



Ron van der Leeden
Rates, Revenues & Tariffs
8330 Century Park Court
San Diego, CA 92123-1548

Tel: 213-244-2009
Fax: 858.654.1788
RvanderLeeden@semprautilities.com

October 29, 2009

ADVICE LETTER 1896-G
(U 902-G)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: ANNUAL REGULATORY ACCOUNT BALANCE UPDATE FOR RATES
EFFECTIVE JANUARY 1, 2010.**

San Diego Gas & Electric Company (SDG&E) hereby submits for approval with the California Public Utilities Commission (Commission) revisions to its revenue requirement and rates effective January 1, 2010.

PURPOSE

This filing is being made in compliance with the authorized practice of updating regulatory account balances annually as established in Ordering Paragraphs 2 and 4 of D.94-12-052. This filing describes the adjustments that are being made to SDG&E gas transportation rates for the Year 2010 resulting from the: 1) amortization of gas regulatory account balances, and 2) the Southern California Gas Company (SoCalGas) transportation costs allocated to SDG&E pursuant to SoCalGas' authorized regulatory account balance update filing.

In addition, this filing shows for illustrative purposes the combined rate impact for the projected regulatory account balances and other approved margin changes (General Rate Case (GRC) Attrition adjustments). This information should provide customers with additional insight into what rates will be effective January 1, 2010. Assuming the proposed decision on Phase II of SDG&E's 2009 Biennial Cost Allocation Proceeding (BCAP) is approved on October 29, 2009, SDG&E will file an advice letter to implement the Phase II BCAP decision on or before November 30, 2009 with rates effective January 1, 2010, which will incorporate all the rate changes proposed herein.

BACKGROUND

The revenue requirements related to the regulatory account balances are amortized in rates over 12 months beginning each January 1st. SDG&E will file an advice letter consolidating all Commission-authorized changes in its revenue requirements, and related changes to its rates, at least three days prior to the January 1, 2010 effective date of such rates.

CUSTOMER RATE IMPACT -- REGULATORY ACCOUNT BALANCES**Total**

This filing requests an increase of \$4.9 million in revenues to amortize over 12 months the projected year-end 2009 balances in SDG&E's regulatory accounts effective January 1, 2010, as shown in Attachment A. The core customer revenue requirement will increase by \$4.5 million and the noncore by \$0.4 million as a result of the regulatory account Balance update. Attachment B in this filing shows the Annual Gas Transportation Revenues table that summarizes the present and proposed revenue and rates by customer class.

Attachments C and D show the calculation of the Pension Balancing Account (PBA) and Post-Retirement Benefits Other than Pensions Balancing Account (PBOPBA) balances to be included in 2010 rates. Attachments E and F show the supporting calculations of the minimum contributions made to the Pension/PBOP Trusts for 2009¹.

The following is a summary of the significant core and noncore components of the revenue requirement increase.

Core Customers

A \$4.5 million increase in the core transportation revenue requirement is necessary to amortize the projected year-end 2009 regulatory account balances. The increase is primarily due to the Core Fixed Cost Account (CFCA), Gas Storage Balancing Account – Core (GSBA-C) and the Pension Balancing Account (PBA) offset by the General Rate Case Revenue Requirement Memorandum Account (GRCRRMA).

CFCA – The projected CFCA balance as of December 31, 2009, is a \$19.1 million undercollection, representing a \$4.5 million increase in the revenue requirement compared to the \$14.7 million undercollection currently authorized in 2009 rates. The increase in the projected undercollected balance is mainly the result of an unfavorable carryover balance from 2008. The increase includes an overcollected balance of \$1.2 million as proposed in the 2009 BCAP regarding the Natural Gas Supplier Refunds Account.

PBA – Pursuant to Decision (D.) 08-07-046, SDG&E's GRC, SDG&E was authorized to collect in rates an authorized revenue requirement for the PBA. The PBA is projected to be under-collected by \$4.3 million due to increased funding required as a result of the decrease in value of the Pension Trust caused by current economic conditions. Since amortization of the current activity in the PBA would not be authorized until SDG&E's next GRC, SDG&E filed a Petition for Modification (PFM) of the 2008 GRC Decision requesting to true-up the PBA on an annual basis in order to smooth out rate impacts. On September 10, 2009, the Commission issued D.09-09-011 authorizing SDG&E to amortize the PBA on an annual basis. As a result, SDG&E's projects a revenue requirement increase of \$4.3 million to amortize the PBA in 2010 rates. The core revenue requirement allocation is \$4.1 million.

¹ Pursuant to R. van der Leeden's declaration as referenced on page 5 of D.09-09-011.

SDG&E's Post-Retirement Benefits Other than Pensions Balancing Account (PBOPBA) was also impacted by the GRC and PFM in a similar manner to that described for the PBA. The PBOPBA impact on rates is a revenue requirement increase of \$0.5 million with the majority of it allocated to core.

GSBA-C – The projected GSBA-C balance as of December 31, 2009, is a \$6.6 million undercollection, representing a \$1.4 million increase in the revenue requirement compared to the \$5.2 million undercollection amortized in 2009 rates. The increase in the projected undercollected balance is mainly the result of an unfavorable carryover balance from 2008.

GRCRRMA – Pursuant to Advice Letter (A.L.) 1808-G (10/24/08), SDG&E was authorized to amortize in 2009 rates a GRCRRMA undercollection of \$6.4 million and transfer any residual balance at the end of 2009 to the CFCA and NFCA. The GRCRRMA is projected to have a negligible balance as of the end of 2009 that is reflected in the projected year-end 2009 CFCA and NFCA balances.

The major components of the core revenue requirement increase are as follows:

Account Name	Core Revenue Requirement Increase/(Decrease) (\$Million)
Core Fixed Cost Account (CFCA)	4.5
Pension Balancing Account (PBA)	4.1
Gas Storage Balancing Account - Core (GSBA-C)	1.4
General Rate Case Revenue Requirement Memo Account (GRCRRMA)	(6.2)
Other Regulatory Account Balances - Net	0.6
Total (w/o FF&U)	4.4
Total (w/ FF&U)	4.5

Noncore Customers

A \$0.4 million increase in the total noncore transportation revenue requirement is proposed to amortize the projected year-end 2009 regulatory account balances. The increase is primarily due to an undercollection in the Hazardous Substance Cleanup Cost Account (HSCCA) of \$0.5 million and the Integrated Transmission Balancing Account (ITBA) of \$0.3 million partially offset by an overcollection of \$0.2 million in the GRCRRMA (as described above) and other miscellaneous accounts.

SoCalGas Transportation Costs

This filing reflects a decrease of approximately \$3.9 million in SoCalGas transportation costs allocated to SDG&E as reflected in SoCalGas' regulatory account balance update Advice Letter 4025, dated October 15, 2009. Core customer costs are reduced by approximately \$1.2 million and noncore customer costs are reduced by approximately \$2.7 million as a result of the change in the SoCalGas transportation costs.

SUMMARY

The table below shows the combined revenue requirement impact of SDG&E's regulatory account activity (Attachment A) and the allocation of SoCalGas' transportation costs described above, resulting in a \$3.3 million (1.3%) increase to SDG&E's core customers' gas transportation rates and a \$1.5 million (5%) decrease to noncore customers' gas transportation rates. The net effect is a total gas transportation revenue requirement increase of \$1.8 million (0.6%), effective January 1, 2010. A summary of the revenue changes and present and proposed rates is included as Attachment B

	CORE Revenue Requirement Increase/(Decrease) (\$Million)	NONCORE Revenue Requirement Increase/(Decrease) (\$Million)	TOTAL Revenue Requirement Increase/(Decrease) (\$Million)
Regulatory Accounts	4.5	0.4	4.9
SoCalGas Transp.	(1.2)	(2.7)	(3.9)
EG Adjustment	--	0.8	0.8
TOTAL:	3.3	(1.5)	1.8

Combined Customer Rate Impact – Regulatory Account Balances and General Rate Case (GRC) Attrition

Included in this filing for information purposes only is an additional Annual Gas Transportation Revenue table summarizing revenue changes and present and proposed rates (Attachment G) for the combined customer rate impact of the Regulatory Account Balance Update and the GRC Attrition. Pursuant to D.08-07-046, SDG&E's 2008 GRC, SDG&E was authorized to establish an annual revenue requirement change for attrition years subsequent to the post-test year 2008². For 2010, SDG&E's annual revenue requirement will increase by \$9.2 million (i.e., \$9 million plus franchise fees and uncollectible)

The table below shows the components of the combined revenue requirement. It results in a \$11.1 million (4.4%) increase to SDG&E's core customers' gas transportation rates and a \$1.0 million (3.4%) decrease to noncore customers' gas transportation rates. The net effect is a total gas transportation revenue requirement increase of \$10.1 million (3.6%), effective January 1, 2010.

Description	Combined Customer Rate Impact Increase / (Decrease) (\$Million)
Regulatory Account Balance Update	4.9
SoCalGas Transp.	(3.9)
GRC Attrition for 2010	9.2
System Integration and Sempra-wide EG Adjustment	(0.1)
Combined Revenue Requirement (w/ FF&U)	10.1

² SDG&E AL 1791-G was approved by letter dated October 9, 2008.

PROTEST

Anyone may protest this Advice Letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received within 20 days of the date this Advice Letter was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Honesto Gatchalian (inj@cpuc.ca.gov) and Maria Salinas (mas@cpuc.ca.gov) of the Energy Division. A copy of the protest should also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Megan Caulson
Regulatory Tariff Manager
8330 Century Park Court, Room 32C
San Diego, CA 92123-1548
Facsimile No. (858) 654-1788
E-mail: mcaulson@semprautilities.com

EFFECTIVE DATE

SDG&E believes that this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after approval) pursuant to GO 96-B. This filing is consistent with D.94-12-052 and therefore, SDG&E respectfully requests that this filing be approved effective November 28, 2009, which is 30 days from the date filed.

NOTICE

A copy of this filing has been served on the utilities and interested parties shown on the attached list, including interested parties to service list A.06-12-009 by either providing them a copy electronically or by mailing them a copy hereof, properly stamped and addressed.

Address changes should be directed to SDG&E Tariffs by facsimile at (858) 654-1788 or by e-mail at SDG&ETariffs@semprautilities.com.

RON VAN DER LEEDEN
Director – Rates, Revenues & Tariffs

(cc list enclosed)

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SAN DIEGO GAS & ELECTRIC (U 902)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Joff Morales

Phone #: (858) 650-4098

E-mail: MCaulson@SempraUtilities.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 1896-G

Subject of AL: Annual Gas Regulatory Account Update Effective January 1, 2010.

Keywords (choose from CPUC listing): Compliance

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.94-12-052

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL N/A

Summarize differences between the AL and the prior withdrawn or rejected AL¹: N/A

Does AL request confidential treatment? If so, provide explanation: _____

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 11/28/09; 1/1/10 Rates

No. of tariff sheets: 0

Estimated system annual revenue effect (%): 0.6%

Estimated system average rate effect (%): 0.6%

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

mas@cpuc.ca.gov and jnj@cpuc.ca.gov

San Diego Gas & Electric

Attention: Todd Cahill

8330 Century Park Ct, Room 32C

San Diego, CA 92123

tcahill@semprautilities.com

¹ Discuss in AL if more space is needed.

General Order No. 96-B
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

Public Utilities Commission

DRA

D. Appling
S. Cauchois
J. Greig
R. Pocta
W. Scott

Energy Division

P. Clanon
S. Gallagher
H. Gatchalian
D. Lafrenz
M. Salinas

CA. Energy Commission

F. DeLeon
R. Tavares

Alcantar & Kahl LLP

K. Harteloo

American Energy Institute

C. King

APS Energy Services

J. Schenk

BP Energy Company

J. Zaiontz

Barkovich & Yap, Inc.

B. Barkovich

Bartle Wells Associates

R. Schmidt

Braun & Blaising, P.C.

S. Blaising

California Energy Markets

S. O'Donnell
C. Sweet

California Farm Bureau Federation

K. Mills

California Wind Energy

N. Rader

Children's Hospital & Health Center

T. Jacoby

City of Chula Vista

M. Meacham
E. Hull

City of Poway

R. Willcox

City of San Diego

J. Cervantes
G. Lonergan
M. Valerio

Commerce Energy Group

V. Gan

Constellation New Energy

W. Chen

CP Kelco

A. Friedl

Davis Wright Tremaine, LLP

E. O'Neill
J. Pau

Dept. of General Services

H. Nanjo
M. Clark

Douglass & Liddell

D. Douglass
D. Liddell
G. Klatt

Duke Energy North America

M. Gillette

Dynergy, Inc.

J. Paul

Ellison Schneider & Harris LLP

E. Janssen

Energy Policy Initiatives Center (USD)

S. Anders

Energy Price Solutions

A. Scott

Energy Strategies, Inc.

K. Campbell
M. Scanlan

Goodin, MacBride, Squeri, Ritchie & Day

B. Cragg
J. Heather Patrick
J. Squeri

Goodrich Aerostructures Group

M. Harrington

Hanna and Morton LLP

N. Pedersen

Itsa-North America

L. Belew

J.B.S. Energy

J. Nahigian

Luce, Forward, Hamilton & Scripps LLP

J. Leslie

Manatt, Phelps & Phillips LLP

D. Huard
R. Keen

Matthew V. Brady & Associates

M. Brady

Modesto Irrigation District

C. Mayer

Morrison & Foerster LLP

P. Hanschen

MRW & Associates

D. Richardson

Pacific Gas & Electric Co.

J. Clark
M. Huffman
S. Lawrie
E. Lucha

Pacific Utility Audit, Inc.

E. Kelly

R. W. Beck, Inc.

C. Elder

San Diego Regional Energy Office

S. Freedman
J. Porter

School Project for Utility Rate Reduction

M. Rochman

Shute, Mihaly & Weinberger LLP

O. Armi

Solar Turbines

F. Chiang

Sutherland Asbill & Brennan LLP

K. McCrea

Southern California Edison Co.

M. Alexander
K. Cini
K. Gansecki
H. Romero

TransCanada

R. Hunter
D. White

TURN

M. Florio
M. Hawiger

UCAN

M. Shames

U.S. Dept. of the Navy

K. Davoodi
N. Furuta
L. DeLacruz

Utility Specialists, Southwest, Inc.

D. Koser

Western Manufactured Housing

Communities Association

S. Dey

White & Case LLP

L. Cottle

Interested Parties

A.06-12-009

ATTACHMENT A

**SAN DIEGO GAS & ELECTRIC
PRESENT AND PROPOSED REGULATORY ACCOUNT BALANCES 1/
FOR PROPOSED RATES EFFECTIVE JANUARY 1, 2010**

(Over) / Under Collection M\$

Line	Regulatory Account Name		Present 1/1/09 Amortization 2/			Proposed 1/1/10 Amortization			Proposed Change					
			Core A	Noncore B	Total C	Core D	Noncore E	Total F	Core G	Noncore H	Total I			
1	Core Fixed Cost Account (CFCA)	3/	14,684	--	14,684	19,135	--	19,135	4,451	--	4,451			
2	General Rate Case Rev. Rqmt. Memo Acct. (GRCRRMA)	4/	6,189	240	6,429				(6,189)	(240)	(6,429)			
3	Noncore Fixed Cost Account (NFCA)		--	3,304	3,304	--	3,204	3,204	--	(100)	(100)			
4	Gas Storage Balancing Account - Core (GSBA-C)		5,185	--	5,185	6,631	--	6,631	1,446	--	1,446			
5	Gas Storage Balancing Account - Noncore (GSBA-NC)		--	428	428	--	315	315	--	(113)	(113)			
6	Hazardous Substance Cleanup Cost Account (HSCCA)		157	335	492	383	820	1,203	226	484	711			
7	Rewards & Penalties Balancing Account (RPBA)	5/	793	31	823	757	29	787	(36)	(1)	(37)			
8	Natural Gas Vehicles Balancing Account (NGVA)		76	162	238				(76)	(162)	(238)			
9														
10	Integrated Transmission Balancing Account (ITBA)	6/	50	98	148	214	421	635	164	323	487			
11	Advanced Metering Infrastructure Memo. Acct. (AMIMA)		5		5				(5)	0	(5)			
12	FERC Settlement Proceeds Memo. Acct. (FSPMA)		69		69	(94)		(94)	(163)	0	(163)			
13	Pension Balancing Account (PBA)	7/				4,107	160	4,267	4,107	160	4,267			
14	Post-Retirement Benefits Other Than Pensions Bal. Acct. (PBOPBA)	7/				487	19	506	487	19	506			
15														
16	Self-Generation Program Memorandum Account (SGPMA)	8/	727	28	755	727	28	755	--	--	--			
17														
18			Total Amortization (w/o FF&U)			\$27,934	\$4,627	\$32,562	\$32,348	\$4,997	\$37,345	\$4,414	\$369	\$4,783
19			Total Amortization (w/ FF&U)			\$28,580	\$4,734	\$33,314	\$33,095	\$5,112	\$38,207	\$4,516	\$378	\$4,893

1/ Forecasted year-end balances are based upon recorded data through August 2008 and August 2009 respectively.

2/ Amortization amount pursuant to Consolidated Advice Letter (A.L.) 1826-G (12/29/08) effective January 1, 2009, which was approved by the Commission on March 9, 2009.

3/ Includes Natural Gas Supplier Refunds Account overcollected balance of \$1.2 million as proposed in the 2009 BCAP. If BCAP decision delayed until 2010, SDG&E will reverse entry in consolidated filing for 2010.

4/ Residual balance transferred to CFCA/NFCA per Update A.L. 1808-G (10/24/08). GRCRRMA to be eliminated in BCAP implementation advice letter.

5/ Excludes approximately \$0.7 million in energy efficiency (EE) rewards, but will include in consolidated filing for 2010 if CPUC decision approves them before year-end 2009.

6/ Stand-alone ITBA is \$3.531 million undercollected (SDG&E) and \$0.732 million undercollected (SCG) resulting in combined undercollected balance of \$4.263 million.

Combined balance re-allocated between utilities results in SDG&E allocation of \$0.635 million (14.9%).

7/ A.L. 1888-G (9/21/09) changes preliminary statement to amortize annually pursuant to D.09-09-011. A.L. pending approval by Commission.

8/ Represents the SGP authorized annual revenue requirement, which excludes any amortization.

ATTACHMENT B

TABLE G-1

Summary of Annual Gas Transportation Revenues

SAN DIEGO GAS & ELECTRIC

Regulatory Account Filing October 2009

		BCAP Volumes	At Present Rates		At Proposed Rates		Changes			
			Jan-1-09 Revenues	Average Rate	Jan-1-10 Revenues	Average Rate	Revenues	Rates	Percent	
		A	B	C	D	E	F	G	H	
		<i>mtherms</i>	<i>\$1,000</i> <i>1/</i>	<i>c/therm</i>	<i>\$1,000</i> <i>1/</i>	<i>c/therm</i>	<i>\$1,000</i>	<i>c/therm</i>		
1	Residential 1/	326,207	\$209,852	64.331	\$211,996	64.988	\$2,144	0.657	1.0%	1
2	Comml & Industrial 1/	129,794	\$39,508	30.439	\$40,595	31.276	\$1,087	0.837	2.8%	2
3	NGV 1/	4,030	\$3,894	96.634	\$3,933	97.593	\$39	0.959	1.0%	3
4	Total CORE	460,031	\$253,255	55.052	\$256,524	55.762	\$3,269	0.711	1.3%	4
5										5
6	Comml & Industrial 1/	86,211	\$6,708	7.781	\$6,478	7.514	(\$230)	(0.267)	(3.4%)	6
7	<u>Elec Generation :</u>									7
8	Pre-Semprawide 1, 2/	897,926	\$24,820	2.764	\$22,761	2.535	(\$2,059)	(0.229)	(8.3%)	8
9	Adjustment 1, 2/		(\$2,457)	(0.274)	(\$1,619)	(0.180)	\$838	0.093	34.1%	9
10	EG Totals	897,926	\$22,364	2.491	\$21,142	2.355	(\$1,221)	(0.136)	(5.5%)	10
11										11
12	Total NCORE	984,137	\$29,072	2.954	\$27,620	2.807	(\$1,452)	(0.147)	(5.0%)	12
13										13
14	TRANSPORT RATE REV	1,444,168	\$282,327	19.549	\$284,144	19.675	\$1,817	0.126	0.6%	14

Notes 1/ Present Rates reflect gas rates filed in AL 1826-G, effective January 1, 2009.
Both Present and Proposed Rates exclude all costs related to SDG&E procurement, including CITCS charges.

2/ The Totals reflect a "stand-alone" EG rate for transportation service through both SDG&E and SoCalGas.
The Adjustment reflects the Semprawide rate adjustment to equalize the EG rates of SDG&E and SoCalGas.

ATTACHMENT C

SAN DIEGO GAS & ELECTRIC PENSION BALANCING ACCOUNT (PBA) - GAS YEAR 2009

(Over)/Under Collection M\$

Line	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	actl	actl	actl	actl	actl	actl	actl	actl	fcst	fcst	fcst	fcst	
1 Beginning Balance	1,865	859	(35)	(821)	45	(441)	317	1,318	930	536	5,584	5,083	1,865
1a Prior Period Adjustment	0	0	0	0	0	1,234	0	0	0	0	0	0	1,234
1b Adj. Beginning Balance (1+1a):	1,865	859	(35)	(821)	45	793	317	1,318	930	536	5,584	5,083	3,099
2 Authorized Cost	1,010	892	780	610	484	465	416	373	376	410	511	822	7,150
3 Recorded cost	3	(2)	(5)	1,476	(2)	(21)	1,418	(16)	(17)	5,457	8	4	8,303
4 Total cost (3-2):	(1,007)	(894)	(786)	866	(486)	(485)	1,002	(389)	(394)	5,047	(503)	(818)	1,153
5 Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0
6 Current Month Adjustment (4-5):	(1,007)	(894)	(786)	866	(486)	(485)	1,002	(389)	(394)	5,047	(503)	(818)	1,153
7 Current Month Interest**:	1	0	(0)	(0)	(0)	9	0	0	0	1	2	1	14
8 Total Current Month Activity (6+7):	(1,006)	(894)	(786)	865	(486)	(476)	1,002	(388)	(394)	5,048	(501)	(817)	1,168
9 Ending Balance (1b+8):	859	(35)	(821)	45	(441)	317	1,318	930	536	5,584	5,083	4,267	4,267

** Interest applied to average monthly balance as follows: (((Beg. Bal.+(Beg. Bal.+Current Month Adjustment))/2)*(Int.Rate/12)

Interest Assumption:	0.97%	0.31%	0.48%	0.37%	0.28%	0.23%	0.26%	0.28%	0.24%	0.36%	0.36%	0.36%
-----------------------------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Supporting Calculation - 2009 Net Pension Revenue/Costs

	Authorized Cost	Recorded Cost
Gross Revenue/costs	53,500	56,883
Less: Electric Transmission carve out	5,936	5,941
Less: Electric Distribution Allocation	35,955	35,371
Net Gas Revenue Allocation	11,610	15,571
Less: Amount capitalized	(3,553)	(5,138)
Less: Billings to SoCal Gas/Unregulated Affiliates	(989)	(2,289)
Plus: Billings from SoCal Gas	82	596
Accounting Adjustments 1/		939
Depreciation/Return 2/		(142)
Net Costs	\$7,150	\$9,537

ATTACHMENT D

SAN DIEGO GAS & ELECTRIC POST-RETIREMENT BENEFITS OTHER THAN PENSIONS BALANCING ACCOUNT (PBOPBA) - GAS YEAR 2009

(Over)/Under Collection M\$

Line	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	actl	actl	actl	actl	actl	actl	actl	actl	fcst	fcst	fcst	fcst	
1 Beginning Balance	(223)	(532)	(806)	(580)	(767)	(915)	124	(9)	(129)	421	291	130	(223)
1a Prior Period Adjustment	0	0	0	0	0	456	0	0	0	0	0	0	456
1b Adj. Beginning Balance (1+1a):	(223)	(532)	(806)	(580)	(767)	(460)	124	(9)	(129)	421	291	130	233
2 Authorized Cost	317	281	247	195	156	150	135	121	123	133	164	260	2,281
3 Recorded cost	9	7	472	8	7	731	2	1	674	3	2	636	2,552
4 Total cost (3-2):	(308)	(274)	226	(186)	(148)	581	(133)	(121)	551	(130)	(162)	376	271
5 Amortization	0	0	0	0	0	0	0	0	0	0	0	0	0
6 Current Month Adjustment (4-5):	(308)	(274)	226	(186)	(148)	581	(133)	(121)	551	(130)	(162)	376	271
7 Current Month Interest**:	(0)	(0)	(0)	(0)	(0)	2	0	(0)	0	0	0	0	2
8 Total Current Month Activity (6+7):	(309)	(274)	225	(187)	(148)	584	(133)	(121)	551	(130)	(162)	376	273
9 Ending Balance (1b+8):	(532)	(806)	(580)	(767)	(915)	124	(9)	(129)	421	291	130	506	506

** Interest applied to average monthly balance as follows: (((Beg. Bal.+(Beg. Bal.+Current Month Adjustment))/2)*(Int.Rate/12)

Interest Assumption: 0.97% 0.31% 0.48% 0.37% 0.28% 0.23% 0.26% 0.28% 0.24% 0.36% 0.36% 0.36%

Supporting Calculation - 2009 Net PBOP Revenue/Costs

	Authorized Cost	Recorded Cost
Gross Revenue/costs	15,500	16,695
Less: Electric Transmission carve out	1,720	1,744
Less: Electric Distribution Allocation	10,417	10,381
Net Gas Revenue Allocation	3,364	4,570
Less: Amount capitalized	(1,029)	(1,508)
Less: Billings to SoCal Gas/Unregulated Affiliates	(160)	(672)
Plus: Billings from SoCal Gas	106	229
Accounting Adjustments 1/		382
Depreciation/Return 2/		7
Net Costs	\$2,281	\$3,008

1/ Adjustments to reverse the recording of prior GRC cycle depreciation and return differential associated with amounts embedded in rates compared to actual rates.

2/ Reflects the depreciation and return differential associated with authorized/actual capitalization.

ATTACHMENT E

SAN DIEGO GAS & ELECTRIC CASH BALANCE PLAN

Scenario Assuming 7% Asset Return in 2009, 7% Thereafter

Development of 2009 Minimum Required Contribution

1. 2009 Funding target liability	\$736,290,448	
[Net Effective Interest Rate]	6.37%	
2. 2009 Plan Assets	\$527,632,112	
3. 2009 Plan Normal Cost		\$26,461,292
[includes estimated plan expenses of \$4,900,000]		
4. Phase-in funded percentage	94%	
5. 2009 total funding shortfall [(1) * (4) - (2)]	\$164,480,909	
6. Remaining unamortized 2008 funding shortfall	\$29,234,081	
7. Amortization of 2008 shortfall		\$5,566,968
8. Funding shortfall for 2009 amortization [(5) - (6)]	\$135,246,828	
9. 2009 Amortization factor	0.16839	
[based on amortization of shortfall over 7 years, assuming a 5.32% rate for the first 5 years and 6.45% rate for the final 2 years]		
10. Amortization of 2009 shortfall [(8) * (9)]		\$22,774,136
11. 2009 Minimum required contribution		\$54,802,396
[(3) + (7) + (10), amount as of 1/1/2009]		

Timing of 2009 Minimum Required Contribution

The 2009 quarterly contribution requirement prior to the passage of WRERA was \$9,677,000

The 2009 quarterly contribution requirement after the passage of WRERA was \$7,033,000

	Funding Policy*
First quarterly contribution due on April 15, 2009	
Contribution made on April 1, 2009	\$13,000,000
Second quarterly contribution due on July 15, 2009	
Contribution made on July 1, 2009	\$10,000,000
Third quarterly contribution due on October 15, 2009	
Contribution made on October 2, 2009	\$33,833,140
Fourth quarterly contribution due on January 15, 2010	
Final 2009 contribution made on December 31, 2009	\$0
Sum of payments made for the 2009 Plan Year	\$56,833,140
1/1/2009 Present value of 2009 Plan Year contributions	\$54,802,396

*Note: The funding policy includes 2010 plan year contributions being made entirely during the current calendar year. The timing and amount of contributions made throughout the year are intended to satisfy the quarterly requirements. Contributions may be accelerated to provide a margin of safety so as not to trigger a claim on the surety bond covering the plan.

ATTACHMENT F

SAN DIEGO GAS & ELECTRIC POST RETIREMENT WELFARE PLANS

Development of Estimated 2009 Contribution*

1. 2009 APBO	\$147,580,000	
2. Discount rate	6.10%	
3. 2009 Fair Value of Assets	\$60,834,000	
4. 2009 Plan Service Cost		\$5,878,000
5. Interest cost		9,158,000
6. Expected return on assets		(3,702,000)
[based on expected return of 7% on 401h assets and 4% on noncollectively bargained VEBA assets]		
7. Transition obligation amortization		1,021,000
8. Prior service cost amortization		4,016,000
9. Unrecognized (gain)/loss amortization		331,000
10. Net periodic benefit cost		\$16,702,000

Timing of Estimated 2009 Contribution

Funding Policy**

Contributions through December 31 made in quarterly installments **\$16,702,000**

* Costs do not yet include the effect of the HRA effective in 2009 for represented employees, nor does it include mental health benefits or adjustments in the retiree cost shift premium

** The funding policy involves contributing the lesser of the current year's net periodic benefit cost and the maximum tax deductible contribution.

ATTACHMENT G

TABLE G-1

Summary of Annual Gas Transportation Revenues

SAN DIEGO GAS & ELECTRIC

Regulatory Account Filing October 2009

			At Present Rates		At Proposed Rates		Changes				
			BCAP Volumes	Jan-1-09 Revenues	Average Rate	Jan-1-10 Revenues	Average Rate	Revenues	Rates	Percent	
			A	B	C	D	E	F	G	H	
			<i>mtherms</i>	<i>\$1,000</i> <i>1/</i>	<i>c/therm</i>	<i>\$1,000</i> <i>1/</i>	<i>c/therm</i>	<i>\$1,000</i>	<i>c/therm</i>		
1	Residential	1/	326,207	\$209,852	64.331	\$218,664	67.032	\$8,811	2.701	4.2%	1
2	Comml & Industrial	1/	129,794	\$39,508	30.439	\$41,748	32.165	\$2,240	1.726	5.7%	2
3	NGV	1/	4,030	\$3,894	96.634	\$3,995	99.133	\$101	2.499	2.6%	3
4	Total CORE		460,031	\$253,255	55.052	\$264,407	57.476	\$11,152	2.424	4.4%	4
5											5
6	Comml & Industrial	1/	86,211	\$6,708	7.781	\$6,703	7.775	(\$5)	(0.006)	(0.1%)	6
7	<u>Elec Generation :</u>										7
8	Pre-Semprawide	1, 2/	897,926	\$24,820	2.764	\$23,595	2.628	(\$1,225)	(0.136)	(4.9%)	8
9	Adjustment	1, 2/		(\$2,457)	(0.274)	(\$2,221)	(0.247)	\$236	0.026	9.6%	9
10	EG Totals		897,926	\$22,364	2.491	\$21,374	2.380	(\$989)	(0.110)	(4.4%)	10
11											11
12	Total NCORE		984,137	\$29,072	2.954	\$28,077	2.853	(\$994)	(0.101)	(3.4%)	12
13											13
14	TRANSPORT RATE REV		1,444,168	\$282,327	19.549	\$292,484	20.253	\$10,157	0.703	3.6%	14

Notes 1/ Present Rates reflect gas rates filed in AL 1826-G, effective January 1, 2009.
Both Present and Proposed Rates exclude all costs related to SDG&E procurement, including CITCS charges.

2/ The Totals reflect a "stand-alone" EG rate for transportation service through both SDG&E and SoCalGas.
The Adjustment reflects the Semprawide rate adjustment to equalize the EG rates of SDG&E and SoCalGas.