Company: San Diego Gas & Electric Company

Application: 17-09-_____ Exhibit No: SDG&E-_____

PREPARED DIRECT TESTIMONY OF

JENNY PHAN

ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY

CHAPTER 6

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

SEPTEMBER 13, 2017



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1 PREPARED DIRECT TESTIMONY OF 2 **JENNY PHAN** 3 CHAPTER 6 4 I. **INTRODUCTION** 5 The purpose of my testimony is to present the cost recovery mechanism for San Diego 6 Gas & Electric Company's (SDG&E) specific project and rate proposals set forth in this 7 Application. 8 II. PORT ENERGY MANAGEMENT PLAN BALANCING ACCOUNT 9 SDG&E requests authority to establish the Port Energy Management Plan Balancing 10 Accounts (PEMPBA) to record electric and gas revenues and costs associated with SDG&E's 11 specific proposals in this Application, specifically: 12 1. The Electric Shore Power Rate Discount described in the testimony of SDG&E 13 witness Cynthia Fang (Chapter 4); 14 2. The Energy Efficiency (EE) Proposal described in the testimony of SDG&E 15 witness Paul Pruschki (Chapter 2); and 3. The Enhanced Partnership Proposal (EPP) described in the testimony of SDG&E 16 17 witness Julia Mendoza (Chapter 3). SDG&E asserts that a two-way interest bearing balancing account mechanism is 18 19 reasonable because it allows the utility to compare the authorized revenue to actual costs, thereby 20 ensuring that ratepayers are charged for only actual costs and refunded any overcollections. In 21 turn, the utility does not make or lose money due to uncertainties in the scope of the work. 22 The PEMPBA is needed to record electric and gas revenue and incremental costs (i.e., 23 incremental to existing company resources) associated with the three proposals described above. 24 Specifically, SDG&E proposes that the PEMPBA-Electric records the Electric Shore Power Rate 25 Discount and the electric portion of the incremental operations and maintenance (O&M) costs

1 associated with the specialized EE measures component of the EE Proposal and the EPP 2 Proposal in three separate subaccounts and the PEMPBA-Gas to record the gas portion of the 3 incremental O&M costs associated with the specialized EE measures component of the EE 4 Proposal and the EPP Proposal in two separate subaccounts. As described in the prepared direct 5 testimonies of Cynthia Fang and Michael Foster (Chapters 4 and 5), and consistent with current 6 public policy programs, such as California Alternate Rates for Energy (CARE) and Low-Income 7 Energy Efficiency, SDG&E proposes to recover both the electric and gas portion of the above 8 costs through Public Purpose Programs (PPP) rates from all customers. In addition, SDG&E also 9 proposes that these balancing accounts record the authorized revenue requirement associated 10 with the incremental O&M costs for the EE and EPP Proposals.

The disposition of these accounts will be addressed annually in SDG&E's Annual Electric and Gas Public Purpose Programs filings. These filings will be a Tier 2 advice letter and will only be implemented upon approval by the Commission.

This concludes my direct testimony.

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III. QUALIFICATIONS

My name is Jenny Phan. I am employed by SDG&E as a Principal Regulatory Accounts Advisor in the Regulatory Accounts Department. My business address is 8330 Century Park Court, San Diego, CA 92123.

I graduated from the University of Quebec in Montreal in 1996 with a Bachelor of Science degree in Accounting. I have been a Chartered Professional Accountant from Canada since 2001.

I have been employed by SDG&E and Sempra Energy since April 2005. In addition to my current role in Regulatory Accounts, I have held various positions with increasing responsibility including a Senior Accountant II position in the Accounting Operations department at SDG&E and a Senior Trust Accountant position in the Compensation and Benefits department at Sempra Energy. Prior to joining SDG&E and Sempra Energy, I worked for large companies in Canada preparing monthly financial statements, regulatory reports and accounting analysis. In my current position, my responsibilities include the development, implementation and analysis of regulatory balancing and memorandum accounts.

I have previously submitted testimony to the California Public Utilities Commission, but have not testified.