

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

Application of Southern California Gas Company
(U 904 G) and San Diego Gas & Electric Company
(U 902 G) for Low Operational Flow Order and
Emergency Flow Order Requirements

**APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY (U 904 G) AND
SAN DIEGO GAS & ELECTRIC COMPANY (U 902 G) FOR LOW OPERATIONAL
FLOW ORDER AND EMERGENCY FLOW ORDER REQUIREMENTS**

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ORDER AND EMERGENCY FLOW ORDER REQUIREMENTS**

In accordance with the Commission’s Rules of Practice and Procedure, Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) hereby submits this application (Application) for authority to adopt low Operational Flow Order (OFO) and Emergency Flow Order (EFO) requirements. Pursuant to these new requirements, customers would need to deliver supplies to meet a specified percentage of their gas usage on days when forecasts indicate that flowing supplies and storage assets reserved for system balancing will not be adequate to meet forecasted usage.¹ In conjunction with the adoption of these new OFO and EFO requirements, SoCalGas and SDG&E are also proposing the elimination of their existing winter balancing rules and existing procedures for the curtailment of standby procurement service.

I. NEED FOR LOW OFO AND EFO REQUIREMENTS

SoCalGas and SDG&E have liberal balancing rules.² For the most part, we are able to provide these liberal balancing services to our customers without creating system reliability issues.

¹ In this Application and supporting testimony, SoCalGas and SDG&E refer to low OFO and EFO “requirements,” “procedures,” and “mechanisms” interchangeably. These references all refer to the same proposed new tariff rules.

² During non-winter months, SoCalGas and SDG&E generally provide balancing service to customers without incremental charge (the cost of balancing service is embedded in transportation rates) so long as a

But recent events have demonstrated that even SoCalGas' substantial storage assets are not enough to ensure reliable deliveries to SoCalGas and SDG&E customers during times of system stress when deliveries from customers and marketers are much lower than usage.

Despite winter balancing rules that require customers to more closely match their burn with their deliveries,³ SoCalGas and SDG&E were forced to curtail standby procurement service in both December of 2013 and February of 2014, and during the February curtailment SoCalGas and SDG&E also needed to curtail service on an emergency basis to electric generators in order to preserve service to Priority 1 and 2A customers. SoCalGas and SDG&E anticipate that marketers, suppliers, and other customers will continue diverting flowing supplies to other high-value markets during cold weather and other times of market stress. Unless changes are made, SoCalGas and SDG&E will likely need to use curtailments of standby procurement service and noncore curtailments more frequently in order to provide operational stability and protect service to higher priority customers.

SoCalGas and SDG&E believe that the answer to this problem is to replace our circa-1998 winter balancing rules with low OFO and EFO requirements similar to those that have been employed by Pacific Gas and Electric Company (PG&E) for many years. These low OFO and EFO procedures appear to have adequately dealt with supply-related challenges on the PG&E system last winter, and they did so in a manner that was more measured than the curtailments SoCalGas and SDG&E were forced to call in response to the same operational challenges experienced by PG&E.

customer's cumulative imbalance at the end of the monthly imbalance trading period is within 10 percent of the customer's usage. *See* SoCalGas Schedule G-IMB and SDG&E Schedule G-IMB.

³ SoCalGas and SDG&E require that customers deliver (using a combination of flowing supply and storage withdrawal) at least 50% of burn over a five-day period from November through March. As SoCalGas' total storage inventory declines through the winter, the delivery requirement becomes daily and increases to 70% or 90% depending on the level of inventory relative to peak day minimums. *See* SoCalGas Rule 30(G); SDG&E Rule 30 (G).

The low OFO and EFO requirements proposed in this Application would be in place year-round, as opposed to our current winter balancing rules, which are only in place for the months of November-March. SoCalGas and SDG&E need the ability to institute tighter balancing throughout the year, not just in winter. The reliability challenges we now face relate to flowing supplies not reaching our systems, and have little relationship to overall system storage inventories.⁴ Such a problem can occur at any time of the year, though of course when system storage inventories are extremely low the problem is potentially exacerbated because of the negative effect of low storage inventory on our ability to withdraw gas from storage.

When PG&E calls low OFOs,⁵ it appears that natural gas electric generation demand shifts from Northern California to Southern California. As a result, demand for natural gas by electric generators increases in Southern California at a time when our system is already stressed by low deliveries of flowing supplies. This creates additional operational challenges for SoCalGas and SDG&E, and could potentially throw our systems into a curtailment when a curtailment would not otherwise have been necessary. The low OFO and EFO procedures proposed in this Application would solve this particular problem by giving SoCalGas and SDG&E the ability to institute their own tighter balancing requirements when necessary to maintain system stability. By adopting a statewide approach to low flowing supplies coming into California during times of system stress, the Commission would prevent balancing rules in Northern California from inadvertently creating operational problems in Southern California.

Curtailment of standby procurement service gives SoCalGas and SDG&E the ability to institute tighter balancing requirements, but it only has one level of balancing requirement (90% of actual burn), and only one level of penalties (of \$1.00 per therm for the initial 5 hours of the

⁴ SDG&E does not have storage assets physically located on its system. SDG&E's current winter balancing rules are the same as SoCalGas', and based upon inventories in SoCalGas' storage fields.

⁵ To our knowledge, PG&E has only declared one EFO -- on December 21, 1998.

Customer's operating day, \$3.00 per therm for hours 6 through 8, and \$10.00 per therm for hours 9 through the end of the curtailment episode, plus a standby procurement charge of 150% of the highest SoCalGas border price index).⁶ By contrast, the low OFO/EFO requirements proposed by SoCalGas and SDG&E would give us the ability to call for daily balancing tolerances from 25% to 0%, rather than a set 10%, and penalties for non-compliance would better match the system challenges we are facing. SoCalGas and SDG&E could institute these graduated requirements and penalties in a much more precise and predictable fashion, with less cost and inconvenience to marketers and customers, and with much less risk of curtailment of transportation service to both noncore and core customers.

II. MECHANICS OF SOCALGAS AND SDG&E'S PROPOSAL

The provisions for when and how low OFOs and EFOs will be implemented by SoCalGas' Gas Control Department will be added to SoCalGas' Rule 41,⁷ and the provisions relating to customer compliance will be added to SoCalGas' Rule 30 and SDG&E's Gas Rule 30. If these proposed low OFO and EFO requirements are adopted by the Commission, the winter balancing provisions currently set forth in SoCalGas' Rule 30 and SDG&E's Rule 30 can be eliminated since the low OFO and EFO requirements will substitute for the winter balancing rules. Because the new low OFO and EFO requirements will also obviate the need for curtailments of standby procurement service, the provisions relating to curtailment of standby procurement service can also be removed from SoCalGas' Rule 23 and SDG&E's Gas Rule 14. SoCalGas and SDG&E would also remove the language relating to winter balancing rules from their respective G-IMB rate schedules, and replace them with provisions relating to the new low OFO and EFO requirements.

⁶ See SoCalGas Rule 23(C) and (J); SDG&E Rule 14(M).

⁷ SoCalGas' Gas Control Department operates the integrated transmission system for both SoCalGas and SDG&E, so there is no need for a comparable provision in SDG&E's tariffs.

SoCalGas and SDG&E seek to implement low OFO and EFO mechanisms that are similar to the low OFO and EFO procedures set forth in PG&E's Gas Rule 14.⁸ For example, the stage tolerances and noncompliance penalty structures proposed by SoCalGas and SDG&E are the same as those employed by PG&E. However, because SoCalGas devotes storage assets to the balancing function rather than linepack, SoCalGas would use storage assets allocated to the balancing function in its low OFO/EFO trigger calculation, rather than linepack, as does PG&E. As described in our supporting testimony, SoCalGas and SDG&E are also proposing a few additional minor modifications to the PG&E low OFO and EFO requirements to reflect differences in our systems and existing tariff language. But the overall intent is to obtain approval of low OFO and EFO requirements in Southern California that operate in much the same way as the existing requirements in Northern California.

III. THE COMMISSION SHOULD AUTHORIZE SOCALGAS AND SDG&E TO ADOPT THESE NEW LOW OFO/EFO PROCEDURES BY JANUARY 1, 2015

The system challenges that SoCalGas and SDG&E are facing are ripe for a solution. As explained above and in our supporting testimony, SoCalGas and SDG&E are basically proposing the same low OFO and EFO requirements procedures as PG&E, with only limited changes to reflect the operational differences between our two systems.

In effect, SoCalGas and SDG&E are presenting a unified, statewide approach to dealing with low levels of flowing supplies during times of system stress. These low OFO and EFO provisions have worked well on PG&E's system for many years, and market participants are familiar with them. As such, this proposal should not require extensive discovery or evidentiary

⁸ The gas transmission systems of SoCalGas and SDG&E are operated on an integrated basis under integrated transmission rates. But each utility continues to serve its respective transportation customers, contracted marketers and core aggregators under separate tariff rules and rates using separate billing systems. Accordingly, we are proposing a low OFO and EFO requirement for both utilities.

hearings, and SoCalGas and SDG&E propose that the Commission authorize these requirements on an expedited, ex parte basis, pursuant to the proposed schedule outlined below.

IV. AFFILIATES AFFECTED AND ALTERNATIVES CONSIDERED

Sempra US Gas and Power is a customer of SoCalGas and SDG&E. As such, the proposals in this Application would affect them in the same manner as other similarly-situated SoCalGas and SDG&E customers.

In addition to the proposals presented in this Application, SoCalGas and SDG&E also considered keeping the status quo, but rejected this alternative for the reasons we have described.

V. RELIEF REQUESTED

SoCalGas and SDG&E respectfully request that the Commission take the following actions:

1. Authorize SoCalGas and SDG&E to implement their proposed low OFO and EFO requirements, including the proposed modifications to SoCalGas' Rule 23, Rule 30, Rule 41, Schedule No. G-IMB, Preliminary Statement – Part V – Purchased Gas Account, and Preliminary Statement – Part V – Noncore Fixed Cost Account and SDG&E's Rule 14, Rule 30, and Schedule No. G-IMB;
2. Authorize SoCalGas and SDG&E to, upon implementation of new low OFO and EFO requirements, eliminate current winter balancing rules and rules relating to the curtailment of standby procurement service; and
3. Provide such other and further relief as the Commission deems necessary or appropriate.

VI. STATUTORY AND PROCEDURAL REQUIREMENTS

A. Rule 2.1

1. Authority

This Application is made pursuant to Sections 451, 454, 489, 491, 701, 728, and 729 of the Public Utilities Code of the State of California, the Commission's Rules of Practice and Procedure, and relevant decisions, orders, and resolutions of the Commission.

2. Corporate Information and Correspondence

SoCalGas is a public utility corporation organized and existing under the laws of the State of California. SoCalGas' principal place of business and mailing address is 555 West Fifth Street, Los Angeles, California, 90013.

SDG&E is a public utility corporation 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.

All correspondence and communications to SoCalGas and SDG&E regarding this Application should be addressed to:

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3. Proposed Category

SoCalGas and SDG&E propose that this proceeding be categorized as “ratesetting” under Rule 1.3(e).

4. Need for Hearings

Because of the limited factual issues to be addressed in this proceeding, SoCalGas and SDG&E do not anticipate a need for hearings. In the event that hearings are necessary, SoCalGas and SDG&E have proposed dates in its procedural schedule in Section 6 below.

5. Issues to be Considered

The issues to be considered in this proceeding are whether the Commission should grant the relief requested by SoCalGas and SDG&E in this Application.

6. Proposed Schedule

SoCalGas and SDG&E propose the following schedule for this Application:

<u>EVENT</u>	<u>DATE</u>
Application	June 27, 2014
Responses/Protests	July 28, 2014
SoCalGas Reply to Responses/Protests	August 7, 2014
Prehearing Conference	August 20, 2014
Intervenor testimony	September 10, 2014
Rebuttal testimony	September 24, 2014
Evidentiary hearings (if necessary)	October 1-2, 2014
Opening briefs	October 17, 2014
Reply briefs	October 24, 2014
Proposed Decision	November 2014
Commission Decision	December 2014

B. Rule 2.2 – Articles of Incorporation

SoCalGas previously filed a certified copy of its Restated Articles of Incorporation with the Commission in A.98-10-012, and these articles are incorporated herein by reference.

SDG&E previously filed a certified copy of its Restated Articles of Incorporation with the Commission in A.09-08-019, and these articles are incorporated herein by reference.

C. Rule 3.2

No rate increases will result from this Application. The OFO and EFO procedures proposed by SoCalGas and SDG&E will have noncompliance charges, but those charges only apply if customers do not comply with the procedures.

1. Balance Sheet and Income Statement – Rule 3.2(a)(1)

The most recent updated Balance Sheet and Income Statements for SoCalGas and SDG&E are attached to this Application as Attachment A.

2. Description of Applicant’s Property and Equipment – Rule 3.2 (a) (4)

A general description of SoCalGas’ property and equipment was previously filed with the Commission on October 5, 2001, in connection with SoCalGas’ A.01-10-005 and is incorporated herein by reference. A statement of the original cost and depreciation reserve attributable thereto as of March 31, 2014 is Attachment B.

A general description of SDG&E’s property and equipment was filed with the Commission on October 5, 2001, in connection with A.01-10-005, and is incorporated herein by reference. A statement of original cost and depreciation reserve for the six-month period ending March 31, 2014 is attached as Attachment C.

3. Summary of Earnings – Rules 3.2(a) (5) and (6)

The summary of earnings for SoCalGas and SDG&E are included herein as Attachment D.

4. Depreciation – Rule 3.2(a)(7)

For financial statement purposes, depreciation of utility plant has been computed on a straight-line remaining life basis at rates based on the estimated useful lives of plant properties. For federal income tax accrual purposes, SoCalGas and SDG&E generally compute depreciation using the straight-line method for tax property additions prior to 1954, and liberalized depreciation, which includes Class Life and Asset Depreciation Range Systems, on tax property additions after 1954 and prior to 1981. For financial reporting and rate-fixing purposes, “flow through accounting” has been adopted for such properties. For tax property additions in years 1981 through 1986, SoCalGas and SDG&E have computed their tax depreciation using the Accelerated Cost Recovery System. For years after 1986, SoCalGas and SDG&E have computed their tax depreciation using the Modified Accelerated Cost Recovery Systems and, since 1982, have normalized the effects of the depreciation differences in accordance with the Economic Recovery Tax Act of 1981 and the Tax Reform Act of 1986.

5. Proxy Statement – Rule 3.2(a)(8)

A copy of SoCalGas’ most recent proxy statement, dated April 24, 2014, was provided to the Commission on May 12, 2014, and is incorporated herein by reference.

A copy of SDG&E’s most recent proxy statement, dated March 20, 2014, was provided to the Commission on May 12, 2014, and is incorporated herein by reference.

6. Pass Through of Costs – Rule 3.2(a)(10)

The OFO and EFO procedures and associated tariff changes SoCalGas and SDG&E seek in this Application would not pass through to customers only increased costs to SoCalGas and SDG&E for services and commodities furnished by it.

7. Service and Notice – Rule 1.9

SoCalGas and SDG&E are serving this Application on all parties to A.11-11-002 (SoCalGas and SDG&E’s Triennial Cost Allocation Proceeding).

VII. CONCLUSION

For the reasons described above and in the testimony supporting this Application, SoCalGas and SDG&E respectfully request that the Commission:

- Authorize SoCalGas and SDG&E to implement their proposed low OFO and EFO requirements, including our proposed modifications to SoCalGas’ Rule 23, Rule 30, Rule 41, Schedule No. G-IMB, Preliminary Statement – Part V – Purchased Gas Account, and Preliminary Statement – Part V – Noncore Fixed Cost Account and SDG&E’s Rule 14, Rule 30, and Schedule No. G-IMB;
- Authorize SoCalGas and SDG&E to, upon implementation of new low OFO and EFO requirements, eliminate current winter balancing rules and rules relating to the curtailment of standby procurement service; and
- Provide such other and further relief as the Commission deems necessary or appropriate.

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Respectfully submitted,

By: /s/ Jimmie I. Cho
 Jimmie I. Cho

Senior Vice President – Gas Operations & System Integrity
SOUTHERN CALIFORNIA GAS COMPANY
SAN DIEGO GAS & ELECTRIC COMPANY

By: /s/ Michael R. Thorp
 Michael R. Thorp

Attorney for

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June 27, 2014

VERIFICATION

I am an officer of Southern California Gas Company and San Diego Gas & Electric Company and am authorized to make this verification on their behalf. The matters stated in the foregoing Application are true to my own knowledge, except as to matters that are stated therein on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 27th day of June, 2014, at Los Angeles, California.

By: /s/ Jimmie I. Cho
 Jimmie I. Cho

Senior Vice President – Gas Operations & System Integrity
SOUTHERN CALIFORNIA GAS COMPANY
SAN DIEGO GAS & ELECTRIC COMPANY

Attachment A

**SOUTHERN CALIFORNIA GAS COMPANY
BALANCE SHEET
ASSETS AND OTHER DEBITS
MARCH 31, 2014**

1. UTILITY PLANT		<u>2014</u>
101	UTILITY PLANT IN SERVICE	\$11,490,878,429
102	UTILITY PLANT PURCHASED OR SOLD	-
105	PLANT HELD FOR FUTURE USE	-
106	COMPLETED CONSTRUCTION NOT CLASSIFIED	-
107	CONSTRUCTION WORK IN PROGRESS	395,695,986
108	ACCUMULATED PROVISION FOR DEPRECIATION OF UTILITY PLANT	(4,468,501,955)
111	ACCUMULATED PROVISION FOR AMORTIZATION OF UTILITY PLANT	(48,787,039)
117	GAS STORED-UNDERGROUND	<u>59,101,071</u>
	TOTAL NET UTILITY PLANT	<u>7,428,386,492</u>
 2. OTHER PROPERTY AND INVESTMENTS		
121	NONUTILITY PROPERTY	116,664,935
122	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF NONUTILITY PROPERTY	(85,735,646)
123	INVESTMENTS IN SUBSIDIARY COMPANIES	-
124	OTHER INVESTMENTS	122
125	SINKING FUNDS	-
128	OTHER SPECIAL FUNDS	<u>3,000,000</u>
	TOTAL OTHER PROPERTY AND INVESTMENTS	<u>33,929,411</u>

Data from SPL as of March 31, 2014.

**SOUTHERN CALIFORNIA GAS COMPANY
BALANCE SHEET
ASSETS AND OTHER DEBITS
MARCH 31, 2014**

3. CURRENT AND ACCRUED ASSETS		2014
131	CASH	31,664,032
132	INTEREST SPECIAL DEPOSITS	-
134	OTHER SPECIAL DEPOSITS	-
135	WORKING FUNDS	92,672
136	TEMPORARY CASH INVESTMENTS	-
141	NOTES RECEIVABLE	-
142	CUSTOMER ACCOUNTS RECEIVABLE	590,883,294
143	OTHER ACCOUNTS RECEIVABLE	21,659,947
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS	(5,725,892)
145	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	117,383,003
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	(10,045,545)
151	FUEL STOCK	-
152	FUEL STOCK EXPENSE UNDISTRIBUTED	-
154	PLANT MATERIALS AND OPERATING SUPPLIES	28,932,625
155	MERCHANDISE	12,733
156	OTHER MATERIALS AND SUPPLIES	-
158	GHG ALLOWANCE	2,992,860
163	STORES EXPENSE UNDISTRIBUTED	(310,464)
164	GAS STORED	16,457,368
165	PREPAYMENTS	86,680,182
171	INTEREST AND DIVIDENDS RECEIVABLE	3,632,883
173	ACCRUED UTILITY REVENUES	-
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	32,335,126
175	DERIVATIVE INSTRUMENT ASSETS	5,516,709
176	LONG TERM PORTION OF DERIVATIVE ASSETS - HEDGES	-
TOTAL CURRENT AND ACCRUED ASSETS		922,161,533
4. DEFERRED DEBITS		
181	UNAMORTIZED DEBT EXPENSE	10,842,776
182	UNRECOVERED PLANT AND OTHER REGULATORY ASSETS	1,107,180,236
183	PRELIMINARY SURVEY & INVESTIGATION CHARGES	315,551
184	CLEARING ACCOUNTS	2,766,952
185	TEMPORARY FACILITIES	-
186	MISCELLANEOUS DEFERRED DEBITS	203,363,635
188	RESEARCH AND DEVELOPMENT	-
189	UNAMORTIZED LOSS ON REACQUIRED DEBT	13,931,771
190	ACCUMULATED DEFERRED INCOME TAXES	285,420,502
191	UNRECOVERED PURCHASED GAS COSTS	-
TOTAL DEFERRED DEBITS		1,623,821,423
TOTAL ASSETS AND OTHER DEBITS		\$ 10,008,298,859

Data from SPL as of March 31, 2014.

**SOUTHERN CALIFORNIA GAS COMPANY
BALANCE SHEET
LIABILITIES AND OTHER CREDITS
MARCH 31, 2014**

5. PROPRIETARY CAPITAL

	2014
201 COMMON STOCK ISSUED	(834,888,907)
204 PREFERRED STOCK ISSUED	(21,551,075)
207 PREMIUM ON CAPITAL STOCK	-
208 OTHER PAID-IN CAPITAL	-
210 GAIN ON RETIRED CAPITAL STOCK	(9,722)
211 MISCELLANEOUS PAID-IN CAPITAL	(31,306,680)
214 CAPITAL STOCK EXPENSE	143,261
216 UNAPPROPRIATED RETAINED EARNINGS	(1,758,484,963)
219 ACCUMULATED OTHER COMPREHENSIVE INCOME	18,321,903
	(2,627,776,183)
TOTAL PROPRIETARY CAPITAL	

6. LONG-TERM DEBT

221 BONDS	(1,400,000,000)
224 OTHER LONG-TERM DEBT	(12,475,533)
225 UNAMORTIZED PREMIUM ON LONG-TERM DEBT	-
226 UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	5,052,748
	(1,407,422,785)
TOTAL LONG-TERM DEBT	

7. OTHER NONCURRENT LIABILITIES

227 OBLIGATIONS UNDER CAPITAL LEASES - NONCURRENT	(479,894)
228.2 ACCUMULATED PROVISION FOR INJURIES AND DAMAGES	(213,948,710)
228.3 ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	(401,372,040)
228.4 ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS	-
230 ASSET RETIREMENT OBLIGATIONS	(1,236,170,601)
	(1,851,971,245)
TOTAL OTHER NONCURRENT LIABILITIES	

Data from SPL as of March 31, 2014.

**SOUTHERN CALIFORNIA GAS COMPANY
BALANCE SHEET
LIABILITIES AND OTHER CREDITS
MARCH 31, 2014**

8. CURRENT AND ACCRUED LIABILITES		2014
231	NOTES PAYABLE	-
232	ACCOUNTS PAYABLE	(454,313,749)
233	NOTES PAYABLE TO ASSOCIATED COMPANIES	-
234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	(14,369,193)
235	CUSTOMER DEPOSITS	(75,412,772)
236	TAXES ACCRUED	(38,473,864)
237	INTEREST ACCRUED	(18,182,144)
238	DIVIDENDS DECLARED	(323,265)
241	TAX COLLECTIONS PAYABLE	(23,199,132)
242	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	(198,117,966)
243	OBLIGATIONS UNDER CAPITAL LEASES - CURRENT	(1,209,808)
244	DERIVATIVE INSTRUMENT LIABILITIES	(921,692)
245	DERIVATIVE INSTRUMENT LIABILITIES - HEDGES	-
	TOTAL CURRENT AND ACCRUED LIABILITIES	(824,523,585)
9. DEFERRED CREDITS		
252	CUSTOMER ADVANCES FOR CONSTRUCTION	(83,193,545)
253	OTHER DEFERRED CREDITS	(105,990,411)
254	OTHER REGULATORY LIABILITIES	(1,709,075,210)
255	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	(17,510,514)
257	UNAMORTIZED GAIN ON REACQUIRED DEBT	-
281	ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED	-
282	ACCUMULATED DEFERRED INCOME TAXES - PROPERTY	(1,202,574,827)
283	ACCUMULATED DEFERRED INCOME TAXES - OTHER	(178,260,554)
	TOTAL DEFERRED CREDITS	(3,296,605,061)
	TOTAL LIABILITIES AND OTHER CREDITS	\$ (10,008,298,859)

Data from SPL as of March 31, 2014.

SOUTHERN CALIFORNIA GAS COMPANY
STATEMENT OF INCOME AND RETAINED EARNINGS
THREE MONTHS ENDED MARCH 31, 2014

1. UTILITY OPERATING INCOME

400	OPERATING REVENUES		1,084,931,582
401	OPERATING EXPENSES	783,825,407	
402	MAINTENANCE EXPENSES	45,316,274	
403-7	DEPRECIATION AND AMORTIZATION EXPENSES	103,996,080	
408.1	TAXES OTHER THAN INCOME TAXES	22,110,256	
409.1	INCOME TAXES	13,215,702	
410.1	PROVISION FOR DEFERRED INCOME TAXES	92,185,114	
411.1	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(66,712,176)	
411.4	INVESTMENT TAX CREDIT ADJUSTMENTS	(507,847)	
411.6	GAIN FROM DISPOSITION OF UTILITY PLANT	-	
411.7	LOSS FROM DISPOSITION OF UTILITY PLANT	-	
	TOTAL OPERATING REVENUE DEDUCTIONS		993,428,810
	NET OPERATING INCOME		91,502,772

2. OTHER INCOME AND DEDUCTIONS

415	REVENUE FROM MERCHANDISING, JOBBING AND CONTRACT WORK		-
417	REVENUES FROM NONUTILITY OPERATIONS	-	
417.1	EXPENSES OF NONUTILITY OPERATIONS	(33,705)	
418	NONOPERATING RENTAL INCOME	102,728	
418.1	EQUITY IN EARNINGS OF SUBSIDIARIES	-	
419	INTEREST AND DIVIDEND INCOME	(95,327)	
419.1	ALLOWANCE FOR OTHER FUNDS USED DURING CONSTRUCTION	5,214,390	
421	MISCELLANEOUS NONOPERATING INCOME	(54,358)	
421.1	GAIN ON DISPOSITION OF PROPERTY	-	
	TOTAL OTHER INCOME	5,133,728	
425	MISCELLANEOUS AMORTIZATION	-	
426	MISCELLANEOUS OTHER INCOME DEDUCTIONS	(976,699)	
		(976,699)	
408.2	TAXES OTHER THAN INCOME TAXES	(35,760)	
409.2	INCOME TAXES	316,049	
410.2	PROVISION FOR DEFERRED INCOME TAXES	(1,043,825)	
411.2	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	494,283	
420	INVESTMENT TAX CREDITS	-	
	TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS	(269,253)	
	TOTAL OTHER INCOME AND DEDUCTIONS		3,887,776
	INCOME BEFORE INTEREST CHARGES		95,390,548
	NET INTEREST CHARGES*		16,871,737
	NET INCOME		\$78,518,811

*NET OF ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION. (\$1,602,910)

Data from SPL as of March 31, 2014.

**SOUTHERN CALIFORNIA GAS COMPANY
STATEMENT OF INCOME AND RETAINED EARNINGS
THREE MONTHS ENDED MARCH 31, 2014**

3. RETAINED EARNINGS

RETAINED EARNINGS AT BEGINNING OF PERIOD, AS PREVIOUSLY REPORTED	\$1,680,289,418
NET INCOME (FROM PRECEDING PAGE)	78,518,811
DIVIDEND TO PARENT COMPANY	-
DIVIDENDS DECLARED - PREFERRED STOCK	(323,266)
OTHER RETAINED EARNINGS ADJUSTMENT	-
RETAINED EARNINGS AT END OF PERIOD	<u>\$1,758,484,963</u>

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

		2014
1. UTILITY PLANT		
101	UTILITY PLANT IN SERVICE	\$12,794,548,296
102	UTILITY PLANT PURCHASED OR SOLD	-
104	UTILITY PLANT LEASED TO OTHERS	85,194,000
105	PLANT HELD FOR FUTURE USE	13,092,995
106	COMPLETED CONSTRUCTION NOT CLASSIFIED	-
107	CONSTRUCTION WORK IN PROGRESS	909,938,644
108	ACCUMULATED PROVISION FOR DEPRECIATION OF UTILITY PLANT	(4,038,519,029)
111	ACCUMULATED PROVISION FOR AMORTIZATION OF UTILITY PLANT	(370,752,022)
114	ELEC PLANT ACQUISITION ADJ	3,750,722
115	ACCUM PROVISION FOR AMORT OF ELECTRIC PLANT ACQUIS ADJ	(562,608)
118	OTHER UTILITY PLANT	855,216,329
119	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF OTHER UTILITY PLANT	(241,574,981)
120	NUCLEAR FUEL - NET	-
	TOTAL NET UTILITY PLANT	10,010,332,346
2. OTHER PROPERTY AND INVESTMENTS		
121	NONUTILITY PROPERTY	5,947,314
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	1,053,664,892
	TOTAL OTHER PROPERTY AND INVESTMENTS	1,059,247,906

Data from SPL as of June 19, 2014

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

3. CURRENT AND ACCRUED ASSETS		2014
131	CASH	462,283
132	INTEREST SPECIAL DEPOSITS	-
134	OTHER SPECIAL DEPOSITS	-
135	WORKING FUNDS	500
136	TEMPORARY CASH INVESTMENTS	-
141	NOTES RECEIVABLE	-
142	CUSTOMER ACCOUNTS RECEIVABLE	217,515,907
143	OTHER ACCOUNTS RECEIVABLE	18,828,214
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS	(2,970,472)
145	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	-
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	11,560,333
151	FUEL STOCK	3,576,419
152	FUEL STOCK EXPENSE UNDISTRIBUTED	-
154	PLANT MATERIALS AND OPERATING SUPPLIES	69,250,759
156	OTHER MATERIALS AND SUPPLIES	-
158	ALLOWANCES	74,933,298
163	STORES EXPENSE UNDISTRIBUTED	-
164	GAS STORED	358,593
165	PREPAYMENTS	163,972,309
171	INTEREST AND DIVIDENDS RECEIVABLE	379,013
173	ACCRUED UTILITY REVENUES	57,174,000
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	4,256,404
175	DERIVATIVE INSTRUMENT ASSETS	138,202,731
TOTAL CURRENT AND ACCRUED ASSETS		757,500,291
4. DEFERRED DEBITS		
181	UNAMORTIZED DEBT EXPENSE	35,158,933
182	UNRECOVERED PLANT AND OTHER REGULATORY ASSETS	3,426,395,072
183	PRELIMINARY SURVEY & INVESTIGATION CHARGES	6,039,766
184	CLEARING ACCOUNTS	2,956,663
185	TEMPORARY FACILITIES	-
186	MISCELLANEOUS DEFERRED DEBITS	37,789,509
188	RESEARCH AND DEVELOPMENT	-
189	UNAMORTIZED LOSS ON REACQUIRED DEBT	13,859,869
190	ACCUMULATED DEFERRED INCOME TAXES	740,214,345
TOTAL DEFERRED DEBITS		4,262,414,157
TOTAL ASSETS AND OTHER DEBITS		16,089,494,700

**SAN DIEGO GAS & ELECTRIC COMPANY
BALANCE SHEET
LIABILITIES AND OTHER CREDITS
MARCH 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	(3,399,789,312)
219 ACCUMULATED OTHER COMPREHENSIVE INCOME	8,889,689
TOTAL PROPRIETARY CAPITAL	(4,728,700,724)

6. LONG-TERM DEBT

221 BONDS	(3,926,855,000)
223 ADVANCES FROM ASSOCIATED COMPANIES	-
224 OTHER LONG-TERM DEBT	(123,900,000)
225 UNAMORTIZED PREMIUM ON LONG-TERM DEBT	-
226 UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	10,795,955
TOTAL LONG-TERM DEBT	(4,039,959,045)

7. OTHER NONCURRENT LIABILITIES

227 OBLIGATIONS UNDER CAPITAL LEASES - NONCURRENT	(683,686,392)
228.2 ACCUMULATED PROVISION FOR INJURIES AND DAMAGES	(39,921,086)
228.3 ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	(141,815,062)
228.4 ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS	-
230 ASSET RETIREMENT OBLIGATIONS	(921,609,335)
TOTAL OTHER NONCURRENT LIABILITIES	(1,787,031,875)

Data from SPL as of June 19, 2014

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

8. CURRENT AND ACCRUED LIABILITES		2014
231	NOTES PAYABLE	(89,600,000)
232	ACCOUNTS PAYABLE	(362,296,876)
233	NOTES PAYABLE TO ASSOCIATED COMPANIES	-
234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	(35,203,990)
235	CUSTOMER DEPOSITS	(71,316,587)
236	TAXES ACCRUED	(134,252,216)
237	INTEREST ACCRUED	(56,232,097)
238	DIVIDENDS DECLARED	-
241	TAX COLLECTIONS PAYABLE	(5,035,658)
242	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	(239,831,318)
243	OBLIGATIONS UNDER CAPITAL LEASES - CURRENT	(36,443,280)
244	DERIVATIVE INSTRUMENT LIABILITIES	(160,552,309)
245	DERIVATIVE INSTRUMENT LIABILITIES - HEDGES	-
TOTAL CURRENT AND ACCRUED LIABILITIES		(1,190,764,331)
9. DEFERRED CREDITS		
252	CUSTOMER ADVANCES FOR CONSTRUCTION	(42,513,862)
253	OTHER DEFERRED CREDITS	(396,835,854)
254	OTHER REGULATORY LIABILITIES	(1,259,726,447)
255	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	(23,203,061)
257	UNAMORTIZED GAIN ON REACQUIRED DEBT	-
281	ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED	-
282	ACCUMULATED DEFERRED INCOME TAXES - PROPERTY	(1,822,362,697)
283	ACCUMULATED DEFERRED INCOME TAXES - OTHER	(798,396,804)
TOTAL DEFERRED CREDITS		(4,343,038,725)
TOTAL LIABILITIES AND OTHER CREDITS		(\$16,089,494,700)

Data from SPL as of June 19, 2014

SAN DIEGO GAS & ELECTRIC COMPANY
STATEMENT OF INCOME AND RETAINED EARNINGS
THREE MONTHS ENDED MARCH 31, 2014

1. UTILITY OPERATING INCOME

400	OPERATING REVENUES		\$1,173,880,787
401	OPERATING EXPENSES	\$767,944,143	
402	MAINTENANCE EXPENSES	39,000,986	
403-7	DEPRECIATION AND AMORTIZATION EXPENSES	123,417,430	
408.1	TAXES OTHER THAN INCOME TAXES	28,100,346	
409.1	INCOME TAXES	26,193,181	
410.1	PROVISION FOR DEFERRED INCOME TAXES	295,902,694	
411.1	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(239,874,847)	
411.4	INVESTMENT TAX CREDIT ADJUSTMENTS	(657,711)	
411.6	GAIN FROM DISPOSITION OF UTILITY PLANT	-	
	TOTAL OPERATING REVENUE DEDUCTIONS		1,040,026,222
	NET OPERATING INCOME		133,854,565

2. OTHER INCOME AND DEDUCTIONS

415	REVENUE FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	
417	REVENUES OF NONUTILITY OPERATIONS	896	
417.1	EXPENSES OF NONUTILITY OPERATIONS	-	
418	NONOPERATING RENTAL INCOME	96,979	
418.1	EQUITY IN EARNINGS OF SUBSIDIARIES	-	
419	INTEREST AND DIVIDEND INCOME	1,264,358	
419.1	ALLOWANCE FOR OTHER FUNDS USED DURING CONSTRUCTION	10,746,197	
421	MISCELLANEOUS NONOPERATING INCOME	23,184	
421.1	GAIN ON DISPOSITION OF PROPERTY	-	
	TOTAL OTHER INCOME	12,131,614	
421.2	LOSS ON DISPOSITION OF PROPERTY	-	
425	MISCELLANEOUS AMORTIZATION	62,512	
426	MISCELLANEOUS OTHER INCOME DEDUCTIONS	(597,876)	
	TOTAL OTHER INCOME DEDUCTIONS	(535,364)	
408.2	TAXES OTHER THAN INCOME TAXES	164,565	
409.2	INCOME TAXES	(355,575)	
410.2	PROVISION FOR DEFERRED INCOME TAXES	3,015,949	
411.2	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(1,232,192)	
	TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS	1,592,747	
	TOTAL OTHER INCOME AND DEDUCTIONS		11,074,231
	INCOME BEFORE INTEREST CHARGES		144,928,796
	NET INTEREST CHARGES*		46,063,955
	NET INCOME		\$98,864,841

*NET OF ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION, (\$4,370,479)

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

3. RETAINED EARNINGS

RETAINED EARNINGS AT BEGINNING OF PERIOD, AS PREVIOUSLY REPORTED	\$3,300,924,471
NET INCOME (FROM PRECEDING PAGE)	98,864,841
DIVIDEND TO PARENT COMPANY	-
DIVIDENDS DECLARED - PREFERRED STOCK	0
OTHER RETAINED EARNINGS ADJUSTMENTS	0
RETAINED EARNINGS AT END OF PERIOD	<u>\$3,399,789,312</u>

Attachment B

SOUTHERN CALIFORNIA GAS COMPANY

Plant Investment and Accumulated Depreciation

As of March 31, 2014

ACCOUNT NUMBER	DESCRIPTION	ORIGINAL COSTS	ACCUMULATED RESERVE	NET BOOK VALUE
INTANGIBLE ASSETS				
301	Organization	\$ 76,457	\$ -	\$ 76,457
302	Franchise and Consents	\$ 569,299	\$ -	\$ 569,299
	Total Intangible Assets	<u>\$ 645,756</u>	<u>0</u>	<u>\$ 645,756</u>
PRODUCTION:				
325	Other Land Rights	\$ 15,321	\$ -	\$ 15,321
330	Prd Gas Wells Const	\$ 5,557,139	\$ (1,415)	\$ 5,555,724
331	Prd Gas Wells Eqp	\$ 454,718	\$ (55)	\$ 454,663
332	Field Lines	\$ 1,731,111	\$ -	\$ 1,731,111
334	FldMeas&RegStnEquip	\$ 536,249	\$ -	\$ 536,249
336	Prf Eqpt	\$ 485,415	\$ -	\$ 485,415
	Total Production	<u>\$ 8,779,952</u>	<u>(1,470)</u>	<u>\$ 8,778,482</u>
UNDERGROUND STORAGE:				
350	Land	\$ 4,539,484	\$ -	\$ 4,539,484
350SR	Storage Rights	\$ 17,935,798	\$ (17,496,629)	\$ 439,169
350RW	Rights-of-Way	\$ 25,354	\$ (15,317)	\$ 10,037
351	Structures and Improvements	\$ 42,319,219	\$ (19,853,635)	\$ 22,465,584
352	Wells	\$ 290,421,959	\$ (167,891,995)	\$ 122,529,964
353	Lines	\$ 106,039,341	\$ (93,703,446)	\$ 12,335,895
354	Compressor Station and Equipment	\$ 137,432,228	\$ (63,534,053)	\$ 73,898,175
355	Measuring And Regulator Equipment	\$ 6,514,482	\$ (1,795,219)	\$ 4,719,263
356	Purification Equipment	\$ 129,329,992	\$ (66,695,726)	\$ 62,634,266
357	Other Equipment	\$ 30,680,298	\$ (7,568,264)	\$ 23,112,034
	Total Underground Storage	<u>\$ 765,238,154</u>	<u>(438,554,283)</u>	<u>\$ 326,683,870</u>
TRANSMISSION PLANT- OTHER:				
365	Land	\$ 2,862,566	\$ (15,187,436)	\$ (12,324,870)
365LRTS	Land Rights	\$ 21,665,634	\$ -	\$ 21,665,634
366	Structures and Improvements	\$ 35,783,342	\$ (20,996,813)	\$ 14,786,530
367	Mains	\$ 1,364,592,131	\$ (584,427,245)	\$ 780,164,886
368	Compressor Station and Equipment	\$ 207,301,333	\$ (107,615,191)	\$ 99,686,141
369	Measuring And Regulator Equipment	\$ 62,395,697	\$ (27,059,132)	\$ 35,336,565
371	Other Equipment	\$ 5,194,060	\$ (2,771,436)	\$ 2,422,623
	Total Transmission Plant	<u>\$ 1,699,794,762</u>	<u>(758,057,253)</u>	<u>\$ 941,737,509</u>
DISTRIBUTION PLANT:				
374	Land	\$ 31,685,415	\$ -	\$ 31,685,415
374LRTS	Land Rights	\$ 128,102	\$ (12,264)	\$ 115,838
375	Structures and Improvements	\$ 246,574,906	\$ (70,134,248)	\$ 176,440,657
376	Mains	\$ 3,416,330,407	\$ (1,994,639,395)	\$ 1,421,691,012
378	Measuring And Regulator Equipment	\$ 90,193,736	\$ (60,359,955)	\$ 29,833,781
380	Services	\$ 2,225,367,072	\$ (1,848,086,612)	\$ 377,280,460
381	Meters	\$ 598,785,108	\$ (130,853,732)	\$ 467,931,376
382	Meter Installation	\$ 345,086,656	\$ (148,000,202)	\$ 197,086,454
383	House Regulators	\$ 138,055,272	\$ (57,494,337)	\$ 80,560,935
387	Other Equipment	\$ 31,644,568	\$ (21,237,195)	\$ 10,407,373
	Total Distribution Plant	<u>\$ 7,123,851,242</u>	<u>(4,330,817,940)</u>	<u>\$ 2,793,033,301</u>
GENERAL PLANT:				
389	Land	\$ 1,342,839	\$ -	\$ 1,342,839
389LRTS	Land Rights	\$ 74,300	\$ -	\$ 74,300
390	Structures and Improvements	\$ 183,144,454	\$ (150,139,604)	\$ 33,004,851
391	Office Furniture and Equipment	\$ 837,349,438	\$ (353,593,641)	\$ 483,755,797
392	Transportation Equipment	\$ 574,059	\$ (53,451)	\$ 520,608
393	Stores Equipment	\$ 2,326,828	\$ (39,438)	\$ 2,287,390
394	Shop and Garage Equipment	\$ 56,369,631	\$ (25,843,895)	\$ 30,525,735
395	Laboratory Equipment	\$ 5,487,893	\$ (3,421,335)	\$ 2,066,558
396	Construction Equipment	\$ 11,957	\$ 10,757	\$ 22,714
397	Communication Equipments	\$ 144,725,809	\$ (52,507,293)	\$ 92,218,516
398	Miscellaneous Equipment	\$ 3,340,712	\$ (269,367)	\$ 3,071,345
	Total General Plant	<u>\$ 1,234,747,921</u>	<u>(585,857,268)</u>	<u>\$ 648,890,653</u>
	Grand Total	<u>\$ 10,833,057,787</u>	<u>(6,113,288,215)</u>	<u>\$ 4,719,769,572</u>

Attachment C

SAN DIEGO GAS & ELECTRIC COMPANY

**COST OF PROPERTY AND
DEPRECIATION RESERVE APPLICABLE THERETO
AS OF MARCH 31, 2014**

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
ELECTRIC DEPARTMENT			
302	Franchises and Consents	222,841	202,900
303	Misc. Intangible Plant	115,511,561	24,229,403
	TOTAL INTANGIBLE PLANT	115,734,403	24,432,303
310.1	Land	14,526,518	46,518
310.2	Land Rights	0	0
311	Structures and Improvements	94,104,804	33,021,878
312	Boiler Plant Equipment	165,439,222	56,645,912
314	Turbogenerator Units	114,495,082	37,145,792
315	Accessory Electric Equipment	81,977,016	26,840,453
316	Miscellaneous Power Plant Equipment	34,958,282	6,646,723
	Steam Production Decommissioning	0	0
	TOTAL STEAM PRODUCTION	505,500,924	160,347,277
320.1	Land	0	0
320.2	Land Rights	283,677	283,677
321	Structures and Improvements	277,056,869	271,035,015
322	Boiler Plant Equipment	594,344,188	414,490,986
323	Turbogenerator Units	144,866,806	137,460,463
324	Accessory Electric Equipment	173,367,621	168,082,214
325	Miscellaneous Power Plant Equipment	316,423,908	243,619,477
101	SONGS PLANT CLOSURE GROSS PLANT-	(342,385,013.36)	(71,013,778)
	TOTAL NUCLEAR PRODUCTION	1,163,958,055	1,163,958,055
340.1	Land	143,476	0
340.2	Land Rights	56,033	3,233
341	Structures and Improvements	23,010,135	4,540,184
342	Fuel Holders, Producers & Accessories	20,348,101	5,360,426
343	Prime Movers	83,912,588	24,054,324
344	Generators	336,506,725	98,084,369
345	Accessory Electric Equipment	32,506,362	8,889,401
346	Miscellaneous Power Plant Equipment	24,159,427	10,409,530
	TOTAL OTHER PRODUCTION	520,642,846	151,341,466
	TOTAL ELECTRIC PRODUCTION	2,190,101,826	1,475,646,799

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
350.1	Land	41,012,521	0
350.2	Land Rights	147,856,328	15,244,496
352	Structures and Improvements	272,264,615	46,782,018
353	Station Equipment	968,467,252	176,947,308
354	Towers and Fixtures	846,132,537	122,550,100
355	Poles and Fixtures	297,916,824	64,983,264
356	Overhead Conductors and Devices	492,211,998	194,993,887
357	Underground Conduit	245,662,391	34,324,313
358	Underground Conductors and Devices	284,747,260	35,703,911
359	Roads and Trails	261,157,374	15,082,279
101	SONGS PLANT CLOSURE GROSS PLANT-	(5,943,753)	(5,943,753)
	TOTAL TRANSMISSION	3,851,485,348	700,667,823
360.1	Land	16,176,228	0
360.2	Land Rights	77,516,610	35,611,541
361	Structures and Improvements	4,018,741	1,680,090
362	Station Equipment	437,710,141	112,181,779
363	Storage Battery Equipment	6,274,735	277,180
364	Poles, Towers and Fixtures	559,492,060	245,802,343
365	Overhead Conductors and Devices	438,235,599	172,713,547
366	Underground Conduit	1,028,441,935	402,844,826
367	Underground Conductors and Devices	1,344,309,563	796,746,339
368.1	Line Transformers	522,212,966	96,078,448
368.2	Protective Devices and Capacitors	21,753,160	(6,050,606)
369.1	Services Overhead	127,427,404	120,900,673
369.2	Services Underground	319,202,306	223,665,701
370.1	Meters	189,663,459	44,353,473
370.2	Meter Installations	54,581,599	10,702,311
371	Installations on Customers' Premises	6,730,078	10,970,557
373.1	St. Lighting & Signal Sys.-Transformers	0	0
373.2	Street Lighting & Signal Systems	26,182,234	19,060,716
	TOTAL DISTRIBUTION PLANT	5,179,928,819	2,287,538,919
389.1	Land	7,312,143	0
389.2	Land Rights	0	0
390	Structures and Improvements	32,151,499	21,487,305
392.1	Transportation Equipment - Autos	0	49,884
392.2	Transportation Equipment - Trailers	58,146	6,444
393	Stores Equipment	17,466	16,842
394.1	Portable Tools	22,376,699	6,896,443
394.2	Shop Equipment	341,136	215,066
395	Laboratory Equipment	328,877	51,064
396	Power Operated Equipment	60,529	117,502
397	Communication Equipment	207,045,567	76,848,569
398	Miscellaneous Equipment	1,360,761	340,096
	TOTAL GENERAL PLANT	271,052,821	106,029,214
101	TOTAL ELECTRIC PLANT	11,608,303,215	4,594,315,057.26

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
GAS PLANT			
302	Franchises and Consents	86,104	86,104
303	Miscellaneous Intangible Plant	0	0
	TOTAL INTANGIBLE PLANT	86,104	86,104
360.1	Land	0	0
361	Structures and Improvements	43,992	43,992
362.1	Gas Holders	0	0
362.2	Liquefied Natural Gas Holders	0	0
363	Purification Equipment	0	0
363.1	Liquefaction Equipment	0	0
363.2	Vaporizing Equipment	0	0
363.3	Compressor Equipment	0	0
363.4	Measuring and Regulating Equipment	0	0
363.5	Other Equipment	0	0
363.6	LNG Distribution Storage Equipment	2,052,614	835,663
	TOTAL STORAGE PLANT	2,096,606	879,655
365.1	Land	4,649,144	0
365.2	Land Rights	2,218,048	1,277,347
366	Structures and Improvements	11,710,305	9,712,107
367	Mains	177,465,621	64,696,403
368	Compressor Station Equipment	82,322,043	61,781,466
369	Measuring and Regulating Equipment	19,831,466	14,311,489
371	Other Equipment	0	0
	TOTAL TRANSMISSION PLANT	298,196,628	151,778,812
374.1	Land	102,187	0
374.2	Land Rights	8,155,107	6,345,445
375	Structures and Improvements	43,447	61,253
376	Mains	585,792,134	335,216,155
378	Measuring & Regulating Station Equipment	17,015,328	7,342,861
380	Distribution Services	246,899,224	286,467,923
381	Meters and Regulators	148,361,011	43,760,689
382	Meter and Regulator Installations	88,585,400	29,380,585
385	Ind. Measuring & Regulating Station Equipment	1,516,811	1,088,852
386	Other Property On Customers' Premises	0	0
387	Other Equipment	5,223,272	4,745,558
	TOTAL DISTRIBUTION PLANT	1,101,693,920	714,409,322

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
392.1	Transportation Equipment - Autos	0	25,503
392.2	Transportation Equipment - Trailers	74,501	74,501
394.1	Portable Tools	7,906,004	3,434,730
394.2	Shop Equipment	76,864	38,392
395	Laboratory Equipment	283,094	260,892
396	Power Operated Equipment	162,284	134,633
397	Communication Equipment	2,749,542	769,312
398	Miscellaneous Equipment	198,325	77,688
	TOTAL GENERAL PLANT	11,450,613	4,815,651
101	TOTAL GAS PLANT	1,413,523,871	871,969,545
COMMON PLANT			
303	Miscellaneous Intangible Plant	233,646,217	148,803,192
350.1	Land	0	0
360.1	Land	0	0
389.1	Land	7,168,915	0
389.2	Land Rights	1,080,961	27,776
390	Structures and Improvements	293,245,225	119,855,640
391.1	Office Furniture and Equipment - Other	25,616,339	11,292,923
391.2	Office Furniture and Equipment - Computer E	77,786,135	52,223,210
392.1	Transportation Equipment - Autos	33,942	(338,930)
392.2	Transportation Equipment - Trailers	33,369	18,218
393	Stores Equipment	144,926	116,509
394.1	Portable Tools	1,232,027	216,943
394.2	Shop Equipment	234,076	142,449
394.3	Garage Equipment	1,056,076	23,466
395	Laboratory Equipment	2,182,676	952,723
396	Power Operated Equipment	0	(192,980)
397	Communication Equipment	121,572,135	55,287,068
398	Miscellaneous Equipment	2,474,623	1,269,857
118.1	TOTAL COMMON PLANT	767,507,644	389,698,065.32
	TOTAL ELECTRIC PLANT	11,608,303,215	4,594,315,057
	TOTAL GAS PLANT	1,413,523,871	871,969,545
	TOTAL COMMON PLANT	767,507,644	389,698,065
101 & 118.1	TOTAL	13,789,334,730	5,855,982,668
101	PLANT IN SERV-SONGS FULLY RECOVER	(1,163,958,055)	(1,163,958,055)
101	PLANT IN SERV-ELECTRIC NON-RECON Electric	0	(1,413,052)

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
101	PLANT IN SERV-ASSETS HELD FOR SALE		
	Electric	0	0
	Common	0	0
		<u>0</u>	<u>0</u>
101	PLANT IN SERV-LEGACY METER RECLASS		
	Electric	0	0
		<u>0</u>	<u>0</u>
101	PLANT IN SERV-SUNRISE FIRE MITIGATION		
	Electric	0	0
		<u>0</u>	<u>0</u>
118	PLANT IN SERV-COMMON NON-RECON		
	Common - Transferred Asset Adjustment	(2,095,185)	(2,095,185)
		<u>(2,095,185)</u>	<u>(2,095,185)</u>
101	Accrual for Retirements		
	Electric	(4,527,415)	(4,527,415)
	Gas	(146,599)	(146,599)
		<u>(4,674,014)</u>	<u>(4,674,014)</u>
	TOTAL PLANT IN SERV-ACCRUAL FOR RE	<u>(4,674,014)</u>	<u>(4,674,014)</u>
102	Electric	0	0
	Gas	0	0
		<u>0</u>	<u>0</u>
	TOTAL PLANT PURCHASED OR SOLD	<u>0</u>	<u>0</u>
104	Electric	85,194,000	5,688,403
	Gas	0	0
		<u>85,194,000</u>	<u>5,688,403</u>
	TOTAL PLANT LEASED TO OTHERS	<u>85,194,000</u>	<u>5,688,403</u>
105	Plant Held for Future Use		
	Electric	13,092,995	0
	Gas	0	0
		<u>13,092,995</u>	<u>0</u>
	TOTAL PLANT HELD FOR FUTURE USE	<u>13,092,995</u>	<u>0</u>
107	Construction Work in Progress		
	Electric	852,229,470	
	Gas	57,709,174	
	Common	86,620,420	
		<u>996,559,064</u>	<u>0</u>
	TOTAL CONSTRUCTION WORK IN PROGRESS	<u>996,559,064</u>	<u>0</u>
108	Accum. Depr SONGS Mitigation/Spent Fuel Disallowance		
	Electric	0	0
		<u>0</u>	<u>0</u>

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
108.5	Accumulated Nuclear Decommissioning Electric	0	945,721,336
	TOTAL ACCUMULATED NUCLEAR DECOMMISSIONING	0	945,721,336
101.1	ELECTRIC CAPITAL LEASES	837,939,281	120,531,145
118.1	COMMON CAPITAL LEASE	21,064,457	18,342,922
		859,003,738	138,874,067
120	NUCLEAR FUEL FABRICATION	62,963,775	40,861,208
120	SONGS PLANT CLOSURE-NUCLEAR FUEL	(62,963,775)	(40,861,208)
143	FAS 143 ASSETS - Legal Obligation	267,997,174	(879,927,884)
	SONGS Plant Closure - FAS 143 contra	(266,617,323)	(61,166,058)
	FIN 47 ASSETS - Non-Legal Obligation	63,278,916	26,029,081
143	FAS 143 ASSETS - Legal Obligation	0	(1,282,136,619)
	TOTAL FAS 143	64,658,767	(2,197,201,480)
	UTILITY PLANT TOTAL	14,637,116,041	3,576,924,688

Attachment D

**SOUTHERN CALIFORNIA GAS COMPANY
SUMMARY OF EARNINGS
THREE MONTHS ENDED MARCH 31, 2014
(DOLLARS IN MILLIONS)**

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Operating Revenue	\$1,085
2	Operating Expenses	<u>993</u>
3	Net Operating Income	<u><u>\$92</u></u>
4	Weighted Average Rate Base	\$3,765
5	Rate of Return*	8.02%

*Authorized Cost of Capital

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

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Operating Revenue	\$1,174
2	Operating Expenses	<u>1,040</u>
3	Net Operating Income	<u><u>\$134</u></u>
4	Weighted Average Rate Base	\$6,985
5	Rate of Return*	7.79%

*Authorized Cost of Capital