

Application No.: A.19-05-  
Exhibit No.: \_\_\_\_\_  
Witness: Khoang T. Ngo  
Date: May 31, 2019

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**PREPARED DIRECT TESTIMONY OF**  
**KHOANG T. NGO**

**PUBLIC VERSION**

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

**May 31, 2019**



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## ACRONYM GLOSSARY

AB	Assembly Bill
AL	Advice Letter
ASC 810	Accounting Standards Codification 810
CAISO	California Independent System Operator
CTC	Competition Transition Charge
CAM	Cost Allocation Mechanism
CARB	California Air Resources Board
Cal.P.U.C	California Public Utilities Code
CHP	Combined Heat & Power
CPUC	California Public Utilities Commission
CUYAMACA	Cuyamaca Peak Energy Plant
D	Decision
DESERT STAR	Desert Star Energy Center
ECC	Escondido Energy Center
ECR	Enhanced Community Renewables
ECRME&OMA	Enhanced Community Renewable ME&O Memorandum Account
ERRA	Energy Resource Recovery Account
EECC	Electric Energy Commodity Cost
FASB	Financial Accounting Standards Board
FOF	Finding of Fact
FF&U	Franchise fee and uncollectible
GT	Green Tariff
GHG	Greenhouse Gas
GHGACMA	GHG Administrative Costs Memorandum Account
GHGCOEMA	GHG Customer Outreach and Education Memorandum Account
GTSRBA	Green Tariff Shared Renewable Balancing Account
GHGRBA	GHG Revenue Balancing Account
IE	Independent Evaluators
IEMA	Independent Evaluator Memorandum Account
LCMA	Litigation Cost Memorandum Account
LG	Local Generation
LGBA	Local Generating Balancing Account
OMEC	Otay Mesa Energy Center
MIRAMAR I	Miramar Energy Facility I
MIRAMAR II	Miramar Energy Facility II
MWh	Megawatt hour
NERBA	New Environmental Regulatory Balancing Account
NGBA	Non-Fuel Generation Balancing Account
PALOMAR	Palomar Energy Center
PG&E	Pacific Gas & Electric Company
PPEC	Pio Pico Energy Center
QFs	Qualifying Facilities
RPS	Renewables Portfolio Standard

RPSCMA	Renewable Portfolio Standard Cost Memorandum Account
SCE	Southern California Edison Company
SDG&E	San Diego Gas & Electric Company
SONGS	San Onofre Nuclear Generating Station
TCBA	Transition Cost Balancing Account
UCSD	University of California San Diego

1 **PREPARED DIRECT TESTIMONY OF**  
2 **KHOANG T. NGO**  
3 **ON BEHALF OF SDG&E**

4 **I. INTRODUCTION**

5 The purpose of my prepared direct testimony is to address the recorded transactions and  
6 related cost recovery for San Diego Gas & Electric Company’s (“SDG&E”) Energy Resource  
7 Recovery Account (“ERRA”), Transition Cost Balancing Account (“TCBA”), and Local  
8 Generating Balancing Account (“LGBA”) during the record period of January 1, 2018 through  
9 December 31, 2018 (“Record Period”). The direct testimony of SDG&E witness Daniel Sullivan  
10 describes SDG&E’s electric procurement and commodity expenses recorded to ERRA, TCBA,  
11 and LGBA during the 2018 Record Period.

12 My prepared direct testimony also addresses entries recorded to seven other ERRA-  
13 related accounts: the Assembly Bill (“AB”) 32 electric subaccount of the New Environmental  
14 Regulatory Balancing Account (“NERBA”), the Independent Evaluator Memorandum Account  
15 (“IEMA”), the Litigation Cost Memorandum Account (“LCMA”), the Green Tariff Marketing  
16 Education & Outreach Memorandum Account (“GTME&OMA”), the Green Tariff Shared  
17 Renewables Administrative Cost Memorandum Account (“GTSRACMA”), the Enhanced  
18 Community Renewable ME&O Memorandum Account (“ECRME&OMA”), and the Green  
19 Tariff Shared Renewable Balancing Account (“GTSRBA”).

20 Based on my prepared direct testimony regarding recorded transactions, related cost  
21 recovery, and balancing account entries associated with these accounts, SDG&E requests that the  
22 Commission find that:

- 23 • Transactions recorded to SDG&E’s ERRA during 2018 (Attachment A), TCBA  
24 during 2018 (Attachment B), and LGBA during 2018 (Attachment C) were in

1 compliance with the California Public Utilities Commission (“Commission”)  
2 directives and are recoverable;

- 3 • Transactions recorded in NERBA (Attachment D) associated with AB 32  
4 administrative fees were in compliance with Commission directives;
- 5 • The amounts transferred from IEMA (Attachment E) to ERRA in 2018 were in  
6 compliance with Commission directives;
- 7 • Transactions recorded in the LCMA (Attachment F) during 2018 were in  
8 compliance with Commission directives;
- 9 • Transactions recorded in the GTME&OMA (Attachment G) during 2018 were in  
10 compliance with Commission directives;
- 11 • Transactions recorded in the GTSRACMA (Attachment H) during 2018 were in  
12 compliance with Commission directives;
- 13 • Transactions recorded in the ECRME&OMA (Attachment I) during 2018 were in  
14 compliance with Commission directives;
- 15 • With regard to the GTSRBA (Attachment J) for which there is an undercollection  
16 ending balance in 2018 in the amount of \$0.125 million, SDG&E seeks  
17 confirmation that the transactions in the GTSRBA are appropriate and correctly  
18 stated and that SDG&E may request recovery of that undercollection in SDG&E’s  
19 next-filed ERRA Forecast Application;
- 20 • With regard to the LGBA, for which there is an overcollection of activity in 2018  
21 in the amount of [REDACTED] million, SDG&E seeks confirmation that the  
22 transactions in the LGBA are appropriate and correctly stated and that the  
23 Commission authorizes SDG&E to return the overcollected 2018 activity to

1 ratepayers in its next-filed ERRA Forecast Application for 2021, which will be  
2 filed on or about April 15, 2020; and

- 3 • As to the AB 32 costs in NERBA, for which there is an undercollection ending  
4 balance in 2018 in the amount of \$0.480 million, SDG&E is not requesting  
5 authorization to include the balance at this time because we are anticipating  
6 fluctuations in future year expenses which may offset the undercollection.

7 Furthermore, my testimony provides a comparison of 2018 ERRA forecast versus actual  
8 costs as well as comparison of 2018 versus 2017 recorded costs with explanations for variances  
9 10% or greater. This information is provided herein to facilitate analysis of the ERRA activity  
10 during 2018 and is found in Attachments K and L.

## 11 **II. ERRA**

12 Pursuant to Decision (“D.”) 02-10-062 and D.02-12-074, the purpose of the ERRA is to  
13 provide full recovery of SDG&E’s energy procurement costs associated with serving SDG&E’s  
14 bundled service customers. SDG&E’s ERRA revenue requirement also includes the full  
15 recovery of California Independent System Operator (“CAISO”) costs charged to SDG&E, such  
16 as energy and ancillary services load charges, CAISO revenues from utility generation and  
17 supply contracts, contract costs, generation fuel costs, CAISO-related costs, and hedging costs  
18 and previously approved equity rebalancing costs related to the financial statement consolidation  
19 under Accounting Standards Codification 810 (“ASC 810”) of the Otay Mesa Energy Center  
20 (“OMEC”) to serve SDG&E’s bundled service customers.<sup>1</sup> ERRA includes revenues from  
21 SDG&E’s Electric Energy Commodity Cost (“EECC”) rate schedules (commodity revenue)

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<sup>1</sup> The equity rebalancing costs are included in the approved ERRA tariff in section 5(m). *See* SDG&E Electric Tariffs, Preliminary Statements at Revised Cal P.U.C. Sheet No. 26360-E.

1 adjusted to exclude non-fuel generation revenues allocated to the NGBA and other Commission-  
2 approved regulatory accounts.

3 On a monthly basis, ERRA compares the energy procurement costs described above with  
4 the commodity revenue (excluding NGBA and other revenues). Interest is applied to any over-  
5 or undercollection balance at the three-month Commercial Paper rate. SDG&E's adopted ERRA  
6 tariff describes the entries that are made to the account on a monthly basis.<sup>2</sup>

7 The ERRA balance as of December 31, 2018 was an undercollection of approximately  
8 \$49.7 million. Attachment A summarizes the monthly accounting entries recorded to ERRA  
9 from January 1 through December 31, 2018 used to calculate the balance.

10 The 2018 activity in SDG&E's ERRA, as detailed in Attachment A, is summarized in  
11 Table 1 below:

12 **Table 1**

	Under/(Over) Collection
December 31, 2017 ERRA Balance <sup>3</sup>	\$51,269,226
Revenue	\$(1,389,805,020)
Expenses	\$1,385,585,695
Other - net <sup>4</sup>	\$774,738
Interest	\$1,922,902
December 31, 2018 ERRA Balance	\$49,747,541

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<sup>2</sup> The monthly entries are described in the approved ERRA tariff in section 5. *Id.* at Revised Cal P.U.C. Sheet No. 26359-E.

<sup>3</sup> The 2018 beginning balance is referenced in Schedule A.

<sup>4</sup> The "Other-net" category includes supplier refunds, transfers from other regulatory accounts, and carrying costs related to hedging.



1           **A.     Monthly ERRA Report**

2           Ordering Paragraph (“OP”) 19 of D.02-12-074 directed Pacific Gas & Electric Company  
3 (“PG&E”), Southern California Edison Company (“SCE”) and SDG&E to file a monthly report  
4 with the Commission’s Energy Division that summarizes monthly activity in the ERRA  
5 balancing account. The utilities were also directed to submit original source documents  
6 pertaining to such activities. D.07-04-020 at Finding of Fact 1 modified this requirement to  
7 allow SDG&E to provide only a breakdown of costs recorded to ERRA in the monthly filings  
8 and make the supporting documentation available to Commission staff and interested parties  
9 upon request. The modified reporting requirement was effective with the April 2007 report.  
10 SDG&E submitted the monthly reports to Energy Division and interested parties for all twelve  
11 months of 2018.

12           In summary, SDG&E requests that the Commission find the entries and calculations in its  
13 ERRA to be appropriate, correctly stated, and recoverable.

14           **III.    TCBA**

15           In SDG&E’s 2005 ERRA compliance review proceeding, the Commission authorized the  
16 review of SDG&E’s TCBA in future ERRA review proceedings.<sup>5</sup> The annual ERRA review is  
17 the appropriate forum to review the TCBA since the costs that are recorded in the TCBA  
18 generally relate to the above-market portion of certain Qualifying Facilities (“QFs”) and  
19 purchase power costs eligible for recovery under AB 1890.

20           The TCBA records the eligible above-market power costs and the revenues received from  
21 SDG&E’s Competition Transition Charge (“CTC”) rate. For 2018, the market benchmark of

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<sup>5</sup> The 2005 ERRA Compliance proceeding was approved by D.06-12-019.

1 \$46.53/MWh<sup>6</sup> was used to calculate the above-market portion of AB 1890-eligible transition  
2 costs. On a monthly basis, the TCBA compares the above-market power costs with the revenue  
3 from the CTC rate component. Interest is applied to any over- or undercollection balance at the  
4 three-month Commercial Paper rate.

5 The balance in the TCBA as of December 31, 2018 was a \$(8.824) million  
6 overcollection.<sup>7</sup> Attachment B provides a monthly summary of the entries to the TCBA during  
7 2018. Table 2 below summarizes the 2018 activity and shows the calculation of the over  
8 collection. Recovery of approved TCBA balances is not addressed in this Compliance filing, but  
9 in the Annual Electric Regulatory Account Update filing.

10 **Table 2**

	Under/(Over) Collection
December 31, 2017 TCBA Balance	\$(1,761,711)
Revenue	\$(28,176,375)
Expenses	\$21,237,525
Interest	\$(123,647)
December 31, 2018 TCBA Balance	\$(8,824,207)

11 In this Application, SDG&E requests that the Commission find the entries and calculations  
12 recorded in the TCBA to be appropriate, correctly stated, and recoverable.

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<sup>6</sup> The market benchmark of \$46.58/MWh (reflecting a small typographical error; the corrected benchmark should be \$46.53 rather than \$46.58) was authorized in D.17-12-014, which approved SDG&E's 2018 Electric Procurement Cost Revenue Requirement Forecast and 2018 Forecast on Greenhouse Gas Related Forecasts proceeding, A.17-04-016. *See* A.17-04-016, Updated Prepared Direct Testimony of Sheri S. Miller on Behalf of San Diego Gas & Electric Company (November 9, 2017) at SSM-5.

<sup>7</sup> The forecasted 2018 year-end overcollected balance of \$5 million was approved in Advice Letter ("AL") 3291-E on December 17, 2018 for amortization in rates effective January 1, 2019.

1 **IV. LGBA**

2 The LGBA was authorized by D.13-03-029. The purpose of the LGBA is to record the  
3 revenues and costs of generating contracts where the Commission has determined that the  
4 resource is subject to the cost allocation mechanism (“CAM”). In 2018, the contracts included in  
5 the LGBA were Escondido Energy Center (“EEC”), Pio Pico Energy Center (“PPEC”), CP  
6 Kelco Combined Heat & Power (“CHP”), the Grossmont Hospital CHP, and Carlsbad Energy  
7 Center (effective December 12, 2018). Also included were the SDG&E-owned Escondido  
8 Energy and El Cajon Energy Storage Facilities.<sup>8</sup>

9 The LGBA tariff states that “The balance in the LGBA will be addressed in the  
10 Company’s ERRA proceeding or in another proceeding deemed appropriate by the  
11 Commission.”<sup>9</sup> Accordingly, SDG&E requests confirmation that transactions recorded in 2018  
12 in the LGBA are in compliance with Commission directives.

13 The balance in the LGBA as of December 31, 2018 was a [REDACTED] million overcollection  
14 as shown in Table 3 below, as well as in Attachment C, which provides a monthly summary of  
15 the accounting entries recorded to the LGBA during 2018.

16 **Table 3**

	Under/(Over) Collection
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

<sup>8</sup> Per D.13-03-029, and established in AL 2499-E fuel costs for EEC, El Cajon Energy Storage Facility, Escondido Energy Storage Facility (in AL 2924-E), PPEC (in D.14-02-016), CP Kelco CHP (in AL 2897-E), Grossmont Hospital CHP (in CHP Program Settlement Agreement Term Sheet October 8, 2010 and adopted in D.10-12-035) and Carlsbad Energy Center (in D.15-05-051 and adopted in AL 2757-E) are to be recorded to the LGBA.

<sup>9</sup> See SDG&E Electric Tariffs, Preliminary Statements at Revised Cal. P.U.C. Sheet No. 28765-E, available at [http://regarchive.sdge.com/tm2/pdf/ELEC\\_ELEC-PRELIM\\_LGBA.pdf](http://regarchive.sdge.com/tm2/pdf/ELEC_ELEC-PRELIM_LGBA.pdf).

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

1 In summary, SDG&E requests confirmation that (a) its transactions recorded in 2018 in  
2 the LGBA are in compliance with Commission directives and are recoverable; and (b) SDG&E  
3 shall request authorization from the Commission to return the overcollected 2018 recorded  
4 activity of [REDACTED] million in its 2021 ERRR Forecast Application.

5 **V. NERBA**

6 The AB 32 electric subaccount in NERBA, as approved by the Commission's  
7 D.13-05-010 in the SDG&E's 2012 General Rate Case ("GRC"), records actual costs against  
8 revenue requirements for administrative fees charged by the California Air Resources Board  
9 ("CARB") which are authorized recoverable by CARB under AB 32. As of January 1, 2018, the  
10 beginning balance in the AB 32 electric subaccount in NERBA was a \$0.049 million  
11 undercollection. Revenues in 2018 were \$0.012 million, expenses totaled \$0.412 million, and  
12 interest of approximately seven thousand dollars was booked in 2018 as shown in Attachment D.  
13 The resulting 2018 activity in the AB 32 electric subaccount in NERBA was approximately a  
14 \$0.431 million undercollection. SDG&E is not requesting authorization to include the balance as  
15 of December 31, 2018 of \$0.480 million undercollection in rates at this time because (1) we are  
16 experiencing fluctuations in expenses which may offset the undercollection, and (2) the AB 32  
17 electric NERBA activity in 2018 was minimal.

1           Additionally, SDG&E requests confirmation that the transactions recorded in the AB 32  
2 electric subaccount in NERBA are appropriate and correctly stated in accordance with  
3 Commission directives.

4 **VI. IEMA**

5           Pursuant to D.04-12-048 and D.05-07-039, the purpose of the IEMA is to record third  
6 party costs associated with the use of Independent Evaluators (“IEs”) in the utility’s long-term  
7 procurement activities and Renewables Portfolio Standard (“RPS”) programs. Interest is applied  
8 to any over- or undercollection balance at the three-month Commercial Paper rate.

9           D.11-10-029, which approved Phase 1 of SDG&E’s 2009 ERRA Compliance Filing,  
10 granted authority for SDG&E to update its IEMA tariff disposition to allow it to transfer the  
11 balance in the IEMA to ERRA on an annual basis.<sup>10</sup> In compliance with D.11-10-029, SDG&E  
12 transferred the IEMA 2018 undercollection balance of \$0.208 million as shown in line 63 of  
13 Attachment A as well as in Attachment E. The transfers from IEMA to ERRA are also included  
14 in the “Other-net” category of Table 1 above.

15           In this Proceeding, SDG&E requests that the Commission find the amounts transferred  
16 from IEMA to ERRA in 2018 to be in compliance with Commission directives.

17 **VII. LCMA**

18           Pursuant to Resolution E-3893, the LCMA was established in 2004 to record the  
19 litigation costs associated with refunds resulting from the energy price crisis in October 2000  
20 through January 2001. The LCMA tracks the difference between incurred litigation costs and  
21 settlement proceeds received.

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<sup>10</sup> D.11-10-029 was implemented in AL 2304-E, which was approved on January 12, 2012 and effective November 17, 2011.

1 Per the LCMA Preliminary Statement, the account is subject to review in the ERRRA  
2 proceeding; thus, SDG&E is presenting the transactions recorded during 2018 for review in  
3 Attachment F.

4 At this time, SDG&E is not requesting recovery of the December 31, 2018  
5 undercollected balance as there are still a few pending litigation cases, and the appropriate  
6 vehicle for requesting recovery is through a separate filing. SDG&E requests that the  
7 Commission review SDG&E's 2018 LCMA transactions. As of January 1, 2018, the beginning  
8 balance in the LCMA was an undercollection of approximately \$0.043 million. Litigation  
9 revenues in 2018 were \$(0.099) million, expenses totaled \$0.141 million, and interest of  
10 approximately twelve hundred dollars was booked in 2018. Thus, the balance in the LCMA as  
11 of December 31, 2018 was an undercollection of \$0.087 million. Once SDG&E has closed all  
12 LCMA related litigation, SDG&E will evaluate and execute next steps.

### 13 **VIII. GTME&OMA**

14 Pursuant to D.15-01-051, the purpose of the GTME&OMA is to record the difference  
15 between the revenues collected through the GT-ME&O Charge and the initial and ongoing  
16 incremental ME&O costs incurred to implement the Green Tariff Shared Renewables Program  
17 ("GTSRP"). The GTSRP consists of both a Green Tariff option and an Enhanced Community  
18 Renewables option. ME&O costs for the Green Tariff option are recorded in the GTME&OMA.

19 In 2018, the GTME&OMA had current activity and interest of \$(0.106) million, and the  
20 ending balance was \$0.152 million as shown in Attachment G. SDG&E requests confirmation  
21 that the transactions recorded in the GTME&OMA are appropriate and correctly stated in  
22 accordance with Commission directives.

1 **IX. GTSRACMA**

2 Pursuant to D.15-01-051, the purpose of the GTSRACMA is to record the difference  
3 between the revenues collected through the GTSR Administrative Charge and the initial and  
4 ongoing incremental administrative costs incurred to implement the GTSRP.

5 In 2018, the GTSRACMA had current activity and interest of \$(0.214) million, and the  
6 ending balance was \$1.89 million, as shown in Attachment H. SDG&E requests confirmation  
7 that the transactions recorded in the GTSRACMA are appropriate and correctly stated in  
8 accordance with Commission directives.

9 **X. ECRME&OMA**

10 Pursuant to D.15-01-051, the purpose of the ECRME&OMA is to record the difference  
11 between the revenues collected through the ECR-ME&O Charge and the initial and ongoing  
12 incremental ME&O costs incurred to implement the GTSRP. The GTSRP consists of both a  
13 Green Tariff option and an Enhanced Community Renewables option. ME&O costs for the  
14 Enhanced Community Renewables option are recorded in the ECRME&OMA.

15 In 2018, the ECRME&OMA had current activity and interest of fifty eight dollars, and  
16 the ending balance was also \$0.003 million as shown in Attachment I. SDG&E requests  
17 confirmation that the transactions recorded in the ECRME&OMA are appropriate and correctly  
18 stated in accordance with Commission directives.

19 **XI. GREEN TARIFF SHARED RENEWABLE BALANCING ACCOUNT (GTSRBA)**

20 Per D.15-01-051, SDG&E established the GTSRBA<sup>11</sup> to record the difference between  
21 the revenues collected from individual customers electing to participate in the GTSR program  
22 and the incremental costs incurred to serve customers participating in that program. The GTSR

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<sup>11</sup> See AL 2889-E, approved June 23, 2016 and effective May 28, 2016.

1 program consists of both a Green Tariff (“GT”) component and an Enhanced Community  
2 Renewables (“ECR”) component which are recorded in separate subaccounts with the GTSRBA.  
3 The GTSRBA tariff states that “The balance in the GTSRBA will be addressed in SDG&E’s  
4 annual Energy Resource Recovery Account (ERRA) Forecast proceeding or in a separate  
5 application deemed appropriate by the Commission.”<sup>12</sup> In 2018, GTSRBA had current activity  
6 and interest of \$0.119 million undercollection, and the December 31, 2018 undercollected ending  
7 balance of \$0.125 million, as shown in Attachment J. Accordingly, SDG&E requests  
8 confirmation that the transactions recorded in the GTSRBA are appropriate and correctly stated  
9 in accordance with Commission directives. Once approved, SDG&E shall request recovery of  
10 the December 31, 2018 undercollected ending balance of \$0.125 million in the next ERRA  
11 Forecast Application.

## 12 **XII. AUDIT OF ENERGY RESOURCE RECOVERY ACCOUNT**

13 As ordered in D.10-02-018, OP 4, “San Diego Gas & Electric Company shall conduct  
14 and complete an audit of its Energy Resource Recovery Account at least once every four years  
15 with the first audit to be for the 2009 or 2010 record year.” Accordingly, in March 2018, Sempra  
16 Energy Audit Services conducted a second audit of the ERRA for record year 2017.

## 17 **XIII. CONCLUSION**

- 18 • As directed in D.02-10-062 and D.02-12-074, SDG&E seeks approval of the  
19 entries and calculations in its ERRA for the period January 1, 2018 through  
20 December 31, 2018 and requests that the Commission find these entries and  
21 calculations appropriate, correctly stated, and recoverable.

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<sup>12</sup> See SDG&E Electric Tariffs, Preliminary Statements at Revised Cal. P.U.C. Sheet No. 28265-E, available at [https://www.sdge.com/sites/default/files/elec\\_elec-prelim\\_gtsrba.pdf](https://www.sdge.com/sites/default/files/elec_elec-prelim_gtsrba.pdf).



- 1           •     As directed in D.06-12-019, SDG&E seeks approval of the entries recorded to the  
2           TCBA for the period January 1, 2018 through December 31, 2018 and requests  
3           that the Commission find these entries and calculations appropriate, correctly  
4           stated, and recoverable in accordance with applicable Commission policy and  
5           decisions.
- 6           •     In accordance with D.13-03-029 and AL 2499-E, SDG&E seeks approval of the  
7           entries recorded to the LGBA for the period January 1, 2018 through  
8           December 31, 2018, and requests that the Commission find these entries and  
9           calculations appropriate, correctly stated, and recoverable in accordance with  
10          applicable Commission policy and decisions. SDG&E is requesting authorization  
11          from the Commission to return the overcollected 2018 recorded activity of  
12          ██████████ million in its 2021 ERRA Forecast Application for recovery, which will  
13          be filed on April 15, 2020.
- 14          •     SDG&E requests that the Commission find the entries in the AB 32 electric  
15          subaccount in NERBA to be appropriate and correctly stated. SDG&E is not  
16          requesting authorization to include the balance as of December 31, 2018 of  
17          \$0.480 million undercollection in rates at this time.
- 18          •     SDG&E requests that the Commission find the balance transfer to ERRA of 2018  
19          IEMA activity in compliance with Commission directives.
- 20          •     SDG&E requests that the Commission find the entries in the LCMA for 2018 to  
21          be appropriate and correctly stated in accordance with Commission directives.

- 1 • SDG&E requests that the Commission find the entries in the GTME&OMA as of  
2 December 31, 2018 to be appropriate and correctly stated in accordance with  
3 Commission directives.
- 4 • SDG&E requests that the Commission find the entries in the GTSRACMA as of  
5 December 31, 2018 to be appropriate and correctly stated in accordance with  
6 Commission directives.
- 7 • SDG&E requests that the Commission find the entries in the ECRME&OMA as  
8 of December 31, 2018 to be appropriate and correctly stated in accordance with  
9 Commission directives.
- 10 • SDG&E requests that the Commission find the entries in the GTSRBA as of  
11 December 31, 2018 to be appropriate and correctly stated in accordance with  
12 Commission directives. Once approved, SDG&E shall request recovery of the  
13 December 31, 2018 undercollected ending balance of \$0.125 million in the next  
14 ERRA Forecast Application.

15 SDG&E has made the entries to the previously discussed regulatory accounts in  
16 accordance with its adopted tariffs and in compliance with relevant Commission decisions.

17 This concludes my prepared direct testimony.  
18

1 **XIV. QUALIFICATIONS**

2 My name is Khoang T. Ngo. I am employed by SDG&E as the Senior Energy  
3 Administrator in the Settlements & Systems Department. My business address is 8315 Century  
4 Park Court, San Diego, California 92123. My current responsibilities include handling the  
5 payment, recovery, and regulatory reporting processes for SDG&E's procurement activities. I  
6 began working in Settlements & Systems as a Senior Energy Administrator in November 2013.

7 I have been employed by SDG&E since January of 2000. In addition to my current role  
8 in Settlements & Systems, I have worked in two other departments at SDG&E in positions of  
9 increasing responsibility. From January 2000 to August 2006, I was employed in the Cost  
10 Accounting group where I was primarily responsible for the accounting related to Electric  
11 Transmission assets, preparation of FERC Forms, and involvement with the monthly close  
12 functions of the transmission FERC accounts. From August 2006 to September 2013, I worked  
13 in the Electric Transmission Planning group. My responsibilities included managing the  
14 generator interconnection contracts, interconnection financial security deposits, CAISO study  
15 agreements and reconciling engineering interconnection and network reliability costs.

16 I graduated from University of California San Diego ("UCSD") with a Bachelor of  
17 Science in Biochemistry, minoring in Economics with a Professional Certification in Accounting  
18 also from UCSD. I also attended the Alliant International University where I received a Master  
19 of Business Administration in Finance.

20 I have previously testified before this Commission.

## **Attachment A: ERRA - Summary**



## **Attachment B: Transition Cost Balancing Account - Summary**

**San Diego Gas & Electric**  
**Transition Cost Balancing Account (TCBA) - Electric**  
Under / (Over) Collection  
Account # 1150318 / (2190020)

	<u>Jan-18</u>	<u>PPA 1/</u>	<u>Feb-18</u>	<u>PPA 2/</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>	<u>Total</u>
<b>Beginning Balance</b>	\$ (1,761,711)	\$ (3,761,945)	\$ (3,737,205)	\$ (4,796,231)	\$ (4,795,882)	\$ (6,453,669)	\$ (7,871,317)	\$ (8,064,484)	\$ (7,095,217)	\$ (6,376,296)	\$ (5,224,437)	\$ (4,894,498)	\$ (5,721,862)	\$ (7,257,546)	\$ (1,761,711)
<b>Revenue</b>															
Gross CTC Revenue (PS 5a)	(2,415,910)		(2,070,974)		(2,221,926)	(2,076,161)	(2,103,511)	(2,335,349)	(2,527,650)	(2,985,220)	(2,891,815)	(2,370,915)	(2,230,607)	(2,288,924)	(28,518,962)
Less FF&U	28,989	-	24,850		26,661	24,912	25,241	28,022	30,330	35,820	34,700	28,449	26,766	27,465	342,205
GRC 2016 CTC Revenue Adjustment (GL #1150318)		340	9	349	33										382
<b>Net CTC Revenue</b>	(2,386,921)	-	(2,046,124)	349	(2,195,232)	(2,051,249)	(2,078,270)	(2,307,327)	(2,497,320)	(2,949,400)	(2,857,115)	(2,342,466)	(2,203,841)	(2,261,459)	(28,176,375)
<b>Cost of Electricity</b>	389,976	24,725	992,748		545,360	644,933	1,898,372	3,289,406	3,227,906	4,111,497	3,195,985	1,524,781	680,638	711,198	21,237,525
<b>Total Costs</b>	389,976	24,725	992,748	-	545,360	644,933	1,898,372	3,289,406	3,227,906	4,111,497	3,195,985	1,524,781	680,638	711,198	21,237,525
<b>Current Month Activity</b>	(1,996,945)	24,725	(1,053,376)	349	(1,649,872)	(1,406,316)	(179,898)	982,079	730,586	1,162,097	338,870	(817,685)	(1,523,203)	(1,550,261)	(6,938,850)
<b>Interest Rate:</b>	1.43%	1.43%	1.59%		1.69%	1.90%	2.00%	2.03%	2.08%	2.12%	2.12%	2.19%	2.31%	2.45%	
<b>Current Month Interest** (PS 5c)</b>	(3,289)	15	(5,650)	-	(7,916)	(11,332)	(13,269)	(12,812)	(11,665)	(10,238)	(8,931)	(9,679)	(12,481)	(16,400)	(123,647)
<b>Current Activity and Interest</b>	(2,000,234)	24,740	(1,059,026)	349	(1,657,788)	(1,417,648)	(193,167)	969,267	718,921	1,151,859	329,939	(827,364)	(1,535,684)	(1,566,661)	(7,062,497)
<b>Rounding/Transfer</b>					1										1
<b>Ending Balance</b>	\$ (3,761,945)	\$ (3,737,205)	\$ (4,796,231)	\$ (4,795,882)	\$ (6,453,669)	\$ (7,871,317)	\$ (8,064,484)	\$ (7,095,217)	\$ (6,376,296)	\$ (5,224,437)	\$ (4,894,498)	\$ (5,721,862)	\$ (7,257,546)	\$ (8,824,207)	\$ (8,824,207)

## **Attachment C: Local Generation Balancing Account (LGBA) - Summary**





**Attachment D: New Environmental Regulatory Balancing Account (NERBA)**

**- Electric AB32 Subaccount - Summary**

**San Diego Gas & Electric**  
**New Environmental Regulatory Balancing Account (NERBA) - Electric AB32 Subaccount**  
Under / (Over) Collection  
Account # 1150597 / (2190242)

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total
<b>Beginning Balance</b>	\$ 49,293	\$ 50,372	\$ 51,459	\$ 52,552	\$ 53,656	\$ 54,766	\$ 55,880	\$ 56,998	\$ 58,120	\$ 1,394,127	\$ 1,397,692	\$ 478,389	\$ 49,293
<b>Revenue</b>													
Authorized Revenue (PS 4c/d)	(27,667)	(27,667)	(27,667)	(27,667)	(27,667)	(27,667)	(27,667)	(27,667)	(27,667)	(27,667)	(27,667)	(27,663)	(332,000)
Amortization	28,687	28,687	28,687	28,687	28,687	28,687	28,687	28,687	28,687	28,687	28,687	28,691	344,248
<b>Total Revenues</b>	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,028	12,248
<b>O&amp;M (PS 4b)</b>													-
<b>Recorded Expenses PS 1</b>													
AB32	-	-	-	-	-	-	-	-	1,333,705	-	(922,127)	-	411,578
	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Costs</b>	-	-	-	-	-	-	-	-	1,333,705	-	(922,127)	-	411,578
<b>Current Month Activity</b>	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,334,725	1,020	(921,107)	1,028	423,826
<b>Interest Rate:</b>	1.43%	1.59%	1.69%	1.90%	2.00%	2.03%	2.08%	2.12%	2.12%	2.19%	2.31%	2.45%	
<b>Current Month Interest**</b>	59	67	73	84	90	94	98	102	1,282	2,545	1,804	978	7,276
<b>Current Activity and Interest</b>	1,079	1,087	1,093	1,104	1,110	1,114	1,118	1,122	1,336,007	3,565	(919,303)	2,006	431,102
<b>Rounding/Transfer (PS 5)</b>													-
<b>Ending Balance</b>	50,372	51,459	52,552	53,656	54,766	55,880	56,998	58,120	1,394,127	1,397,692	478,389	480,395	480,395

**Attachment E: Independent Evaluator Memorandum Account (IEMA) –**

**Electric - Summary**

**San Diego Gas & Electric**  
**Independent Evaluator Memorandum Account (IEMA) - Electric**  
Under / (Over) Collection  
Account # 1150510 / (2190179)

	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total
<b>Beginning Balance</b>	\$ -	\$ 26,829	\$ 51,928	\$ 63,492	\$ 85,138	\$ 139,629	\$ 141,630	\$ 178,501	\$ 180,778	\$ 183,139	\$ 193,794	\$ 198,388	\$ -
<b>Revenue</b>													
Authorized Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>O&amp;M (PS 3a)</b>	26,813	25,047	11,483	21,528	54,304	1,763	36,594	1,960	2,040	10,311	4,217	9,826	205,886
<b>Total Costs</b>	26,813	25,047	11,483	21,528	54,304	1,763	36,594	1,960	2,040	10,311	4,217	9,826	205,886
<b>Current Month Activity</b>	26,813	25,047	11,483	21,528	54,304	1,763	36,594	1,960	2,040	10,311	4,217	9,826	205,886
<b>Interest Rate:</b>	1.43%	1.59%	1.69%	1.90%	2.00%	2.03%	2.08%	2.12%	2.12%	2.19%	2.31%	2.45%	
<b>Current Month Interest** (PS 3b)</b>	16	52	81	118	187	238	277	317	321	344	377	415	2,743
<b>Current Activity and Interest</b>	26,829	25,099	11,564	21,646	54,491	2,001	36,871	2,277	2,361	10,655	4,594	10,241	208,629
<b>Rounding/Transfer</b>													-
ERRA Transfer (PS 4a) *												(208,629)	(208,629)
<b>Ending Balance</b>	26,829	51,928	63,492	85,138	139,629	141,630	178,501	180,778	183,139	193,794	198,388	-	-

**Attachment F: Litigation Cost Memorandum Account (LCMA) – Electric -  
Summary**

**San Diego Gas & Electric**  
**Litigation Cost Memorandum Account (LCMA) - Electric**  
Under / (Over) Collection  
Account # 1150476 / (2190156)

	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>	<u>Total</u>
<b>Beginning Balance</b>	\$ 43,416	\$ 54,933	\$ 63,546	\$ 75,785	\$ 98,427	\$ 98,591	\$ 11,670	\$ 25,540	\$ 48,654	\$ 48,740	\$ 72,767	\$ 72,907	\$ 43,416
<b>Revenue</b>													
Authorized Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Settlement Proceeds (PS 4a)	-	-	-	-	-	(98,591)	-	-	-	-	-	-	(98,591)
Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	-	-	-	-	-	(98,591)	-	-	-	-	-	-	(98,591)
<b>O&amp;M</b>													
Litigation Expenses (PS 4b)	11,458	8,535	12,141	22,504	-	11,577	13,838	23,049	-	23,916	-	13,829	140,847
<b>Total Costs</b>	11,458	8,535	12,141	22,504	-	11,577	13,838	23,049	-	23,916	-	13,829	140,847
<b>Current Month Activity</b>	11,458	8,535	12,141	22,504	-	(87,014)	13,838	23,049	-	23,916	-	13,829	42,256
<b>Interest Rate:</b>	1.43%	1.59%	1.69%	1.90%	2.00%	2.03%	2.08%	2.12%	2.12%	2.19%	2.31%	2.45%	
<b>Current Month Interest** (PS 4c)</b>	59	78	98	138	164	93	32	65	86	111	140	163	1,227
<b>Current Activity and Interest</b>	11,517	8,613	12,239	22,642	164	(86,921)	13,870	23,114	86	24,027	140	13,992	43,483
<b>Rounding/Transfer</b>													-
<b>Ending Balance</b>	54,933	63,546	75,785	98,427	98,591	11,670	25,540	48,654	48,740	72,767	72,907	86,899	86,899

**Attachment G: Green Tariff Marketing Education & Outreach  
Memorandum Account (GTME&OMA) – Electric - Summary**



**San Diego Gas & Electric**  
**Green Tariff Marketing Education & Outreach Memorandum Account (GTME&OMA) - Electric**  
Under / (Over) Collection  
Account # 1150646 / (2190274)

	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>	<u>Total</u>
<b>Beginning Balance</b>	\$ 257,364	\$ 255,668	\$ 255,277	\$ 249,501	\$ 238,112	\$ 228,017	\$ 217,684	\$ 206,840	\$ 198,620	\$ 180,700	\$ 169,816	\$ 158,788	\$ 257,364
<b>Revenue</b>													
YM-GT Mktng Cost	(1,217)	(1,170)	(6,722)	(12,899)	(10,814)	(12,181)	(12,443)	(10,367)	(18,957)	(11,840)	(12,619)	(9,143)	(120,372)
YE-GT Term Mktng Cost	(16)	(26)	(6)	(50)	(48)	(34)	(12)	(9)	(21)	(15)	(9)	(35)	(281)
Sub-Total Revenues	(1,233)	(1,196)	(6,728)	(12,949)	(10,862)	(12,215)	(12,455)	(10,376)	(18,978)	(11,855)	(12,628)	(9,178)	(120,653)
FF&U ON GHG CREDIT	15	14	81	155	130	147	149	124	227	142	151	110	1,445
<b>TOTAL REVENUES</b>	(1,218)	(1,182)	(6,647)	(12,794)	(10,732)	(12,068)	(12,306)	(10,252)	(18,751)	(11,713)	(12,477)	(9,068)	(119,208)
<b>O&amp;M (PS 4a)</b>	(783)	453	516	1,019	249	1,358	1,094	1,674	496	509	1,133	1,544	9,262
<b>Total Costs</b>	(783)	453	516	1,019	249	1,358	1,094	1,674	496	509	1,133	1,544	9,262
<b>Current Month Activity</b>	(2,001)	(729)	(6,131)	(11,775)	(10,483)	(10,710)	(11,212)	(8,578)	(18,255)	(11,204)	(11,344)	(7,524)	(109,946)
<b>Interest Rate:</b>	1.43%	1.59%	1.69%	1.90%	2.00%	2.03%	2.08%	2.12%	2.12%	2.19%	2.31%	2.45%	
<b>Current Month Interest**</b>	305	338	355	386	388	377	368	358	335	320	316	317	4,163
<b>Current Activity and Interest</b>	(1,696)	(391)	(5,776)	(11,389)	(10,095)	(10,333)	(10,844)	(8,220)	(17,920)	(10,884)	(11,028)	(7,207)	(105,783)
<b>Rounding/Transfer</b>													-
<b>Ending Balance</b>	255,668	255,277	249,501	238,112	228,017	217,684	206,840	198,620	180,700	169,816	158,788	151,581	151,581

**Attachment H: Green Tariff Share Renewables Administrative Cost**

**Memorandum Account (GTSRACMA) - Electric Summary**

**San Diego Gas & Electric**  
**Green Tarriff Share Renewables Administrative Cost Memorandum Account (GTSRACMA) - Electric Summary**  
Under / (Over) Collection  
Account# 1150645 / (2190273)

	<b>Jan-18</b>	<b>Feb-18</b>	<b>Mar-18</b>	<b>Apr-18</b>	<b>May-18</b>	<b>Jun-18</b>	<b>Jul-18</b>	<b>Aug-18</b>	<b>Sep-18</b>	<b>Oct-18</b>	<b>Nov-18</b>	<b>Dec-18</b>	<b>Total</b>
<b>Beginning Balance</b>	\$ 2,100,587	\$ 2,111,909	\$ 2,138,557	\$ 2,130,685	\$ 2,104,263	\$ 2,081,101	\$ 2,054,412	\$ 2,026,362	\$ 2,004,372	\$ 1,954,984	\$ 1,930,735	\$ 1,903,498	\$ 2,100,587
<b>Revenue</b>													
<b>GT</b>	(4,046)	(3,929)	(22,182)	(42,701)	(35,825)	(40,165)	(41,054)	(34,192)	(62,560)	(39,070)	(41,619)	(30,225)	(397,568)
<b>ECR</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-Total Revenues</b>	(4,046)	(3,929)	(22,182)	(42,701)	(35,825)	(40,165)	(41,054)	(34,192)	(62,560)	(39,070)	(41,619)	(30,225)	(397,568)
<b>FF&amp;U ON GHG CREDIT</b>	49	47	266	512	430	482	493	410	751	469	499	362	4,770
<b>Total Revenues</b>	(3,997)	(3,882)	(21,916)	(42,189)	(35,395)	(39,683)	(40,561)	(33,782)	(61,809)	(38,601)	(41,120)	(29,863)	(392,798)
<b>O&amp;M (PS 5)</b>	12,810	27,716	11,040	12,417	8,748	9,499	8,977	8,235	8,927	10,810	10,196	8,921	138,296
<b>Total Costs</b>	12,810	27,716	11,040	12,417	8,748	9,499	8,977	8,235	8,927	10,810	10,196	8,921	138,296
<b>Current Month Activity</b>	8,813	23,834	(10,876)	(29,772)	(26,647)	(30,184)	(31,584)	(25,547)	(52,882)	(27,791)	(30,924)	(20,942)	(254,502)
<b>Interest Rate</b>	1.43%	1.59%	1.69%	1.90%	2.00%	2.03%	2.08%	2.12%	2.12%	2.19%	2.31%	2.45%	
<b>Current Month Interest**</b>	2,509	2,814	3,004	3,350	3,485	3,495	3,534	3,557	3,494	3,542	3,687	3,865	40,336
<b>Current Activity and Interest</b>	11,322	26,648	(7,872)	(26,422)	(23,162)	(26,689)	(28,050)	(21,990)	(49,388)	(24,249)	(27,237)	(17,077)	(214,166)
<b>Rounding/Transfer (PS 5)</b>													-
<b>Ending Balance</b>	\$ 2,111,909	\$ 2,138,557	\$ 2,130,685	\$ 2,104,263	\$ 2,081,101	\$ 2,054,412	\$ 2,026,362	\$ 2,004,372	\$ 1,954,984	\$ 1,930,735	\$ 1,903,498	\$ 1,886,421	\$ 1,886,421

**Attachment I: Enhanced Community Renewable Marketing, Education & Outreach Memorandum Account (ECRME&OMA) – Electric Summary**

**San Diego Gas & Electric**  
**Enhanced Community Renewable Marketing, Education & Outreach Memorandum Account (ECRME&OMA) - Electric**  
 Under / (Over) Collection  
 Account # 1150644 / (2190272)

	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>	<u>Total</u>
<b>Beginning Balance</b>	\$ 2,866	\$ 2,869	\$ 2,873	\$ 2,877	\$ 2,882	\$ 2,887	\$ 2,892	\$ 2,897	\$ 2,902	\$ 2,907	\$ 2,912	\$ 2,918	\$ 2,866
<b>Revenue</b>													
<b>Total Revenues</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>O&amp;M (PS 4a)</b>													
<b>Total Costs</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Current Month Activity</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Interest Rate:</b>	1.43%	1.59%	1.69%	1.90%	2.00%	2.03%	2.08%	2.12%	2.12%	2.19%	2.31%	2.45%	
<b>Current Month Interest**</b>	3	4	4	5	5	5	5	5	5	5	6	6	58
<b>Current Activity and Interest</b>	3	4	4	5	5	5	5	5	5	5	6	6	58
<b>Rounding/Transfer</b>													-
<b>Ending Balance</b>	2,869	2,873	2,877	2,882	2,887	2,892	2,897	2,902	2,907	2,912	2,918	2,924	2,924

**Attachment J: Green Tariff Shared Renewable Balancing Account  
(GTSRBA) – Electric Summary**

**Ssan Diego Gas & Electric**  
**Green Tariff Shared Renewables (GTSRBA)**  
Under / (Over) Collection  
Account # 1150672 / 2190290

	<u>Jan-18</u>	<u>Feb-18</u>	<u>PPA</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>	<u>Total</u>
<b>Beginning Balance</b>	\$ 5,972	\$ 17,127	\$ 37,013	\$ 41,570	\$ 165,285	\$ 406,190	\$ 604,919	\$ 829,582	\$ 1,060,353	\$ 1,180,198	\$ 1,243,226	\$ 1,296,033	\$ 882,743	\$ 5,972
<b>Revenue</b>														
<b>GT</b>	(86,102)	(73,424)	-	(417,179)	(801,580)	(672,236)	(756,807)	(772,490)	(643,600)	(1,176,768)	(735,104)	(783,214)	(568,143)	(7,486,647)
<b>ECR</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-Total Revenues</b>	(86,102)	(73,424)	-	(417,179)	(801,580)	(672,236)	(756,807)	(772,490)	(643,600)	(1,176,768)	(735,104)	(783,214)	(568,143)	(7,486,647)
<b>FF&amp;U on GHG Credit</b>	1,033	881	-	5,006	9,618	8,066	9,081	9,269	7,723	14,120	8,820	9,398	6,818	89,833
<b>Total Revenues</b>	(85,069)	(72,543)	-	(412,173)	(791,962)	(664,170)	(747,726)	(763,221)	(635,877)	(1,162,648)	(726,284)	(773,816)	(561,325)	(7,396,814)
<b>Purchased Power (PS 5)</b>	96,210	92,393	4,554	535,742	1,032,415	862,057	971,177	992,355	753,745	1,223,537	776,776	358,431	(197,205)	7,502,187
<b>Total Costs</b>	96,210	92,393	4,554	535,742	1,032,415	862,057	971,177	992,355	753,745	1,223,537	776,776	358,431	(197,205)	7,502,187
<b>Current Month Activity</b>	11,141	19,850	4,554	123,569	240,453	197,887	223,451	229,134	117,868	60,889	50,492	(415,385)	(758,530)	105,373
<b>Interest Rate:</b>	1.43%	1.59%	1.59%	1.69%	1.90%	2.00%	2.03%	2.08%	2.12%	2.12%	2.19%	2.31%	2.45%	
<b>Current Month Interest**</b>	14	36	3	146	452	842	1,212	1,637	1,977	2,139	2,315	2,095	1,028	13,896
<b>Current Activity and Interest</b>	11,155	19,886	4,557	123,715	240,905	198,729	224,663	230,771	119,845	63,028	52,807	(413,290)	(757,502)	119,269
<b>Rounding/Transfer (PS 5)</b>		-		-	-	-	-							-
<b>Ending Balance</b>	\$ 17,127	\$ 37,013	\$ 41,570	\$ 165,285	\$ 406,190	\$ 604,919	\$ 829,582	\$ 1,060,353	\$ 1,180,198	\$ 1,243,226	\$ 1,296,033	\$ 882,743	\$ 125,241	\$ 125,241

**Attachment K: 2018 ERRA Forecast vs Actual Variance Analysis**



## Attachment K - 2018 ERRA Forecast vs Actual Variance Analysis

Thousands of Dollars (without FF&U)

No.	Component	2018 Forecast		2018 Recorded		Difference	Variance
1	Load ISO Charges & Supply ISO Revenues				\$ 331,315		
2	Contract Costs (non-CTC)			851,625			
3	Contract Costs (CTC up to Market)			7,291			
4	Generation Fuel			130,010			
5	Net Supply ISO Revenues				988,926		
6	Equity Rebalancing Costs				11,124		
7	CAISO Misc. Costs				2,299		
8	Hedging Costs				15,321		
9	Greenhouse Gas & Carrying Costs				36,601		
	<b>Total ERRA Expenses</b>		\$ 1,340,539		\$ 1,385,586	\$ 45,047	

- 1 **Load ISO Charges & Supply ISO Revenues** - Lower load was offset by higher electric price for loads and lower generation/supply revenue..
- 2 **Contract Costs (non-CTC)** - Solar and Wind production under produced compared to forecast. Otay Mesa and other conventional units had lower fuel costs due to higher than forecasted gas prices and lower economic dispatches.
- 3 **Contract Costs (CTC up to Market)** - Generation was higher than forecasted. The lower costs were due to the shut-down of the AEI SO4 QFs in February. The plants never returned to service.
- 4 **Generation Fuel** - Palomar natural gas fuel prices were higher than forecast by 181%, and Desert Star (UOG) ran more than forecasted due to SoCal Border prices being lower than forecasted.
- 7 **CAISO Misc. Costs** - CRR and Convergence Bidding costs are not included in the forecast, therefore recorded values (typically negative) are lower than forecast.
- 8 **Hedging Costs** - Due to lower derivative losses.

**Attachment L: Energy Resource Recovery Account (ERRA) 2018 vs 2017**

**Recorded Variance Analysis**

Attachment L - 2017 vs 2016 Recorded Variance Analysis							
San Diego Gas & Electric Company							
Energy Resource Recovery Account (ERRA)							
2018 vs 2017 Recorded Variance Analysis							
Line #	Description	Diff Item	Column 1 Total 2018	Column 2 Total 2017	Column 3 =Col.(1)-Col.(2) Difference	Column 3a = Col.(3)/Col.(2) Variance %	Column 4 Explanation > 10% Change or \$1 million
1	ERRA beginning balance		\$ 51,269,226	\$ -			
2	<b>REVENUES</b>						
3	EECC Revenue (Less DWR Revenue)	5A	(1,671,994,272)	(1,603,595,361)	(68,398,911)	4.3%	EECC revenue; in 2018 collected a "high usage charge" due to the heat wave that occurred in the summer (Jul-Sep). We also had the trigger amortization (from 2017 trigger application) which was amortized throughout 2018 (about \$8.6M/month). However, this was only amortized for 2 months in 2017 (Nov-Dec).
4	Power Charge Indifference (PCIA) Revenue	5B	(9,456,995)	(6,477,186)	(2,979,809)	46.0%	The Power Charge Indifference Adjustment was higher in 2018 compared to 2017 due primarily to the increased Green Tariff (GT)/Community Choice Aggregation (CCA) participation which overall increased the PCIA revenue in 2018. Also, the 2018 PCIA rate was higher than 2017 due to the change in SDG&E's portfolio costs and the change in market price benchmarks used to calculate the PCIA as approved by the CPUC in SDG&E's 2018 ERRA Forecast in Decision D.17-12-014.
5	Peak Time Rebate (PTR) Incentive Payments	5C	575,541	323,983	251,558	77.6%	
6	Net Energy Metering - Net Surplus Compensation Pmts	5D	38,514,790	25,322,321	13,192,469	52.1%	Net Energy Metering compensation payments were much higher in 2018 due to higher customer enrollment and activity.
7	<b>Total ERRA Revenues including FF&amp;U</b>		<b>(1,642,360,936)</b>	<b>(1,584,426,243)</b>	<b>(57,934,693)</b>		
8							
9	Less: FF&U factor (1.012179) for EECC	5A	20,062,711	19,241,971	820,740		
10	Less: FF&U factor for Power Charge Indifference Revenue	5B	113,475	77,721	35,754		
11	Less: FF&U factor for Peak Time Rebate Payments	5C	(6,906)	(3,887)	(3,019)		
12	Less: FF&U factor for Net Energy Metering	5D	(462,148)	(303,850)	(158,298)		
13	<b>Total FF&amp;U</b>		<b>19,707,132</b>	<b>19,011,955</b>	<b>695,177</b>		
14							
15	<b>Subtotal ERRA Revenues without FF&amp;U</b>		<b>(1,622,653,804)</b>	<b>(1,565,414,288)</b>	<b>(57,239,516)</b>		
16							
17	Less: Transfer to NGBA	5t	231,684,853	269,187,814	(37,502,961)	-13.9%	Due to a lower NGBA revenue requirement for 2018.
18	Less: Transfer to GRCMA	5t	-	5,082,091	(5,082,091)	-100.0%	GRCMA amortization ended in December of 2017 with no activity in 2018. (AL 3137-E)
19	Less: Transfer to DRGBA	5t	94,000	1,656,000	(1,562,000)	-94.3%	Amortization that was included in rates as of January 1, 2017. There was little remaining amortization in 2018 relating to DRGBA. (AL 3137-E)
20	Less: Transfer to MMMA	5t	1,069,931	2,187,247	(1,117,316)	-51.1%	MMMA rev req was fully amortized as of the end of 2017 which resulted in a lower MMMA transfer rate in 2018 (AL 3139-E)
21	Less: GRC 2016 Franchise Fee Refund	5t	-	119,866	(119,866)	-100.0%	This adjustment is due to an incorrect rate being applied in billing relating to the 2016 GRC implementation
22							
23	<b>Net Revenues Booked to ERRA</b>		<b>\$ (1,389,805,020)</b>	<b>\$ (1,287,181,269)</b>	<b>\$ (102,623,750)</b>		
24							
25	<b>EXPENSES</b>						
26	Contract Costs (CTC up-to-market) - PGE	5a	-	-	-	-	
27	Contract Costs (CTC up-to-market) - QFs & YCA	5b	7,291,209	42,221,530	(34,930,321)	-82.7%	The four Applied Energy Inc contracts ended as of 3/2018. SDG&E had lower payments to CoGen counterparties for energy and capacity in 2018.
28	Contract Costs (Non-CTC)	5c	851,624,645	922,780,709	(71,156,064)	-7.7%	Contract costs decreased from 2017 to 2018, primarily due to lower generation by OMEC and lower PPA costs.
29	Generation Fuel & In-Lieu Payment	5d	130,010,208	112,603,588	17,406,620	15.5%	Costs went up in primarily because the CityGate gas prices were higher in 2018.
30	Other ISO Related Costs	5e	-	(605)	605	-100.0%	Due to refunds from CAISO in 2017.
31	ISO Supply & Load Costs	5f	404,199,398	207,711,418	196,487,980	94.6%	Due to lower CAISO supply revenues and higher CAISO load costs in 2018.
32	Hedging Costs & Financial Transactions	5i	15,320,934	24,799,937	(9,479,003)	-38.2%	Due to lower losses in gas price derivative hedging activities in 2018.
33	Rounding						
34	Customer Incentives - SPP, DR,20/20						
35	Rewards/Penalties - Palomar Energy Ctr	5k	-	-	-	-	
36	WREGIS Costs	5l	2,299,494	2,208,363	91,131	4.1%	Increase due to a higher number of GHG RECs retired in 2018 for GHG compliance.

37	ISO CRRs Costs	5g	(71,152,363)	(43,051,551)	(28,100,812)	65.3%	Due to higher revenues from CAISO in 2018 resulting from higher CRR value/higher quantity of CRRs settling with CAISO for electric congestion.
38	ISO Convergence Bidding Costs	5e	(1,732,409)	(91,632)	(1,640,777)	1790.6%	Due to higher revenues from CAISO for convergence bidding related items.
39	Rebalancing Costs (OMEC)	5m	11,123,899	11,653,608	(529,709)	-4.5%	Due to lower cost associated with Variable Interest Entity (VIE) impact of Otay Consolidation in 2018
40	Purchased Tradable Renewable Energy Credits (TREC)s	5n	-	-	-	-	
41	Sales Tradable Renewable Energy Credits (TREC)s	5n	-	-	-	-	
42	Net Surplus Compensation Costs (AB920)		-	-	-	-	
43	Authorized Disallowances	5s	-	-	-	-	
44							
45	<b>Total Balancing Account Expenses</b>		<b>\$ 1,385,585,695</b>	<b>\$ 1,314,487,126</b>	<b>\$ 71,098,569</b>		
46							
47	<b>MISCELLANEOUS</b>						
48	Supplier Refunds	5q	-	(2,857,983)	2,857,983	-100.0%	Refunds related to the Energy Crisis Settlement (Aquila & CAL Party) cases were settled in 2017.
49	Adjustments for In-Lieu Franchise Fees and O&M true-ups related to SONGS settlement items	5d, 1	-	-	-	-	
50	Carrying Cost Related to Hedging Margin Deposit - Computed	5i	505,553	343,712	161,841	47.1%	Carrying costs were higher in 2018 primarily due to higher average account balances and higher 3-month Commercial Paper borrowing rates.
51	SONGS Settlement: Trust reimbursement	1	-	(45,083)	45,083	-100.0%	Pursuant to SONGS Trust reimbursements pursuant to D. 14-11-040.
52	Authorized Disallowances	5s	-	(17,891)	17,891	-100.0%	Confirmed no disallowance in 2018 for 2016 ERRRA costs. The 2017 disallowance is related to self-scheduling error of the Orange Grove Unit.
53	Energy Crisis Settlement - Aquila & CAL Party Refund						
54	FF&U Adjustment		18,689	-	18,689	#DIV/0!	
55	<b>Total Miscellaneous</b>		<b>\$ 524,242</b>	<b>\$ (2,577,245)</b>	<b>\$ 3,101,487</b>		
56							
57	<b>Net Current Month Under/ (Over) Collection</b>		<b>\$ (3,695,083)</b>	<b>\$ 24,728,612</b>	<b>\$ (28,423,694)</b>		
58							
59	Interest Rate						
60	Interest	5u	1,922,903	873,535	1,049,368	120.1%	The interest rates were higher in 2018 and there were higher average balances during 2018.
61							
62	Transfer from IEMA	5t	208,629	293,896	(85,267)	-29.0%	Transfer balance from EMA to ERRRA per AL 2304-E. IEMA is excluded from the total interest calculation because interest is calculated on the balance within the memo account prior to transfer.
63	Transfer from DPBA	5t					
64	Transfer from RPSCMA	5t	41,867	-	41,867	#DIV/0!	The balance of the RPSCMA account was transferred to ERRRA at the end of 2018.
65	True-up of SONGS Settlement items	1	-	-	-	-	
66	Activity with Interest & Transfers		\$ (1,521,683)	\$ 25,896,043	\$ (27,417,726)		
67	<b>ERRRA ending balance</b>		<b>\$ 49,747,542</b>	<b>\$ 51,269,226</b>			

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

**DECLARATION  
OF KHOANG T. NGO**

**A.19-05-XXX**

Application of San Diego Gas & Electric Company (U 902-E) for Approval of: (i) Contract Administration, Least Cost Dispatch and Power Procurement Activities in 2018, (ii) Costs Related to those Activities Recorded to the Energy Resource Recovery Account and Transition Cost Balancing Account in 2018 and (iii) Costs Recorded in Related Regulatory Accounts in 2018

I, Khoang T. Ngo, declare as follows:

1. I am the Senior Energy Administrator for San Diego Gas & Electric Company ("SDG&E"). I have included my Direct Testimony ("Testimony") in support of SDG&E's Application for Approval of: (i) Contract Administration, Least Cost Dispatch and Power Procurement Activities, and (ii) Costs Related to those Activities Recorded to the Energy Resource Recovery Account, incurred during the Record Period January 1, 2018 through December 31, 2018, and (iii) the Entries Recorded in Related Regulatory Accounts. Additionally, as the Senior Energy Administrator, 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 procedures adopted

in D.08-04-023, I am addressing each of the following five features of Ordering Paragraph 2 in 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.<sup>1</sup> As such, the Protected Information provided by SDG&E is allowed confidential treatment in accordance with Appendix 1 – IOU Matrix in D.06-06-066.

<b>Confidential Information</b>	<b>Matrix Reference</b>	<b>Reason for Confidentiality And Timing</b>
KTN-2, 7, 8 and 13; Attachment A and Attachment C	XI	Monthly Procurement Costs, confidential for 3 years
Attachment K, line 1 and 5: Load ISO Charges & Supply ISO Revenues	II.A.2 V.C	Utility Electric Price Forecasts; confidential for 3 years. LSE Total Energy Forecast; confidential for the front 3 years.
Attachment K, line 2 and 6: Contract Costs (non-CTC) & Equity Rebalancing Costs	II.B.4	Generation Cost Forecasts of Non-QF Bilateral Contracts; confidential for 3 years.
Attachment K, line 3: 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.
Attachment K, line 4: Generation Fuel	II.B.1	Generation Cost Forecasts of Utility Retained Generation; confidential for 3

<sup>1</sup> 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 such data under those provisions, as applicable.

	II.B.4	years. Generation Cost Forecasts of Non-QF Bilateral Contracts; confidential for 3 years.
Attachment K, line 7: CAISO Misc. Costs	II.A.2	Utility Electric Price Forecasts; confidential for 3 years.
Attachment K, line 8: Hedging Costs	I.A.4	Long-term Fuel (gas) Buying and Hedging Plans; confidential for 3 years.

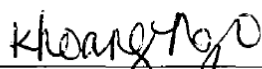
4. I am not aware of any instances where the Protected Information has been disclosed to the public. To my knowledge, no party, including SDG&E, has publicly revealed any of the Protected Information.

5. I 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 31st day of May 2019, at San Diego, California.

  
\_\_\_\_\_

Khoang T. Ngo  
Senior Energy Administrator  
San Diego Gas & Electric Company

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

**DECLARATION OF JAMES MAGILL  
REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS  
PURSUANT TO D.16-08-024, *et al.***

I, James Magill, do declare as follows:

1. I am a Manager Settlements & Systems in the Electric and Fuel Procurement department for San Diego Gas & Electric Company (“SDG&E”). I have been delegated authority to sign this declaration by Kendall Helm, Vice President of Energy Supply. I have reviewed Khoang Ngo’s Prepared Direct Testimony (“Testimony”) in support of SDG&E’s “Application ... for Approval (i) Contract Administration, Least Cost Dispatch and Power Procurement Activities in 2018, (ii) Costs Related to those Activities Recorded to the Energy Resource Recovery Account and Transition Cost Balancing Account in 2018 and (iii) Costs Recorded in Related Regulatory Accounts in 2018” (“Application”). I am personally 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 my personal knowledge and/or information and belief.

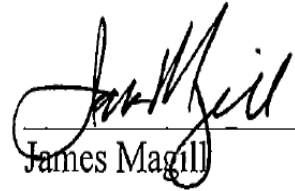
2. I hereby provide this Declaration in accordance with Decisions (“D.”) 16-08-024, D.17-05-035, and D.17-09-023 to demonstrate that the confidential information (“Protected Information”) provided in the Testimony is within the scope of data protected as confidential under applicable law.

3. In accordance with the legal authority described herein, the Protected Information should be protected from public disclosure.



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

Executed this 31st day of May, 2019, at San Diego.

  
James Magill

# ATTACHMENT A

**SDG&E Request for Confidentiality  
on the following information in its Application for Approval of Its 2018  
(i) Contract Administration, Least Cost Dispatch and Power  
Procurement Activities in 2018, (ii) Costs Related to those Activities  
Recorded to the Energy Resource Recovery Account and Transition  
Cost Balancing Account in 2018 and (iii) Costs Recorded in Related  
Regulatory Accounts in 2018**

<b>Location of Protected Information</b>	<b>Legal Authority</b>	<b>Narrative Justification</b>
Attachment K, line 9 and Attachment L, line 44: Greenhouse Gas & Carrying Costs	D.14-10-033; D.16-08-024; D.17-05-035; D.17-09-023; Public Utilities Code Section 454.5(g).	GHG emissions forecasts: Providing these forecasts to market participants would allow them to know SDG&E's 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.