Application No.: A.16-04-
Exhibit No.:
Witness: Norma G. Jasso

PREPARED DIRECT TESTIMONY OF

NORMA G. JASSO

ON BEHALF OF

SAN DIEGO GAS & ELECTRIC COMPANY

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

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

April 15, 2016

TABLE OF CONTENTS

PREPARED DIRECT TESTIMONY OF

NORMA G. JASSO

ON BEHALF OF

SAN DIEGO GAS & ELECTRIC COMPANY

I. INTRODUCTION

The purpose of my testimony is to address cost recovery related to San Diego Gas & Electric Company's ("SDG&E's") Energy Resource Recovery Account ("ERRA"), Competition Transition Charge ("CTC"), and Local Generation ("LG") revenue requirements. More specifically, my testimony:

- describes SDG&E's ERRA, Transition Cost Balancing Account ("TCBA"), and Local Generating Balancing Account ("LGBA");
- sets forth SDG&E's forecasted 2017 ERRA, CTC, and LG revenue requirements; and
- requests recovery of the December 31, 2014 LGBA undercollected balance of $5.4 million and $0.3 million undercollection in the Market Redesign Technology Upgrade Memorandum Account (MRTUMA).

In addition, my testimony presents the comparison between the recorded 2015 year-end balances with the actual 2015 year-end balances in the GHG allowance revenues and expenses balancing accounts. Finally, my testimony requests cost recovery of the San Onofre Nuclear Generating Station ("SONGS") Unit 1 Offsite Spent Fuel Storage costs as described in Section VII below.

II. BACKGROUND

Pursuant to California Public Utilities Commission ("Commission") Decisions ("D.") 02-10-062 and D.02-12-074, the purpose of the ERRA balancing account is to provide full recovery of SDG&E's energy procurement costs associated with serving SDG&E's bundled service customers. Energy procurement costs include expenses associated with the California Independent System Operator ("CAISO") energy and ancillary services load charges, CAISO revenues from utility generation and supply contracts, contract costs, generation fuel costs, CAISO-related costs, hedging costs, and previously approved equity re-balancing costs related to the financial statement consolidation under Accounting Standards Codification 810 ("ASC 810"),[1] formerly referred to as FIN 46(R), of the Otay Mesa Energy Center ("OMEC"). The ERRA records revenues from SDG&E's Electric Energy Commodity Cost ("EECC") rate schedule, adjusted to exclude commodity revenues assigned to the Non-Fuel Generation Balancing Account ("NGBA"),[2] and other Commission approved adjustments.

The purpose of the TCBA is to accrue all CTC revenues and recover all CTC-eligible generation-related costs. Pursuant to D.02-12-074 and D.02-11-022, payments to Qualifying Facilities ("QFs") that are above the market benchmark proxy are charged to the TCBA. Eligible CTC expenses[3] reflect the difference between the market proxy and the contract price of costs associated with certain QF contracts.

The purpose of the LGBA is to record the revenues and costs of generation where the Commission has determined that the resource is subject to the Cost Allocation Mechanism ("CAM"). Such generation may take the form of purchase power agreements, as well as

[1] ASC 810, effective January 1, 2010, amended Financial Accounting Standards Board ("FASB") Interpretation No. 46(R).
[2] In compliance with D.03-12-063, the NGBA became effective January 1, 2004.
[3] Expenses eligible for CTC recovery are defined by Assembly Bill ("AB") 1890.

company-owned generation units associated with new generation resources, and any other resources approved by the Commission for CAM treatment.

III. 2017 ERRA, CTC, AND LG REVENUE REQUIREMENT FORECASTS

As shown in Table 1 below, SDG&E's 2017 ERRA revenue requirement forecast is $1,295.038 million, including forecasted GHG costs as well as franchise fees and uncollectibles ("FF&U"). The direct testimony of SDG&E witness Benjamin A. Montoya provides a detailed discussion of the Greenhouse Gas ("GHG") costs.

TABLE 1 - ERRA REVENUE REQUIREMENT
($Millions of Dollars)

No.	Component	2017 Forecast	2016 Forecast	Change from Prior Year
1.	Load ISO Charges	[redacted]		
2.	Supply ISO Revenues	[redacted]		
3.	Contract Costs (non-CTC)	[redacted]		
4.	Contract Costs (CTC up to market)	[redacted]		
5.	Generation Fuel	[redacted]		
6.	Net Supply ISO Revenues	[redacted]		
7.	Equity Re-balancing Costs	[redacted]		
8.	CAISO Misc. Costs	[redacted]		
9.	Hedging Costs	[redacted]		
10.	Direct and Indirect GHG Costs	[redacted]		
11.	**Subtotal**	1,279.455	1,292.965	(13.510)
12.	FF&U[4]	15,582	15.747	(0.165)
13.	**TOTAL**	1,295.038	1,308.712	(13.674)

[4] The 2016 and 2015 Forecasts reflect the combined franchise fee (1.031%) and uncollectible (0.174%) expense approved in D.13-05-010 (SDG&E 2012 GRC) such that 1/((1-0.00174)-((1-0.00174)*0.01031)) = 1.012179 gross-up factor.

While the GHG Forecast was formerly filed in a separate application, SDG&E began including the GHG Forecast within the ERRA Forecast beginning in 2016 (Application 15-04-014), in accordance with D.14-10-033. Consistent with that approach, the 2017 GHG Forecast is included in this ERRA Forecast Application.

The forecasted cost components set forth in the line items contained in Table 1 above, and the reasons for the $13.674 million decrease in the 2017 ERRA revenue requirement forecast – as compared to the 2016 ERRA revenue requirement (as submitted in the 2016 Forecast) – are addressed in detail in Mr. Montoya's testimony.

SDG&E's 2017 ERRA revenue requirement forecast includes the fuel costs for its electric generation facilities, including Miramar Energy Facility I ("Miramar I"), Miramar Energy Facility II ("Miramar II"), Palomar Energy Center ("Palomar"), Desert Star Energy Center ("Desert Star"), and the Cuyamaca Peak Energy Plant ("Cuyamaca"). The actual fuel costs of Miramar I, Miramar II, Palomar, Desert Star, and Cuyamaca are recorded in the ERRA for recovery through commodity rates. SDG&E's non-fuel costs for these facilities are recorded in the NGBA and also recovered through SDG&E's commodity rates.

As shown in Table 2 below, SDG&E's 2017 CTC revenue requirement forecast is $22.662 million, including FF&U.

TABLE 2 - CTC REVENUE REQUIREMENT
($Millions of Dollars)

No.	Component	2017 Forecast	2016 Forecast	Change from Prior Year
1.	QF Contracts	22.389	24.172	(1.782)
2.	FF&U[5]	0.273	0.294	(0.022)
3.	**TOTAL**	**22.662**	**24.466**	**(1.804)**

[5] The 2016 and 2015 Forecasts reflect the combined franchise fee (1.031%) and uncollectible (0.174%) expense approved in D.13-05-010 (SDG&E 2012 GRC) such that 1/((1-0.00174)-((1-0.00174)*0.01031)) = 1.012179 gross-up factor.

For CTC eligible purchase power contracts, the power purchased is recorded to the ERRA at the market proxy of $46.54/MWh. The difference between the actual contract price and the market proxy is included in the 2017 CTC forecast and recorded to the TCBA. SDG&E witness Yvonne M. Le Mieux discusses the market proxy of $46.54/MWh in greater detail.

The LGBA was authorized in D.13-03-029 and established in Advice Letter ("AL") 2499-E, which was approved on August 9, 2013. As shown in Table 3 below, SDG&E's 2017 LG revenue requirement forecast is $60.255 million, including FF&U.

TABLE 3 - LG REVENUE REQUIREMENT
($Millions of Dollars)

No.	Component	2017 Forecast	2016 Forecast	Change from Prior Year
1.	Escondido Energy Center	7.334	7.288	0.046
2.	Pio Pico Energy Center	43.714	0	43.714
3.	Carlsbad Energy Center	19.567	0	19.567
4.	Direct GHG Costs	1.984	0	1.984
5.	LG Revenue	(13.069)	(0.214)	(12.855)
6.	FF&U[6]	0.725	0.086	0.639
7.	**TOTAL**	**60.255**	**7.160**	**53.095**

The LGBA records the LG costs and the revenues received from SDG&E's Local Generation Charge ("LGC") rate. On a monthly basis, the LGBA compares the LG costs with the revenues received. Interest is applied to any over- or under-collected balance at the three-month Commercial Paper rate. The LGBA utilizes sub-accounts for each generation resource. As shown on Table 3 and detailed in witness Montoya's testimony, two new contracts – Pio Pico Energy Center and Carlsbad Energy Center – will provide additional local generation in 2017.

[6] The 2016 and 2015 Forecasts reflect the combined franchise fee (1.031%) and uncollectible expense (0.174%) approved in D.13-05-010 (SDG&E 2012 GRC) such that 1/((1-0.00174)-((1-0.00174)*0.01031)) = 1.012179 gross-up factor.

Previously, the only generation resource recorded in the LGBA was the Escondido Energy Center and the 2016 cost was presented net of supply ISO revenue.[7]

IV. COST RECOVERY OF LGBA AND MRTUMA UNDERCOLLECTIONS

In SDG&E's 2014 ERRA Compliance Application (A. 15-06-002), SDG&E presented a monthly summary of accounting entries recorded to the LGBA during 2014, resulting in a year-end undercollected balance of $5.4 million. In that application, SDG&E proposed to request cost recovery in this 2017 ERRA Forecast Application. Accordingly, SDG&E seeks recovery of the 2014 year-end balance, pending disposition of A.15-06-002.

In the same Application, SDG&E presented a $0.3 million tax-related prior period adjustment recorded in the MRTUMA and also proposed to request cost recovery in this 2017 ERRA Forecast Application. Accordingly, SDG&E seeks recovery of $0.3 million of MRTUMA costs (including accrued interest forecast through December 31, 2016), pending disposition of A.15-06-002.

V. COMPARISON OF 2015 RECORDED VS ACTUAL YEAR-END BALANCES IN GHG BALANCING ACCOUNTS

In accordance with Findings of Fact ("FOF") 13 of D.14-10-033, utilities must reconcile forecast amounts with recorded amounts until all actuals are available for the forecast year. Consistent with this methodology, SDG&E is providing in Table 4 below a comparison of the 2015 year-end recorded/forecasted balances with the 2015 year-end actual balances in three GHG balancing accounts. More specifically, (1) GHG allowance revenues are recorded in the GHG Revenue Balancing Account ("GHGRBA"); (2) expenses are recorded in the GHG

[7] The 2016 forecast for Escondido Energy Center, Table 3, was presented in SDG&E's 2016 ERRA Forecast Application at $7.074 million which is net of the supply ISO Revenue. In the instant Application, the 2016 costs and revenues are shown separately. The Escondido Energy Center had no GHG costs forecasted for 2016.

Customer Outreach and Education Memorandum Account ("GHGCOEMA"); and (3) expenses are recorded in the GHG Administrative Costs Memorandum Account ("GHGACMA").

.

TABLE 4 - COMPARISON OF 2015 RECORDED VS ACTUAL YEAR-END BALANCES IN GHG REGULATORY ACCOUNTS

Line	Description	2015 Recorded[1] ($)	2015 Actual ($)	Difference
	(1) GHGRBA			
1	**Beginning Balance 1/1/2015 Overcollected**	(18,393,131)	(18,393,131)	0
2	Allowance Revenue	(78,900,469)	(79,929,224)	(1,028,755)
3	Revenue returned to customers	130,085,438	131,437,198	1,351,760
4	Franchise Fees and Uncollectibles	(1,565,248)	(1,581,513)	(16,265)
5	Transfer to GHGCOEMA and GHGACMA[2, 3]	334,835	334,835	-
6	Interest	24,796	24,203	(593)
7	**Ending Balance 12/31/2015**	**31,586,221**	**31,892,368**	**306,147**
	(2) GHGCOEMA			
8	**Beginning Balance 1/1/2015 Undercollected**	272,012	272,012	-
9	Funds Transfer from GHGRBA[2]	(392,473)	(392,473)	-
10	Expenses[4]	(19,540)	(19,541)	(1)
11	Interest	15	18	3
12	**Ending Balance 12/31/2015**	**(139,986)**	**(139,984)**	**2**
	(3) GHGACMA			
13	**Beginning Balance 1/1/2015 Overcollected**	(190,300)	(190,300)	-
14	Funds Transfer from GHGRBA[3]	57,638	57,638	-
15	Expenses	165,366	108,224	(57,142)
16	Interest	(182)	(172)	10
17	**Ending Balance 12/31/2015**	**32,522**	**(24,610)**	**(57,132)**

[1] Per A.15-04-014 (2016 ERRA Forecast Updated November 6, 2015) Attachment G. Template D-1: Annual Allowance Revenue Receipts and Customer Returns; and Template D-3: Detail of Outreach and Administrative Expenses. Recorded amounts represent actual recorded activity from January through September 2015 and forecasted amounts from October through December 2015.

[2]Transfer funds per D.15-06-019 (page 14) from GHGRBA to GHGCOEMA. This represents 1/1/15 projected undercollected balance of $252,473 plus 2015 forecasted expenses of $140,000 for a total of $392,473.

[3]Transfer per D.15-06-019 (page 14). This represents 1/1/15 overcollected balance of ($105,138) plus 2015 forecasted expenses of $47,500 for a total of ($57,638) overcollection going back to GHGRBA.

[4]Bill inserts and email actual costs of $19,540 charged to the GHGCOEMA in 2014 were transferred to the GHGACMA in October 2015.

VI. TRUE-UP OF GREEN TARIFF SHARED RENEWABLE COSTS AND REVENUES

On January 29, 2015, the Commission issued D.15-01-051. D.15-01-051 implements Senate Bill 43 by adopting program requirements for the investor-owned utilities' Green Tariff Shared Renewables ("GTSR") programs. The decision states that the "GTSR Program is intended to (1) expand access 'to all eligible renewable energy resources to all ratepayers who are currently unable to access the benefits of onsite generation,' and (2) 'create a mechanism whereby institutional customers … commercial customers and groups of individuals … can meet their needs with electrical generation from eligible renewable energy resources." The Commission further indicated that "the GTSR Program should 'provide support for enhanced community renewables programs to facilitate development of eligible renewable resource projects located close to the source of demand."

Pursuant to Conclusion of Law No.58 of D.15-01-051, SDG&E intends to provide a summary and true-up of costs and revenues against charges and credits applied to the GTSR customers on an annual basis through its annual ERRA process or in a separate application. Due to the pending implementation of the GTSR program, however, SDG&E does not have costs or revenues to report at this time. Once the GTSR program has been implemented, SDG&E will provide its true-up.

VII. SONGS UNIT 1 OFFSITE SPENT FUEL STORAGE

This section of my testimony requests authorization of the SONGS Unit 1 Offsite Spent Fuel Storage costs revenue requirement of $1.023 million ($1.035 million including FF&U) for 2017, which are described in Mr. Montoya's testimony. The authorized revenue requirement is tracked in SDG&E's Nuclear Decommissioning Adjustment Mechanism account.

VIII. SUMMARY

In my testimony, SDG&E requests that the Commission:

- approve SDG&E's 2017 ERRA revenue requirement forecast (which includes forecasted GHG costs) of $1,295.038 million;
- approve SDG&E's 2017 CTC revenue requirement forecast of $22.662 million; and
- approve SDG&E's 2017 LG revenue requirement forecast of $60.255 million.

Each of these amounts include FF&U.

My testimony also requests recovery of the December 31, 2014 LGBA undercollected balance of $5.4 million and the undercollected MRTUMA amount of $0.3 million.

In addition, my testimony also presents the comparison of the 2015 recorded/forecasted vs. actual year-end balances in the GHG allowance revenues and expenses balancing accounts.

Finally, my testimony requests that the Commission approve the 2017 revenue requirement of $1.023 million ($1.035 million including FF&U) for the forecasted SONGS Unit 1 Offsite Spent Fuel Storage costs.

This concludes my testimony.

IX. QUALIFICATIONS

My name is Norma G. Jasso. I am employed by SDG&E, as the Regulatory Accounts Analysis Manager in the Financial Analysis Department. My business address is 8330 Century Park Court, San Diego, California 92123. My current responsibilities include managing the process for the development, implementation, and analysis of regulatory balancing and memorandum accounts. I assumed my current position in July 2013.

I earned a Bachelor of Business Administration degree with an emphasis in Accounting from the University of San Diego in 1981. I earned a Masters of Business Administration from the University of Phoenix in 1996. I have been employed by SDG&E and Sempra Energy since December, 1997. Other positions I have held include Sundry Services Policy and Compliance Project Manager II, Affiliate Compliance Manager, Senior Business Analyst, and Accounting Systems Analyst.

This material was personally reviewed by me and I believe it to be correct and that it is factual in nature. Insofar as the material is in the nature of opinion or judgment, it represents my best judgment.

I have previously testified before this Commission.

BEFORE THE PUBLIC UTILITIES
COMMISSION OF THE STATE OF CALIFORNIA

DECLARATION
OF NORMA G. JASSO

A.16-04-____

Application of San Diego Gas & Electric Company (U 902-E) for Adoption of its 2016 Energy Resource Recovery Account Revenue Requirement, Competition Transition Charge Revenue Requirement, and Local Generation Revenue Requirement Forecasts

I, Norma G. Jasso, declare as follows:

1. I am the Regulatory Accounts Analysis Manager for San Diego Gas & Electric Company ("SDG&E"). I included my Prepared Direct Testimony ("Testimony") in support of SDG&E's April 15, 2016 Application for Adoption of its 2017 Energy Resource Recovery Account ("ERRA"), Competition Transition Charge ("CTC"), and Local Generation ("LG") revenue requirement forecasts. This Application also includes the Greenhouse Gas ("GHG") revenue requirement forecast for 2017. Additionally, as the Regulatory Accounts Analysis Manager, I am thoroughly 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.

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 Protected Information contained in my Testimony constitutes material, market sensitive, electric procurement-related information that is within the scope of Section 454.5(g) of the Public Utilities Code.[1] As such, the Protected Information is allowed confidential treatment in accordance with the Matrix, as follows:

Confidential Information	**Matrix Reference**	**Reason for Confidentiality**
Table 1, line 1: Load ISO Charges	II.A.2 V.C	Utility Electric Price Forecasts; confidential for 3 years. LSE Total Energy Forecast; confidential for the front 3 years.
Table 1, lines 2 and 6: Supply ISO Revenues	II.A.2 II.B.1 II.B.3 II.B.4	Utility Electric Price Forecasts; confidential for 3 years. Generation Cost Forecasts of Utility Retained Generation; confidential for 3 years. Generation Cost Forecasts of QF Contracts; confidential for 3 years. Generation Cost Forecasts of Non-QF Bilateral Contracts; confidential for 3 years.
Table 1, lines 3 and 7: Contract Costs (non-CTC) & Equity Re-balancing Costs	II.B.4	Generation Cost Forecasts of Non-QF Bilateral Contracts; confidential for 3 years.
Table 1, line 4: Contract Costs (CTC up to market)	II.B.3 II.B.4	Generation Cost Forecasts of QF Contracts; confidential for 3 years. Generation Cost Forecasts of Non-QF Bilateral Contracts; confidential for 3 years.
Table 1, line 5: Generation Fuel	II.B.1 II.B.4	Generation Cost Forecasts of Utility Retained Generation; confidential for 3 years. Generation Cost Forecasts of Non-QF Bilateral Contracts; confidential for 3 years.
Table 1, line 8: CAISO Misc. Costs	II.A.2	Utility Electric Price Forecasts; confidential for 3 years.
Table 1, line 9: Hedging Costs	I.A.4	Long-term Fuel (gas) Buying and Hedging Plans; confidential for 3 years.
Table 1, line 10: Direct and Indirect GHG Costs		GHG emissions forecasts: Providing these forecasts to market participants would allow them to know SDG&E's GHG forecasted GHG obligation, thereby compromising SDG&E's contractual bargaining power such that customer costs are likely to rise. Thus, the release of this non-public confidential information will unjustifiably allow market participants to use this information to the disadvantage of SDG&E's customers.

[1] In addition to the details addressed herein, SDG&E believes that the information being furnished in my Testimony is governed by Public Utilities Code Section 583 and General Order 66-C. Accordingly, SDG&E seeks confidential treatment of this data under those provisions, as applicable.

4. I am not aware of any instances where the Protected Information has been disclosed to the public. To my knowledge, no party, including SDG&E, has publicly revealed any of the Protected Information.

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

6. 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 15th day of April, 2016, at San Diego, California.

NG Jasso

Norma G. Jasso
Regulatory Accounts Analysis Manager
San Diego Gas & Electric Company