

**ORA DATA REQUEST  
ORA-SDGE-112-CLB  
SDG&E 2019 GRC – A.17-10-007  
SDG&E RESPONSE  
DATE RECEIVED: JANUARY 30, 2018  
DATE RESPONDED: FEBRUARY 13, 2018**

**Exhibit Reference:** SDG&E-36-WP-R

**SDG&E Witness:** Steven Dais

**Subject:** Working Cash

**Please provide the following:**

1. Please explain why the working cash determination includes monthly prepayment balances for greenhouse gas allowances (items, “GHG Allowance Moreno” and “GHG Allowances Natural Gas Supplier” under Schedule P) but does not include monthly balances under Current and Accrued Liabilities in recognition of emissions credits for surrender.

**SDG&E Response 01:**

In the Schedule P Detail, submitted as part of SDG&E’s workpapers, the current and accrued liabilities for “GHG Allowance Moreno” and “GHG Allowances Natural Gas Supplier” were netted with the GHG allowance asset accounts for simplification.

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2. Do the monthly balances of the greenhouse gas prepayments identified in Question 1, above, include only current amounts?
- a. If no, please provide a breakdown of the monthly balances into current and noncurrent amounts.
- b. If yes, please explain how the working cash determination accounts for noncurrent amounts. Provide the monthly balances over the December 2015 – December 2016 period.

**SDG&E Response 02:**

- a. No, they include both current and non-current amounts. Please refer to the Confidential table below for the monthly balances broken down by current and non-current amounts. This response contains **Confidential and Protected Materials Pursuant to PUC Section 583, GO 66-D, and D.17-09-023**. Confidential information has been shaded in gray.

	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
GHG Allowances - Current													
GHG Allowances - Non-Current													
Total GHG Allowances - Current and Non-Current													
GHG Emission Liabilities - Current													
GHG Emission Liabilities- Non-Current													
Total GHG Emission Liabilities - Current and Non-Current													
Current Asset / Liabilities - Net													
Non-Current Asset / Liabilities - Net													

- b. Not applicable as the Confidential table above includes both current and non-current amounts.

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3. Please provide the monthly balances of current and noncurrent emissions liabilities (i.e., emissions credits for surrender) over the December 2015 – December 2016 period.

**SDG&E Response 03:**

Please refer to the Confidential table above, which include both current and non-current emissions liabilities.

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4. Please provide an explanation as to how SDG&E amortizes the costs of its GHG allowances and offsets. Include a description of the accounting of this amortization.

**SDG&E Response 04:**

As a point of clarification, SDG&E does not “amortize” the cost of its GHG allowances and offsets. Rather, the net GHG allowances asset is reduced each month based on utilization. Once utilized, the unrecovered portion of GHG allowances is balanced in NERBA (New Environmental Regulation Balancing Account). This is explained in more detail below:

When GHG allowances are purchased, the cost of procuring these assets are recorded to GHG Allowance general ledger asset accounts (current or noncurrent pending timeline until surrender).

On a monthly basis, SDG&E recognizes an expense as it emits GHG and incurs a liability to CARB (California Air Resources Board). This liability is “netted” against the GHG Allowances asset accounts as reflected on Schedule P Detail. The expense is then balanced in NERBA .

When allowances are surrendered to CARB, the GHG Allowances asset account(s) and the liability account(s) are each reduced by the amount surrendered.