

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

**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**

**April 14, 2017**



**TABLE OF CONTENTS**

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

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

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

**ATTACHMENT A**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22

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

**I. PURPOSE AND OVERVIEW**

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

**II. ACCOUNTING FOR DIRECT GHG EMISSIONS**

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

1 Recorded GHG Direct Compliance costs expensed in the ERRA balancing account for the  
2 year ended December 31, 2016 were [REDACTED] million which includes amounts expensed to true-up  
3 2015 and 2016 emissions costs. See attachment "A" for summary of these transactions.

4 This concludes my prepared direct testimony.

5 **III. QUALIFICATIONS**

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

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

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

## ATTACHMENT A

**Attachment A**

<u>Year Recorded</u>	<u>Accrual-based Actual GHG Direct Compliance Costs<sup>(1)(2)</sup></u>	<u>Recorded in ERRA- GHG Direct Compliance Costs</u>
2016		[REDACTED] <sup>(3)</sup>
2016	[REDACTED] <sup>(4)</sup>	[REDACTED] <sup>(5)</sup>
<u>Total as of 12/31/2016</u>	<u>\$ 29,724,245</u>	<u>\$ 33,445,432</u>

(1) Estimated-actuals provided to Financial Accounting as of 01/04/2017 for reporting as of 12/31/2016.

(2) The 2015 volumes and costs became final in September 2016 and were reported as part of SDG&E's Updated 2017 ERRA Forecast Filing (A.16-04-018); thus the 2015 costs are not reported in this testimony.

(3) Expense recorded in 2016 to true-up 2015 costs that became final in September 2016.

(4) Total expense calculated for the period January 2016 through December 2016. See also Template D-2, Line 16, Recorded 2016 costs.

(5) Expense recorded in 2016 for 2016 estimated-actuals provided as of 01/04/2017.

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

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

**A.17-04-\_\_**

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 April 14, 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.

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 2; and at Appendix A-1  (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 2; and at Appendix A-1  (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 14th day of April, 2017, at San Diego, California.

  
\_\_\_\_\_  
Mónica Vázquez Chihwano  
Financial Accounting Manager  
San Diego Gas & Electric Company