



**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

**FILED**  
5-01-15  
04:59 PM

Application of SAN DIEGO GAS & ELECTRIC  
COMPANY (U 902 M) for Review of its Safety Model  
Assessment Proceeding Pursuant To Decision 14-12-025.A1505002

Application No. 15-05-\_\_\_\_  
Filed May 1, 2015)

**APPLICATION OF  
SAN DIEGO GAS & ELECTRIC COMPANY  
SAFETY MODEL ASSESSMENT PROCEEDING**

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May 1, 2015

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(Filed May 1, 2015)

**APPLICATION OF  
SAN DIEGO GAS & ELECTRIC COMPANY  
SAFETY MODEL ASSESSMENT PROCEEDING**

Pursuant to Sections 750 *et seq.* of the California Public Utilities Code (“P.U. Code”) and Rules 2.1 *et seq.* of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), San Diego Gas & Electric Company (“SDG&E”) hereby files its Application for review of its Safety Model Assessment Proceeding (“S-MAP”) Framework and Program. This Application is in response to, and consistent with the direction provided in Commission Decision (“D.”) 14-12-025 (“Risk Framework Decision”).

**I. INTRODUCTION**

On November 14, 2013, the Commission opened Rulemaking (“R.”) 13-11-006 to determine how to incorporate risk-informed decision making into the Commission’s General Rate Case (“GRC”) process. In that Rulemaking the Commission ordered the four large energy investor-owned utilities (“IOUs”) to file applications for Safety Model Assessment Proceedings, and noted that the four applications would be consolidated.<sup>1</sup>

SDG&E has made a commitment to continuously improving risk management practices with a focus on safety. This commitment to continuous improvement will lead to enhanced models, processes and methodologies. These tools will, as the Commission has anticipated, continue to evolve and, therefore, they will not look exactly the same in the next Risk Assessment Mitigation Phase (“RAMP”) and GRC filings. In fact SDG&E’s testimony in its current GRC shows our expected trajectory and discusses our evolution and commitment to enhancing models, processes and methodologies.

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<sup>1</sup> D.14-12-025, page 27.

## **II. OVERVIEW OF SDG&E's S-MAP**

In this Application and accompanying prepared direct testimony, SDG&E complies with the directive in D.14-12-025 (at 30) to “file [its] separate S-MAP applications and serve prepared testimony which set forth and describe the approaches, models, and methodologies they plan to use to assess the risks in their utility operations and systems that pose a safety risk to the public and the utility employees, and how they plan to manage, mitigate, and minimize such safety risks in the context of their GRC proceedings.”

## **III. PLANNING FOR RISK IN THE CONTEXT OF GRC PROCEEDINGS**

SDG&E is presently in the midst of its TY2016 GRC. Diana Day's GRC Policy Testimony describes SDG&E and Southern California Gas Company's (SoCalGas) commitment to continued development of our Enterprise Risk Management (ERM) governance, which will continue to facilitate the review and discussion of safety and security risks, mitigation strategies, and related investments while maintaining successful risk mitigation processes already in place. This ERM governance will improve consistency for SoCalGas and SDG&E in risk identification, analysis, evaluation and prioritization, to focus on the risks that are most critical to our businesses. The framework will be refined, as needed, to reflect ongoing changes in the risk environment of business unit operations, industry practices, Commission priorities, and new regulations. The approaches we use to identify, prioritize and mitigate risks will conform to the stated and emerging expectations of the Commission. In addition to Diana Day's testimony which sponsors the risk management and policy testimony introducing SDG&E and SoCalGas' risk management, Doug Schneider (representing the gas commodity at both utilities) and Dave Geier (representing the electric commodity at SDG&E) describe the past and current safety culture and risk management practices for gas and electric operations. Doug Schneider and Dave Geier provide an overview of funding requests to address risk in the current GRC. It is important to note that this S-MAP application is not the place to litigate funding. It is intended to review models used in the risk assessment framework.

## **IV. EVALUATION OF MODELS**

Safety Model Assessment models to be examined include SDG&E's overall risk framework (similar to the Cycla process) as well as models used in electric distribution for fire

risk assessment (the Wildfire Risk Reduction Model or WRRM), and those used by SDG&E for cybersecurity. Models presented by SDG&E in this application are illustrative and are provided to show how SDG&E examines key risks.

## **V. REVIEW PROCESS – WORKSHOPS ARE THE PREFERRED VEHICLE**

SDG&E believes that the overall S-MAP process will prove more useful and more educational by using workshops rather than evidentiary hearings. Accordingly SDG&E recommends a series of workshops be scheduled to address the relevant topics in the consolidated S-MAPs, including development of a lexicon and discussion of the models presented in all four S-MAP applications once they are consolidated. A more technical working subgroup is also a logical step for discussion of, e.g., algorithms utilized in various risk assessment models.

## **VI. SUMMARY OF TESTIMONY**

This Application is supported by the prepared testimonies of SDG&E witnesses listed below, which are being separately served concurrently with the filing of this Application.

- The Prepared Direct Testimony of Jorge Da Silva provides information concerning SDG&E’s policy and Enterprise Risk Management, an overview of SDG&E’s testimony and existing models, SDG&E’s Risk Taxonomy, and proposed Risk Lexicon.
- The Prepared Direct Testimony of Mason Withers provides information concerning the Wildfire Risk Reduction Model (WRRM) used to provide risk analysis related to SDG&E’s Fire Risk Mitigation Program (FiRM).
- The Prepared Direct Testimony of Scott King provides information concerning SDG&E’s cybersecurity modeling.

Note that natural gas risk modeling issues will be addressed in SoCalGas’ S-MAP application, which will be consolidated with SDG&E’s S-MAP application, and are thus not included here.

## **VII. STATUTORY AND PROCEDURAL REQUIREMENTS**

### **A. Compliance with Rule 2.1**

In accordance with Rule 2.1 of the Commission’s Rules of Practice and Procedure, SDG&E provides the following information concerning the proposed category for the proceeding, the need

for hearing, the issues to be considered, and a proposed schedule.

**1. Proposed Category of Proceeding**

SDG&E proposes to categorize this Application as a “quasi-legislative” proceeding within the meaning of Commission Rules 1.3(e) and 7.1.

**2. Need for Hearing and Proposed Schedule**

SDG&E does not believe that approval of this Application will require evidentiary hearings and respectfully requests that the Commission find that no hearing is necessary in respect of this Application. D.14-12-025 (at 30) suggests “possible workshops or the formation of a working group to better understand the S-MAP filings” and SDG&E supports using both of those options. SDG&E’s recommendations for workshops are contained in the proposed schedule below, and of course additional workshops might be beneficial. If, however, the Commission finds that an evidentiary hearing is necessary, SDG&E requests that such hearing be conducted as briefly as practicable. SDG&E proposes the following procedural schedule, which includes hearings only in the event hearings are deemed to be necessary to resolve disputed material facts at issue.

<u><b>ACTION</b></u>	<u><b>DATE</b></u>
Application filed	May 1, 2015
Responses/Protests filed, if any	30 days after notice of filing in Daily Calendar
Reply to Responses/Protests	June 5, 2015 (approx.)
Prehearing Conference	by June 30, 2015
Scoping Memo Issues	July 10, 2015
Workshops (and suggested topics)	by July 30, 2015
<u>First workshop</u> – overview (benchmarking); lexicon; Utility model presentations; addressing the need for subject matter expertise where data is limited and ways to capture/calibrate	July 14-16
<u>Second workshop</u> – risk modeling; Quantification in risk modeling; Inter-relations of risk mitigation Initiatives; remaining issues	July 28-30
Opening Testimony	by September 28, 2015
Rebuttal Testimony	by October 28, 2015
Hearings	by November 17, 2015 (only if needed)
Concurrent Opening Briefs	December 15, 2015
Concurrent Reply Briefs	January 15, 2016
ALJ Proposed Decision	March 1, 2016
Comments on Proposed Decision	(20 Days after PD) March 21, 2016
Final Commission Decision	April 2016

The issues in this proceeding are: review of the current SDG&E Safety Model Assessment Framework pursuant to and consistent with D.14-12-025, with the features described in this Application and supporting documents and 2) whether SDG&E's other proposals should be

authorized. At this time SDG&E is unaware of any specific objections any party might raise to any of these issues.

**B. Statutory Authority - Rule 2.1**

This Application is filed pursuant to D.14-12-025 and complies with the applicable orders of the Commission and the Commission's Rules of Practice and Procedure.

**C. Legal Name and Correspondence**

San Diego Gas & Electric Company is a public utility organized and existing under the laws of the State of California. SDG&E is engaged in the business of providing electric service in a portion of Orange County and electric and gas service in San Diego County. SDG&E's principal place of business is 8330 Century Park Court, San Diego, California 92123.

The attorney representing SDG&E in this matter is Keith W. Melville. Correspondence or communications regarding this Application should be addressed to:

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**D. Articles of Incorporation - Rule 2.2**

A copy of SDG&E's Restated Articles of Incorporation as last amended, presently in effect and certified by the California Secretary of State, was previously filed with the Commission on September 10, 2014 in connection with SDG&E Application No. 14-09-008, and is incorporated herein by reference.



**E. Financial Statement and Balance Sheet – Rule 2.3**

SDG&E's Financial Statement and Balance Sheet for the twelve-month period ending December 31, 2014 are included with this Application as Attachment A. Although SDG&E is not seeking any rate change in this Application, and therefore Commission Rule 3.2 is not applicable, SDG&E also provides in Attachment A its Income Statement and Summary of Earnings for the twelve-month period ending December 31, 2014 for informational purposes only.

**F. Service**

This is a new application and no service list has been established. Accordingly, SDG&E will serve this Application on the parties to the service list for R.13-11-006. Hard copies will be sent by overnight mail to the Assigned Commissioner in R.13-11-006, Carla Peterman, the Assigned Administrative Law Judge in R.13-11-006, John Wong, and Chief Administrative Law Judge, Karen V. Clopton.

**VIII. ATTACHMENTS AND APPENDICES**

Attachment A is a part of, and incorporated into, this Application:  
Attachment A – SDG&E's Balance Sheet, Income Statement,  
Financial Statement and Summary of Earnings

**IX. CONCLUSION**

WHEREFORE, SDG&E respectfully requests that the Commission issue its Order herein, after review of SDG&E's safety modeling framework, models, and proposals as set forth in this Application and supporting documents (including testimony, appendices and attachments) and take all necessary and related actions, including granting such additional authorizations as this Commission may deem appropriate.

DATED at San Diego, California, this 1st day of May 2015

Respectfully submitted,

*/s/ Keith W. Melville*

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San Diego Gas & Electric Company

By: */s/ Diana L. Day*

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Diana L. Day  
Vice President - Enterprise Risk  
Management & Compliance  
San Diego Gas & Electric Company



**Attachment A**  
(Balance Sheet, Income Statement,  
Financial Statement and  
Summary of Earnings)

**SAN DIEGO GAS & ELECTRIC COMPANY  
BALANCE SHEET  
ASSETS AND OTHER DEBITS  
DECEMBER 31, 2014**

	<b>1. UTILITY PLANT</b>	<u>2014</u>
101	UTILITY PLANT IN SERVICE	\$13,693,402,841
102	UTILITY PLANT PURCHASED OR SOLD	-
104	UTILITY PLANT LEASED TO OTHERS	85,194,000
105	PLANT HELD FOR FUTURE USE	13,092,996
106	COMPLETED CONSTRUCTION NOT CLASSIFIED	-
107	CONSTRUCTION WORK IN PROGRESS	759,555,843
108	ACCUMULATED PROVISION FOR DEPRECIATION OF UTILITY PLANT	(4,260,691,496)
111	ACCUMULATED PROVISION FOR AMORTIZATION OF UTILITY PLANT	(433,846,233)
114	ELEC PLANT ACQUISITION ADJ	3,750,722
115	ACCUM PROVISION FOR AMORT OF ELECTRIC PLANT ACQUIS ADJ	(750,144)
118	OTHER UTILITY PLANT	978,734,880
119	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF OTHER UTILITY PLANT	(269,500,675)
120	NUCLEAR FUEL - NET	-
	<b>TOTAL NET UTILITY PLANT</b>	<u>10,568,942,734</u>
	<b>2. OTHER PROPERTY AND INVESTMENTS</b>	
121	NONUTILITY PROPERTY	5,946,615
122	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF NONUTILITY PROPERTY	(364,300)
123	INVESTMENTS IN SUBSIDIARY COMPANIES	-
124	OTHER INVESTMENTS	-
125	SINKING FUNDS	-
128	OTHER SPECIAL FUNDS	<u>1,131,021,297</u>
	<b>TOTAL OTHER PROPERTY AND INVESTMENTS</b>	<u>1,136,603,612</u>

Data from SPL as of April 20, 2015

**SAN DIEGO GAS & ELECTRIC COMPANY  
BALANCE SHEET  
ASSETS AND OTHER DEBITS  
DECEMBER 31, 2014**

<b>3. CURRENT AND ACCRUED ASSETS</b>		2014
131	CASH	3,168,373
132	INTEREST SPECIAL DEPOSITS	-
134	OTHER SPECIAL DEPOSITS	-
135	WORKING FUNDS	500
136	TEMPORARY CASH INVESTMENTS	-
141	NOTES RECEIVABLE	-
142	CUSTOMER ACCOUNTS RECEIVABLE	224,616,006
143	OTHER ACCOUNTS RECEIVABLE	35,390,390
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS	(3,928,074)
145	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	-
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	1,231,008
151	FUEL STOCK	7,521,721
152	FUEL STOCK EXPENSE UNDISTRIBUTED	-
154	PLANT MATERIALS AND OPERATING SUPPLIES	100,373,918
156	OTHER MATERIALS AND SUPPLIES	-
158	ALLOWANCES	109,816,816
163	STORES EXPENSE UNDISTRIBUTED	-
164	GAS STORED	360,930
165	PREPAYMENTS	198,451,723
171	INTEREST AND DIVIDENDS RECEIVABLE	714,386
173	ACCRUED UTILITY REVENUES	64,451,000
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	2,540,350
175	DERIVATIVE INSTRUMENT ASSETS	123,436,676
TOTAL CURRENT AND ACCRUED ASSETS		868,145,723
<b>4. DEFERRED DEBITS</b>		
181	UNAMORTIZED DEBT EXPENSE	33,220,663
182	UNRECOVERED PLANT AND OTHER REGULATORY ASSETS	3,605,413,270
183	PRELIMINARY SURVEY & INVESTIGATION CHARGES	4,963,452
184	CLEARING ACCOUNTS	333,767
185	TEMPORARY FACILITIES	-
186	MISCELLANEOUS DEFERRED DEBITS	30,014,718
188	RESEARCH AND DEVELOPMENT	-
189	UNAMORTIZED LOSS ON REACQUIRED DEBT	12,083,237
190	ACCUMULATED DEFERRED INCOME TAXES	591,358,980
TOTAL DEFERRED DEBITS		4,277,388,087
TOTAL ASSETS AND OTHER DEBITS		16,851,080,156

**SAN DIEGO GAS & ELECTRIC COMPANY  
BALANCE SHEET  
LIABILITIES AND OTHER CREDITS  
DECEMBER 31, 2014**

**5. PROPRIETARY CAPITAL**

	2014
201 COMMON STOCK ISSUED	(\$291,458,395)
204 PREFERRED STOCK ISSUED	-
207 PREMIUM ON CAPITAL STOCK	(591,282,978)
210 GAIN ON RETIRED CAPITAL STOCK	-
211 MISCELLANEOUS PAID-IN CAPITAL	(479,665,368)
214 CAPITAL STOCK EXPENSE	24,605,640
216 UNAPPROPRIATED RETAINED EARNINGS	(3,608,175,171)
219 ACCUMULATED OTHER COMPREHENSIVE INCOME	11,998,026
TOTAL PROPRIETARY CAPITAL	(4,933,978,246)

**6. LONG-TERM DEBT**

221 BONDS	(3,912,505,000)
223 ADVANCES FROM ASSOCIATED COMPANIES	-
224 OTHER LONG-TERM DEBT	(223,900,000)
225 UNAMORTIZED PREMIUM ON LONG-TERM DEBT	-
226 UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	10,327,638
TOTAL LONG-TERM DEBT	(4,126,077,362)

**7. OTHER NONCURRENT LIABILITIES**

227 OBLIGATIONS UNDER CAPITAL LEASES - NONCURRENT	(655,885,021)
228.2 ACCUMULATED PROVISION FOR INJURIES AND DAMAGES	(28,829,083)
228.3 ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	(220,581,904)
228.4 ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS	-
230 ASSET RETIREMENT OBLIGATIONS	(871,879,253)
TOTAL OTHER NONCURRENT LIABILITIES	(1,777,175,261)

Data from SPL as of April 20, 2015

**SAN DIEGO GAS & ELECTRIC COMPANY  
BALANCE SHEET  
LIABILITIES AND OTHER CREDITS  
DECEMBER 31, 2014**

<b>8. CURRENT AND ACCRUED LIABILITES</b>		<b>2014</b>
231	NOTES PAYABLE	(245,572,061)
232	ACCOUNTS PAYABLE	(480,486,749)
233	NOTES PAYABLE TO ASSOCIATED COMPANIES	-
234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	(21,149,206)
235	CUSTOMER DEPOSITS	(71,379,130)
236	TAXES ACCRUED	(166,987,400)
237	INTEREST ACCRUED	(44,591,625)
238	DIVIDENDS DECLARED	-
241	TAX COLLECTIONS PAYABLE	(4,444,520)
242	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	(302,454,605)
243	OBLIGATIONS UNDER CAPITAL LEASES - CURRENT	(37,489,385)
244	DERIVATIVE INSTRUMENT LIABILITIES	(146,624,987)
245	DERIVATIVE INSTRUMENT LIABILITIES - HEDGES	-
<b>TOTAL CURRENT AND ACCRUED LIABILITIES</b>		<b>(1,521,179,668)</b>
<b>9. DEFERRED CREDITS</b>		
252	CUSTOMER ADVANCES FOR CONSTRUCTION	(36,839,313)
253	OTHER DEFERRED CREDITS	(309,715,655)
254	OTHER REGULATORY LIABILITIES	(1,406,095,528)
255	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	(21,615,165)
257	UNAMORTIZED GAIN ON REACQUIRED DEBT	-
281	ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED	-
282	ACCUMULATED DEFERRED INCOME TAXES - PROPERTY	(1,975,475,446)
283	ACCUMULATED DEFERRED INCOME TAXES - OTHER	(742,928,512)
<b>TOTAL DEFERRED CREDITS</b>		<b>(4,492,669,619)</b>
<b>TOTAL LIABILITIES AND OTHER CREDITS</b>		<b>(\$16,851,080,156)</b>

Data from SPL as of April 20, 2015



**SAN DIEGO GAS & ELECTRIC COMPANY**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**TWELVE MONTHS ENDED DECEMBER 31, 2014**

**1. UTILITY OPERATING INCOME**

400	OPERATING REVENUES		\$5,138,995,326
401	OPERATING EXPENSES	\$3,422,546,042	
402	MAINTENANCE EXPENSES	155,271,046	
403-7	DEPRECIATION AND AMORTIZATION EXPENSES	502,759,326	
408.1	TAXES OTHER THAN INCOME TAXES	114,434,033	
409.1	INCOME TAXES	45,933,214	
410.1	PROVISION FOR DEFERRED INCOME TAXES	1,020,664,504	
411.1	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(803,595,539)	
411.4	INVESTMENT TAX CREDIT ADJUSTMENTS	(2,245,608)	
411.6	GAIN FROM DISPOSITION OF UTILITY PLANT	-	
	TOTAL OPERATING REVENUE DEDUCTIONS		<u>4,455,767,018</u>
	NET OPERATING INCOME		683,228,308

**2. OTHER INCOME AND DEDUCTIONS**

415	REVENUE FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	
417	REVENUES OF NONUTILITY OPERATIONS	1,602	
417.1	EXPENSES OF NONUTILITY OPERATIONS	-	
418	NONOPERATING RENTAL INCOME	411,985	
418.1	EQUITY IN EARNINGS OF SUBSIDIARIES	-	
419	INTEREST AND DIVIDEND INCOME	7,541,395	
419.1	ALLOWANCE FOR OTHER FUNDS USED DURING CONSTRUCTION	37,118,230	
421	MISCELLANEOUS NONOPERATING INCOME	1,560,404	
421.1	GAIN ON DISPOSITION OF PROPERTY	-	
	TOTAL OTHER INCOME	<u>46,633,616</u>	
421.2	LOSS ON DISPOSITION OF PROPERTY	-	
425	MISCELLANEOUS AMORTIZATION	250,048	
426	MISCELLANEOUS OTHER INCOME DEDUCTIONS	<u>20,278,036</u>	
	TOTAL OTHER INCOME DEDUCTIONS	<u>20,528,084</u>	
408.2	TAXES OTHER THAN INCOME TAXES	643,546	
409.2	INCOME TAXES	1,944,220	
410.2	PROVISION FOR DEFERRED INCOME TAXES	23,157,299	
411.2	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	<u>(17,123,884)</u>	
	TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS	<u>8,621,181</u>	
	TOTAL OTHER INCOME AND DEDUCTIONS		<u>17,484,351</u>
	INCOME BEFORE INTEREST CHARGES		700,712,659
	EXTRAORDINARY ITEMS AFTER TAXES		7,125,009
	NET INTEREST CHARGES*		<u>186,336,950</u>
	NET INCOME		<u><u>\$507,250,700</u></u>

\*NET OF ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION, (\$14,744,740)

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**TWELVE MONTHS ENDED DECEMBER 31, 2014**

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**3. RETAINED EARNINGS**

RETAINED EARNINGS AT BEGINNING OF PERIOD, AS PREVIOUSLY REPORTED	\$3,300,924,471
NET INCOME (FROM PRECEDING PAGE)	507,250,700
DIVIDEND TO PARENT COMPANY	(200,000,000)
DIVIDENDS DECLARED - PREFERRED STOCK	0
OTHER RETAINED EARNINGS ADJUSTMENTS	0
RETAINED EARNINGS AT END OF PERIOD	<u>\$3,608,175,171</u>

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**FINANCIAL STATEMENT**  
**December 31, 2014**

(a) **Amounts and Kinds of Stock Authorized:**

Common Stock	255,000,000	shares	Without Par Value
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**Amounts and Kinds of Stock Outstanding:**

Common Stock	116,583,358	shares	291,458,395
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(b) **Brief Description of Mortgage:**

Full information as to this item is given in Application Nos. 08-07-029, 10-10-023 and 12-03-005 to which references are hereby made.

(c) **Number and Amount of Bonds Authorized and Issued:**

	Nominal Date of Issue	Par Value Authorized and Issued	Outstanding	Interest Paid in 2014
<b>First Mortgage Bonds:</b>				
Var% Series OO, due 2027	12-01-92	250,000,000	150,000,000	7,612,500
5.875% Series VV, due 2034	06-17-04	43,615,000	43,615,000	2,562,373
5.875% Series WW, due 2034	06-17-04	40,000,000	40,000,000	2,350,000
5.875% Series XX, due 2034	06-17-04	35,000,000	35,000,000	2,056,250
5.875% Series YY, due 2034	06-17-04	24,000,000	24,000,000	1,410,000
5.875% Series ZZ, due 2034	06-17-04	33,650,000	33,650,000	1,976,938
4.00% Series AAA, due 2039	06-17-04	75,000,000	75,000,000	3,000,000
5.35% Series BBB, due 2035	05-19-05	250,000,000	250,000,000	13,375,000
5.30% Series CCC, due 2015	11-15-05	250,000,000	250,000,000	13,250,000
6.00% Series DDD, due 2026	06-08-06	250,000,000	250,000,000	15,000,000
1.65% Series EEE, due 2018	09-21-06	161,240,000	161,240,000	2,660,460
6.125% Series FFF, due 2037	09-20-07	250,000,000	250,000,000	15,312,500
6.00% Series GGG, due 2039	05-14-09	300,000,000	300,000,000	18,000,000
5.35% Series HHH, due 2040	05-13-10	250,000,000	250,000,000	13,375,000
4.50% Series III, due 2040	08-26-10	500,000,000	500,000,000	22,500,000
3.00% Series JJJ, due 2021	08-18-11	350,000,000	350,000,000	10,500,000
3.95% Series LLL, due 2041	11-17-11	250,000,000	250,000,000	9,875,000
4.30% Series MMM, due 2042	03-22-12	250,000,000	250,000,000	10,750,000
3.60% Series NNN, due 2023	09-09-13	450,000,000	450,000,000	15,840,000
<b>Total 1st. Mortgage Bonds:</b>				<b>181,406,020</b>
<b>Unsecured Bonds:</b>				
5.30% CV96A, due 2021	08-02-96	38,900,000	38,900,000	2,061,700
5.50% CV96B, due 2021	11-21-96	60,000,000	60,000,000	3,300,000
4.90% CV97A, due 2023	10-31-97	25,000,000	25,000,000	1,225,000
<b>Total Unsecured Bonds</b>				<b>6,586,700</b>

Prepared by: Jolanta Mathus

Reviewed by: Brett Joiner

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**FINANCIAL STATEMENT**  
**December 31, 2014**

Other Indebtedness:	Date of Issue	Date of Maturity	Interest Rate	Outstanding	Interest Paid 2014
Commercial Paper & ST Bank	Various	Various	Various	245,580,000	\$103,346

Amounts and Rates of Dividends Declared:

The amounts and rates of dividends during the past five fiscal years are as follows:

Preferred Stock	Shares Outstanding 12-31-13	2010	2011	2012	2013	2014
5.0%		\$375,000	\$375,000	\$375,000	\$281,250	\$0
4.50%		270,000	270,000	270,000	202,500	0
4.40%		286,000	286,000	286,000	214,500	0
4.60%		343,868	343,868	343,868	257,901	0
\$ 1.70		2,380,000	2,380,000	2,380,000	1,785,000	0
\$ 1.82		1,164,800	1,164,800	1,164,800	873,600	0
<b>Total</b>	<b>0</b>	<b>\$4,819,668</b>	<b>\$4,819,668</b>	<b>\$4,819,668</b>	<b>\$3,614,751</b>	<b>\$0</b>

**Common Stock**

Dividend to Parent	[1]	\$0	\$0	\$0	\$0	\$200,000,000
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A balance sheet and a statement of income and retained earnings of applicant for the [twelve months ended December 31, 2014](#) are attached hereto.

[1] [San Diego Gas & Electric Company dividend to parent.](#)

Prepared by: Jolanta Mathus

Reviewed by: Brett Joiner

**SAN DIEGO GAS & ELECTRIC COMPANY  
SUMMARY OF EARNINGS  
TWELVE MONTHS ENDED DECEMBER 31, 2014  
(DOLLARS IN MILLIONS)**

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Operating Revenue	\$5,139
2	Operating Expenses	<u>4,456</u>
3	Net Operating Income	<u><u>\$683</u></u>
4	Weighted Average Rate Base	\$7,217
5	Rate of Return*	7.79%

\*Authorized Cost of Capital