

Application No.: A.22-05-XXX
Exhibit No.: _____
Witness: Daniel F. Skopec

PREPARED DIRECT TESTIMONY OF
DANIEL F. SKOPEC
ON BEHALF OF
SAN DIEGO GAS & ELECTRIC COMPANY

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



May 31, 2022

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1 **PREPARED DIRECT TESTIMONY OF**
2 **DANIEL F. SKOPEC**
3 **ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**

4 **I. OVERVIEW AND PURPOSE**

5 I am the Senior Vice President of State Government Affairs and Chief Regulatory Officer
6 for San Diego Gas & Electric Company (“SDG&E”) and Southern California Gas Company.

7 The purpose of this testimony is to describe my implementation, use, and oversight of an
8 effective internal control and review process for SDG&E’s Energy Resource Recovery Account
9 (“ERRA”) filing and SDG&E’s Sales Forecast filing as required by Decision (“D.”) 21-12-040
10 and D.22-03-003.

11 **II. BACKGROUND**

12 On December 20, 2021, the California Public Utilities Commission (“CPUC”) issued
13 D.21-12-040 approving SDG&E’s 2022 ERRA forecast application. D.21-12-040 included the
14 following directive:

15 10. San Diego Gas & Electric Company’s (SDG&E) Chief Regulatory
16 Officer, or successor executive position, shall serve testimony that describes and
17 justifies that officer’s implementation, use and oversight of an effective internal
18 control and review process in all of SDG&E’s subsequent Electric Resource
19 Recovery Account filings.¹

20 Similarly, on March 23, 2022, the CPUC issued D.22-03-003 approving SDG&E’s 2022
21 Electric Sales Forecast application and directing SDG&E to file its subsequent annual Sales
22 Forecast application in its ERRA forecast application. D.22-03-003 also directed SDG&E to
23 include this oversight testimony in the combined application.²

¹ D.21-12-040, Ordering Paragraph (“OP”) 10.

² D.22-03-003, OP 3.

1 **III. SDG&E EMPLOYS A COMPREHENSIVE AND EFFECTIVE INTERNAL**
 2 **CONTROL AND REVIEW PROCESS FOR ITS ERRA FORECAST FILING**

3 This year, the combined 2023 ERRA forecast and sales forecast application relies on six
 4 different substantive witness areas in order to present the necessary revenue requirement
 5 forecasts, electric sales forecast, illustrative rate impacts, rate components, GHG compliance
 6 instruments, balancing account activity, and Power Charge Indifference Adjustment (“PCIA”)
 7 forecasted costs, among other requirements. The following table briefly identifies each ERRA
 8 forecast witness and the subject matter of their testimony.

9 **Table DS-1**
 10 **ERRA Forecast Witness Summary**

Witness	Subject Matter
Kenneth Schiermeyer	Presents SDG&E’s 2023 Electric Sales Forecast.
Matthew O’Connell	Describes the resources that SDG&E expects to use in 2023 to meet its forecasted bundled customer load as well as a forecast of the procurement costs that SDG&E expects to record.
Kristina M. Ghianni	Presents SDG&E’s 2023 forecast of: the ERRA revenue requirement (which includes GHG costs); the Competition Transaction Charge; the Local Generation revenue requirement; the Local Generation Balancing Account activity; and the PABA revenue requirement. Ms. Ghianni also compares the 2021 year-end recorded balances with the 2021 year-end actual balances in the GHG balancing accounts used for GHG expenses.
Sheri Miller	Describes the process of forecasting SDG&E’s PCIA costs in the 2023 ERRA forecast Application. Ms. Miller also presents the projected PABA year-end balance.
Scott Lewis	Presents SDG&E’s 2021 costs for GHG compliance instruments used to satisfy obligations under CARB’s cap-and-trade program.
Gwendolyn R. Morien	Presents the illustrative rate and bill impacts associated with the cost recovery of SDG&E’s 2023 forecast application.

1 Although testimony and workpapers are often prepared by teams of subject matter
2 experts and support staff working under the direction and supervision of each witness, each
3 witness remains responsible for and ultimately adopts the final drafts of their subject matter
4 testimony and workpapers.³ First drafts of testimony are initially reviewed by legal and
5 regulatory teams to ensure they comply with all applicable statutes and CPUC decisions. Drafts
6 are also peer-reviewed by other witnesses and staff to ensure accuracy and consistency. After
7 the necessary resource planning and forecasting models have been completed, balancing account
8 figures updated, and illustrative rates developed, the draft testimony is again presented to legal
9 and regulatory teams for a second review and to begin the preparation of the application portion
10 of the filing.

11 Once the application has been drafted, the entire ERRA forecast team conducts a “page-
12 turn” of the application to ensure that all data contained therein is accurate and consistent.
13 Testimonies are also reviewed to ensure figures are accurate across multiple witnesses and
14 calculations are in compliance with the most recent Commission decisions. Each witness also
15 submits their respective testimonies to their supervisor (either a director or manager) for review.

16 The ERRA team also presents its forecast filing to certain members of SDG&E’s
17 executive board, including myself. This briefing enables management to ask questions and
18 provide additional feedback on the information presented in the ERRA forecast application and
19 address any changes that may need to be made prior to filing. In addition, management is
20 provided with copies of both the draft application and draft witness testimonies. Any suggested
21 edits or changes to the application or testimony by management are then communicated to the

³ Many of the activities that are performed by witnesses and staff are done at the direction of legal counsel and with legal counsel’s guidance. While my testimony attempts to provide an overview of SDG&E’s internal review and control process, nothing in my testimony should be construed as a waiver of the attorney-client privilege or attorney work product doctrine.

1 witnesses, legal and regulatory teams to be considered for incorporation into the final drafts.

2 Lastly, the final application is reviewed, verified, and executed by SDG&E's Vice President of

3 Energy Procurement and Sustainability (currently, Estela de Llanos) prior to its submission.

4 **IV. CONCLUSION**

5 SDG&E takes its obligation to provide complete and accurate data in all of its rate

6 applications very seriously. As the Commission is no doubt aware, the ERRA forecast

7 application has grown increasingly complex over the years with additional compliance

8 directives. However, I am confident, based on information and belief following reasonable

9 inquiry, that the internal control and review process that SDG&E has developed will help ensure

10 the accuracy of the ERRA forecast-related information that is presented to the Commission,

11 staff, and stakeholders. SDG&E will continue to strive to identify and incorporate other

12 reasonable improvements to this process as may be necessary.

13 This concludes my direct testimony.

1 **V. QUALIFICATIONS**

2 My name is Daniel F. Skopec. My business address is 8330 Century Park Court, San
3 Diego, CA 92123. I am currently the Senior Vice President of State Government Affairs and
4 Chief Regulatory Officer for San Diego Gas & Electric Company (“SDG&E”) and Southern
5 California Gas Company (“SoCalGas”). I joined SDG&E and SoCalGas in 2008, and since that
6 time, I have held various positions including Vice President, Regulatory Affairs.

7 I received a master’s degree in international economics from The George Washington
8 University and a bachelor’s degree in political science and European history from the University
9 of California, San Diego.

10 I have previously testified before the California Public Utilities Commission.