## FEA DATA REQUEST FEA-SDG&E-DR-002 SDG&E 2020 COST OF CAPITAL DATE RECEIVED: JULY 23, 2019

DATE RESPONDED: AUGUST 5, 2019

### I. GENERAL OBJECTIONS

- 1. SDG&E objects generally to each request to the extent that it seeks information protected by the attorney-client privilege, the attorney work product doctrine, or any other applicable privilege or evidentiary doctrine. No information protected by such privileges will be knowingly disclosed.
- 2. SDG&E objects generally to each request that is overly broad and unduly burdensome. As part of this objection, SDG&E objects to discovery requests that seek "all documents" or "each and every document" and similarly worded requests on the grounds that such requests are unreasonably cumulative and duplicative, fail to identify with specificity the information or material sought, and create an unreasonable burden compared to the likelihood of such requests leading to the discovery of admissible evidence. Notwithstanding this objection, SDG&E will produce all relevant, non-privileged information not otherwise objected to that it is able to locate after reasonable inquiry.
- 3. SDG&E objects generally to each request to the extent that the request is vague, unintelligible, or fails to identify with sufficient particularity the information or documents requested and, thus, is not susceptible to response at this time.
- 4. SDG&E objects generally to each request that: (1) asks for a legal conclusion to be drawn or legal research to be conducted on the grounds that such requests are not designed to elicit facts and, thus, violate the principles underlying discovery; (2) requires SDG&E to do legal research or perform additional analyses to respond to the request; or (3) seeks access to counsel's legal research, analyses or theories.
- 5. SDG&E objects generally to each request to the extent it seeks information or documents that are not reasonably calculated to lead to the discovery of admissible evidence, or where the burden, expense, or intrusiveness of the request clearly outweighs the likelihood that the information sought will lead to the discovery of admissible evidence.
- 6. SDG&E objects generally to each request to the extent that it is unreasonably duplicative or cumulative of other requests.
- 7. SDG&E objects generally to each request to the extent that it would require SDG&E to search its files for matters of public record such as filings, testimony, transcripts, decisions, orders, reports or other information, whether available in the public domain or through FERC or CPUC sources.
- 8. SDG&E objects generally to each request to the extent that it seeks information or documents that are not in the possession, custody or control of SDG&E.

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- 9. SDG&E objects generally to each request to the extent that the request would impose an undue burden on SDG&E by requiring it to perform studies, analyses or calculations or to create documents that do not currently exist.
- 10. SDG&E objects to the production of information that has not been disclosed publicly and that contains highly market-sensitive confidential, proprietary, or trade secretion information by reference to statutory protection, such that disclosure of, or reliance upon, this information would create a risk of competitive and financial harm to SDG&E, and where that information is not essential to the determination of this proceeding.
- 11. SDG&E objects to any request that states that it is ongoing or that requires subsequent, supplemental information.

#### II. EXPRESS RESERVATIONS

- 1. No response, objection, limitation or lack thereof, set forth in these responses and objections shall be deemed an admission or representation by SDG&E as to the existence or nonexistence of the requested information or that any such information is relevant or admissible.
- 2. SDG&E reserves the right to modify or supplement its responses and objections to each request, and the provision of any information pursuant to any request is not a waiver of that right.
- 3. SDG&E reserves the right to rely, at any time, upon subsequently discovered information.
- 4. These responses are made solely for the purpose of this proceeding and for no other purpose.

Subject to the foregoing general objections and express reservations, SDG&E responds as follows:

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FEA SDG&E 02-1 Please provide the annual amount of disaster relief insurance carried by SDG&E. What is the premium?

**Objections:** SDG&E objects to this request on the grounds set forth in General Objections Nos. 2, 3, and 11. Subject to the foregoing objections, SDG&E responds as follows.

### SDG&E Response 02-1:

SDG&E does not carry specific "disaster relief insurance." SDG&E purchases different insurance policies that generally provide coverage for SDG&E ranging from third party liability to property loss. Natural disasters (including wildfire) are generally coverage. Insurance policy applicability would depend on the scope of the loss.

SDG&E's 2019 GRC testimony (Corporate Center - Insurance witness area) provides an overview of SDG&E's insurance programs. Please refer to page NKC-9 in the testimony for an overview of SDG&E wildfire liability insurance program (https://www.sdge.com/sites/default/files/SDG%2526E-27%2520%2528SCG-29%2529%2520Direct%2520Testimony%2520of%2520Neil%2520Cayabyab%2520-%2520Corporate%2520Center%2520-%2520Insurance.pdf). Subsequently in 2018, SDG&E purchased an Insurance Linked Securities (ILS) Catastrophic (CAT) Bond that is designed to provide wildfire liability insurance coverage.

Historic wildfire liability insurance costs are outlined in the table below.

•	2011	2012	2013	2014	2015	2016	2017	2018
Excess Fire								
SDG&E	42,431,371	49,344,116	50,351,554	49,260,085	38,811,780	44,151,761	50,943,655	71,462,543
SoCal Gas	149,286	183,454	187,199	188,110	144,296	159,713	117,558	128,785
Global Retained	67,678	54,540	55,654	54,453	42,899	53,238	50,979	50,083
Total Billed Costs	42,648,335	49,582,110	50,594,408	49,502,648	38,998,975	44,364,711	51,112,192	71,641,411
Wildfire Reinsurance								
SDG&E	30,875,357	35,239,442	34,794,559	32,564,066	30,587,805	30,122,333	29,166,574	31,605,442
SoCal Gas	85,252	130,870	129,218	120,935	113,595	111,867	77,590	57,032
Global Retained	-	-	-	-	-	-	19,140	22,179
Total Billed Costs	30,960,610	35,370,313	34,923,777	32,685,000	30,701,400	30,234,200	29,263,304	31,684,654
ILS Cat Band								
SDG&E	-	-	-	-	-	-	-	7,430,174
SoCal Gas	-	-	-	-	-	-	-	13,408
Global Retained	-	-	-	-	-	-	-	5,214
Total Billed Costs	-	-	-	-	-	-	-	7,448,796

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FEA SDG&E 02-2 Please If the amount of disaster relief insurance does not cover wildfire risk, does the utility have such insurance? If so, what is the benefit amount? What is the premium?

**Objections:** SDG&E objects to this request on the grounds set forth in General Objections Nos. 2, 3, and 6. Subject to the foregoing objections, SDG&E responds as follows.

### SDG&E Response 02-2:

Please refer to the response to Question 02-1 above.