

Application No.: A.17-04-016  
Exhibit No.: \_\_\_\_\_  
Witness: Monica V. Chihwaro

**UPDATED PREPARED DIRECT TESTIMONY OF**  
**MONICA V. CHIHWARO**  
**ON BEHALF OF**  
**SAN DIEGO GAS & ELECTRIC COMPANY**

***\*\*redacted, public version\*\****

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

**November 9~~April 14~~, 2017**



**TABLE OF CONTENTS**

**I. PURPOSE AND OVERVIEW.....1**

**II. ACCOUNTING FOR DIRECT GHG EMISSIONS .....1**

**III. QUALIFICATIONS .....2**

**ATTACHMENT A**

1 **UPDATED PREPARED DIRECT TESTIMONY OF**

2 **MONICA V. CHIHWARO ON BEHALF OF**

3 **SAN DIEGO GAS & ELECTRIC COMPANY**

4 **I. PURPOSE AND OVERVIEW**

5 This testimony presents San Diego Gas & Electric Company's ("SDG&E") accounting  
6 procedure used to record the GHG Compliance Instrument Costs that are described in the  
7 testimony of SDG&E witness Ana Garza-Beutz.

8 **II. ACCOUNTING FOR DIRECT GHG EMISSIONS**

9 As described in the direct testimony of Ana Garza-Beutz, SDG&E values its purchased  
10 GHG compliance instruments on a monthly basis using the Weighted Average Cost of Compliance  
11 Instruments ("WAC") by compliance period, in accordance with D.14-10-033, as corrected by  
12 D.15.01-024. The SDG&E Utility Accounting Department recorded GHG costs in the ERRA  
13 balancing account based on data detailing actual GHG emissions and WAC calculations provided  
14 by Ms. Garza-Beutz. More specifically, the Utility Accounting Department took the total monthly  
15 emissions and multiplied that amount by the WAC for each month. The product comprised the  
16 direct GHG costs and was booked as an expense. SDG&E recognized the expense of the costs of  
17 GHG compliance instruments for ERRA balancing account purposes as it emits GHG and incurs a  
18 liability to the California Air and Resources Board ("CARB"). Each month, as monthly emissions  
19 were reported, the Utility Accounting Department recorded the costs for the current month. If  
20 reported emission amounts from previous months were revised, then the Utility Accounting  
21 Department updated the current month's expense to reflect the true-up of costs associated with the  
22 revised emission amounts from prior months.

23 Recorded GHG Direct Compliance costs expensed in the ERRA balancing account for the  
24 year ended December 31, 2016 were [REDACTED] million which includes amounts expensed to true-up

1 2015 and 2016 emissions costs. Recorded GHG Direct Compliance costs expensed in the ERRA  
2 balancing account for the year-to-date period ended September 30, 2017 were [REDACTED] million  
3 which includes amounts expensed to true-up 2015 and 2016 emissions costs. See attachment “A”  
4 for summary of these transactions.

5 This concludes my prepared direct testimony.

### 6 **III. QUALIFICATIONS**

7 My name is Monica V. Chihwaro. My business address is 8315 Century Park Court, San  
8 Diego, CA 92123~~488 8<sup>th</sup> Avenue, San Diego, California, 92101~~. I am employed by SDG&E as  
9 a Financial Accounting Manager in their Utility Accounting Department. My responsibilities  
10 include reviewing journal entries recorded to prepare financial statements, which include GHG-  
11 related accounts.

12 I joined SDG&E in July 1996, and since that time, I have held various positions within  
13 Sempra Energy companies, including Corporate Development Manager, Audit Services  
14 Manager, and Financial Reporting Manager at Sempra Energy. I rejoined SDG&E in November  
15 2013.

16 I received a Bachelor of Science degree in Business Administration with an emphasis in  
17 Accounting from San Diego State University. I am also a Certified Public Accountant licensed  
18 in the state of California.

## ATTACHMENT A

**Attachment A**

| <u>Year Recorded</u>          | <u>Compliance Year</u> | <u>Accrual-based Actual GHG Direct Compliance Costs<sup>(1)</sup></u> | <u>Recorded in ERRA-GHG Direct Compliance Costs</u> |
|-------------------------------|------------------------|---|---|
| 2015                          | 2015                   | [REDACTED] (2)  | [REDACTED] (3)                                      |
| <u>Total as of 12/31/2015</u> |                        | <u>\$ 39,600,084</u>  | <u>\$ 35,889,053</u>                                |
| 2016                          | 2015                   | [REDACTED] (2)  | [REDACTED] (4)                                      |
| 2016                          | 2016                   | [REDACTED] (2)  | [REDACTED] (5)                                      |
| <u>Total as of 12/31/2016</u> |                        | <u>\$ 32,391,310</u>  | <u>\$ 33,445,432</u>                                |
| 2017                          | 2015                   | [REDACTED] (2)  | [REDACTED] (4)                                      |
| 2017                          | 2016                   | [REDACTED] (2)  | [REDACTED] (6)                                      |
| 2017                          | 2017                   | [REDACTED] (2)  | [REDACTED] (7)                                      |
| <u>Total as of 9/30/2017</u>  |                        | <u>\$ 22,690,912</u>  | <u>\$ 25,347,970</u>                                |

(1) Estimated-actuals provided to Utility Accounting as of 10/3/2017 for reporting as of 9/30/2017.

(2) Total expense calculated for the period January 2015 through December 2015; January 2016 through December 2016; and January 2017 through September 2017, according to Ms. Ana Garza-Beutz' testimony, Section IV. Actual GHG Compliance Costs, C. GHG Costs

(3) Expense recorded in 2015 for estimated-actuals provided as of 1/7/2016 for reporting period 1/1/2015 through 12/31/2015.

(4) Expense recorded in 2016 and 2017 to true-up 2015 GHG direct costs.

(5) Expense recorded in 2016 for estimated-actuals provided as of 1/4/2017 for reporting period 1/1/2016 through 12/31/2016.

(6) Expense recorded in 2017 to true-up 2016 GHG direct costs.

(7) Expense recorded in 2017 for estimated-actuals provided as of 10/3/2017 for reporting period 1/1/2017 through 9/30/2017.

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

**DECLARATION OF MONICA V. CHIHWARO  
REGARDING CONFIDENTIALITY OF CERTAIN DATA**

**A.17-04-016**

Application of San Diego Gas & Electric Company (U 902-E)  
for Approval of Its 2018 Electric Procurement Revenue Requirement Forecasts and GHG-  
Related Forecasts

I, Monica V. Chihwaro, declare as follows:

1. I am a Financial Accounting Manager in the Utility Accounting Department for San Diego Gas & Electric Company (“SDG&E”). I have reviewed my Prepared Direct Testimony (“Testimony”) in support of SDG&E’s November 8, 2017 Application for Approval of its 2018 Electric Procurement Revenue Requirement Forecasts and GHG-Related Forecasts (“Application”). I am familiar with the facts and representations in this declaration, and if called upon to testify I could and would testify to the following based upon personal knowledge, except for those matters expressly stated to be based on information provided to me, and as to those matters, I believe them to be true.

2. I am providing this Declaration to demonstrate that the confidential information (“Protected Information”) in support of the referenced Application falls within the scope of data provided confidential treatment in the IOU Matrix (“Matrix”) attached to the Commission’s Decision (“D.”) 06-06-066 (the Phase I Confidentiality decision). Pursuant to the procedure adopted in D.08-04-023, I am addressing each of the following five features of Ordering Paragraph 2 of D.06-06-066:

- that the material constitutes a particular type of data listed in the Matrix;
- the category or categories in the Matrix the data correspond to;
- that SDG&E is complying with the limitations on confidentiality specified in the Matrix for that type of data;
- that the information is not already public; and
- that the data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure.

**CONFIDENTIAL PURSUANT TO APPLICABLE PROVISIONS OF  
D.06-06-066, D.14-10-033, GO 66-C, P.U. CODE §§ 454.5(g), 583 AND 17 CCR § 95914(c)**

3. The data described in Table 1 below is market sensitive information designated as confidential under the Matrix of Allowed Confidential Treatment of Investor Owned Utility Data, adopted as Appendix 1 to D.06-06-066, and is entitled to confidential treatment under Public Utilities Code (“P.U. Code”) section 454.5(g), D.06-06-066 and D.08-04-023:

**Table 1  
Information Protected from Disclosure Under the Matrix**

| <b>Confidential Information</b>   | <b>Matrix Category</b> | <b>Matrix Category Description</b>            | <b>Limitations on Confidentiality</b> |
|---|------------------------|---|---------------------------------------|
| Testimony at page MVC-1 and MVC-2; and at Appendix A-1<br><br>(Historical greenhouse gas (“GHG”) Direct Costs and Calculations) | I.A.4                  | Long-term fuel (gas) buying and hedging plans | 3 years                               |

4. In addition, the data described in Table 2 below does not expressly fall within any category of the Matrix, is market sensitive information analogous to Procurement Costs, Category XI in the Matrix, and is entitled to confidential treatment under D.06-06-066, D.08-04-023, P.U. Code section 454.5(g), General Order (“GO”) 66-C, 17 CCR § 95914(c) (the “ARB Confidentiality Regulation”) and D.14-10-033. Among other things, the ARB Confidentiality Regulation requires bidding strategies to be confidential. Since SDG&E’s historical auction awards and historical consignment strategies reveal SDG&E’s prior bidding/consignment strategies, prior auction results are required to be kept confidential. In addition, D.14-10-033 requires forecasts of emissions intensity, forecasts of GHG costs, compliance instrument prices and weight average cost (“WAC”) to be kept confidential:



**Table 2  
Information Protected from Disclosure Under Other Relevant Statutes, Decisions,  
Regulations or Other Provisions of Law**

| <b>Confidential Information</b>  | <b>Legal Basis for Confidential Protection</b>  | <b>Facts Showing consequence of Release</b>  |
|--|---|--|
| Testimony at page MVC-1 and MVC-2; and at Appendix A-1<br><br>(Historical GHG Direct Costs and Calculations) | D.06-06-066, D.08-04-023, P.U. Code § 454.5(g), GO 66-C, 17 CCR § 95914(c), and D.14-10-033 | Providing this information to market participants would allow them to know SDG&E's historical GHG obligations and market position which could adversely impact the competitiveness of procurement activities in California's Assembly Bill ("AB") 32 cap-and-trade markets. Further, release of the information would compromise SDG&E's contractual bargaining power such that customer costs are likely to rise. |

5. I am not aware of any instances where the confidential information described in my testimony was disclosed to the public.

6. SDG&E will comply with the limitations on confidentiality specified in the Matrix for the Protected Information.

7. The Protected Information cannot be provided in a form that is aggregated, partially redacted, or summarized, masked or otherwise protected in a manner that would allow further disclosure of the data while still protecting confidential information.

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

Executed this 8th day of November 2017, at San Diego, California.



\_\_\_\_\_  
 Monica V. Chihwaro  
 Financial Accounting Manager  
 San Diego Gas & Electric Company