

152 FERC ¶ 61,233
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;
Philip D. Moeller, Cheryl A. LaFleur,
Tony Clark, and Colette D. Honorable.

San Diego Gas & Electric Company

Docket No. ER15-553-000

ORDER ON INFORMATIONAL FILING

(Issued September 25, 2015)

1. In this order, the Commission accepts San Diego Gas & Electric Company's (SDG&E) second annual informational filing (Cycle 2) made under its Fourth Transmission Owner Formula Rate (TO4 or TO4 Formula Rate), effective January 1, 2015.¹ The Commission also directs SDG&E to file an informational report within 30 days of the date of this order, as described herein.
2. SDG&E's TO4 Formula Rate was determined as part of a settlement (Settlement)² approved by the Commission on May 27, 2014.³ The Settlement requires, among other things, that SDG&E submit annual informational filings to the Commission showing the base transmission revenue requirements in effect for the succeeding calendar year.⁴ In

¹ The term "Cycle," as used in SDG&E's informational filing and this order, refers to the number of annual filings made under the formula rate in effect.

² SDG&E, Offer of Settlement, Docket No. ER13-941-000 (filed Feb. 4, 2014) (Settlement).

³ *San Diego Gas & Elec. Co.*, 147 FERC ¶ 61,150 (2014).

⁴ Settlement at 5.

addition, any party to the Settlement may challenge the justness and reasonableness of SDG&E's implementation of the TO4 Formula Rate,⁵ but not the formula itself.⁶

I. SDG&E's Cycle 2 Filing

3. SDG&E states that its TO4 Cycle 2 formula rate includes a revised base transmission revenue requirement reflecting the following components: (1) prior year revenue requirement for the 12-month period ending December 31, 2013; (2) forecast capital addition revenue requirement for a 24-month period covering 2014 and 2015, ending December 31, 2015; (3) true-up of actual costs from September 1, 2013 through December 1, 2013; and (4) final true-up for the 17-month period from April 1, 2012 through August 31, 2013. However, due to a recent audit performed by the Commission's staff, SDG&E states that some of these costs will change, requiring retroactive and prospective accounting adjustments.⁷

4. Under the TO4 Formula Rate, the Cycle 2 base transmission revenue requirement for wholesale customers of the California Independent System Operator Corporation (CAISO) is \$809.3 million, based upon total gross load of 20,876 Gwhs, for an overall unit rate of \$38.77/ Mwths. SDG&E states that this is a 54.93 percent increase over the Cycle 1 revenue requirement.⁸ The Cycle 2 base transmission revenue requirement for retail end-use customers is \$560.9 million or a 32.97 percent increase for the rate effective period.⁹ SDG&E states that the increase in transmission rates is due to various reasons, such as the inclusion of recorded costs of the Sunrise Powerlink transmission project in the 2013 Base Period, certain wildfire damage-related costs, and transmission plant additions forecasted for 2014 and 2015.¹⁰ The Cycle 2 base transmission revenue

⁵ *Id.* (citing SDG&E OATT, Appendix VIII, Formula Rate Protocols Sections C.4.d and C.4.g (Protocols)).

⁶ SDG&E December 1, 2014 Informational Filing at 1 (Transmittal).

⁷ *Id.* at 5 (citing Commission Letter Order Approving SDG&E's Audit Report, Docket No. FA12-8-000, June 10, 2014) (June 2014 Audit Report) (The costs at issue are within the "TO3 Final [True-up] Cost of Service Period, 2013 Prior Year Period and the 4-month TO4 Cycle 2 [True-up] cost of service period...").

⁸ *Id.* at 5.

⁹ *Id.* at 3.

¹⁰ *Id.* at 4-5.

requirement will remain in effect for the Rate Effective Period, which is January 1, 2015 through December 31, 2015.¹¹

II. Notice of Filings and Responsive Pleadings

5. Notice of SDG&E's Cycle 2 filing was published in the *Federal Register*, 79 Fed. Reg. 73,059 (2014), with interventions and protests due on or before December 22, 2014. Timely motions to intervene were filed by Six Cities,¹² Modesto Irrigation District, Northern California Power Agency, California Department of Water Resources State Water Project, and Transmission Agency of Northern California. On December 18, 2014, the M-S-R Public Power Agency and the City of Santa Clara, California (M-S-R/SVP) jointly filed a motion to intervene and comment, and on December 22, 2014, the California Public Utilities Commission (CPUC) filed a notice of intervention and comment. In response, on December 31, 2014, SDG&E filed an answer to the CPUC's comments, and subsequently, the CPUC filed an answer to SDG&E's answer. Also, on December 29, 2014, SDG&E filed an answer in response to the comments jointly filed by M-S-R/SPV.

6. On August 21, 2015, Commission staff issued a deficiency letter informing SDG&E that additional information was needed to process the filing. On August 26, 2015, SDG&E filed its response to the deficiency letter (Deficiency Response). No party filed comments following SDG&E's response.

III. Procedural Matters

7. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2014), the notice of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

8. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2014), prohibits an answer to a protest or an answer unless otherwise ordered by the decisional authority. We will accept SDG&E's and the CPUC's answers because they have provided information that assisted us in our decision-making process.

¹¹ *Id.* at 2.

¹² The Six Cities are the cities of Anaheim, Azusa, Banning, Colton, Pasadena and Riverside, CA.

A. Comments and Protests

9. In its comments, M-S-R/SVP states that any person may challenge SDG&E's implementation of the TO4 Formula under certain circumstances, such as to determine "whether the costs to be recovered through the base transmission revenue requirement have been accurately stated, properly recorded and accounted for pursuant to applicable

FERC accounting rules..."¹³ M-S-R/SVP states that on June 10, 2014, the Commission issued an audit report in Docket No. FA12-8, finding deficiencies with SDG&E's accounting practices.¹⁴ Specifically, according to M-S-R/SVP, the audit report found that SDG&E misclassified the non-labor "A&G department" costs, miscalculated the "AFUDC accrual calculation," and that SDG&E inappropriately assigned indirect expenses from its information technology department to various accounts.¹⁵ M-S-R/SVP asserts that these findings suggest the costs in the Cycle 2 filing are not properly recorded and accounted for pursuant to applicable Commission-approved accounting rules. Thus, M-S-R/SVP requests that the Commission direct SDG&E to make a compliance filing detailing how the accounting adjustments will alter the costs used in the Cycle 2 filing.¹⁶

10. In its comments, the CPUC argues that SDG&E's proposed transmission addition for the Fanita Junction project should be suspended. The CPUC explains that pursuant to the Settlement reached in SDG&E's TO4 Formula Rate proceeding in Docket No. ER13-941-000, SDG&E and the CPUC jointly selected an independent engineer to review the need for and costs of new transmission facilities that SDG&E proposes to include in its base transmission revenue requirement.¹⁷ According to the CPUC, the reviewing engineer recommended that SDG&E proceed with seven projects, alter five projects, and defer four projects, including the Fanita Junction project. The CPUC states that the reviewing engineer recommended that SDG&E defer the Fanita Junction project until a stronger need is demonstrated, or the associated congestion that the project is estimated to mitigate, justifies the cost of the project, which is \$37,187,000 million. Further, the

¹³ M-S-R/SVP December 18, 2014 Comments at P 7 (M-S-R/SVP Comments) (citing Protocols at Section C.4.d).

¹⁴ M-S-R/SVP Comments at P 13.

¹⁵ *Id.*

¹⁶ *Id.* at P 14.

¹⁷ CPUC Protest at 3 (citing *San Diego Gas & Elec. Co.*, 147 FERC ¶ 61,150).

CPUC adds, the reviewing engineer explained that in the past, SDG&E mitigated the transmission issue driving the need for the Fanita Junction project with operating solutions, such as changing generation dispatch.¹⁸ Thus, the CPUC argues, SDG&E's decision to proceed with the Fanita Junction project is imprudent and that including the project in rates would result in unjust and unreasonable rates, regardless of the fact that CAISO approved the Fanita Junction project in its transmission planning process in 2012.¹⁹

11. In regards to the costs associated with the 2007 wildfires, the CPUC asserts that SDG&E's filing does not clearly articulate the amount of costs that it seeks to recover in its rates.²⁰ Specifically, the CPUC asserts that SDG&E reflects the wildfire costs in various volumes, under various accounts, and during multiple timeframes, making it difficult for the CPUC to discern how much of such costs SDG&E is seeking to recover from ratepayers.²¹

12. In addition, the CPUC requests that the Commission hold in abeyance the recovery of the 2007 wildfire costs in the instant filing until after the United States Court of Appeals for the Ninth Circuit issues a decision on the CPUC's appeal of related Commission orders.²² The CPUC explains that in the Commission's proceeding on the TO4 Cycle 1 filing, it requested that the Commission hold in abeyance the consideration of the 2007 wildfire costs until after it reviews SDG&E's prospective request for retail rate recovery. According to the CPUC, reviewing the 2007 wildfire costs in this order is necessary to allow it to maintain its ability to act as an impartial decision-maker.²³ The CPUC states that after the Commission denied its motions, it appealed those decisions to the Ninth Circuit. Similarly, because SDG&E seeks cost recovery of the 2007 wildfire

¹⁸ *Id.* at 4.

¹⁹ *Id.* at 5.

²⁰ *Id.*

²¹ CPUC Protest at 5-6.

²² *Id.* at 6 -7 (citing *Cal. Pub. Util. Comm'n v FERC*, 9th Cir. No. 13-74361 (filed July 25, 2014)).

²³ *Id.* at 7.

costs instant proceeding, the CPUC argues that to preserve its ability to remain impartial, the recovery of such costs should be held in abeyance.²⁴

13. Further, the CPUC states that if its appeal is successful before the Ninth Circuit, the Commission should follow the Ninth Circuit's remand instructions in both the TO4 Cycle 1 proceeding and the instant proceeding.²⁵ The CPUC states that this approach would promote judicial economy and efficiency because the parties will not re-litigate the same issues first before the Commission and then possibly again before the Ninth Circuit. In addition, according to the CPUC, abeyance will not prejudice SDG&E, as the wildfire costs will accrue interest. Similarly, the CPUC asserts, abeyance will not prejudice ratepayers if the costs are collected subject to refund and accrue interest. In addition, the CPUC asserts that holding this proceeding in abeyance will improve its ability to represent ratepayer interests before the Commission, and allow for the cooperative federalism contemplated by Congress.²⁶

14. Lastly, the CPUC states that SDG&E still has not filed an application at the CPUC for retail rate recovery of its 2007 wildfire costs. The CPUC states that while SDG&E has unilateral control over whether it will request retail rate recovery of such costs, it anticipates that SDG&E will eventually make such request because SDG&E stated that it would do so in a filing with the Securities and Exchange Commission.²⁷

B. SDG&E's Answers to the Protests

15. SDG&E requests that the Commission deny M-S-R/SVP's request that it make a compliance filing demonstrating that the Cycle 2 filing complies with the findings in the June 2014 Audit Report.²⁸ SDG&E asserts that such a filing is premature because SDG&E is working on the adjustments, which it agreed to provide in detail to the Commission on May 15, 2015.²⁹ In addition, SDG&E explains, the audit adjustments will be reflected in its 2014 FERC Form 1, which is used to compile the Cycle 3 filing;

²⁴ *Id.* at 6-7.

²⁵ *Id.* at 7-8.

²⁶ *Id.* at 7.

²⁷ *Id.*

²⁸ SDG&E December 29, 2014 Answer to M-S-R/SVP at 2 (SDG&E Answer to M-S-R/SVP).

²⁹ *Id.* at 3.

therefore, SDG&E states, the adjustments will be reflected in the Cycle 3 filing, rather than the Cycle 2 filing.³⁰

16. SDG&E also requests that the Commission reject the CPUC's request to suspend the Fanita Junction project.³¹ SDG&E explains that it disagrees with the reviewing engineer's recommendation to suspend the project because (1) CAISO determined that the project is necessary to ensure transmission reliability and it approved the project's in-service date; (2) the project is necessary to resolve congestion that could materialize while the Sycamore-Penasquitos 230 kV line is under construction; and (3) the project will enhance transmission reliability and flexibility on SDG&E's transmission system.³²

17. Also, SDG&E argues that the Commission should reject the CPUC's request that it clarify the amount of 2007 wildfire costs that it proposes to recover in the TO4 Cycle 2 base transmission revenue requirement. SDG&E asserts that its informational filing clearly outlines the amount of wildfire costs that it seeks to recover for the TO4 Cycle 2 Rate Effective Period. Specifically, SDG&E explains that it is seeking to recover \$23.17 million, which is the sum of the total wildfire damages for the TO2 Cycle 2 four-month true-up and the TO3 17-month final true-up, as adjusted by the transmission salary and wage allocation factor.³³

18. Next, SDG&E disagrees with the CPUC's request to hold the instant proceeding in abeyance. First, SDG&E explains that in the TO3 Cycle 6 proceeding where it requested to recover the 2007 wildfire costs, the CPUC filed a motion requesting that the Commission hold the proceeding in abeyance until after the CPUC determined whether SDG&E may recover such costs in retail rates.³⁴ According to SDG&E, the CPUC's motion assumed that, at some point, SDG&E would seek recovery of wildfire-related costs from retail ratepayers for distribution service. Based on that assumption, SDG&E continues, the CPUC argued that it could not take a position in the TO3 Cycle 6 proceeding until after it has ruled on the merits of SDG&E's request to recover such costs in retail rates.³⁵ SDG&E states that as support for its motion, the CPUC claimed that

³⁰ *Id.*

³¹ SDG&E December 31, 2014 Answer to CPUC at 5 (SDG&E Answer to CPUC)

³² *Id.* at 4-5.

³³ SDG&E Answer to CPUC at 5-6.

³⁴ *Id.* at 7-8.

³⁵ *Id.*

holding the proceeding in abeyance “would (1) avoid prejudging the issues by the CPUC, (2) would promote judicial economy, and (3) would not prejudice to SDG&E.”³⁶ In response, SDG&E explains, the Chief Administrative Law Judge denied the CPUC’s motion and its subsequent motion for interlocutory appeal, which was affirmed by the Motion’s Commissioner.³⁷ Accordingly, SDG&E argues, because the CPUC uses the same arguments here, the Commission should deny its request to delay the determination on whether SDG&E appropriately included 2007 wildfire damages in the Cycle 2 filing.³⁸

19. Further, SDG&E argues, its ability to recover the 2007 wildfire costs is no longer subject to review.³⁹ SDG&E explains that the disputes in the TO3 Cycle 6 proceeding were resolved after its motion for summary disposition was granted by the Presiding Administrative Law Judge. According to SDG&E, in the order granting the motion, the Administrative Law Judge concluded that “both SDG&E’s evidence and the Trial Staff’s evidence confirm that SDG&E is entitled to recover the [w]ildfire [c]osts in transmission rates.”⁴⁰ SDG&E states that after the CPUC’s requests to hold the proceeding in abeyance was denied, it refused to participate in the proceeding, and it did not file an exception to the Presiding Administrative Law Judge’s decision or a petition for review of the Commission’s final decision.⁴¹ Accordingly, SDG&E argues, under *res judicata* and collateral estoppel, the determination in the TO3 Cycle 6 proceeding applies to the determination on whether 2007 wildfire damages should be recovered in the instant proceeding.⁴² In addition, SDG&E asserts that the CPUC does not cite to any cases that support its claim that it cannot litigate the inclusion of the wildfire damages at the Commission without prejudging the issue when SDG&E request retail rate recovery of

³⁶ *Id.* at 7.

³⁷ *Id.* at 7-11.

³⁸ *Id.* at 7.

³⁹ *Id.* at 12.

⁴⁰ SDG&E Answer to CPUC at 11 (citing *see San Diego Gas & Elec. Co.*, 146 FERC ¶ 63,017, at P 9 (2014)).

⁴¹ *Id.* at 11-12.

⁴² *Id.* at 13.

such damages. SDG&E asserts, however, that there is precedent supporting its position that the Commission should reject the CPUC's request.⁴³

20. Lastly, SDG&E argues that it is unclear as to what relief the CPUC is requesting. SDG&E asserts that the CPUC asks the Commission for various remedies, including holding the proceeding in abeyance until after it reviews SDG&E's prospective request to recover the 2007 wildfire costs from retail ratepayers, or after the Ninth Circuit issues a decision on the CPUC's appeal.⁴⁴

C. CPUC's Answers to SDG&E's Answer

21. The CPUC answers that its protest clearly articulates the relief that it is seeking,⁴⁵ and that SDG&E wrongly argues that *res judicata* and collateral estoppel bar the CPUC from the relief it seeks here because SDG&E is seeking recovery of different costs in this proceeding and the CPUC did not previously litigate the prudence of the 2007 wildfire damage costs.⁴⁶ Lastly, the CPUC requests the Commission establish a hearing to resolve the dispute over whether the Fanita Junction project should be suspended.⁴⁷

D. Deficiency Letter and Deficiency Response

22. On August 21, 2015, Commission staff issued a deficiency letter to SDG&E seeking additional information regarding SDG&E's TO4 Cycle 2 informational filing. Specifically, the Commission requested that SDG&E (1) describe any communication

⁴³ *Id.* (citing *Central Vermont Pub. Serv. Corp.*, 40 FERC ¶ 61,258 (1987)). According to SDG&E, the Commission found in this order that the "perceived state law constraint on a public utility commission's ability to comment in a Commission proceeding did not merit delaying the Commission from carrying out its statutory obligations."

⁴⁴ *Id.* at 3.

⁴⁵ CPUC January 9, 2015 Answer at 2-3 (citing CPUC Protest at 8) (requesting that the Commission (1) suspend the effective date of SDG&E's proposed rate increase for five months, (2) make the rates subject to refund and subject to the outcome of its appeal to Ninth Circuit, and (3) set the case for hearing without limitation as to the other issues to be litigated) (CPUC Answer).

⁴⁶ CPUC Answer at 4.

⁴⁷ CPUC Answer at 2-3.

between SDG&E and CAISO regarding the need for the Fanita Junction project, given that the Fanita Junction project was last listed in the CAISO Transmission Plan in 2012, and (2) provide the original schedule, revised schedule, and explain the current status of the Fanita Junction project.

23. On August 26, 2015, SDG&E submitted its Deficiency Response. SDG&E states that “once [a] need was established and approved in CAISO’s 2010 Transmission Plan, SDG&E had no further communication regarding [such] need with CAISO.”⁴⁸ SDG&E states that it sought the initial requisite authorizations to build the Fanita Junction project from the military in November 2011. SDG&E states that upon receiving the necessary approval from the military in November 2012, it was then able to submit an advice letter to the CPUC on December 12, 2012 for authorization to build the Fanita Junction project. According to SDG&E, the CPUC did not issue its final approval until June 9, 2014, which was 18 months after filing. SDG&E states that once it received final approval from the CPUC, it began construction of the Fanita Junction project on November 10, 2014, and the project was energized and placed in service on June 1, 2015.⁴⁹ No party filed comments following SDG&E’s response.

IV. Discussion

24. We accept SDG&E’s TO4 Cycle 2 filing, and we direct SDG&E to file an informational report, as discussed below. As provided in the Settlement, parties may protest SDG&E’s TO4 Cycle 2 informational filing, but only in certain respects.⁵⁰ In particular, a party may protest “whether the costs to be recovered through base transmission revenue requirement have been accurately stated, [and] properly recorded and accounted for pursuant to applicable FERC accounting rules....”⁵¹ As M-S-R/SVP states in its protest, the June 2014 Audit Report found certain deficiencies with SDG&E’s accounting practices; therefore, M-S-R/SVP requests that SDG&E should explain how the adjustments will impact the instant filing. We find that M-S-R/SVP’s request is reasonable, and note that SDG&E explicitly states in the instant filing that some of the costs comprising the Cycle 2 filing will change. Specifically, SDG&E states that “[d]ue to a recent FERC Audit, some of the costs in the ... 2013 Prior Year Period and the

⁴⁸ Deficiency Response at 3.

⁴⁹ SDG&E Deficiency Response at 3, Exhibit No. SDG-2.

⁵⁰ Protocols at Section C.4.d.

⁵¹ M-S-R/SVP Comments at P 7 (citing Protocols at Section C.4.d).

4-month TO4 Cycle 2 TU cost of service period will change.”⁵² Accordingly, we direct SDG&E to file, within 30 days of the date of this order, an informational report stating how the adjustments that it makes to comply with the June 2014 Audit Report will impact components of the Cycle 2 filing, including whether and to what extent SDG&E will be required to issue refunds.⁵³

25. We reject the CPUC’s request to convene a hearing to decide the prudence of the Fanita Junction project. According to SDG&E’s deficiency letter response, the CPUC approved the Fanita Junction project roughly six months prior to its protest in this docket.⁵⁴ Further, we find that SDG&E has supported its decision to proceed with the project by explaining that the project is necessary to prevent congestion during construction of the Sycamore-Penasquitos 230 kV line and also explaining that CAISO determined in its transmission planning process that the project is necessary to ensure transmission reliability. Finally, we note that the project has been energized and in-service since July 1, 2015.⁵⁵ Thus, we find that SDG&E’s inclusion of the Fanita Junction project in its forecast of project additions in 2014-2015 is just and reasonable.

26. Also, we reject the CPUC’s request to hold the proceeding in abeyance until the Ninth Circuit acts in the appeal in Docket No. ER12-2454-000. We are unpersuaded that the CPUC is at risk of prejudging the issues if it participates in a proceeding before the Commission prior to reviewing the same issues in its forum. In fact, in its comments to the TO6 Cycle 3 filing, the CPUC did not indicate that its participation would result in prejudging issues concerning whether SDG&E may recover in its TO6 Cycle 3 base transmission revenue requirement “uninsured damages as a result of fires that destroyed property in 2007.”⁵⁶ Instead, the CPUC specifically asked the Commission to “set [the] matter for an evidentiary hearing as to whether SDG&E has met its burden as to the reasonableness of the proposed rate recovery of these costs.”⁵⁷ In addition, the CPUC

⁵² Transmittal at 5.

⁵³ This report, as an informational report, will not be noticed for comment, or require Commission action.

⁵⁴ SDG&E Deficiency Response at 3, Exhibit No. SDG-2.

⁵⁵ SDG&E Deficiency Response at Exhibit No. SDG-2.

⁵⁶ CPUC, Motion to Intervene and Protest, Docket No. ER12-2454-000 at 7 (filed Sept. 4, 2012).

⁵⁷ *Id.* at 8.

requested “the opportunity to challenge the costs in question.”⁵⁸ In any event, we are loathe to hold our proceedings in abeyance solely to accommodate a party that may be involved in other proceedings of its own, including a state commission that wishes to pursue a matter first before the Commission addresses the matter.

27. Further, because the CPUC does not aver that SDG&E is required by law to file for retail-rate recovery of the 2007 wildfire damages, the potential exists for this proceeding to be held in abeyance for an indefinite period of time, frustrating the terms of the Settlement, which require SDG&E to annually update its base transmission revenue requirement.⁵⁹ Notwithstanding the CPUC’s argument that the Ninth Circuit has not yet acted on its pending petition for review, we find that delaying this proceeding on the assumption that the Commission’s previous decisions (discussed above) denying the CPUC’s interlocutory appeal and denying the CPUC’s request for rehearing of a Commission notice will be remanded by the Ninth Circuit is speculative⁶⁰ and we therefore reject the CPUC’s argument in this regard.

⁵⁸ *Id.*

⁵⁹ TO4 Formula Rate is effective from September 1, 2013 to December 31, 2015. For this time period, SDG&E is required to submit to the Commission, on or before December 1 of each year, an annual information filing stating the effective rates for the each respective Rate Effective Period. Settlement, Section C, Procedures for Updating the Base Transmission Revenue Requirement.

⁶⁰ *Duke Power*, 117 FERC ¶ 61,303, at PP 5-7 (2006) (citing *See Papago Tribal Utility Authority v. FERC*, 628 F.2d 235, 238-39 (D.C. Cir. 1980), *cert. denied*, 449 U.S. 1061 (1980) (citing *Cities Service Gas Co. v. FPC*, 255 F.2d 860, 863 (10th Cir. 1958), *cert. denied*, 358 U.S. 837 (1958)); *Cities of Riverside and Colton v. FERC*, 765 F.2d 1434, 1438 (9th Cir. 1985) (finding that an interlocutory decision is not subject to rehearing as it is not the agency’s final decision)).

The Commission orders:

(A) SDG&E's TO 4 Cycle 2 filing is hereby accepted for filing to become effective January 1, 2015, as requested.

(B) SDG&E is hereby directed to submit, within 30 days, a report demonstrating how the adjustments it makes to comply with the June 2014 Audit Report will impact the TO4 Cycle 2 filing, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.