

**ORA DATA REQUEST
ORA-SDG&E-106-CL8
SDG&E 2019 GRC – A.17-10-007
SDG&E RESPONSE
DATE RECEIVED: JANUARY 26, 2018
DATE RESPONDED: FEBRUARY 9, 2018**

1. Please provide the recorded monthly cumulative balances of electric and gas Customer Advances for Construction (CAC), from December 2011 through December 2017. Provide this information in an Excel-readable format.

SDG&E Response 01:

Please refer to attachment: "ORA-SDGE-106-CL8 Q1.xlsx."

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2. Please provide a description of the items, “Poseidon,” and “Penn Nat’l,” and an explanation of the calculation of their recorded and forecasted balances, as shown in the tab, “Page 559 of 559,” of the workpapers entitled, “SDG&E-33-WP-R Supporting Revised Filing.”

SDG&E Response 02:

Poseidon Project –Poseidon Resources, LLC (Poseidon) developed and constructed a seawater desalination plant (Plant) located at the Encina Power Station in Carlsbad, California. Poseidon requested SDG&E to provide electric service to the Plant for the new load addition. In order to provide electric service to the Plant, SDG&E had to modify an existing substation for an additional 56 MVA, and install two 12kV circuits and service from the substation to the switchgear at the Plant.

Penn National Project –Penn National constructed the Hollywood Casino Jamul (Casino) located in Jamul, California. Penn National requested SDG&E to provide electric service to the Casino, construct and install one 12kV primary distribution circuit, and extend and configure a portion of the circuit to provide a source for electric service at the Casino.

SDG&E filed Advice Letters with the California Public Utilities Commission (Commission) requesting approval for each of these Special Conditions Contracts (SPC) pursuant to Rule 15 – Section I.3 and Rule 16 – Section G. In the SPC, an agreed upon allowance/refund structure was included, that will allow Poseidon and Penn National to receive an annual refund of a portion of the actual cost paid in advance to SDG&E toward the construction and installation of the facilities. The cumulative amount refunded shall not exceed the actual cost paid in advance. The refund period is 10 years, after which any remaining non-refunded balance becomes the property of SDG&E.

Under Commission rules, these two dedicated projects were classified as “Non-Standard” or “Exceptional Case” requiring both Poseidon and Penn National to pay for the estimated installed costs plus any applicable ITTC (Income Tax Component of Contributions) prior to start of construction by SDG&E. As such, the recorded balance was the actual cost paid in advance (based on the estimated installation costs) plus the applicable ITTC. The forecasted balances do not reflect future annual refunds (per the allowance/refund structure described above).

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3. Please provide the annual number of meter sets associated with accounts subject to CAC. Provide this information for the years 2012-2017. Include a breakdown of this number that excludes meter sets associated with the items, “Poseidon” and “Penn Nat’l,” mentioned supra in (2).

SDG&E Response 03:

SDG&E objects to this request on the grounds that it appears to seek information that is relevant nor likely to lead to the discovery of relevant evidence. There is no annual correlation between CAC balances and meter set installations. As stated in Exhibit SDG&E-33-R (Revised Direct Testimony of R. Craig Gentes) at RCC-11:15-18, CAC “represents refundable cash advances for construction paid by third parties and/or customers who have requested the installation of electric distribution facilities for new business. These cash advances are subject to refund when new customers and appliances are added to these lines...” CAC balances are a leading indicator whereas new meter set installations are a lagging indicator. To illustrate, meter set installations for 2014 may be related to CAC balances from 2011. Subject to and without waiving its objection, SDG&E responds as follows. Please refer to Exhibit SDG&E-04-R (Revised Direct Testimony of Gina Orozco-Mejia) at GOM-72, Table GOM-18 for the annual number of total new meter set installations for 2012 – 2017.