

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

Application of San Diego Gas & Electric Company
(U 902-E) for Approval of: (i) Contract Administration,
Least-Cost Dispatch and Power Procurement Activities in
2017, (ii) Costs Related to those Activities Recorded to the
Energy Resource Recovery Account and Transition Cost
Balancing Account in 2017 and (iii) Costs Recorded in
Related Regulatory Accounts in 2017

Application 18-06-_____
(Filed June 1, 2018)

**APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E)
FOR APPROVAL OF ERRA COMPLIANCE FOR RECORD PERIOD 2017**

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June 1, 2018

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I. INTRODUCTION

In compliance with California Public Utilities Code (“P.U. Code”) Section 454.5, relevant Decisions (“D.”) of the California Public Utilities Commission (“Commission” or “CPUC”), including, but not limited to, D.02-10-062, D.02-12-074, D.05-01-054, and D.05-04-036, and the Commission’s Rules of Practice and Procedure, San Diego Gas & Electric Company (“SDG&E”) hereby submits its Application for review and approval of: (i) contract administration, least-cost dispatch and power procurement activities in 2017, (ii) costs related to those activities recorded to the Energy Resource Recovery Account (“ERRA”), Transition Cost Balancing Account (“TCBA”) and Local Generation Balancing Account (“LGBA”) in 2017 and (iii) costs recorded in related regulatory accounts in 2017, including New Environmental Regulatory Balancing Account (“NERBA”); Independent Evaluator Memorandum Account (“IEMA”); the Litigation Cost Memorandum Account (“LCMA”); the Green Tariff Marketing Education & Outreach Memorandum Account (“GTME&OMA”); the Green Tariff Share Renewables Administrative Cost Memorandum Account (“GTSRACMA”); the Enhanced Community Renewable ME&O Memorandum Account (“ECRME&OMA”); and the Renewable

Portfolio Standard Cost Memorandum Account (“RPSCMA”). SDG&E is not seeking a cost recovery or a rate change at this time for any of these costs.

However, as explained herein and in the associated direct testimony of SDG&E witness Khoang T. Ngo, with respect to SDG&E’s LGBA, SDG&E is deferring cost recovery of this account’s relatively small undercollection to SDG&E’s next-filed ERRA Forecast Proceeding for year 2020, which will be filed on April 15, 2019. SDG&E is doing so to assist its electricity customers by avoiding a further rate increase for a relatively small amount and thereby promoting rate stability.

II. BACKGROUND

A. SCOPE OF ERRA COMPLIANCE REVIEW

The ERRA balancing account mechanism was established in D.02-10-062 to track fuel and purchased power billed revenues against actual recorded costs. That decision also required the electric utilities to establish a fuel and purchased power revenue requirement forecast, a trigger mechanism, and a schedule for semiannual ERRA proceedings. The first semiannual proceeding (the forecast application) consists of an application by the utility to establish annual fuel and purchased power forecasts for the upcoming calendar year. During the second semiannual proceeding, a compliance review of the utility’s prior period energy resource contract administration, least-cost dispatch, and ERRA balancing account is conducted.

In D.02-10-062, the Commission adopted minimum standards of conduct the utilities must follow in performing their procurement responsibilities. Standard of Conduct #4 (“SOC 4”) describes the compliance review criteria for contract administration and economic dispatch of generation resources on which the utilities will be evaluated: “The utilities shall prudently administer all contracts and generation resources and dispatch the energy in a least-

cost manner. Our definitions of prudent contract administration and least cost dispatch are the same as our existing standard.”¹

The scope of compliance review described in D.02-10-062 and D.02-12-074 includes Commission review of utility retained electric generation (“URG”) fuel expenses, contract administration, California Independent System Operator (“CAISO”)-related costs, existing Qualified Facilities (“QF”) contracts, other power purchase agreements (including renewable resource contracts) and economic dispatch of electric generation resources (including Miramar, Palomar, Desert Star Energy Center [“Desert Star”], Cuyamaca, Escondido and El Cajon Battery Energy Storage System (“BESS”) and Ramona Solar Energy Project).

The Commission further stated in D.03-06-067 that in determining whether the utilities complied with the requirement to “dispose of economic long power and to purchase economic short power in a manner that minimizes ratepayer costs,”² the Commission would examine “the prudence of each utility’s decision to dispatch resources contained in the integrated DWR-IOU portfolio and execute market transactions for economic purposes”³ Accordingly, the Commission’s annual compliance review focuses on prudent contract administration, least-cost dispatch and URG fuel procurement activities.

The appropriate scope and standard of review for these ERRRA applications have also been addressed in D.05-04-036 and D.05-01-054. According to those decisions and pertinent to the scope of review of the utility’s least-cost dispatch obligation, the Commission will consider those decisions to dispatch the resources in the daily, hourly, and real-time markets. As for the standard of review of the utility’s least-cost dispatch, contract administration, and URG costs, the

¹ D.02-10-062 at Conclusion of Law 11.

² D.03-06-067 at 10.

³ *Id.* at 10.

Commission reiterated in D.05-04-036 that its review is not a “reasonableness review,” but is instead a “compliance review”:

We [the Commission] went on to state that the least cost dispatch review process is a compliance review, and that there are no ranges of possible outcomes. (D.05-01-054 at 13-14.) Instead, we stated in pertinent part that:

“The outcome or standard for review has been predetermined – that is the lowest cost. SCE must demonstrate that it has complied with this standard, by providing sufficient information and/or analysis in order for the Commission to verify that SCE’s dispatch resulted in the most cost-effective mix of total resources, thereby minimizing the cost of delivering electric services. Based on analyses of SCE’s showing and subsequent discovery, ORA or any other party may take the position that SCE did not fully comply with SOC 4. In such cases, we will judge the merits of the parties’ positions and may impose disallowances and/or penalties.... This compliance process encompasses much more than that characterized by ORA. Imposing a compliance process for least-cost dispatch under SOC 4, rather than a reasonableness review process, does not diminish our ability to ensure just and reasonable rates.” (D.05-01-054, pp. 14-15)⁴

In this same decision, the Commission goes on to say that:

D.05-01-054 did not adopt specific criteria for determining “what constitutes least-cost dispatch compliance or what the utility needs to provide to meet its burden to prove such compliance.” (D.05-01-054, p. 15) Instead, we stated that if ORA or another party can demonstrate that the utility “has not dispatched resources in a least-cost manner, the Commission will review that evidence and make appropriate adjustments for non-compliance.” (D.05-01-054 at 16.)⁵

Finally, on October 21, 2014, SDG&E, along with Pacific Gas and Electric Company (“PG&E”) and Southern California Edison Company (“SCE”), jointly filed a Joint Proposal for the Demonstration of Least-Cost Dispatch (“Joint Proposal”), which detailed the information that the utilities would include in testimony or workpapers in ERRA compliance proceedings to

⁴ D.05-04-036 at 26. Accord, D.15-11-011 at 2; D.17-03-016 at 3.

⁵ D.05-04-036 at 27 (internal footnote omitted) (emphasis added).

demonstrate least-cost dispatch. On November 5, 2014, the Commission’s Office of Ratepayer Advocates (“ORA”) filed a response which included four recommended modifications to the Joint Proposal. On December 2, 2014, Administrative Law Judge Roscow and Commissioner Florio issued an “Interim Ruling Providing Guidance for the 2014 ERRR Compliance Proceedings,” which adopted both the Joint Proposal as well as ORA’s suggested modifications relating to economically dispatched demand response programs. These requirements were adopted on a non-interim basis in D.15-05-005 and D.15-12-025. The direct testimony and associated workpapers of SDG&E witness Joseph Pasquito address these least-cost dispatch requirements and satisfy SDG&E’s burden of proof for the 2017 record period.

B. ERRR

As noted above, the purpose of the ERRR is to provide full recovery of SDG&E’s energy procurement costs associated with serving SDG&E’s bundled service customers. Accordingly, SDG&E’s ERRR revenue requirement includes specific recovery of CAISO energy and ancillary services load charges, contract costs, generation fuel costs, CAISO-related costs, hedging costs and previously approved equity rebalancing costs related to the financial statement consolidation of Otay Mesa Energy Center (“OMEC”) under Accounting Standards Codification 810 (“ASC 810”), formerly referred to as FASB Interpretation No. 46 (R) or “Fin 46 (R).” Pursuant to Section 5(d) of SDG&E’s ERRR Tariff, the ERRR also includes “in lieu payments payable to communities where SDG&E is transporting its own gas through its own gas transmission or distribution system, or both, for purposes of generating electricity or for use in its own operations.” The ERRR also includes revenues from SDG&E’s Electric Energy Commodity Cost (“EECC”) rate schedules (commodity revenue), non-fuel generation revenues allocated to

the Non-Fuel Generation Balancing Account (“NGBA”) and other Commission-approved accounts.

SDG&E believes that the costs and expenses recorded to the ERRA during 2017 are appropriate, correctly stated and recoverable in accordance with applicable Commission policy and decisions. The ERRA balance as of December 31, 2017 was approximately a \$51.3 million undercollection.

C. TCBA

In D.06-12-019, the Commission determined that SDG&E’s annual TCBA review should be included as part of the annual ERRA compliance review. The ERRA compliance review is the appropriate forum to review the TCBA because the costs that are recovered in the TCBA generally relate to the above-market portion of certain QF and purchase power costs eligible for recovery under Assembly Bill (“AB”) 1890. Specifically, the TCBA records the eligible above-market power costs and the revenues received from SDG&E’s Competition Transition Charge (“CTC”) rate. The TCBA balance as of December 31, 2017 was a \$(1.76) million overcollection.

D. LGBA

The LGBA was authorized in D.13-03-029. The LGBA records the costs and revenues for generation that have been determined to be subject to the cost allocation mechanism (“CAM”). For 2017, the only contract included in the LGBA was the Escondido Energy Center contract, the Pio Pico Energy Center, CP Kelco (effective June 1, 2017), and Grossmont Hospital Combined Heat & Power (“CHP”). Also included were the SDG&E-owned Escondido Energy and El Cajon Energy Storage Facilities. As of December 31, 2017, the LGBA balance reflected a \$14.4 million undercollection, as shown in the accompanying direct testimony of Khoang T.

Ngo and its associated Table 3. In this Application, SDG&E is requesting, among other things, that SDG&E's 2017 transactions reflected in its LGBA are in compliance with Commission directives.

Further, as noted in the direct testimony of SDG&E witness Khoang T. Ngo, SDG&E is not seeking cost recovery of the undercollection in this Application; instead, SDG&E is requesting that the Commission (a) determine that its LGBA's 2017 transactions are reasonable and accurately stated; and (b) that the 2017 undercollection activity in the account may be recovered in SDG&E's 2020 ERRR Forecast Application, which will be submitted on April 15, 2019 or SDG&E's next Annual Electric Regulatory Account Update filing.

E. NERBA

The NERBA, as approved by the Commission's Decision 13-05-010 in SDG&E's 2012 General Rate Case ("GRC"), records the operating and maintenance ("O&M") and capital-related costs associated with certain new and proposed federal and state environmental programs, such as fees charged by the California Air Resources Board ("CARB") under AB 32. Activity recorded to NERBA in 2017 was an undercollection of approximately \$0.419 million. In this Application, SDG&E is requesting confirmation that SDG&E's 2017 transactions reflected in its NERBA are in compliance with Commission directives. At this time, SDG&E is not requesting authorization to include the relatively small 2017 balance of \$0.049 million in rates as SDG&E is experiencing fluctuations in expenses which may offset the undercollection, and because activity in this account has been minimal, as explained in the direct testimony of Khoang T. Ngo.

F. IEMA

In compliance with Senate Bill ("SB") 1078, D.03-06-071 and the requirements of Rulemaking ("R.") 01-10-024, SDG&E was required to implement Renewable Portfolio

Standards (“RPS”) programs. SDG&E’s solicitations for the RPS programs required bidders to provide both turnkey or buyout options with purchase power agreements. In D.04-12-048, the Commission adopted a variety of safeguards and procedures that required the utilities to use independent evaluators if affiliated entities bid in a procurement solicitation or if the utility sought turnkey proposals. In D.05-07-039, the Commission extended the requirement to use independent evaluators for SDG&E’s RPS solicitations.

The purpose of the IEMA is to record third-party costs associated with the use of independent evaluators in the Utility’s long-term procurement activities and RPS programs. Interest is applied to any over- or undercollection balance at the three-month Commercial Paper rate. The disposition of the IEMA, as approved in SDG&E’s tariff, requires SDG&E to seek recovery of the balance in its ERRA proceeding. In D.11-10-029, SDG&E was authorized to transfer the balance in SDG&E’s IEMA to the ERRA on an annual basis.

As explained in the accompanying direct testimony of Khoang T. Ngo, pursuant to the above-mentioned decisions, SDG&E transferred the IEMA 2017 activity undercollection balance of \$0.3 million to ERRA. SDG&E is requesting confirmation in this Application that the amounts transferred from IEMA to ERRA during 2017 are in compliance with applicable Commission decisions.

G. LCMA

Pursuant to Resolution E-3893, the Litigation Cost Memorandum Account (“LCMA”) records litigation costs associated with refunds resulting from the energy crisis in October 2000 through January 2001. The LCMA tracks the difference between incurred litigation costs and settlement proceeds received. At this time, SDG&E is not requesting recovery of its December 31, 2017 undercollected LCMA balance as there are pending litigation cases, and the

appropriate vehicle for requesting recovery is through a separate filing. As indicated in the direct testimony of Khoang T. Ngo, the balance in this account as of the end of 2017 was an undercollection of \$0.043 million. Once SDG&E has closed all LCMA related litigation, SDG&E will evaluate and execute next steps.

H. GTME&OMA

Pursuant to D.15-01-051, the GTME&OMA records the difference between the revenues collected through the GT-ME&O Charge and the initial and ongoing incremental ME&O cost incurred to implement the Green Tariff Shared Renewables Program (“GTSRP”). In 2017, the GTME&OMA had costs and interest totaling \$0.26 million, as shown in Attachment G. In this proceeding, SDG&E requests that the Commission find that the transactions recorded in the GTME&OMA are appropriate and correctly stated in accordance with the Commission’s directives.

I. GTSRACMA

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

In 2017, the GTSRACMA had current activity and interest of \$0.4 million, and the ending balance was \$2.1 million, as shown in Attachment H to the Prepared Direct Testimony of Khoang T. Ngo. SDG&E requests confirmation that the transactions recorded in the GTSRACMA are appropriate and correctly stated in accordance with Commission directives.

J. ECRME&OMA

Pursuant to D.15-01-051, the purpose of the ECRME&OMA is to record the difference between the revenues collected through the ECR-ME&O Charge and the initial and ongoing

incremental ME&O costs incurred to implement the GTSRP. The GTSRP consists of both a Green Tariff option and an Enhanced Community Renewables option. ME&O costs for the Enhanced Community Renewables option are recorded in the ECRME&OMA.

In 2017, the ECRME&OMA had current activity and interest of one hundred and forty-four dollars, and the ending balance was also \$0.003 million as shown in Attachment I to the Prepared Direct Testimony of Khoang T. Ngo. SDG&E requests confirmation that the transactions recorded in the ECRME&OMA are appropriate and correctly stated in accordance with Commission directives.

K. RPSCMA

In compliance with D.06-10-050, SDG&E established the RPSCMA to record certain consulting work associated with the renewable portfolio standard program. Pursuant to D.14-05-002, the RPSCMA was modified in Advice Letter 2607-E to extend the time for recording costs. Interest is applied to any over- or undercollection balance at the three-month commercial paper rate.

In 2017, SDG&E incurred approximately four hundred dollars in interest which was booked to RPSCMA. SDG&E is requesting confirmation that the transactions recorded in the RPSCMA are appropriate and correctly stated in accordance with Commission directives.

III. SUMMARY OF PREPARED DIRECT TESTIMONY

In support of this Application, SDG&E provides the direct testimony of five witnesses. As SDG&E's direct testimony demonstrates, in 2017, SDG&E has fully complied with its Commission-approved electric procurement plans,⁶ all relevant contract terms and conditions,

⁶ For purposes of the Commission's review and the compliance findings requested herein, the relevant LTPP is SDG&E's 2014 LTPP, approved in Commission Resolution E-4543, in compliance with D.15-10-031.

SOC 4 and applicable Commission decisions. The direct testimony also shows the accuracy and reasonableness of SDG&E's 2017 ERRA, TCBA, LGBA, NERBA, IEMA, LCMA, GTME&OMA, GTSRACMA, ECRME&OMA and RPSCMA accounting entries. The direct testimony of SDG&E's witnesses, and the issues they address, are summarized below and incorporated by reference herein:

- **Mr. Joseph Pasquito**

Mr. Pasquito's direct testimony describes the various energy resources in SDG&E's electricity portfolio and addresses the manner in which SDG&E complied during the record period with its obligation to dispatch its energy portfolio in a least-cost manner, consistent with SDG&E's Commission-approved LTPP.

- **Ms. Khoang T. Ngo**

Ms. Ngo's direct testimony provides a description of the transactions for the 2017 entries to SDG&E's ERRA, TCBA, LGBA, NERBA, IEMA, LCMA, GTME&OMA, GTSRACMA, ECRME&OMA and RPSCMA. Ms. Ngo's direct testimony explains the regulatory basis for SDG&E's requested disposition for these accounts and seeks the Commission's determination that, for the 2017 record period, SDG&E's recommended dispositions are in compliance with Commission directives and should be approved as reasonable and accurate.

- **Mr. Daniel L. Sullivan**

Mr. Sullivan's direct testimony describes the categories of expenses that were recorded to SDG&E's ERRA, TCBA, and LGBA accounts and explains the contract administration activities associated with SDG&E's power purchase agreements during 2017.

- **Ms. Ana Garza-Beutz**

Ms. Garza-Beutz’s direct testimony explains SDG&E’s procurement of Greenhouse Gas (“GHG”) compliance instruments during the 2017 record period. In this proceeding, SDG&E is requesting that the Commission review and approve GHG compliance instrument procurement activity incurred in 2017 in compliance with the LTPP, AB 57, and recent Commission directives regarding GHG compliance costs.

- **Mr. Carl S. LaPeter**

Mr. LaPeter’s direct testimony explains that SDG&E has complied with applicable Commission standards governing the operation of Utility Owned Generation (“UOG”) resources and the management of planned and unplanned outages during the 2017 record period.

IV. REQUESTED RELIEF AND ISSUES TO BE CONSIDERED

The issues to be considered and the relief requested are contained in this Application, supporting testimony and related exhibits. In submitting this Application and supporting testimony, SDG&E demonstrates and requests express Commission findings that:

1. During 2017, SDG&E prudently administered and dispatched its UOG resources and portfolio of contracts, including Miramar, Palomar, Desert Star, Cuyamaca, Escondido and El Cajon Battery Energy Storage System, Ramona Solar Energy Project, power purchase agreements, QFs, non-QF resources, and renewable energy resources, in compliance with SDG&E’s Commission-approved procurement plan;

2. All 2017 entries and costs recorded in SDG&E's ERRA, TCBA, LGBA, NERBA, IEMA, LCMA, GTME&OMA, GTSRACMA, ECRME&OMA and RPSCMA are appropriate and correctly stated;
3. SDG&E's procurement of GHG compliance instruments during the 2017 record period is consistent with the Commission's current directives applicable to those compliance instruments;
4. Confidential treatment of the unredacted versions of the direct testimony, as requested in the declarations accompanying the testimony, is appropriate and authorized; and
5. SDG&E will pursue cost recovery of the undercollection in SDG&E's LGBA in SDG&E's next-filed ERRA Forecast Proceeding for year 2020, which will be filed on April 15, 2019 or SDG&E's next Annual Electric Regulatory Update filing.

V. STATUTORY AND PROCEDURAL REQUIREMENTS

A. Rule 2.1 (a) – (c)

In accordance with Rule 2.1 (a) – (c) of the Commission's Rules of Practice and Procedure, SDG&E provides the following information.

1. Rule 2.1 (a) - Legal Name

SDG&E is a corporation organized and existing under the laws of the State of California. SDG&E is engaged in the business of providing electric service in a portion of Orange County and electric and gas service in San Diego County. SDG&E's principal place of business is 8330 Century Park Court, San Diego, California 92123. SDG&E's attorney in this matter is Paul A. Szymanski.

2. Rule 2.1 (b) - Correspondence

Correspondence or communications regarding this Application should be addressed to:

Paul A. Szymanski
Attorney for:
San Diego Gas & Electric Company
8330 Century Park Court, CP32D
San Diego, CA 92123
Telephone: (858) 654-1732
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3. Rule 2.1 (c)

a. Proposed Category of Proceeding

In accordance with Rule 7.1, SDG&E requests that this Application be categorized as ratesetting.

b. Need for Hearings

SDG&E does not believe that approval of this Application will require hearings. SDG&E has provided ample supporting testimony, analysis and documentation that provide the Commission with a sufficient record upon which to grant the relief requested.

c. Issues to be Considered

The issues to be considered are described in this Application and the accompanying testimony and exhibits (see Summary of Application and Summary of Testimony, above). Regarding safety considerations, based on current information, SDG&E’s proposals in this Application and associated testimony will not result in any adverse safety impacts on the facilities or operations of SDG&E.

d. Proposed Schedule

SDG&E proposes the following schedule:

<u>ACTION</u>	<u>DATE</u>
Application filed	Friday, June 1, 2018
Prehearing Conference ⁷	Thursday, July 12, 2018
Intervenor Testimony	Thursday, August 16, 2018
Rebuttal Testimony	Thursday, September 20, 2018
Hearings (if necessary)	Wed/Thurs, October 10-11, 2018
Opening Briefs	Thursday, November 1, 2018
Reply Briefs	Thursday, November 15, 2018
Proposed Decision	Friday, February 1, 2019
Comments on Proposed Decision	Thursday, February 21, 2019
Reply Comments	Thursday, February 28, 2019
Commission Approval	March of 2019

B. Rule 2.2 – Articles of Incorporation

A certified copy of SDG&E’s Restated Articles of Incorporation, as last amended, presently in effect and certified by the California Secretary of State, was previously filed with the

⁷ SDG&E requests the opportunity to file a reply to any protests; SDG&E also requests that the Prehearing Conference not be scheduled between August 3, 2018 and August 20, 2018.

Commission on September 10, 2014, in connection with SDG&E's Application No. A.14-09-008, and is incorporated herein by reference.

VI. CONFIDENTIAL INFORMATION

SDG&E is submitting the direct testimony supporting this Application in both public (redacted) and non-public (unredacted and confidential) form, consistent with SDG&E's declarations of confidential treatment attached to the witnesses' testimony and submitted in conformance with D.06-06-066 and D.08-04-023. In short, confidential treatment is necessary in this proceeding to avoid inappropriate disclosure of the confidential and commercially sensitive information (pertaining to SDG&E's electric procurement resources and strategies) that SDG&E witnesses must identify to support this Application.

VII. SERVICE

This is a new application. No service list has been established. Accordingly, SDG&E will serve this Application, direct testimony and related exhibits on parties to the service list for A.17-06-006 (last year's SDG&E ERRRA compliance proceeding) and R.12-03-014 (OIR to Integrate and Refine Procurement Policies and Consider Long-Term Procurement Plans). Hard copies will be sent by overnight mail to Administrative Law Judge ("ALJ") ALJ Kelly Hymes, the assigned ALJ in A.17-06-006, and Chief ALJ Anne Simon.

VIII. CONCLUSION

WHEREFORE, SAN DIEGO GAS & ELECTRIC COMPANY requests that the Commission:

(1) find that during 2017 SDG&E prudently administered its generation resources and portfolio of contracts and dispatched energy in a least-cost manner, in compliance with SDG&E's Commission-approved procurement plan;

(2) find that SDG&E's 2017 entries in its ERRA, TCBA, LGBA, NERBA IEMA, LCMA, GTME&OMA, GTSRACMA, ECRME&OMA and RPSCMA were accurate and reasonable;

(4) determine that SDG&E's procurement of GHG compliance instruments during the record period was consistent with applicable standards;

(5) authorize SDG&E to pursue cost recovery of the undercollection in SDG&E's LGBA in SDG&E's next-filed ERRA Forecast Proceeding for year 2020, which will be filed on April 15, 2019 or SDG&E's next Annual Electric Regulatory Update filing; and

(6) grant such additional relief as the Commission believes is just and reasonable.

SDG&E is ready to proceed with its showing in this Application.

Respectfully submitted,

By: /s/ Paul A. Szymanski
Paul A. Szymanski

Attorney for:
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SAN DIEGO GAS & ELECTRIC COMPANY

By: /s/ Emily C. Shults
Emily C. Shults
San Diego Gas & Electric Company
Vice President – Energy Supply

DATED at San Diego, California, this 1st day of June 2018.

OFFICER VERIFICATION

OFFICER VERIFICATION

Emily Shults declares the following:

I am an officer of San Diego Gas & Electric Company and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing **APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) FOR APPROVAL OF ERRR COMPLIANCE FOR RECORD PERIOD 2017** are true to my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters, I believe them to be true.

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

Executed on June 1, 2018 at San Diego, California.

/s/ Emily C. Shults

Emily C. Shults
San Diego Gas & Electric Company
Vice President – Energy Supply

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CERTIFICATE OF SERVICE

I hereby certify that the **APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) FOR APPROVAL OF ERRRA COMPLIANCE FOR RECORD PERIOD 2017** was served on each party of record on the service list in A.17-06-006 (the service list for last year's SDG&E ERRRA compliance proceeding) and R.12-03-014 (OIR to Integrate and Refine Procurement Policies and Consider Long-Term Procurement Plans) by electronic service. Hard copies were also sent by overnight mail to ALJ Kelly Hymes (ALJ for SDG&E's record period 2016 ERRRA compliance proceeding) and Chief ALJ Anne Simon.

Dated at San Diego, California, this 1st day of June, 2018.

/s/ Lisa Fucci-Ortiz
Lisa Fucci-Ortiz