

Investigation No.: I.12-10-013
Exhibit No.: SDGE-08
Witness: Andrew Scates

**PREPARED REBUTTAL TESTIMONY OF
ANDREW SCATES
ON BEHALF OF
SAN DIEGO GAS & ELECTRIC COMPANY**

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

April 22, 2013

1 **PREPARED REBUTTAL TESTIMONY**
2 **OF**
3 **ANDREW SCATES**

4 **I. INTRODUCTION**

5 The purpose of my rebuttal testimony is to respond to testimony of witness Mr.
6 Kevin Woodruff on behalf of The Utility Reform Network (“TURN”) regarding San
7 Diego Gas and Electric Company’s (“SDG&E”) testimony concerning San Onofre
8 Nuclear Generating Station (“SONGS”) planned and refueling outages.

9 **II. PLANNED REFUELING AND MAINTENANCE**

10 Mr. Woodruff correctly identifies that Unit 2 had a planned refueling and
11 maintenance outage scheduled for January 9, 2012 through March 4, 2012, and that Unit
12 3 had a planned refueling and maintenance outage scheduled for October 8 2012 through
13 December 02, 2012. SDG&E concurs with Mr. Woodruff that replacement power costs
14 should not be calculated during periods of a scheduled outage. SDG&E had a conference
15 call with Matt Freedman and Kevin Woodruff on April 4, 2013 to discuss the exclusion
16 of replacement costs during a planned refueling outage. Subsequent to the call on April
17 4, SDG&E learned from Southern California Edison (“SCE”) that the notification to re-
18 schedule the Unit 3 outage, which SDG&E relied on in its previous calculations, was
19 erroneously dated January 11, 2012, when in fact the notification was made on March 1,
20 2013, after the unplanned outage which began on January 28, 2012. Thus SDG&E has
21 revised its 2012 replacement power costs to reflect a Unit 3 refueling outage in the fourth
22 quarter of 2012, which is now consistent with the assumptions made by SCE. SDG&E
23 will file errata to its April 2, 2013 OMA report to reflect these revisions prior to hearings.

1 This correction resulted in a reduction of \$8.4 million and is shown in Table 1
 2 below. SDG&E also agrees that an additional \$5.46 million related to Inter-SC Trades
 3 and \$75 thousand of Grid Management charges should be eliminated from Replacement
 4 generation cost as these were incurred during January prior to the extended outage period.
 5 SDG&E has submitted revised numbers to TURN regarding these calculations.¹
 6

Table 1
Estimated Replacement Energy Costs During Scheduled Outages

Schedule Refueling & Maintenance Outage	Replacement Energy Costs
Unit 2 (01/10/12 through 03/05/12)	\$5,038,929
Unit 3 (10/07/12 through 11/30/12)	\$8,432,267
TOTAL	\$13,471,196

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 8 **III. SUMMARY OF SDG&E'S SONGS REPLACEMENT COST**

9 SDG&E provides in Table 2 below the 2012 OMA replacement energy costs that
 10 were incurred as a result of the 2012 SONGS outages. The costs are estimates based on
 11 what SDG&E has recorded in the OMA and can change depending on any new
 12 methodologies or direction of the commission.
 13

Table 2
Estimated Replacement Energy Costs and Forgone Sales Revenues

Cost Category	Amount
Replacement Energy	\$69,126,163
Capacity-Related Costs	\$2,915,936
Forgone Sales(Opportunity Costs) Revenues	\$755,700
Total	\$72,797,799

14 This concludes my prepared rebuttal testimony.
 15

¹ Reflecting these corrections, SDG&E provided a supplemental response to TURN-SDG&E-DR-01 OII.12-10-013, dated April 12, 2013.