant SDG&E anticipates placing in service during such Forecast Period. Such estimated capital

investment shall be calculated using the same methodology for Weighted Forecast Plant Additions as specified in this Appendix VIII.

36. Incentive Weighted Forecast Transmission Construction Work In Progress for any Forecast Period shall be determined as follows:
- a) if the Incentive CWIP for any applicable project closes to plant after the end of the Base Period but before the beginning of the Rate Effective Period, such weighted forecast incentive transmission CWIP shall equal the difference between the transmission incentive CWIP balance in the month that the project will close to plant in-service less the balance of CWIP for that project at the end of the December of the Base Period; and b) if the incentive CWIP closes to plant during the Rate Effective Period, the weighted forecast incentive transmission CWIP shall equal 13-month average incremental CWIP balance during the Rate Effective Period. The incremental CWIP balance shall be equal to the difference between the CWIP balance at the end of the month in the Forecast Period just prior to the first month of the Rate Effective Period, less the CWIP balance at the end of the Base Period; this difference shall be added to the monthly CWIP expenditures during the Rate Effective Period until the Incentive Project goes into service. The above calculations for a) or b), as applicable, will be done for each Incentive Project.



37. Materials and Supplies shall equal SDG&E's balance of total electric Material & Supplies recorded in FERC Account 154 as reported in SDG&E's annual FERC Form 1. This component of rate base is calculated using a 13-month average.
38. Municipal Franchise Tax Expense shall equal the amounts recorded in FERC Account No. 927.
39. Other BTRR Adjustments in the annual informational update represent amounts that were not previously included, and which are now required to be paid by SDG&E, or used to develop its transmission costs, and will be outlined and explained. Any necessary workpapers showing these adjustments and their inclusion in the formula rate update will be provided.
40. Other Regulatory Assets/Liabilities shall equal amounts recorded in FERC Account No. 182.3 that the Commission has accepted for recovery under Section 205 of the FPA. Other Regulatory Assets/Liabilities for the initial Rate Effective Period shall be zero.
41. Payroll Taxes shall equal those payroll tax expenses recorded in FERC Account No. 408.1.
42. Prepayments shall equal SDG&E's prepayment balance recorded in FERC Account No. 165.
43. Property Insurance shall equal SDG&E's expenses recorded in FERC Account No. 924.
44. Property Taxes shall equal SDG&E's expense recorded in FERC

Account No. 408.1.

45. Rate Effective Period shall be a 12 month calendar year period beginning January 1 and ending December 31.
46. Return and Associated Income Taxes – Base ROE shall equal the product of the Transmission Rate Base and the Cost of Capital Rate on the Base ROE, adjusted for income taxes, as defined in Attachment 2 (Formula Rate Spreadsheet).
47. Return and Associated Income Taxes – CAISO Participation ROE Adder shall equal the product of the Transmission Rate Base and the Cost of Capital Rate on the 50 basis point adder, adjusted for income taxes, as defined in Attachment 2 (Formula Rate Spreadsheet).
48. South Georgia Income Tax Adjustment shall equal the amount set forth in the applicable FERC Form 1.
49. Total Plant in Service shall equal SDG&E's total gross plant balance recorded in FERC Account Nos. 301 through 399.
50. Transmission, General, Common Plant Depreciation Expense, and Electric Miscellaneous Intangible Amortization Expense shall equal the balance of Transmission Plant Depreciation Expense, plus the balance of Transmission Related General Plant Depreciation Expense, plus the balance of Transmission Related Common Plant Depreciation Expense, plus the balance of Transmission Related Electric Miscellaneous Intangible Plant Amortization Expense.

51. Transmission Operation and Maintenance Expense shall equal SDG&E's expenses recorded in FERC Account Nos. 560-573, excluding non-transmission costs recorded in (1) FERC Account Nos. 561.4 (Scheduling, System Control & Dispatch Services); (2) FERC Account 561.8 (Reliability, Planning & Standards Development) for CAISO charges that are included in the Energy Resource Recovery Account ("ERRA"); (3) FERC Account No. 565 (Transmission of Electricity by Others) relating to the purchase of power on behalf of or to serve SDG&E's bundled retail customers; (4) FERC Account 566 (Miscellaneous Transmission Expenses) for CAISO Grid Management Costs and other expenses recovered in other balancing accounts such as California Systems 21<sup>st</sup> Century Energy Balancing Account ("CES-21BA"), Hazardous Substance Cleanup Cost Memorandum Account ("HSCCMA"), Reliability Costs Memorandum Account ("RCMA") costs, Transmission Revenue Balancing Account Adjustment ("TRBAA"), and Transmission Access Charge Balancing Account Adjustment ("TACBAA"); and (5) FERC Account No. 560 (Operation supervision and engineering) for 40% of Executive Incentive Compensation, using the definition of "executive officer" set forth in Rule 3b-7 under the Securities Exchange Act of 1934 .
52. Transmission Plant shall equal SDG&E's Gross Plant balance recorded in FERC Account Nos. 350-359, excluding the portion

attributable to any facilities, the cost of which is directly assigned under the CAISO Tariff or is included in Incentive Transmission Plant.

53. Transmission Plant Abandoned Project Cost shall equal an amount, exclusive of Incentive Transmission Plant Abandoned Project Cost, relating to abandoned transmission projects that are recorded in FERC Account No. 182.2. The ratemaking treatment to be afforded for recovery of such costs shall be determined by the Commission on the basis of a filing made by SDG&E with the Commission under Section 205 of the FPA in accordance with this Appendix VIII. In the Section 205 of the FPA proceeding, SDG&E reserves its right to request recovery of up to 100% of the Transmission Plant Abandoned Project Cost and parties reserve their full rights to contest 100% recovery as provided for in this Appendix VIII.
54. Transmission Plant Abandoned Project Cost Accumulated Deferred Income Taxes shall equal the balance of Transmission Plant Abandoned Project Cost Accumulated Deferred Income Taxes, as reflected in a footnote to SDG&E's annual FERC Form 1 which SDG&E shall reference by page in its Informational Filing. Transmission Plant Abandoned Project Cost Accumulated Deferred Income Taxes shall exclude Financial Accounting Standard 109, or its successor, costs.

Transmission Plant Abandoned Project Cost Accumulated  
Deferred Income Taxes do not include the Incentive  
Transmission Plant Abandoned Project Costs Accumulated  
Deferred Income Taxes.

55. Transmission Plant Abandoned Project Cost Amortization Expense shall equal the annual amortization expense recorded in FERC Account No. 407 related to Transmission Plant Abandoned Project Cost. Transmission Plant Abandoned Project Cost Amortization Expense does not include Incentive Transmission Plant Abandoned Project Cost Amortization Expense.
56. Transmission Plant Depreciation Expense shall equal SDG&E's transmission expenses recorded in FERC Account Nos. 403, 404, and 405, excluding Incentive Transmission Plant Depreciation Expense. Both Transmission Plant Depreciation Expense and Incentive Transmission Plant Depreciation Expense will be calculated using the rates shown in Statement AJ workpapers. The Transmission Plant Depreciation Rates for each subaccount will not change during the term of TO5. However, the overall composite depreciation rate of 2.97% (based on plant balances as of December 31, 2017) will change based upon the plant balances in the subaccounts.
57. Transmission Plant Depreciation Reserve shall equal SDG&E's transmission reserve balance recorded in FERC Account Nos. 108

and 111. Transmission Plant Depreciation Reserve does not include Incentive Transmission Plant Depreciation Reserve.

58. Transmission Plant Held for Future Use shall equal SDG&E's transmission related plant balance recorded in FERC Account No. 105. Gain or loss on the sale of plant held for future use shall be recorded in FERC Account Nos. 411.6 and 411.7.
59. Transmission Related Accumulated Deferred Income Taxes shall equal the balance of Transmission Plant Accumulated Deferred Income Taxes, plus the balance of Transmission Related Electric General and Common Plant Accumulated Deferred Income Taxes, plus Transmission Related Electric Miscellaneous Intangible Plant Deferred Income Taxes, less the Incentive Transmission Plant Accumulated Deferred Income Taxes, as reflected in a footnote to SDG&E's annual FERC Form 1 which SDG&E shall reference by page in its Informational Filing. Transmission Related Accumulated Deferred Income Taxes shall exclude Financial Accounting Standard 109, or its successor, costs.
60. Transmission Related A&G Expenses shall equal (1) Administrative and General Expense included in FERC Account Nos. 920-935, excluding non-transmission-related expenses and various CPUC mandated costs recovered in other balancing accounts, which include but are not limited to non-transmission-

related expenses in FERC Account No. 924 (Property Insurance), FERC Account No. 925 (Damages and Injuries), FERC Account No. 927 (Franchise Requirements), FERC Account 928 (Regulatory Commission Expenses) for any CPUC Intervenor Funding Expenses, FERC Account No. 930.1 (General Advertising Expenses), FERC Account No. 930.2 (Miscellaneous General Expenses), and FERC Account No. 935 (Maintenance of General Plant), multiplied by the Transmission Wages and Salaries Allocation Factor, plus (2) Property Insurance in FERC Account No. 924, excluding insurance costs related to nuclear plant serving SDG&E's bundled retail customers, multiplied by the Transmission Property Insurance and Tax Allocation Factor.

61. Transmission Related Amortization of Excess Deferred Tax Liabilities shall equal an amount recorded in FERC Account Nos. 190, 282, and 283 related to transmission as reflected in a footnote in SDG&E's annual FERC Form 1 as referenced by page in its annual Informational Filing.
62. Transmission Related Amortization of Investment Tax Credits shall equal the amount set forth in the applicable FERC Form 1 until fully amortized. SDG&E shall reflect in a footnote in its annual FERC Form 1 any Transmission Related Amortization of Investment Tax Credits, which SDG&E shall reference by page in its annual Informational Filing.

63. Transmission Related Cash Working Capital shall be a 12.5% allowance (45 days/360 days) of Transmission Operations and Maintenance, Transmission Related A&G Expenses, and CPUC Intervenor Funding Expense - Transmission.
64. Transmission Related Common Plant shall equal SDG&E's balance of investment in Common Plant multiplied by the Transmission Wages and Salaries Allocation Factor.
65. Transmission Related Common Plant Depreciation Expense shall equal the balance of SDG&E's Common Plant Depreciation Expense recorded in FERC Account Nos. 403, 404, and 405 multiplied by the Transmission Wages and Salaries Allocation Factor.
66. Transmission Related Common Plant Depreciation Reserve shall equal the balance in Common Plant Depreciation Reserve multiplied by the Transmission Wages and Salaries Allocation Factor.
67. Transmission Related Depreciation Reserve shall equal the balance of Transmission Depreciation Reserves, plus the balance of Transmission Related General Plant Depreciation Reserves, plus Transmission Related Common Plant Depreciation Reserves, plus the balance of Transmission Related Electric Miscellaneous Intangible Plant Amortization Reserves. Transmission Related Depreciation Reserve does



not include Incentive Transmission Plant Depreciation Reserve.

68. Transmission Related General Plant shall equal SDG&E's balance of investment in General Plant multiplied by the Transmission Wages and Salaries Allocation Factor.
69. Transmission Related General Plant Depreciation Expense shall equal the balance of SDG&E's General Plant Depreciation Expense recorded in FERC Account Nos. 403, 404, and 405 multiplied by Transmission Wages and Salaries Allocation Factor.
70. Transmission Related General Plant Depreciation Reserve shall equal the balance in General Plant Depreciation Reserves multiplied by the Transmission Wages and Allocation Factor.
71. Transmission Related Electric Miscellaneous Intangible Plant shall equal the total amount of Electric Miscellaneous Intangible Plant recorded in FERC Account No. 303 multiplied by the Transmission Wages and Allocation Factor.
72. Transmission Related Electric Miscellaneous Intangible Plant Amortization Expense shall equal the balance of SDG&E's Electric Miscellaneous Intangible Plant Amortization Expense recorded in FERC Account No. 404 multiplied by the Transmission Wages and Salaries Allocation Factor.

73. Transmission Related Electric Miscellaneous Intangible Plant Amortization Reserve shall equal SDG&E's balance of Electric Miscellaneous Intangible Plant Amortization Expense recorded in FERC Account No.111 multiplied by the Transmission Wages and Salaries Allocation Factor.
74. Transmission Related Materials & Supplies shall equal SDG&E's electric balance of Materials and Supplies multiplied by the Transmission Plant Allocation Factor.
75. Transmission Related Municipal Franchise Tax Expense shall equal: a) the Base Transmission Revenue Requirement ("BTRR") prior to the inclusion of Municipal Franchise Tax expense multiplied by the Municipal Franchise Tax Expense rate that the CPUC authorizes from time to time, which shall be recovered as part of the BTRR rates, plus b) an amount of Municipal Franchise Tax Expense that the CPUC authorizes SDG&E to collect from customers who reside in the City of San Diego. This latter amount shall be reflected on the electric bills of customers residing in the City of San Diego, and shall not be included as part of the wholesale BTRR.
76. Transmission Related Payroll Taxes Expense shall equal SDG&E's total electric Payroll Taxes expense recorded in FERC Account No. 408.1 (excluding Citizens related payroll), multiplied by the Transmission Wages and Salaries Allocation Factor. SDG&E shall

footnote in its annual FERC Form 1 the payroll taxes attributable to Citizens, which SDG&E shall reference by page in its Informational Filing.

77. Transmission Related Prepayments shall equal SDG&E's electric balance of prepayments recorded in FERC Account No. 165 multiplied by the Transmission Plant Allocation Factor.
78. Transmission Related Property Taxes shall equal Property Taxes, excluding property taxes directly assigned to SONGS, multiplied by the Transmission Property Insurance and Tax Allocation Factor. SDG&E shall footnote in its annual FERC Form 1 the directly assigned property taxes attributable to SONGS, which SDG&E shall reference by page in its Informational Filing.
79. Transmission Related Regulatory Debits and Credits shall equal SDG&E's amortization expense associated with Other Regulatory Assets/Liabilities debited to FERC Account No. 407.3 and FERC 407.4 that the Commission has accepted for recovery under Section 205 of the FPA. Transmission Related Regulatory Debits for the initial Rate Effective Period shall be zero.
80. Transmission Related Revenue Credits shall include Transmission related revenues SDG&E received from providing transmission services over SDG&E facilities under existing contracts or other Tariff Filings. These revenues are recorded in (1) FERC Accounts 451; (2) 453 through 456; and (3) other FERC Accounts applicable

to the Citizens. Examples include, but are not limited to, rents from electric property, generation interconnection, and Citizens lease of SDG&E's transmission facilities. These revenues that SDG&E received are used to reduce the cost of service for SDG&E's customers.

81. Transmission Related Uncollectible Expense shall equal the Base Transmission Revenue Requirement End Use customers prior to the inclusion of uncollectible expenses multiplied by the percentage allowance for uncollectible expenses approved from time to time by the CPUC, and should not be included as part of the wholesale BTRR.
82. True-Up Period shall be 12 months ended December 31 of the Base Period of each year.
83. Uncollectible Expense shall equal SDG&E's charges for uncollectible accounts recorded in FERC Account No. 904.
84. Weighted Forecast Plant Additions for any Forecast Period shall be the estimated capital investment in new Transmission Plant, Transmission Plant Held for Future Use, and Transmission Related General Plant, Common Plant, and Electrical Miscellaneous Intangible Plant SDG&E anticipates placing in service during such Forecast Period. Such estimated capital investments shall be determined for each month of the Forecast Period as described herein and each such estimated capital investment shall be

multiplied by a weighting factor such that the magnitude of such capital investment as reflected in the determination of SDG&E's transmission revenue requirement pursuant to this Appendix VIII formula reflects the number of months during the Forecast Period those investments in new transmission facilities are actually in service. Any new transmission facilities expected to be placed in service during the Forecast Period but prior to the end of the first month of the associated Rate Effective Period, *i.e.*, January 31 of the second year of the Forecast Period, shall be assigned a weighting factor of 1.00. Any new transmission facilities expected to be placed in service during the Forecast Period as of the beginning of the second month of the Rate Effective Period, *i.e.*, February 1, or thereafter through and including December 31, shall be assigned a weighting factor based on the number of months during the Rate Effective Period for which those facilities are expected to be in service divided by 12. Thus, for example, a plant addition expected to be placed in service in February of the Rate Effective period would be assigned a weighting factor of 11 divided by 12 or 0.917.

## **II. CALCULATION OF ANNUAL BASE TRANSMISSION REVENUE REQUIREMENTS**

### **A. Formula Rate Protocols – See Attachment 1**

### **B. Formula Rate Spreadsheet – See Attachment 2**

The TO5 Formula Rate Spreadsheet consists of the following:

- Statement BK1 (Derives End Use BTRR) and BK2 (Derives CAISO BTRR), and
- Statements AD through AV and Miscellaneous Statement (provide data embedded in Statement BK1 and BK2, and
- True-Up Adjustment and Interest True-Up Adjustment workpapers, and
- Summary of High and Low Voltage split for Forecast Plant addition workpapers

Data cells within the Formula Rate Spreadsheet that are color coded green are manual inputs based on the workpapers and/or FERC Form 1 data that are external to the Formula Rate Spreadsheet.

Data cells that are color coded yellow are linked to cells on other pages within the Formula Rate Spreadsheet.

Uncolored cells reflect formulas (e.g., cells representing the sum of preceding lines) or links to cells on the same page.

Data cells that are colored grey shall be zero.

SDG&E will include these workpapers in each Annual Informational Filing.

Blank lines for Project-Specific Incentives or Abandoned Plant for Non-Incentives Projects that show up in the Formula Rate Spreadsheet will not be populated with numbers absent a Section 205 filing.

# T05 Formula Rate Protocols

## **APPENDIX VIII**

### **ATTACHMENT 1**

#### **FORMULA RATE PROTOCOLS**

##### **A. INTRODUCTION**

This Attachment sets forth details with respect to the determination each year of San Diego Gas & Electric Company's ("SDG&E") Base Transmission Revenue Requirements ("BTRR") used to derive the charges assessed by SDG&E to its End Use Customers ("BTRR<sub>EU</sub>") and SDG&E's BTRR used to derive the transmission charges assessed by SDG&E pursuant to its Transmission Owner ("TO") Tariff and by the California Independent System Operator Corporation ("CAISO") pursuant to the CAISO Tariff ("BTRR<sub>CAISO</sub>"). SDG&E's Fifth TO Formula ("TO5 Formula") rate mechanism consists of Appendix VIII of SDG&E's TO Tariff and its two attachments: the Formula Rate Protocols ("Protocols") (Attachment 1) and the Formula Rate Spreadsheet (Attachment 2). Capitalized terms shall have the meaning ascribed to them herein or in Appendix VIII of SDG&E's TO Tariff.

The BTRR<sub>EU</sub> and BTRR<sub>CAISO</sub> for each Rate Effective Period will consist of the following four parts:

- (i) the Prior Year Revenue Requirements ("PYRR");
- (ii) the Forecast Period Capital Addition Revenue Requirements ("FC");
- (iii) a True-Up Adjustment; and
- (iv) an Interest True-Up Adjustment.

The PYRR, FC and True-Up Adjustment, including the Interest True-Up Adjustment, shall be designed to quantify SDG&E's cost to own, operate and maintain its transmission facilities.



The PYRR will be an annual calculation based on the previous calendar year's data as shown in SDG&E's Federal Energy Regulatory Commission ("FERC" or the "Commission") Form No. 1: Annual Report of Major Electric Utilities, Licensees, and Others ("Form 1") for that year and underlying ledger accounts. SDG&E shall make available the data reflected in the underlying ledger accounts used to determine SDG&E's PYRR in the annual Informational Filing described below. CPUC Intervenor Funding Expense, South Georgia tax impacts, and uncollectibles will be recovered as a component of PYRR for End Use Customers, but not for CAISO customers. The FC component will be an annual calculation based on an estimate of the revenue requirement associated with the transmission-related plant investments expected to be placed in service during the Forecast Period.

SDG&E shall calculate its BTRRs<sup>1</sup> using the formula rate that is presented in the Formula Rate Spreadsheet. The Formula Rate Spreadsheet contains fixed formulae that are described in Appendix VIII. If there is any conflict between the provisions of Appendix VIII and the Formula Rate Spreadsheet, the Formula Rate Spreadsheet shall control. The fixed formulae in the Formula Rate Spreadsheet are subject to change only pursuant to Sections 205 and 206 of the Federal Power Act ("FPA") and will be populated with data from SDG&E's annual Form 1 filing or SDG&E's underlying ledger accounts. Information in the Reference sections and footnotes of the Formula Rate Spreadsheet may, however, be changed without a Section 205 or Section 206 filing.<sup>2</sup> The sources of the data used in the TO5 Formula will be: (a)

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<sup>1</sup> The term "BTRRs" includes the  $BTRR_{EU}$  and the  $BTRR_{CAISO}$  that are calculated in each annual update.

<sup>2</sup> SDG&E will document any modifications to the Reference sections and footnotes of the Formula Rate Spreadsheet in the transmittal letter accompanying the Draft Informational Filing, and all persons retain the rights to protest any such changes.

identified in the Formula Rate Spreadsheet by fixed references to specific locations in FERC Form No. 1, or (b) provided by SDG&E in accordance with Section C of these Protocols.

**B. TERM OF SDG&E'S TO5 FORMULA**

**1. Effective Date**

The Retail and Wholesale transmission rates for Cycle 1 shall become effective on June 1, 2019 and shall be re-determined annually thereafter in accordance with these Protocols and the TO5 Formula to become effective on January 1 through December 31 of the rate year.

The TO5 Formula shall be in effect from June 1, 2019 and each year thereafter, unless the Commission modifies or replaces the TO5 Formula. Notwithstanding the following, the existing rates in effect at the time the TO5 Formula terminates shall remain in effect until superseded by subsequent Commission-approved rates.

**2. Return on Equity Moratorium**

There shall be a moratorium on SDG&E and Intervenors that prohibits Section 205 or Section 206 filings seeking to change the Return on Equity component (both the Return on Common Equity on Statement AV, page 1, line 32, and the Incentive Return on Common Equity, on Statement AV, page 2, line 1), with the exception of the 50-basis point adder for CAISO membership, of the TO5 formula through June 30, 2021.

**3. Notice of Termination**

Each party to SDG&E's TO5 Formula rate filing proceeding at FERC (referred to collectively as "Parties" and individually as a "Party"), whether the Cycle 1 filing or subsequent Annual Informational Filings, and SDG&E, shall each have a right to terminate the TO5 Formula, to be exercised on an annual basis, by providing notice to SDG&E and to each party no later than June 30, 2021 or any year thereafter ("Notice of Termination"). Following the Notice of Termination, SDG&E shall file a successor rate pursuant to Section 205, which shall include a

request for an effective date that is January 1 of the upcoming year. All Parties retain their full rights to oppose the filing.

**4. Final True-Up Adjustment**

After termination of the TO5 Formula, SDG&E shall calculate a Final True-Up Adjustment. The Final True-Up Adjustment shall cover the period of time ending on the date the TO5 Formula terminated and beginning on the day after the period covered by the most recent Annual True-Up Adjustment that was included in the BTRRs. The Final True-Up Adjustment shall be determined using the same calculation methodology as the Annual True-Up Adjustment and shall be applied to the next successor rate.

**C. PROCEDURES FOR UPDATING THE BASE TRR**

SDG&E shall update its BTRRs according to the timelines and procedures described in this Section. A summary of the procedures for updating the BTRRs is set forth below.

<b>Event</b>	<b>Date</b>
Posting of Draft Informational Filing	July 1
Informational Requests	July 1 – October 31
Draft Informational Filing Meeting	On or before August 7
Annual Informational Filing	On or before December 1

SDG&E will update the BTRR in each cycle as follows:

**TO5 Cycle 1**

Rate Effective Period	June 1, 2019 – December 31, 2019
Base Period	12 Months ended December 31, 2017
Forecast Period	24 Months, January 2018 - December 2019
TU Adjustment	2017 calendar year applicable to TO4 Cycle 4
Interest TU Adjustment	January 1, 2017 – December 31, 2018

## TO5 Cycle 2

Rate Effective Period	January 1, 2020 – December 31, 2020
Base Period	12 Months ended December 31, 2018
Forecast Period	24 Months, January 2019 - December 2020
TU Adjustment	2018 calendar year applicable to TO4 Cycle 5
Interest TU Adjustment	January 1, 2018 – December 31, 2019

## TO5 Cycle 3

Rate Effective Period	January 1, 2021 – December 31, 2021
Base Period	12 Months ended December 31, 2019
Forecast Period	24 Months, January 2020 - December 2021
TU Adjustment	2019 calendar year applicable to TO5 Cycle 1
Interest TU Adjustment	January 1, 2019 – December 31, 2020

After Cycle 3, successive TO5 cycles will be consistent with Cycle 3 with regards to timing and the length of the Base Period, Forecast Period, TU Period, and Rate Effective Period.

### 1. Draft Informational Filing

On or before July 1 of each year, SDG&E shall post on its OASIS at <https://www.sdge.com/rates-and-regulations/tariff-information/open-access-ferc-tariffs>, a draft of the Informational Filing (the “Draft Informational Filing”) for review, comment and discussion prior to filing the Informational Filing at FERC on December 1. SDG&E will provide electronic notice of its posting to the Service List.<sup>3</sup>

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<sup>3</sup> The “Service List” includes: (1) any state regulatory agency with jurisdiction over SDG&E’s rates, charges or services; (2) any consumer advocacy agencies and attorneys general in a state with a regulatory agency that has jurisdiction over SDG&E’s rates; (3) any person or entity admitted as a party in the FERC proceedings concerning SDG&E’s TO5 Formula rate tariff filing; and (4) any person or entity admitted as a party in any Annual Informational Filing proceeding filed by SDG&E in accordance with these Protocols. For purposes of communications with parties on the Service List, SDG&E will include the individuals on the service list in in the FERC proceedings concerning SDG&E’s TO5 Formula rate tariff filing and parties that are admitted in future FERC proceedings

The Draft Informational Filing shall include the following:

- a. The populated version of the Formula Rate Spreadsheet itself.
- b. Workpapers supporting all inputs that are not taken from the FERC Form No. 1. SDG&E will document any modifications to or elimination of the workpapers in the transmittal letter accompanying the Draft Informational Filing, and all persons retain the rights to protest any such changes.
- c. Data and calculations for items such as ADIT that require adjustments from FERC Form No. 1 data, Taxes Other Than Income taxes, prepayments that may require plant-related and labor-related sub-amounts, certain A&G items, revenue credits and rate divisors, and thirteen-month balances.
- d. Identification and explanation of any material changes, such as a description of any Material Accounting Changes.<sup>4</sup>
- e. Identification and explanation of any aspects of the TO5 Formula rate or its inputs that are the subject of an ongoing dispute in any FERC proceeding on a prior Informational Filing.

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involving SDG&E's Annual Informational Filings. Any references to an "Interested Party" in these Protocols shall include the Service List or any customer of SDG&E.

<sup>4</sup> "Material Accounting Changes" shall mean any change in SDG&E's (i) accounting policies and practices from those in effect for the Rate Effective Year upon which the immediately preceding Annual Informational Filing was based, including changes in estimation methods or policies and/or adoption of any new accounting standard or policy; (ii) internal corporate cost allocation policies or practices from those policies and/or practices in effect for the Rate Effective Year upon which the immediately preceding Informational Filing was based; or (iii) changes to income tax elections.

## **2. Draft Informational Filing Meeting**

SDG&E will provide notice to Interested Parties of a one-day meeting to take place on or before August 7 of each year to discuss any details or questions regarding SDG&E's Draft Informational Filing. By mutual agreement of SDG&E and Interested Parties, such meeting may take place in-person, via telephone, or video-conference. SDG&E shall make appropriate personnel available for such meeting. Additional meetings to discuss the Draft Informational Filing shall be scheduled as SDG&E and the Interested Parties may mutually agree.

## **3. Information Requests**

- a. Interested Parties may submit reasonable information requests to SDG&E regarding the Draft Informational Filing.
- b. SDG&E shall make a good faith effort to respond to information requests in writing within 10 business days of receipt, or sooner depending on the timing of the information requests. SDG&E shall contemporaneously provide copies of all responses to all parties on the Service List that have indicated to SDG&E that they wish to receive such copies. SDG&E and the Interested Party serving the information request on SDG&E will work cooperatively and in good faith to resolve any questions, objections, or disputes relating to the information requests.
- c. Responses to information requests shall not be designated as settlement communications or produced under the Commission's rules and regulations governing settlements, unless provided as a privileged settlement communication in a Commission proceeding being conducted under the Commission's settlement rules. SDG&E may mark materials provided in response to an information request as Protected Materials in

accordance with the Protective Order adopted in the FERC proceedings concerning SDG&E's TO5 Formula rate tariff filing ("Protective Order"). Interested Parties will have all rights provided to them under the Protective Order to challenge SDG&E's classification of any materials as Protected Materials. To the extent an information request response calls for the production of Protected Materials, SDG&E will provide such materials only to the parties that have signed non-disclosure certificates agreeing to abide by the terms of the Protective Order.<sup>5</sup>

- d. To the extent SDG&E and any Interested Party are unable to resolve disputes related to information requests submitted in accordance with these protocols, SDG&E or any Interested Party may petition the FERC to appoint an Administrative Law Judge as a discovery master after reasonable attempts to resolve the dispute have been made by SDG&E and any Interested Party. Neither SDG&E nor any Interested Party shall object to a request for a discovery master. The discovery master shall have the authority to issue binding orders to resolve discovery disputes and compel the production of discovery, if appropriate, in accordance with the Protocols and consistent with FERC's discovery rules. The discovery master's orders shall be subject to appeal to the Commission and to the courts to the same extent and under the same rules as would be applicable to an Initial Decision issued under Rule 708 of the Commission's Rules of

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<sup>5</sup> Nothing in these Protocols limits the CPUC's statutory or Constitutional authority to seek information from SDG&E.

Practice and Procedure. In the event the Commission establishes hearing or settlement procedures for an Annual Informational Filing, the discovery master's responsibility shall be transferred to the Presiding Judge for such hearing or settlement procedures, effective upon his or her appointment.

**4. Annual Informational Filing**

a. SDG&E shall submit to the Commission on or before December 1 of each year, starting in 2019, an Annual Informational Filing (the "Informational Filing") showing the rates to be in effect for the Rate Effective Period of the succeeding calendar year. The information provided in the Draft Informational Filing procedures (C.1.a through e. of these Protocols) shall also be included in the Annual Informational Filing, modified as necessary to reflect any changes resulting from the Draft Informational Filing procedures. Further, the Informational Filing shall show:

- (i) for the PYRR for the Base Period, each of the thirteen monthly balances (and thirteen-month average of those balances) for transmission plant investment and the transmission plant retirements, reclassifications or additions reflected in each monthly balance; and
- (ii) for the Forecast Period, any weighted forecast plant additions to transmission-related plant net of forecast retirements and reclassifications of Transmission Plant anticipated during that Forecast Period.

b. It is expressly intended by these Protocols that the Commission will issue public notice of the Informational Filing inviting public comment, and



SDG&E shall request in its Informational Filing that the Commission issue public notice of the Informational Filing inviting public comment.

- c. The Informational Filing shall not modify the TO5 Formula set forth in Appendix VIII and shall not constitute a rate change under Section 205 of the FPA. The Informational Filing shall not subject the TO5 Formula to modification.
- d. Any person may comment on or protest the Informational Filing. Any person may request that FERC establish hearing and/or settlement procedures regarding an Informational Filing, and all Parties to the FERC proceedings concerning SDG&E's TO5 Formula rate tariff filing reserve their rights to oppose such requests on their merits. More particularly, any person may challenge the justness and reasonableness of SDG&E's implementation of the TO5 Formula with respect to such matters as:
  - (i) whether the costs and expenditures included for recovery have been or will be prudently incurred, consistent with Commission precedent regarding prudence;
  - (ii) whether SDG&E has properly and reasonably applied the TO5 Formula as described in Appendix VIII, the Formula Rate Spreadsheet and these Protocols;
  - (iii) whether the costs to be recovered through the BTRRs have been accurately stated, properly recorded and accounted for pursuant to applicable FERC accounting rules, and are consistent with the formula;

- (iv) whether SDG&E's calculation methodologies are consistent with the formula;
  - (v) whether any Material Accounting Changes are reasonable and consistent with applicable FERC accounting rules; and
  - (vi) whether forecasts and projections have been reasonably made.
- e. Nothing in these Protocols shall act as a bar to a person raising an issue in comments or in protests to the Informational Filing that it has not raised in a prior Informational Filing proceeding (including pre-filing phases of such proceeding) or with respect to which it has not previously exercised its rights under the FPA.
- f. It is expressly intended by these Protocols that FERC will issue an order taking action, assuming any action is requested, on the Informational Filing if protests and/or comments on the Informational Filing are filed.
- g. In any proceeding on SDG&E's Informational Filing, SDG&E shall bear the burden of showing the justness and reasonableness of the implementation of its TO5 Formula on matters set forth in subsections d. (i) through (vi) above in accordance with Commission precedent.
- h. SDG&E will make any revisions to the BTRRs and associated rates that are required by a final<sup>6</sup> Commission order with respect to each Informational Filing. Unless otherwise ordered by the Commission, such

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<sup>6</sup> All references in these Protocols to Commission orders or actions refer to the final form of such orders or actions (in accordance with the FPA and applicable Commission regulations, including without limitation Commission regulations with respect to a stay of a Commission order upon rehearing and/or an appeal), including as they may be modified as a result of a request for rehearing or Court appeal.

revisions shall be effective as of the first day of the applicable Rate Effective Year and shall be reflected, with interest calculated pursuant to the interest rates in Section 35.19a of the Commission's regulations, in the next subsequent Informational Filing as a component of the True-Up Adjustment. If the term of the TO5 Formula is ending so that there will be no future Informational Filing, SDG&E shall include the TRR difference in the Final True-Up Adjustment.

**5. Adjustments to Reflect Correction of Errors**

- a. In the event SDG&E or any Interested Party identifies an error in the TO5 Formula or the FERC Form No. 1 data or data based on SDG&E's books and records that is used as an input to the formula, or SDG&E is required by applicable law, a court, or regulatory body to correct an error, and such error affects the True-Up TRR calculated in an Informational Filing, SDG&E shall include in its next subsequent Informational Filing a brief description of the errors included in its prior Informational Filing that must be corrected. Errors include mistakes or omission regarding the values used as inputs to the Formula Rate template, such as arithmetic or computational errors, or errors with respect to established FERC practices or methodologies. Errors shall not include changes of judgment or opinion. SDG&E should inform parties of any identified errors through the transmittal letter accompanying its Draft Informational Filing.
- b. SDG&E's subsequent Informational Filing shall:
  - (i) Recalculate the True-Up TRR for all affected Prior Years;

- (ii) Compare, on a monthly basis, the difference between the initial incorrect True-Up TRR and the revised correct True Up; and
  - (iii) Determine the cumulative amount of the difference in Section C.5.a.ii, including interest calculated pursuant to the interest rate in 18 C.F.R. § 35.19a, through the date of implementation of the correction.
- c. Absent an order requiring refunds outside of the True-Up process, the difference in Section C.5.a.(iii) shall be included as an additional component to SDG&E's True-Up Adjustment in its next Informational Filing or Final True-Up Adjustment, as applicable, as a one-time True-Up Adjustment in accordance with the TO5 Formula.

#### **D. SINGLE-ISSUE FILINGS**

##### **1. Post-Employment Benefits Other Than Pensions**

If the expense levels for SDG&E's Post-Employment Benefits Other than Pensions ("PBOP"), as recorded in FERC Account No. 926, Employee Pensions and Benefits, change from those expense levels contained in SDG&E's TO5 Filing submitted in connection with SDG&E's TO5 Formula rate tariff filing, then:

- a. SDG&E may make a single-issue filing under Section 205 of the FPA, to recover such changed PBOP expense pursuant to the TO5 Formula; or
- b. Any person may exercise its rights under Section 206 of the FPA to request that the Commission direct SDG&E to reflect any changed PBOP expense pursuant to the TO5 Formula.

- c. SDG&E and/or any other person shall retain full rights to oppose such filings under the FPA and in accordance with the Commission's Rules of Practice and Procedure.
- d. If there is a change from the PBOP expense levels contained in SDG&E's TO5 Filing and SDG&E elects not to make a filing, SDG&E will provide notice of the change to the Service List as part of its Draft Informational Filing.

## **2. Project-Specific Incentives**

If SDG&E requests and is authorized by the Commission to recover project-specific incentives, SDG&E will incorporate the values associated with the approved incentives as a line item in the placeholders set forth in Appendix VIII. Such placeholders will not change absent approval of a separate Section 205 filing seeking such a change.

- a. During the term of the TO5 Formula, SDG&E shall have the right to seek transmission project-specific incentives, and all persons shall retain their rights to oppose the requested incentives. The following conditions on SDG&E's right to seek incentives shall apply:
- b. SDG&E may not seek to include construction work in progress ("CWIP") in rate base except for any transmission project for which construction commenced in good faith during the term of the TO5 Formula. For any project for which the Commission grants SDG&E a CWIP incentive, SDG&E will reflect an Allowance for Funds Used During Construction ("AFUDC"), rather than 100% of CWIP, on project costs incurred prior to the date SDG&E obtains: (i) any required licensing approval from the

CPUC for the project; and (ii) CAISO approval for the project through the applicable CAISO planning or interconnection process.

- c. SDG&E may not seek to recover 100% of prudently-incurred abandoned plant costs except for any transmission project for which construction commenced in good faith during the term of the TO5 Formula. Further, for any transmission project that requires CAISO approval, SDG&E may not seek to recover 100% of prudently-incurred abandoned plant costs unless the project is included in the CAISO transmission plan.

### **3. FERC Form No. 1**

SDG&E may make a single-issue Section 205 filing to update the references in the TO5 Formula to reflect any changes to the format and/or content of the FERC Form No. 1 or the Uniform System of Accounts that affect the calculations set forth in the TO5 Formula in the event that a Commission order revises the format and/or content of the FERC Form No. 1 or the Uniform System of Accounts. This filing shall be submitted within thirty days of any FERC decision to revise the FERC Form No. 1 or the Uniform System of Accounts, and shall be effective on the same date as the revisions to the FERC Form No. 1 or Uniform System of Accounts, as applicable, become effective. All persons retain full rights to oppose such filing under the FPA and in accordance with the Commission's Rules of Practice and Procedure. If there is a change to the format and/or content of the FERC Form No. 1 or the Uniform System of Accounts that affects the calculations set forth in the TO5 Formula, and SDG&E elects not to make a filing, SDG&E will provide notice of the change to the Service List as part of its Draft Informational Filing. Information in the Reference sections and footnotes of the Formula Rate Spreadsheet may, however, be changed without a Section 205 or Section 206 filing. SDG&E will document any modifications to the Reference sections and footnotes of the Formula Rate

Spreadsheet in the transmittal letter accompanying the Draft Informational Filing, and all persons retain the rights to protest any such changes.

**4. Abandoned Plant for Non-Incentive Projects**

SDG&E reserves the right to make a single-issue Section 205 filing to seek recovery of abandoned project costs for non-incentive projects. All persons retain full rights to oppose such filing under the FPA and in accordance with the Commission's Rules of Practice and Procedure.

**5. Depreciation Rates and/or Amortization Periods for General Plant, Common Plant and/or Intangible Plant**

SDG&E reserves the right to make a single-issue Section 205 filing to change the depreciation rates for General Plant and Common Plant and the amortization periods for Intangible Plant upon approval by the CPUC of revised depreciation rates and/or amortization periods for these plant categories. SDG&E shall make a filing at the Commission, as set forth in this section, by the later of either the filing date for the next Informational Filing following issuance of the CPUC ruling or sixty days after issuance of the CPUC ruling. All persons retain full rights to oppose such filing under the FPA and in accordance with the Commission's Rules of Practice and Procedure. If there is a change in the depreciation rates for General Plant and Common Plant and/or in the amortization periods for Intangible Plant, and SDG&E elects not to make a filing, SDG&E will provide notice of the change to the Service List as part of its Draft Informational Filing. However, SDG&E will not then be able to incorporate the CPUC-approved change in its TO5 Formula.

**6. Restriction on Single-Issue Filings**

Unless otherwise provided for in this Section D., SDG&E may not make single-issue filings during the term of the TO5 Formula. Further, the Parties recognize that the Commission is not bound by single-issue filings and may at its discretion broaden the scope of the filing.

## **E. TRUE-UP ADJUSTMENT**

The True-Up Adjustment for each True-Up Period will be a reconciliation of the difference between:

1. SDG&E's actual cost of providing transmission service during the applicable True-Up Period as determined by application of the PYRR component of the TO5 Formula; and
2. Actual revenues billed by SDG&E and paid by transmission customers for transmission service during the True-Up Period.

The True-Up Adjustment shall be calculated in accordance with the Formula Rate Spreadsheet.<sup>7</sup>

## **F. USE OF INFORMATION**

Information produced pursuant to these Protocols may be used in any administrative or judicial proceeding; provided, however, that to the extent that any information provided pursuant to these Protocols has been designated and provided as Protected Materials, the use of such information shall be governed by the Protective Order. This section shall not apply to any information provided in the course of Commission-established settlement proceedings pursuant to the Commission's rules and regulations governing settlement.

## **G. RESERVATION OF RIGHTS**

1. Nothing in these Protocols shall limit or shall be deemed to limit in any way the right of any Interested Party to file a request for relief under any

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<sup>7</sup> The End Use Customer and CAISO wholesale True-Up cost of service will be derived pursuant to Attachment 1. The End Use Customer recorded revenues used to derive the End Use Customer True-Up Adjustment will come from the books of SDG&E.



applicable provision of the FPA and/or the Commission's regulations or to participate in Informational Filing proceedings.

2. Except as set forth in Sections B and D above, nothing in these Protocols shall be deemed to limit in any way SDG&E's right to file unilaterally, pursuant to Section 205 of the FPA and the regulations thereunder, to seek to change or cancel the TO5 Formula, or to submit any other request for relief under any applicable provision of the FPA and/or the Commission's regulations.
3. Except as set forth in Section B above, nothing in these Protocols shall be deemed to limit in any way the Interested Parties' rights to unilaterally, pursuant to Section 206 of the Federal Power Act and the regulations thereunder, to seek to change or cancel the TO5 Formula, or submit any other requests for relief under any applicable provisions of the FPA and/or the Commission's regulations.

# T05 Formula Rate Spreadsheet Blank

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**Statement BK-1**  
**Derivation of End Use Prior Year Revenue Requirements (PYRR<sub>EU</sub>)**  
**For the Base Period & True-Up Period Ending xxxxxx**  
**(\$1,000)**

Line No.	Amounts	Reference	Line No.
<b>A. Revenues:</b>			
1	\$ -	Statement AH; Line 9	1
2			2
3	#DIV/0!	Statement AH; Line 31	3
4			4
5	-	Negative of Statement AH; Line 16	5
6	#DIV/0!	Sum Lines 1 thru 5	6
7			7
8	#DIV/0!	Statement AJ; Line 17	8
9			9
10	-	Statement AJ; Line 23	10
11			11
12	#DIV/0!	Statement AK; Line 13	12
13			13
14	#DIV/0!	Statement AK; Line 20	14
15	#DIV/0!	Sum Lines 6 thru 14	15
16			16
17	#DIV/0!	Statement AV; Page 3; Line 31	17
18	#DIV/0!	Page 3; Line 27	18
19	#DIV/0!	Line 17 x Line 18	19
20			20
21	#DIV/0!	Statement AV; Page 3; Line 64	21
22	#DIV/0!	Page 3; Line 27 - Line 10	22
23	#DIV/0!	Line 21 x Line 22	23
24			24
25	\$ -	Statement AQ; Line 3	25
26	-	Statement AU; Line 13	26
27	-	Statement Misc; Line 1	27
28	-	Statement AU; Line 15	28
29			29
30	#DIV/0!	Line 15 + Line 19 + Line 23 + (Sum Lines 25 thru 28)	30

<sup>1</sup> Blank lines that show up in the Formula Rate Spreadsheet will not be populated with any numbers absent a Section 205 filing to approve the blank lines.

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**Statement BK-1**  
**Derivation of End Use Prior Year Revenue Requirements (PYRR<sub>EU</sub>)**  
**For the Base Period & True-Up Period Ending xxxxxx**  
**(\$1,000)**

Line No.	Amounts	Reference	Line No.
<b>B. Incentive ROE Project Transmission Revenue:</b> <sup>1,2</sup>			
1	\$ -	Statement AJ; Line 19	1
2			2
3	0.0000%	Statement AV; Page 4; Line 31	3
4	\$ -	Page 3; Line 32	4
5	\$ -	Line 3 x Line 4	5
6			6
7	0.0000%	Statement AV; Page 4; Line 64	7
8	\$ -	Page 3; Line 32	8
9	\$ -	Line 7 x Line 8	9
10			10
11	\$ -	Line 1 + Line 5 + Line 9	11
12			12
<b>C. Incentive Transmission Plant Abandoned Project Revenue:</b> <sup>1,2</sup>			
14	\$ -	Statement AJ; Line 21	14
15			15
16	\$ -	Page 3; Line 37	16
17	#DIV/0!	Statement AV; Page 3; Line 31	17
18	#DIV/0!	Line 16 x Line 17	18
19			19
20	\$ -	Page 3; Line 37	20
21	0.0000%	Shall be Zero	21
22	\$ -	Line 20 x Line 21	22
23			23
24	#DIV/0!	Line 14 + Line 18 + Line 22	24
25			25
<b>D. Incentive Transmission Construction Work In Progress (CWIP) Revenue:</b> <sup>1,2</sup>			
27	\$ -	Page 3; Line 39	27
28	#DIV/0!	Statement AV; Page 3; Line 31	28
29	#DIV/0!	Line 27 x Line 28	29
30			30
31	\$ -	Page 3; Line 39	31
32	#DIV/0!	Statement AV; Page 3; Line 64	32
33	#DIV/0!	Line 31 x Line 32	33
34			34
35	#DIV/0!	Line 29 + Line 33	35
36			36
37	#DIV/0!	Sum Lines 11, 24, 35	37
38			38
39	#DIV/0!	Page 1; Line 30 + Line 37	39

<sup>1</sup> Blank lines that show up in the Formula Rate Spreadsheet will not be populated with any numbers absent a Section 205 filing to approve the blank lines.

<sup>2</sup> The FERC approved incentives for each project will be tracked and shown separately by repeating the applicable lines. As a result, the data on this page may carryover to the next page.

<sup>3</sup> Total Prior Year Revenues (PYRR) or Base Period Revenue is for 12 months ending the applicable cycle base period.

SAN DIEGO GAS & ELECTRIC COMPANY  
Statement BK-1  
Derivation of End Use Prior Year Revenue Requirements (PYRR<sub>EU</sub>)  
For the Base Period & True-Up Period Ending xxxxxx  
(\$1,000)

Line No.	Amounts	Reference	Line No.
<b><u>A. Transmission Rate Base:</u></b>			
1	<b><u>Net Transmission Plant:</u></b>		1
2	Transmission Plant	\$ -	Page 4; Line 16
3	Transmission Related Electric Miscellaneous Intangible Plant	#DIV/0!	Page 4; Line 17
4	Transmission Related General Plant	#DIV/0!	Page 4; Line 18
5	Transmission Related Common Plant	#DIV/0!	Page 4; Line 19
6	Total Net Transmission Plant	#DIV/0!	Sum Lines 2 thru 5
7			7
8	<b><u>Rate Base Additions:</u></b>		8
9	Transmission Plant Held for Future Use	\$ -	Statement AG; Line 1
10	Transmission Plant Abandoned Project Cost	-	Statement Misc; Line 3
11	Total Rate Base Additions	\$ -	Line 9 + Line 10
12			12
13	<b><u>Rate Base Reductions:</u></b>		13
14	Transmission Related Accum. Def. Inc. Taxes	\$ -	Statement AF; Line 7
15	Transmission Plant Abandoned Accum. Def. Inc. Taxes	-	Statement AF; Line 11
16	Total Rate Base Reductions	\$ -	Line 14 + Line 15
17			17
18	<b><u>Working Capital:</u></b>		18
19	Transmission Related Materials and Supplies	#DIV/0!	Statement AL; Line 5
20	Transmission Related Prepayments	#DIV/0!	Statement AL; Line 9
21	Transmission Related Cash Working Capital	#DIV/0!	Statement AL; Line 19
22	Total Working Capital	#DIV/0!	Sum Lines 19 thru 21
23			23
24	Other Regulatory Assets/Liabilities	\$ -	Statement Misc; Line 5
25	Unfunded Reserves	\$ -	Statement Misc; Line 7
26			26
27	Total Transmission Rate Base	#DIV/0!	Sum Lines 6, 11, 16, 22, 24, 25
28			28
29	<b><u>B. Incentive ROE Project Transmission Rate Base:</u></b> <sup>1</sup>		29
30	Net Incentive Transmission Plant	\$ -	Page 4; Line 25
31	Incentive Transmission Plant Accum. Def. Income Taxes	-	Statement AF; Line 9
32	Total Incentive ROE Project Transmission Rate Base	\$ -	Line 30 + Line 31
33			33
34	<b><u>C. Incentive Transmission Plant Abandoned Project Rate Base:</u></b> <sup>1</sup>		34
35	Incentive Transmission Plant Abandoned Project Cost	\$ -	Statement Misc; Line 9
36	Incentive Transmission Plant Abandoned Project Cost Accum. Def. Inc. Taxes	-	Statement AF; Line 13
37	Total Incentive Transmission Plant Abandoned Project Cost Rate Base	\$ -	Line 35 + Line 36
38			38
39	<b><u>D. Incentive Transmission Construction Work In Progress</u></b> <sup>1</sup>	\$ -	Statement AM; Line 1
			39

<sup>1</sup> The FERC approved incentives for each project will be tracked and shown separately by repeating the applicable lines. As a result, the data on this page may carryover to the next page.

SAN DIEGO GAS & ELECTRIC COMPANY  
Statement BK-1  
Derivation of End Use Prior Year Revenue Requirements (PYRR<sub>EU</sub>)  
For the Base Period & True-Up Period Ending xxxxxx  
(\$1,000)

Line No.	Amounts	Reference	Line No.
<b><u>A. Transmission Plant:</u></b>			
1			1
<b><u>Gross Transmission Plant:</u></b>			
2	\$ -	Statement AD; Line 11	2
3	#DIV/0!	Statement AD; Line 27	3
4	#DIV/0!	Statement AD; Line 29	4
5	#DIV/0!	Statement AD; Line 31	5
6	#DIV/0!	Sum Lines 2 thru 5	6
7			7
<b><u>Transmission Related Depreciation Reserve:</u></b>			
9	\$ -	Statement AE; Line 1	9
10	#DIV/0!	Statement AE; Line 11	10
11	#DIV/0!	Statement AE; Line 13	11
12	#DIV/0!	Statement AE; Line 15	12
13	#DIV/0!	Sum Lines 9 thru 12	13
14			14
<b><u>Net Transmission Plant:</u></b>			
16	\$ -	Line 2 Minus Line 9	16
17	#DIV/0!	Line 3 Minus Line 10	17
18	#DIV/0!	Line 4 Minus Line 11	18
19	#DIV/0!	Line 5 Minus Line 12	19
20	#DIV/0!	Sum Lines 16 thru 19	20
21			21
<b><u>B. Incentive Project Transmission Plant:</u></b> <sup>1</sup>			
23	\$ -	Statement AD; Line 13	23
24	-	Statement AE; Line 19	24
25	\$ -	Line 23 Minus Line 24	25

<sup>1</sup> The Incentive ROE Transmission plant and depreciation reserve will be tracked and shown for each incentive project and lines 23 through 25 will be repeated for each project.

SAN DIEGO GAS & ELECTRIC COMPANY  
Statement BK-1  
Derivation of End Use Forecast Period Capital Additions Revenue Requirements (FC<sub>EU</sub>)  
For the Forecast Period xxxxxx  
(\$1,000)

Line No.	Amounts	Reference	Line No.
<b><u>ANNUAL FIXED CHARGES APPLICABLE TO CAPITAL PROJECTS</u></b>			
<b><u>A. Derivation of Annual Fix Charge Rate (AFCR<sub>EU</sub>) Applicable to</u></b>			
<b><u>Weighted Forecast Plant Additions:</u></b>			
1	#DIV/0!	Page 1; Line 30	1
2	-	Negative of Page 1; Line 1 x 50%	2
3	#DIV/0!	Negative of Page 1; Line 3 x 50%	3
4	-	Negative of Page 1; Line 5	4
5	-	Negative of Page 1; Line 25	5
6	-	Negative of Page 1; Line 28	6
7	#DIV/0!	Sum Lines 1 thru 6	7
8			8
9	#DIV/0!	Page 4; Line 20	9
10			10
11	#DIV/0!	Line 7 / Line 9	11
12			12
13	\$ -	Summary of HV/LV Splits for Forecast Plant Additions; Line 5; Col. f	13
14			14
15	#REF!	Statement AJ; Page AJ-1B; Line 33; Col. c	15
16	#REF!	Line 13 x Line 15	16
17			17
18	#REF!	Line 13 minus Line 16	18
19			19
20	#DIV/0!	Line 11 x Line 18	20

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**Statement BK-1**  
**Derivation of End Use Forecast Period Capital Additions Revenue Requirements (FC<sub>EU</sub>)**  
**For the Forecast Period xxxxx**  
**(\$1,000)**

Line No.	Amounts	Reference	Line No.
<b>ANNUAL FIXED CHARGES APPLICABLE TO INCENTIVE CAPITAL PROJECTS</b>			
<b>A. Derivation of Annual Fix Charge Rate (AFCR<sub>EU-IR-ROE</sub>) Applicable to Incentive Weighted Forecast Plant Additions (ROE Incentive Only):</b>			
1	#DIV/0!	Page 1; Line 30 + Page 2; Line 11	1
2	-	Negative of Page 1; Line 1 x 50%	2
3	#DIV/0!	Negative of Page 1; Line 3 x 50%	3
4	-	Negative of Page 1; Line 5	4
5	-	Negative of Page 1; Line 25	5
6	-	Negative of Page 1; Line 28	6
7	#DIV/0!	Sum Lines 1 thru 6	7
8			8
9	#DIV/0!	Page 4; (Line 20 + Line 25)	9
10			10
11	#DIV/0!	Line 7 / Line 9	11
12			12
13	\$ -	Summary of HV/LV Splits for Forecast Plant Additions; Line 8; Col. f	13
14			14
15	#REF!	Page 5; Line 15	15
16	#REF!	Line 13 x Line 15	16
17			17
18	#REF!	Line 13 minus Line 16	18
19			19
20	#DIV/0!	Line 11 x Line 18	20
21			21
22	<b>B. Derivation of Incentive Forecast Transmission CWIP Revenues:</b>		
23	\$ -	Summary of HV/LV Splits for Forecast Plant Additions; Line 10 + Line 12; Col. f	23
24			24
25	#DIV/0!	Statement AV; Page 3; Line 31	25
26			26
27	#DIV/0!	Line 23 x Line 25	27
28			28
29	\$ -	Summary of HV/LV Splits for Forecast Plant Additions; Line 10 + Line 12; Col. f	29
30			30
31	#DIV/0!	Statement AV; Page 3; Line 64	31
32			32
33	#DIV/0!	Line 29 x Line 31	33
34			34
35	#DIV/0!	Line 27 + Line 33	35

<sup>1</sup> The Incentive Annual Fixed Charge Rate will be tracked and shown for each incentive project as applicable.



SAN DIEGO GAS & ELECTRIC COMPANY  
Statement BK-1  
Derivation of End Use Base Transmission Revenue Requirements (BTRR<sub>EU</sub>)  
For the Rate Effective Period xxxxxx  
(\$1,000)

Line No.	Amounts	Reference	Line No.
<b><u>A. End Use Customer Base Transmission Revenue Requirement (BTRR<sub>EU</sub>):</u></b>			
1			1
2	#DIV/0!	Page 1; Line 30	2
3			3
4	#DIV/0!	Page 2; Line 37	4
5			5
6	-	True-Up; Line 25; Col. 11	6
7			7
8	#DIV/0!	Interest True-Up CY; Line 22; Col. 2	8
9			9
10	#DIV/0!	Page 5; Line 20	10
11			11
12	#DIV/0!	Page 6; Line 20	12
13			13
14	#DIV/0!	Page 6; Line 35	14
15			15
16	#DIV/0!	Sum Lines 2 thru 14	16
17			17
18	0.0000%	#DIV/0! Line 16 x Franchise Fee Rate	18
19	0.0000%	#DIV/0! Line 16 x Uncollectible Rate	19
20			20
21	#DIV/0!	Sum Lines 16 thru 19	21
22			22
23	\$ -	Cost Adjustment Workpapers	23
24			24
25	#DIV/0!	Line 21 + Line 23	25

SAN DIEGO GAS & ELECTRIC COMPANY  
Statement BK-2

**Derivation of CAISO HV Transmission Facility (BTRR<sub>CAISO,HV</sub>) & LV Transmission Facility (BTRR<sub>CAISO,LV</sub>) Revenue Requirements  
For the Rate Effective Period xxxxxx  
(\$1,000)**

Line No.	Total	Reference			Line No.
<b>A. Derivation of Revenues Related With Total Transmission Facilities:</b>					
1	#DIV/0!	Statement BK-1; Page 7; Line 16			1
2					2
3	-	Negative of Statement BK-1; Page 1; Line 5			3
4					4
5	#DIV/0!	Negative of Statement AL; Line 30			5
6					6
7	#DIV/0!	Negative of Statement AL; Line 34			7
8					8
9	-	Negative of Statement AQ; Line 1			9
10					10
11	#DIV/0!	Sum Lines 1 thru 9			11
12					12
<b>B. Derivation of Split Between HV and LV:<sup>1</sup></b>					
<b>1. Percent Split Between HV &amp; LV for Recorded Non-Incentive &amp; Incentive Gross Transmission Plant Facilities and Incentive CWIP:</b>					
	(a)	(b)	(c)	Reference	
14	Total	High Voltage	Low Voltage		14
15					15
16	#DIV/0!	#DIV/0!	#DIV/0!	Summary of HV/LV Plant Allocation Study; Line 40; Col. c and b	16
17	#DIV/0!	#DIV/0!	#DIV/0!	Col. a = Line 11 minus Line 21	17
18				Col. b and c = Line 16 x (Line 17; Col. a)	18
19					19
<b>2. Percent Split Between HV &amp; LV Forecast Plant Additions:</b>					
20	#DIV/0!	#DIV/0!	#DIV/0!	Summary of HV/LV Splits for Forecast Plant Additions; Line 19; Col. d and e	20
21	#DIV/0!	#DIV/0!	#DIV/0!	Col. a = Statement BK-1; Page 7; Sum Lines 10 thru 14	21
22				Col. b and c = Line 20 x (Line 21; Col. a)	22
<b>C. Summary of CAISO Transmission Facilities by High Voltage and Low Voltage Classification:</b>					
25	#DIV/0!	#DIV/0!	#DIV/0!	Line 17 + Line 21	25
26	0.0000%	#DIV/0!	#DIV/0!	Line 25 x Franchise Fee Rate	26
27	#DIV/0!	#DIV/0!	#DIV/0!	Line 25 + Line 26	27
28					28
29	-	#DIV/0!	#DIV/0!	Col. a = Cost Adjustment Workpapers	29
30				Col. b and c = Line 16 x (Line 29; Col. a)	30
31					31
32	#DIV/0!	#DIV/0!	#DIV/0!	Line 27 + Line 29	32

<sup>1</sup> SDG&E has followed the CAISO's guidelines to separate all elements of its Transmission facilities into HV and LV components as outlined in Appendix F; Schedule 3; Section 12 of the CAISO tariff.

<sup>2</sup> Base franchise fees are applicable to all SDG&E customers.

<sup>3</sup> The following HV/LV Wholesale Base Transmission Revenue Requirements will be used by the CAISO to develop the TAC rates for the applicable rate effective period.

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**Statement AD**  
**Cost of Plant**

**Base Period & True-Up Period 12 - Months Ending xxxxx**  
**(\$1,000)**

Line No.	FERC Form 1 Page; Line; Col.	(a) 31-Dec-xx	(b) 31-Dec-xx	(c) = [(a)+(b)]/2 Average Balance	Reference	Line No.	
1	Total Steam Production Plant <sup>1,3</sup>	450.1; Sch. Pg. 204; 104; b		\$ -	AD-1; Line 18	1	
2						2	
3	Total Nuclear Production Plant <sup>1,3</sup>	450.1; Sch. Pg. 204; 104; b		-	AD-2; Line 18	3	
4						4	
5	Total Hydraulic Production Plant <sup>1,3</sup>			-	AD-3; Line 18	5	
6						6	
7	Total Other Production Plant <sup>1,3</sup>	450.1; Sch. Pg. 204; 104; b		-	AD-4; Line 18	7	
8						8	
9	Total Distribution Plant <sup>2,3</sup>	450.1; Sch. Pg. 204; 104; b	\$ -	\$ -	-	AD-5; Line 6	9
10						10	
11	Transmission Plant <sup>1,3</sup>	450.1; Sch. Pg. 204; 104; b		-	AD-6; Line 18	11	
12						12	
13	Incentive Transmission Plant <sup>1</sup>			-	AD-7; Line 18	13	
14						14	
15	Total Electric Miscellaneous Intangible Plant <sup>2,4</sup>	450.1; Sch. Pg. 204; 104; b	-	-	-	AD-8; Line 6	15
16						16	
17	Total General Plant <sup>2,4</sup>	450.1; Sch. Pg. 204; 104; b	-	-	-	AD-9; Line 6	17
18						18	
19	Total Common Plant <sup>2,4</sup>		-	-	-	AD-10; Line 10	19
20						20	
21	Total Plant in Service			\$ -	Sum Lines 1 thru 19	21	
22						22	
23	Transmission Wages and Salaries Allocation Factor			#DIV/0!	Statement AI; Line 15	23	
24						24	
25	Total Transmission Plant & Incentive Transmission Plant			\$ -	Line 11 + Line 13	25	
26						26	
27	Transmission Related Electric Miscellaneous Intangible Plant			#DIV/0!	Line 15 x Line 23	27	
28						28	
29	Transmission Related General Plant			#DIV/0!	Line 17 x Line 23	29	
30						30	
31	Transmission Related Common Plant			#DIV/0!	Line 19 x Line 23	31	
32						32	
33	Transmission Related Total Plant in Service			#DIV/0!	Sum Lines 25 thru 31	33	
34						34	
35	Transmission Plant Allocation Factor <sup>5</sup>			#DIV/0!	Line 33 / Line 21	35	

<sup>1</sup> The balances for Steam, Nuclear, Hydraulic, Other Production, Transmission, and Incentive Transmission plant are derived based on a 13-month average balance.

<sup>2</sup> The balances for Electric Miscellaneous Intangible, Distribution, General and Common plant are derived based on a simple average balance using beginning and ending year balances.

<sup>3</sup> The amounts stated above are ratemaking utility plant in service and a result of implementing the "Seven-Element Adjustment Factor" which reflects transfers between core electric functional areas.

<sup>4</sup> Not affected by the "Seven-Element Adjustment Factor".

<sup>5</sup> Used to allocate all elements of working capital, other than working cash.

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**Statement AE**  
**Accumulated Depreciation and Amortization**  
**Base Period & True-Up Period 12 - Months Ending xxxxxx**  
**(\$1,000)**

Line No.	FERC Form 1 Page; Line; Col.	(a) 31-Dec-xx	(b) 31-Dec-xx	(c) = [(a)+(b)]/2 Average Balance	Reference	Line No.
1	Transmission Plant Depreciation Reserve <sup>1,3</sup>			\$ -	AE-1; Line 18	1
2						2
3	Electric Misc. Intangible Plant Amortization Reserve <sup>2,4</sup>	\$ -	\$ -	-	AE-2; Line 6	3
4						4
5	General Plant Depreciation Reserve <sup>2,4</sup>	-	-	-	AE-3; Line 6	5
6						6
7	Common Plant Depreciation Reserve <sup>2,4</sup>	-	-	-	AE-4; Line 10	7
8						8
9	Transmission Wages and Salaries Allocation Factor			#DIV/0!	Statement A; Line 15	9
10						10
11	Transmission Related Electric Misc. Intangible Plant Amortization Reserve			#DIV/0!	Line 3 x Line 9	11
12						12
13	Transmission Related General Plant Depreciation Reserve			#DIV/0!	Line 5 x Line 9	13
14						14
15	Transmission Related Common Plant Depreciation Reserve			#DIV/0!	Line 7 x Line 9	15
16						16
17	Total Transmission Related Depreciation Reserve			#DIV/0!	Line 1 + (Sum Lines 11 thru 15)	17
18						18
19	Incentive Transmission Plant Depreciation Reserve <sup>1</sup>			\$ -	AE-5; Line 18	19

<sup>1</sup> The depreciation reserve for Transmission and Incentive Transmission plant is derived based on a 13-month average balance.

<sup>2</sup> The depreciation reserve for Electric Miscellaneous Intangible, General, and Common plant is derived based on a simple average of beginning and end of year balances.

<sup>3</sup> The amounts stated above are ratemaking utility plant in service and a result of implementing the "Seven-Element Adjustment Factor" which reflects transfers between core electric functional areas.

<sup>4</sup> Not affected by the "Seven-Element Adjustment Factor".

**SAN DIEGO GAS & ELECTRIC COMPANY**

**Statement AF**

**Deferred Credits**

**Base Period & True-Up Period 12 - Months Ending xxxxxx**

**(\$1,000)**

Line No.	FERC Form 1 Page; Line; Col.	(a)	(b)	(c) = [(a)+(b)]/2	Reference	Line No.	
		31-Dec-xx	31-Dec-xx	Average Balance			
1	FERC Account 190	450.1; Sch. Pg. 234; 2; b and c	\$ -	\$ -	\$ -	AF-1 and AF-2; Line 7; Col. d	1
2							2
3	FERC Account 282	450.1; Sch. Pg. 274; 2; b and k	\$ -	\$ -	\$ -	AF-1 and AF-2; Line 14; Col. d	3
4							4
5	FERC Account 283	450.1; Sch. Pg. 276; 9; b and k	\$ -	\$ -	\$ -	AF-1 and AF-2; Line 22; Col. d	5
6							6
7	Total Transmission Related ADIT <sup>1</sup>		\$ -	\$ -	\$ -	Sum Lines 1 thru 5	7
8							8
9	Incentive Transmission Plant ADIT		\$ -	\$ -	\$ -	AF-3; Line 1; Col. c	9
10							10
11	Transmission Plant Abandoned ADIT		\$ -	\$ -	\$ -	AF-3; Line 3, Col. c	11
12							12
13	Incentive Transmission Plant Abandoned Project Cost ADIT		\$ -	\$ -	\$ -	AF-3; Line 5; Col. c	13

<sup>1</sup> The allocated general and common accumulated deferred income taxes are included in the total transmission related accumulated deferred income taxes. See FERC Form 1; Page 450.1; Sch. Pg. 274; Line 2; Col. b and k.

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**Statement AG**  
**Specified Plant Account (Other than Plant in Service) and Deferred Debits**  
**Base Period & True-Up Period 12 - Months Ending xxxxx**  
**(\$1,000)**

Line No.	FERC Form 1 Page; Line; Col.	Average Balance	Reference	Line No.
1	Transmission Plant Held for Future Use <sup>1</sup>	\$ -	AG-1; Line 18	1

<sup>1</sup> The balances for Transmission Plant Held for Future Use are derived based on a 13-month average balance.

**SAN DIEGO GAS & ELECTRIC COMPANY**

**Statement AH**

**Operation and Maintenance Expenses**

**Base Period & True-Up Period 12 - Months Ending xxxxxx  
(S1,000)**

Line No.	FERC Form 1 Page; Line; Col.	Amounts	Reference	Line No.
1				1
<u>Derivation of Transmission Operation and Maintenance Expense:</u>				
2				2
3	321; 112; b	\$ -	AH-1; Line 33; Col. a	3
Adjustments to Per Book Transmission O&M Expense:				
4		-	Negative of AH-1; Line 38; Col. b	4
5		-	Negative of AH-1; Line 39; Col. b	5
6		-	Negative of AH-1; Line 40; Col. b	6
7		-	Negative of AH-1; Line 45; Col. b	7
8		-	Negative of AH-1; Line 37; Col. b	8
9		\$ -	Sum Lines 2 thru 8	9
10				10
<u>Derivation of Administrative and General Expense:</u>				
11				11
12	323; 197; b	\$ -	AH-2; Line 16; Col. a	12
Adjustments to Per Book A&G Expense:				
13				13
Abandoned Projects				
14		-	Negative of AH-2; Line 31; Col. b	14
15		-	Negative of AH-2; Sum Lines 20, 22, 24, 30, 32; Col. a or b	15
16		-	Negative of AH-2; Line 25; Col. a	16
17		-	Negative of AH-2; Line 26; Col. a	17
18		-	Negative of AH-2; Line 27; Col. a	18
19		-	Negative of AH-2; Line 21; Col. a	19
20		-	Negative of AH-2; Line 29; Col. b	20
21		-	Negative of AH-2; Line 23; Col. b	21
22		-	Negative of AH-2; Line 33; Col. b	22
23		-	Negative of AH-2; Line 28; Col. a	23
24		-	Not Applicable to XXXX Base Period	24
25		\$ -	Sum Lines 12 thru 24	25
26		-	Negative of AH-2; Line 5; Col. c	26
27		\$ -	Line 25 + Line 26	27
28		#DIV/0!	Statement A1; Line 15	28
29		#DIV/0!	Line 27 x Line 28	29
30		#DIV/0!	Negative of Line 26 x Line 50	30
31		#DIV/0!	Line 29 + Line 30	31
32				32
<u>Derivation of Transmission Plant Property Insurance Allocation Factor:</u>				
33				33
34		\$ -	Statement AD; Line 25	34
35		-	Shall be Zero	35
36		#DIV/0!	Statement AD; Line 29	36
37		#DIV/0!	Statement AD; Line 31	37
38		#DIV/0!	Sum Lines 34 thru 37	38
39				39
40		\$ -	Line 34 Above	40
41		-	Statement AD; Line 1	41
42		-	Shall be Zero	42
43		-	Statement AD; Line 7	43
44		-	Statement AD; Line 9	44
45		-	Shall be Zero	45
46		-	Statement AD; Line 17	46
47		-	Statement AD; Line 19	47
48		\$ -	Sum Lines 40 thru 47	48
49				49
50		#DIV/0!	Line 38 / Line 48	50

<sup>1</sup> The CPUC Intervenor Expense for Transmission shall be treated as an exclusion in A&G but added back to the Retail BTRR on BK-1; Page 1; Line 5. This expense will be excluded in Wholesale BTRR on BK-2; Line 3.

**SAN DIEGO GAS & ELECTRIC COMPANY**

**Statement AI  
Wages and Salaries**

**Base Period & True-Up Period 12 - Months Ending xxxxx  
(\$1,000)**

Line No.	FERC Form 1 Page; Line; Col.	Amounts	Reference	Line No.
1	Production Wages & Salaries (Includes Steam & Other Power Supply)	\$ -		1
2				2
3	Transmission Wages & Salaries	-		3
4				4
5	Distribution Wages & Salaries	-		5
6				6
7	Customer Accounts Wages & Salaries	-		7
8				8
9	Customer Services and Informational Wages & Salaries	-		9
10				10
11	Sales Wages & Salaries	-		11
12				12
13	Total Operating & Maintenance Wages & Salaries Excl. A&G	\$ -	Sum Lines 1 thru 11	13
14				14
15	Transmission Wages and Salaries Allocation Factor	<u><u>#DIV/0!</u></u>	Line 3 / Line 13	15



**SAN DIEGO GAS & ELECTRIC COMPANY**  
**Statement AJ**

**Depreciation and Amortization Expense**

**Base Period & True-Up Period 12 - Months Ending xxxxxx**

(\$1,000)

Line No.	FERC Form 1 Page; Line; Col.	Amounts	Reference	Line No.
1	Transmission Plant Depreciation Expense	\$ -	AJ-1; Line 12	1
2				2
3	Electric Miscellaneous Intangible Plant Amortization Expense	-	AJ-2; Line 1	3
4				4
5	General Plant Depreciation Expense	-	AJ-3; Line 1	5
6				6
7	Common Plant Depreciation Expense	-	AJ-4; Line 3	7
8				8
9	Transmission Wages and Salaries Allocation Factor	#DIV/0!	Statement AI; Line 15	9
10				10
11	Transmission Related Electric Misc. Intangible Plant Amortization Expense	#DIV/0!	Line 3 x Line 9	11
12				12
13	Transmission Related General Plant Depreciation Expense	#DIV/0!	Line 5 x Line 9	13
14				14
15	Transmission Related Common Plant Depreciation Expense	#DIV/0!	Line 7 x Line 9	15
16				16
17	Total Transmission, General, Common, and Electric Misc. Intangible Exp.	#DIV/0!	Line 1 + (Sum Lines 11 thru 15)	17
18				18
19	Incentive Transmission Plant Depreciation Expense	\$ -	AJ-5; Line 12	19
20				20
21	Incentive Transmission Plant Abandoned Project Cost Amortization Expense <sup>1</sup>	\$ -	AJ-6; Line 1	21
22				22
23	Transmission Plant Abandoned Project Cost Amortization Expense	\$ -	AJ-7; Line 1	23

<sup>1</sup> Net of Incentive Transmission Plant Depreciation Expense.

**SAN DIEGO GAS & ELECTRIC COMPANY**

**Statement AK**

**Taxes Other Than Income Taxes**

**Base Period & True-Up Period 12 - Months Ending xxxxxx**  
 (\$1,000)

Line No.	FERC Form 1 Page; Line; Col.	Amounts	Reference	Line No.
1	Total Property Taxes <sup>1</sup>	\$ -		1
2				2
3	Less: Other Taxes (Business license taxes) <sup>2</sup>	-	Not Applicable to XXXX Base Period	3
4				4
5	Net Property Taxes	\$ -	Line 1 + Line 3	5
6				6
7	Less: SONGS Property Taxes	-	450.1; Sch. Pg. 262; 2; i	7
8				8
9	Total Property Taxes Expense	\$ -	Line 5 + Line 7	9
10				10
11	Transmission Property Insurance and Tax Allocation Factor	#DIV/0!	Statement AH; Line 50	11
12				12
13	Transmission Related Property Taxes Expense	#DIV/0!	Line 9 x Line 11	13
14				14
15				15
16	Total Payroll Taxes Expense <sup>3</sup>	\$ -		16
17				17
18	Transmission Wages and Salaries Allocation Factor	#DIV/0!	Statement AI; Line 15	18
19				19
20	Transmission Related Payroll Taxes Expense	#DIV/0!	Line 16 x Line 18	20

<sup>1</sup> Property tax expense excludes Citizens property taxes as shown in FERC Form 1; Page 450.1; Sch. Pg. 262; Line 2; Col. i.

<sup>2</sup> Business license taxes are no longer recorded in Total Property Taxes and are separately shown in FERC Form 1; Page 263; Line 4; Col. i.

<sup>3</sup> Payroll tax expense excludes Citizens payroll taxes as shown in FERC Form 1; Page 450.1; Sch. Pg. 262; Line 18; Col. i.

**SAN DIEGO GAS & ELECTRIC COMPANY**

**Statement AL**

**Working Capital**

**Base Period & True-Up Period 12 - Months Ending xxxxxx**

**(\$1,000)**

Line No.	FERC Form 1 Page; Line; Col.	Working Cash	13-Months Average Balance	Reference	Line No.
1	A. Plant Materials and Operating Supplies <sup>1</sup>	450.1; Sch. Pg. 227; 12; c	\$ -	AL-1; Line 18	1
2					2
3	Transmission Plant Allocation Factor		#DIV/0!	Statement AD; Line 35	3
4					4
5	Transmission Related Materials and Supplies		#DIV/0!	Line 1 x Line 3	5
6					6
7	B. Prepayments <sup>1</sup>	450.1; Sch. Pg. 110; 57; c	\$ -	AL-2; Line 18	7
8					8
9	Transmission Related Prepayments		#DIV/0!	Line 3 x Line 7	9
10					10
11	<u>C. Derivation of Transmission Related Cash Working Capital - Retail:</u>				11
12	Transmission O&M Expense	\$ -		Statement AH; Line 9	12
13	Transmission Related A&G Expense - Excl. Intervenor Funding Expense	#DIV/0!		Statement AH; Line 31	13
14	CPUC Intervenor Funding Expense - Transmission	-		Negative of Statement AH; Line 16	14
15	Total	#DIV/0!		Sum Lines 12 thru 14	15
16					16
17	One Eighth O&M Rule	12.50%		FERC Method = 1/8 of O&M Expense	17
18					18
19	Transmission Related Cash Working Capital - Retail Customers	#DIV/0!		Line 15 x Line 17	19
20					20
21	<u>D. Adj. to Back Out CPUC Intervenor Funding Exp. Embedded in Retail Working Cash:</u>				21
22	CPUC Intervenor Funding Expense - Transmission	\$ -		Line 14 Above	22
23					23
24	One Eighth O&M Rule	12.50%		Line 17 Above	24
25					25
26	Adj. to Transmission Related Cash Working Capital - Wholesale Customers	\$ -		Line 22 x Line 24	26
27					27
28	Cost of Capital Rate <sub>(COCR)</sub> - Base ROE:	#DIV/0!		Statement AV; Page 3; Line 31	28
29					29
30	CPUC Intervenor Funding Expense Revenue Adj. - Base ROE <sup>2</sup>	#DIV/0!		Line 26 x Line 28	30
31					31
32	Cost of Capital Rate <sub>(COCR)</sub> - CAISO Participation ROE Adder:	#DIV/0!		Statement AV; Page 3; Line 64	32
33					33
34	CPUC Intervenor Funding Expense Revenue Adj. - CAISO Participation ROE Adder <sup>2</sup>	#DIV/0!		Line 26 x Line 32	34

<sup>1</sup> The balances for Materials & Supplies and Prepayments are derived based on a 13-month average balance.

<sup>2</sup> Working Capital Adjustment to show that Wholesale customers do not pay for CPUC Intervenor Funding Expense.

**SAN DIEGO GAS & ELECTRIC COMPANY**

**Statement AM**

**Construction Work In Progress (CWIP)**

**Base Period & True-Up Period 12 - Months Ending xxxxxx  
(\$1,000)**

Line No.	FERC Form 1 Page; Line; Col.	13-Months Average Balance	Reference	Line No.
1	Incentive Transmission Construction Work In Progress <sup>1</sup>	\$ -	AM-1; Line 18	1

<sup>1</sup> The balance for Incentive Transmission Construction Work In Progress is derived based on a 13-month average balance. A line will be shown for each applicable project.

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**Statement AQ**  
**Federal Income Tax Deductions, Other Than Interest**  
**Base Period & True-Up Period 12 - Months Ending xxxxxx**  
**(\$1,000)**

Line No.	FERC Form 1 Page; Line; Col.	Amounts	Reference	Line No.
1	South Georgia Income Tax Adjustment	\$ -		1
2				2
3	Total Federal Income Tax Deductions Other Than Interest	<u>\$ -</u>	Line 1	3

**SAN DIEGO GAS & ELECTRIC COMPANY**

**Statement AR**

**Federal Tax Adjustments**

**Base Period & True-Up Period 12 - Months Ending xxxxxx**

**(\$1,000)**

Line No.	FERC Form 1 Page; Line; Col.	Amounts	Reference	Line No.
1	Transmission Related Amortization of Investment Tax Credits <sup>1</sup>	\$ -		1
2				2
3	Transmission Related Amortization of Excess Deferred Tax Liabilities			3
4	FERC Account 190	-	AR-1; Line 7; Col. c	4
5	FERC Account 282	-	AR-1; Line 14; Col. c	5
6	FERC Account 283	-	AR-1; Line 22; Col. c	6
7	Total Transmission Related Amortization of Excess Deferred Tax Liabilities	\$ -	Sum Lines 4 thru 6	7
8				8
9	Total Federal Tax Adjustments	\$ -	Line 1 + Line 7	9

<sup>1</sup> Input value from FERC Form 1 should be entered as a negative.

**SAN DIEGO GAS & ELECTRIC COMPANY**

**Statement AU  
Revenue Credits**

**Base Period & True-Up Period 12 - Months Ending xxxxx  
(\$1,000)**

Line No.	FERC Form 1 Page; Line; Col.	Amounts	Reference	Line No.
1	(451) Miscellaneous Service Revenues <sup>1</sup>	\$ -		1
2				2
3	(453) Sales of Water and Water Power	-		3
4				4
5	(454) Rent from Electric Property	-	AU-1; Page 2; Line 4; Col. m	5
6				6
7	(455) Interdepartmental Rents	-		7
8				8
9	(456) Other Electric Revenues	-	AU-1; Page 2; Line 18; Col. m	9
10				10
11	Electric Transmission Revenues from Citizens	-	AU-1; Page 2; Line 20; Col. m	11
12				12
13	Transmission Related Revenue Credits	\$ -	Sum Lines 1 thru 11	13
14				14
15	(411.6 & 411.7) Gain or Loss From Sale of Plant Held for Future Use	\$ -	FERC Accounts 411.6 and 411.7	15

<sup>1</sup> Confirmed the amounts reported for Acct 451 on FERC Form 1; Page 450.1; Sch. Pg. 300; Line 17; Col. b are not Transmission-related with an exception for Franchise Fees. Part of the Franchise Fees reported are Transmission-related, however, they are excluded in Statement AU because they are collected as a part of the BTRR in the BK Cost Statements.

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**Statement AV**

**Cost of Capital and Fair Rate of Return**

**Base Period & True-Up Period 12 - Months Ending xxxxxx**  
**(\$1,000)**

Line No.	FERC Form 1 Page; Line; Col.	Amounts	Reference	Line No.			
1	<u>Long-Term Debt Component - Denominator:</u>			1			
2	Bonds (Acct 221)	112; 18; c	\$ -	2			
3	Less: Reacquired Bonds (Acct 222)	112; 19; c	-	3			
4	Other Long-Term Debt (Acct 224)	112; 21; c	-	4			
5	Unamortized Premium on Long-Term Debt (Acct 225)	112; 22; c	-	5			
6	Less: Unamortized Discount on Long-Term Debt-Debit (Acct 226)	112; 23; c	-	6			
7	LTD = Long Term Debt	\$ -	Sum Lines 2 thru 6	7			
8				8			
9	<u>Long-Term Debt Component - Numerator:</u>			9			
10	Interest on Long-Term Debt (Acct 427)	117; 62; c	\$ -	10			
11	Amort. of Debt Disc. and Expense (Acct 428)	117; 63; c	-	11			
12	Amortization of Loss on Reacquired Debt (Acct 428.1)	117; 64; c	-	12			
13	Less: Amort. of Premium on Debt-Credit (Acct 429)	117; 65; c	-	13			
14	Less: Amortization of Gain on Reacquired Debt-Credit (Acct 429.1)	117; 66; c	-	14			
15	i = LTD interest	\$ -	Sum Lines 10 thru 14	15			
16				16			
17	<u>Cost of Long-Term Debt:</u>	<u>#DIV/0!</u>	Line 15 / Line 7	17			
18				18			
19	<u>Preferred Equity Component:</u>			19			
20	PF = Preferred Stock (Acct 204)	112; 3; c	\$ -	20			
21	d(pf) = Total Dividends Declared-Preferred Stocks (Acct 437)	118; 29; c	\$ -	21			
22	Cost of Preferred Equity	0.00%	Line 21 / Line 20	22			
23				23			
24	<u>Common Equity Component:</u>			24			
25	Proprietary Capital	112; 16; c	\$ -	25			
26	Less: Preferred Stock (Acct 204)	112; 3; c	-	26			
27	Less: Unappropriated Undistributed Subsidiary Earnings (Acct 216.1)	112; 12; c	-	27			
28	Accumulated Other Comprehensive Income (Acct 219)	112; 15; c	-	28			
29	CS = Common Stock	\$ -	Sum Lines 25 thru 28	29			
30				30			
31	<hr/>			31			
32	<u>Base Return on Common Equity:</u>		0.00%	SDG&E Base Return on Equity	32		
33		(a)	(b)	(c)	(d) = (b) x (c)	33	
34		Amounts <sup>1</sup>	Cap. Struct. Ratio	Cost of Capital	Weighted Cost of Capital	34	
35	<u>Weighted Cost of Capital:</u>					35	
36						36	
37	Long-Term Debt	\$ -	#DIV/0!	#DIV/0!	#DIV/0!	Col. c = Line 17 Above	37
38	Preferred Equity	-	#DIV/0!	0.00%	#DIV/0!	Col. c = Line 22 Above	38
39	Common Equity	-	#DIV/0!	0.00%	#DIV/0!	Col. c = Line 32 Above	39
40	Total Capital	\$ -	#DIV/0!		#DIV/0!	Sum Lines 37 thru 39	40
41							41
42	<u>Cost of Equity Component (Preferred &amp; Common):</u>				#DIV/0!	Line 38 + Line 39; Col. d	42
43							43
44	<hr/>						44
45	<u>CAISO Participation ROE Adder:</u>				0.00%	Order No. 679, 116 FERC ¶ 61,057 at P 326	45
46		(a)	(b)	(c)	(d) = (b) x (c)		46
47		Amounts <sup>1</sup>	Cap. Struct. Ratio	Cost of Capital	Weighted Cost of Capital		47
48	<u>Weighted Cost of Capital:</u>						48
49							49
50	Long-Term Debt	\$ -	#DIV/0!	0.00%	#DIV/0!	Shall be Zero for ROE Adder	50
51	Preferred Equity	-	#DIV/0!	0.00%	#DIV/0!	Shall be Zero for ROE Adder	51
52	Common Equity	-	#DIV/0!	0.00%	#DIV/0!	Col. c = Line 45 Above	52
53	Total Capital	\$ -	#DIV/0!		#DIV/0!	Sum Lines 50 thru 52	53
54							54
55	<u>Cost of Common Equity Component (CAISO Participation ROE Adder):</u>				#DIV/0!	Line 52; Col. d	55

<sup>1</sup> Amount is based upon December 31 balances.



**SAN DIEGO GAS & ELECTRIC COMPANY**  
**Statement AV**

**Cost of Capital and Fair Rate of Return**

**Base Period & True-Up Period 12 - Months Ending xxxxxx**  
**(\$1,000)**

Line No.	FERC Form 1 Page; Line; Col.				Amounts	Reference	Line No.		
1	<u>Incentive Return on Common Equity:</u> <sup>1</sup>				0.00%		1		
2	(a)	(b)	(c)	(d) = (b) x (c)			2		
3		Cap. Struct.	Cost of	Weighted			3		
4	<u>Incentive Weighted Cost of Capital:</u>				Amounts <sup>2</sup>	Ratio	Capital	Cost of Capital	4
5								5	
6	Long-Term Debt	\$ -	#DIV/0!	#DIV/0!	#DIV/0!	Col. c = Page 1, Line 17		6	
7	Preferred Equity	-	#DIV/0!	0.00%	#DIV/0!	Col. c = Page 1, Line 22		7	
8	Common Equity	-	#DIV/0!	0.00%	#DIV/0!	Col. c = Line 1 Above		8	
9	Total Capital	\$ -	#DIV/0!		#DIV/0!	Sum Lines 6 thru 8		9	
10								10	
11	<u>Incentive Cost of Equity Component (Preferred &amp; Common):</u>				#DIV/0!	Line 7 + Line 8; Col. d		11	
12								12	
13								13	
14	<u>CAISO Participation ROE Adder:</u>				0.00%	Order No. 679, 116 FERC ¶ 61,057 at P 326		14	
15	(a)	(b)	(c)	(d) = (b) x (c)				15	
16		Cap. Struct.	Cost of	Weighted				16	
17	<u>Weighted Cost of Capital:</u>				Amounts <sup>2</sup>	Ratio	Capital	Cost of Capital	17
18								18	
19	Long-Term Debt	\$ -	#DIV/0!	0.00%	#DIV/0!	Shall be Zero for ROE Adder		19	
20	Preferred Equity	-	#DIV/0!	0.00%	#DIV/0!	Shall be Zero for ROE Adder		20	
21	Common Equity	-	#DIV/0!	0.00%	#DIV/0!	Col. c = Line 14 Above		21	
22	Total Capital	\$ -	#DIV/0!		#DIV/0!	Sum Lines 19 thru 21		22	
23								23	
24	<u>Cost of Common Equity Component (CAISO Participation ROE Adder):</u>				#DIV/0!	Line 21; Col. d		24	

<sup>1</sup> The Incentive Return on Common Equity will be tracked and shown separately for each project. As a result, lines 1 through 24 will be repeated for each project.

<sup>2</sup> Amount is based upon December 31 balances.

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**Statement AV**

**Cost of Capital and Fair Rate of Return**

**Base Period & True-Up Period 12 - Months Ending xxxxxx**  
**(\$1,000)**

Line No.	Amounts	Reference	Line No.
1			1
2			2
3			3
4			4
5			5
6			6
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57			57
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60			60
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62			62
63			63
64			64

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**Statement AV**

**Cost of Capital and Fair Rate of Return**

**Base Period & True-Up Period 12 - Months Ending xxxxxx**  
**(\$1,000)**

Line No.	Amounts	Reference	Line No.
1			1
2			2
3			3
4			4
5			5
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54			54
55			55
56			56
57			57
58			58
59			59
60			60
61			61
62			62
63			63
64			64

<sup>1</sup> The Incentive Cost of Capital Rate calculation will be tracked and shown separately for each project. As a result, lines 1 through 64 will be repeated for each project.

**SAN DIEGO GAS & ELECTRIC COMPANY**

**Miscellaneous Statement**

**Base Period & True-Up Period 12 - Months Ending xxxxxx**

**(\$1,000)**

Line No.	FERC Form 1 Page; Line; Col.	Amounts	Reference	Line No.
1	Transmission Related Regulatory Debits/Credits <sup>1</sup>	\$ -		1
2				2
3	Transmission Plant Abandoned Project Cost <sup>1</sup>	\$ -		3
4				4
5	Other Regulatory Assets/Liabilities <sup>1</sup>	\$ -		5
6				6
7	Unfunded Reserves	\$ -	Misc.-1; Line 9; Col. c	7
8				8
9	Incentive Transmission Plant Abandoned Project Cost <sup>1</sup>	\$ -		9

<sup>1</sup> None of the above items apply to SDG&E's TO5 Cycle x filing. However, as one or more of these items apply, subject to FERC approval, the applicable data field will be filled.

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**TOS-Cycle X True-Up Adjustment**  
**For 12-Month True-Up Period xxxxxx**  
**(\$1,000)**

Line No.	Reference	Col.1	Col.2	Col.3	Col.4	Col.5	Col.6	Col.7	Col.8	Col.9	Col.10	Col.11	Line No.
1	Total Prior Year Revenue Requirements Excluding FF&U <sup>1</sup>												1
2	Franchise Fees												2
3	Uncollectible Expense												3
4	Total True-Up Cost of Service												4
5													5
6	Calculations:												6
7													7
8													8
9													9
10													10
11													11
12													12
13													13
14													14
15													15
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18													18
19													19
20													20
21													21
22													22
23													23
24													24
25													25
26													26

1 The Total Prior Year Revenue Requirements ("PYRR") is for the 12-months ending Dec 31 for the applicable cycle filing base period and represents the actual cost of service for true-up purposes.  
2 SDG&E's recorded Retail Transmission revenues, excluding TACBAA and TRBAA, during the true-up period.  
3 Adjustment to back-out the prior year true-up adjustment that is included in the recorded monthly true-up revenues in Column 3.  
4 Adjustment to back-out Other BTRR Adjustments from a prior year BK-1; Page 6, which is included in the recorded monthly true-up revenues in Column 3. Such adjustments include, but are not limited to, error adjustments and out-of-cycle recovery or refunds ordered by the Commission for a previous year.  
5 Rates specified on the FERC website pursuant to Section 35.19a of the Commission regulation.  
6 Derived using the prior month balance in Column 11 plus the current month balance in Column 7.  
7 Interest is calculated using an average of beginning and ending balances: 1) in month 1, the average is 1/2 of balance in Column 7; and 2) in subsequent months is the average of prior month balance in Column 11 and the current month balance in Column 9.

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**T05-Cycle x Interest True-Up Adjustment**  
**For 12-Month True-Up Period xxxxxx**  
**(\$1,000)**

Line No.	<u>Col.1</u>	<u>Col.2</u>	<u>Col.3</u>	<u>Col.4</u>	<u>Col.5</u>	<u>Col.6</u>	Line No.
1	Year	Prior Cycle True Up Adjustment <sup>1</sup>	Monthly Interest Rate	Cumulative Overcollection (+) in Revenue <u>wo Interest</u>	Interest	Cumulative Overcollection (-) or Undercollection (+) in Revenue <u>with Interest</u>	1
2	Month	Year	Rate	wo Interest	Interest	with Interest	2
3	Calculations:	xxxx	0.00%	See Footnote 3	See Footnote 4	= Col. 4 + Col. 5	3
4		xxxx	0.00%				4
5		xxxx	0.00%				5
6		xxxx	0.00%				6
7	January	\$ -	0.00%	\$ -	\$ -	\$ -	7
8	February	xxxx	0.00%	-	-	-	8
9	March	xxxx	0.00%	-	-	-	9
10	April	xxxx	0.00%	-	-	-	10
11	May	xxxx	0.00%	-	-	-	11
12	June	xxxx	0.00%	-	-	-	12
13	July	xxxx	0.00%	-	-	-	13
14	August	xxxx	0.00%	-	-	-	14
15	September	xxxx	0.00%	-	-	-	15
16	October	xxxx	0.00%	-	-	-	16
17	November	xxxx	0.00%	-	-	-	17
18	December	xxxx	0.00%	-	-	-	18
19				\$	-	-	19

<sup>1</sup> Represents the true-up adjustment from the previous annual cycle filing. SDG&E accrues interest until the amount is fully collected/refunded in rates.  
<sup>2</sup> Rates specified on the FERC website pursuant to Section 35.19a of the Commission regulation.  
<sup>3</sup> The Cumulative Overcollection / Undercollection is: 1) the beginning balance in Column 2 for January; and 2) the previous month balance in Column 6 for all subsequent months.  
<sup>4</sup> Interest is calculated using an average of beginning and ending balances: 1) January uses the entire balance from Column 4; and 2) subsequent months use the average of the prior month balance in Column 6 and the current month balance from Column 4.

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**TO5-Cycle x Interest True-Up Adjustment**  
**For 12-Month True-Up Period xxxxxx**  
**(\$1,000)**

Line No.	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Line No.
	Year	Monthly Interest Rate <sup>1</sup>	Month Beginning Balance	Amortization	Principal	Interest	Month Ending Balance	
1	#VALUE!	0.00%	\$ -	#DIV/0!	#DIV/0!	\$ -	#DIV/0!	1
2	#VALUE!	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	2
3	#VALUE!	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	3
4	#VALUE!	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	4
5	#VALUE!	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5
6	#VALUE!	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	6
7	#VALUE!	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	7
8	#VALUE!	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	8
9	#VALUE!	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	9
10	#VALUE!	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	10
11	#VALUE!	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	11
12	#VALUE!	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	12
13	#VALUE!	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	13
14	#VALUE!	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	14
15	#VALUE!	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	15
16	#VALUE!	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	16
17	#VALUE!	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	17
18	#VALUE!	0.00%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	18
19								19
20								20
21	True Up Adjustment	\$ -						21
22	Interest True Up Adjustment	#DIV/0!						22
23	Total	#DIV/0!						23

Base Period True-Up Adjustment Calculation; Line 25; Col. 11

Interest True-Up Adjustment - Base Period; Line 19; Col. 5 + Interest True-Up Adjustment - Current Year; Line 19; Col. 6

<sup>1</sup> Rate is an average of the base period FERC Rates presented in the True-Up worksheet in Column 7 to derive a more accurate and consistent amortization amount (Column 4).

<sup>2</sup> The Beginning Balance is: 1) the balance in Column 6; Line 18 from the Interest True-Up Base Period for January; and 2) the balance from previous month in Column 7 of this worksheet for all subsequent months.

<sup>3</sup> Amortization reduces the beginning balance to zero by the end of December and is derived as follows:  
 Beginning Balance / {[(1+Rate)<sup>12</sup> - 1] / [Rate \* (1+Rate)<sup>12</sup>]}

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**Summary of HV/LV Splits for Forecast Plant Additions**  
**24-Month Forecast Period xxxxxx**  
**(\$1,000)**

Line No.	(a) Gross HV	(b) Gross LV	(c) = (a) + (b) Unweighted Total	(d) Net Wtd-HV	(e) Net Wtd-LV	(f) = (d) + (e) Weighted Total	Reference
1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	See Footnote 1
2							
3							See Footnote 2
4							Line 1 + Line 3
5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
6							
7							
8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	See Footnote 3
9							
10							See Footnote 4
11							
12							See Footnote 5
13							
14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Sum Lines 8 thru 12
15							
16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Line 5 + Line 14
17							
18							HV = Line 16; Col. d / Line 16; Col. f
19							LV = Line 16; Col. e / Line 16; Col. f
20							

1 See Summary of Weighted Transmission Plant Additions Workpaper; Line 25.

2 See Summary of Weighted Transmission Related Common, General and Electric Miscellaneous Intangible Plant Additions Workpaper; Line 25.

3 See Summary of Weighted Incentive Transmission Plant Additions Workpaper; Line 25.

4 See Summary of Weighted Incentive Transmission CWIP - A Workpaper; Line 25.

5 See Summary of Weighted Incentive Transmission CWIP - B Workpaper; Line 25.