

Proceeding No.: A.21-05-006  
Exhibit No.: \_\_\_\_\_  
Witness: Eric L. Dalton

**UPDATED PREPARED DIRECT TESTIMONY OF ERIC  
L. DALTON  
ON BEHALF OF  
SAN DIEGO GAS & ELECTRIC COMPANY**

***\*\*REDACTED - PUBLIC VERSION\*\****

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



**November 9, 2021**

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1 The methodology SDG&E proposes is already utilized by Southern California Edison  
2 Company (“SCE”). Moreover, in the pending Power Charge Indifference Adjustment (“PCIA”)  
3 proceeding (Rulemaking 17-06-026), both SDG&E and Pacific Gas and Electric Company  
4 (“PG&E”) have proposed that this methodology for calculating the ERRA balancing account  
5 trigger mechanism be adopted for all three investor-owned utilities.<sup>1</sup> Therefore, SDG&E’s  
6 request is not only just and reasonable but utilizes a methodology that has already been approved  
7 by the Commission.

8 My testimony is organized as follows:

- 9 • In Section II, I discuss the background of the trigger mechanism generally, as well  
10 as its applicability to SDG&E’s ERRA balance.
- 11 • In Section III, I discuss SDG&E’s recorded September 30, 2021 ERRA  
12 undercollected balance of \$140 million under the current methodology, which  
13 exceeds the 4% trigger point and the five percent 5% trigger threshold. In  
14 addition, I provide SDG&E’s forecasts for October 2021 through December 2021,  
15 which project that SDG&E’s ERRA balance will not self-correct to a level below  
16 the 4% trigger point within 120 days. I also explain the cause of the  
17 undercollection.
- 18 • In Section IV, I discuss SDG&E’s proposal to utilize a different methodology for  
19 calculating the ERRA balancing account trigger mechanism that considers both  
20 the ERRA balance and the bundled portion of the PABA balance.
- 21 • In Section V, I discuss future expectations.

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<sup>1</sup> See R.17-06-026, Joint Response of Southern California Edison Company (U 388-E), San Diego Gas & Electric Company (U 902 E) and Pacific Gas and Electric Company (U 39 E) to Assigned Commissioner’s Amended Scoping Memo and Ruling (Jan.22, 2021) at p.18.

- In Section VI, I conclude my testimony.
- In Section VII, I provide my witness qualifications.

## **II. BACKGROUND**

### **A. ERRA Trigger Mechanism**

In accordance with Decision D. 02-10-062, which implemented the provisions of Assembly Bill (“AB”) 57, SDG&E’s ERRA is subject to a trigger mechanism that requires a rate adjustment when the recorded monthly balance (undercollection or overcollection) exceeds a 4% trigger point and when the balance is forecasted to exceed a 5% trigger threshold.<sup>2</sup> The trigger mechanism considers the relationship between the ERRA balance and the prior year’s recorded electric commodity revenues.

The statutory and regulatory requirements applicable to the trigger mechanism specify that the required rate change application is to be expedited so as to obtain the Commission’s approval within 60 days from the application’s filing date. The application seeking a rate adjustment should also include a projected account balance of 60 days or more from the date of filing. Finally, the request must propose an amortization period for the balance of not less than 90 days and an allocation of the over or undercollection among customers for rate adjustment based on the existing allocation methodology recognized by the Commission.<sup>3</sup>

### **B. ERRA Self-Correction Mechanism**

In D.07-05-008, SDG&E was authorized to notify the Commission through advice letter filing, instead of expedited application, when SDG&E’s ERRA balance exceeds its trigger point and SDG&E does not seek a change in rates, if the ERRA balance will self-correct below the

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<sup>2</sup> D.02-10-062 at 65.

<sup>3</sup> *Id.* at 65-66.

1 trigger point within 120 days of filing.<sup>4</sup> In such an advice letter, SDG&E is required to provide  
2 the necessary documentation supporting its proposal to maintain its rates.

3 As explained below, SDG&E currently does not forecast a self-correction to a level  
4 below the 4% trigger point within 120 days when considering only its ERRA balance. However,  
5 when considering both its ERRA balance and its bundled portion of the PABA balance, SDG&E  
6 does self-correct as of September 30, 2021 and forecasts to maintain a self-correction to a level  
7 below the 4% trigger point for October through December 2021. *See Attachment A.*

### 8 **C. Current ERRA Trigger/Threshold Amounts**

9 Pursuant to D.04-01-050, SDG&E is required to file an advice letter by April 1 of each  
10 year to establish the current year’s trigger and threshold amounts. On March 31, 2021, SDG&E  
11 filed Advice Letter (“AL”) 3723-E,<sup>5</sup> to report its 2020 electric commodity revenues of \$1,606  
12 million. Thus, based on 2020 revenues of \$1,606 million, the current 4% trigger point and 5%  
13 trigger threshold in effect as of April 1, 2021 are \$64.2 million and \$80.3 million, respectively.  
14 The trigger calculations presented in Table 1 and described below, are based on the prior trigger  
15 threshold of \$56.3 million for January 2021 through March 2021, and the current \$80.3 million  
16 trigger threshold for April 2021 through December 2021.

### 17 **D. Relationship Between ERRA and PABA**

18 Pursuant to D.18-10-019 and Advice Letter 3318-E,<sup>6</sup> the PABA was established to record  
19 the “above-market” costs and revenues associated with all generation resources that are eligible  
20 for cost recovery through the PCIA rates, including SDG&E’s Utility-Owned Generation

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<sup>4</sup> D.07-05-008 at Ordering Paragraph OP 2.

<sup>5</sup> AL 3723-E, filed on March 31, 2021 and effective April 1, 2021.

<sup>6</sup> SDG&E AL 3318-E, filed on December 10, 2018, and approved on May 30, 2019.

1 (“UOG”). The PABA is comprised of a series of subaccounts referred to as “vintage  
2 subaccounts.” Costs recorded in each vintage subaccount include, but are not limited to, fuel,  
3 greenhouse gas costs, third party power purchase contracts, and UOG’s revenue requirement.  
4 The above market costs of all generation resources that are eligible for cost recovery through  
5 PCIA rates, including SDG&E’s UOG, are recorded in the PABA. D.19-10-001 authorized any  
6 over/under collection in the PABA vintage subaccounts in a given year to be rolled into the next  
7 year’s ERRA Forecast filing.

8         The ERRA trigger mechanism has not been updated since the issuance of D.18-10-019  
9 which modified the PCIA Methodology. This decision not only created the PABA, but resulted  
10 in significant changes to how costs and revenues are recorded to ERRA. For example, following  
11 the implementation of PABA, primarily only the market value of the energy, resource adequacy,  
12 and RPS compliance instruments associated with SDG&E’s bundled load are recorded to ERRA  
13 and recovered from bundled customers through the generation rate. Above-market costs  
14 incurred on behalf of both bundled and departing load customers are now recorded to PABA and  
15 recovered from bundled customers through the generation rates, and from departing load  
16 customers through the PCIA charge.

### 17 **III. RECORDED/FORECASTED ERRA BALANCES**

18         Table 1 below shows SDG&E’s recorded data for January through September 2021 and  
19 presents, for illustrative purposes, its current forecast of the ERRA balance for October through  
20 December 2021. According to D.02-10-062, trigger applications are to include a projected  
21 account balance in 60 days or more from the date of the filing.<sup>7</sup>

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<sup>7</sup> D.02-10-062 at Conclusions of Law 15.

To arrive at the forecasted balances in Table 1, SDG&E used assumptions consistent with its 2021 ERRA Forecast Application, as approved by the Commission in D.21-01-017<sup>8</sup> and its 2021 year-end consolidated filing.<sup>9</sup> In **Attachment A**, SDG&E provides further detail regarding the recorded and forecasted activities as well as monthly ERRA balances for January 2021 through December 2021.

**TABLE 1: ERRA BALANCES<sup>10</sup>**

(\$ in Millions)					
ERRA Monthly Summary	Beginning Balance	Revenues	Expenses	Ending Balance	Calculated Trigger Percentage
ACTUAL January 31, 2021	\$124	(17)	\$40	\$147	13.0%
ACTUAL February 28, 2021	\$147	(19)	\$(37) <sup>11</sup>	\$91	8.1%
ACTUAL March 31, 2021	\$91	(30)	\$49	\$110	9.8%
ACTUAL April 30, 2021	\$110	(38)	\$79	\$151	9.4%
ACTUAL May 31, 2021	\$151	(41)	\$27	\$137	8.6%
ACTUAL June 30, 2021	\$137	(71)	\$66	\$132	8.3%
ACTUAL July 31, 2021	\$132	(91)	\$124	\$165	10.3%
ACTUAL August 31, 2021	\$165	(94)	\$75	\$146	9.1%
Actual September 30, 2021	\$146	(104)	\$98	\$140	8.7%
FORECASTED October 31, 2021	\$140	(69)	\$56	\$127	7.9%
FORECASTED November 30, 2021	\$127	(46)	\$44	\$125	7.8%
FORECASTED December 31, 2021	\$125	(33)	\$56	\$148	9.2%

As presented in Table 1, under the current methodology, SDG&E's ERRA balance as of September 30, 2021 is undercollected by \$140 million, which correlates with a trigger

<sup>8</sup> Implemented in rates approved March 29, 2021 and effective March 1, 2021 per AL 3696-E-A-B.

<sup>9</sup> Implemented in rates approved February 1, 2021 and effective February 1, 2021 per AL 3669-E-A.

<sup>10</sup> Figures can also be found in Attachment A.

<sup>11</sup> Includes the transfer of the 2020 ERRA trigger undercollection of \$124 million from ERRA to PABA per OP 2 of D.21-02-014.

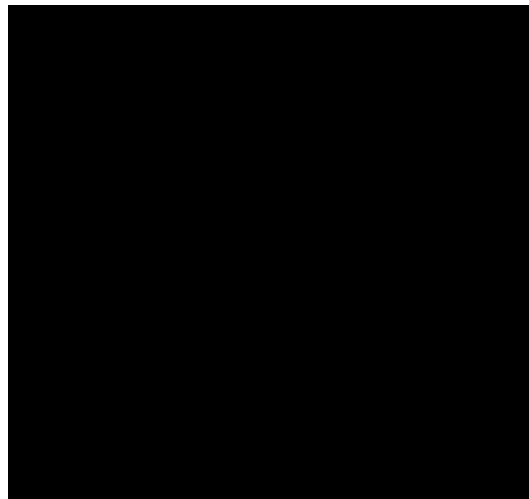


1 calculation of 8.7%, clearly exceeding the 4% trigger point and 5% trigger threshold. SDG&E's  
2 analysis of potential revenues and expected expenses for October through December 2021  
3 reveals that the ERRA undercollected balance will not self-correct by the end of the year..  
4 Rather, based on the September recorded balance, and forecasts of costs and revenues for  
5 October through December 2021, SDG&E is currently forecasting an end-of-year 2021  
6 undercollection of \$148 million or 9.2%.

7 **A. Cause of the Current Undercollection**

8 The cause of the current ERRA undercollection is primarily due to the difference  
9 between 2021 forecasted and actual customer revenue and load costs. Specifically, in February  
10 2021, CAISO load charges were significantly higher than forecast in ERRA due to high gas  
11 prices resulting from the winter storms in Texas and other parts of the south, as shown in Table 2  
12 below. January through September 2021 saw customer revenues greater than forecast due to  
13 seasonal rates, as shown in Table 3 below. Although the customer revenues are higher than  
14 forecasted, it is less than the increase in load costs.

15 **TABLE 2: ERRA Load Cost January – September 2021<sup>12</sup>**

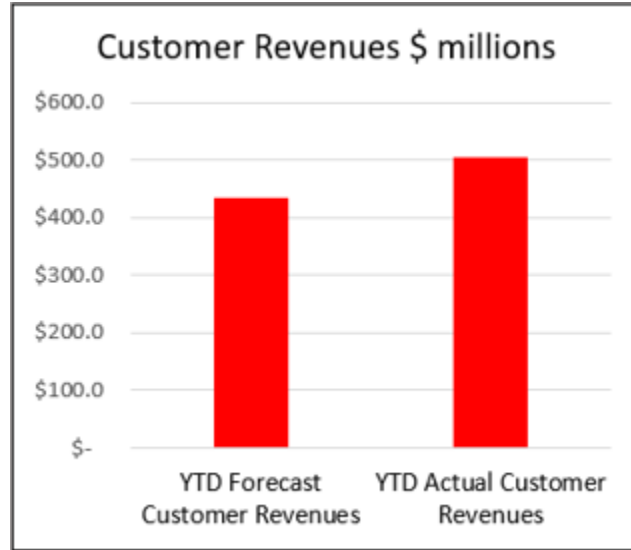


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<sup>12</sup> Load costs are the largest subset of costs in ERRA.

1 **TABLE 3: ERRA Customer Revenue January – September 2021**



2  
3 Moreover, an additional contributing factor to the ERRA’s undercollection is how the  
4 California Independent System Operator (“CAISO”) revenue is recovered and booked. Although  
5 SDG&E received higher revenues from the CAISO for energy sold into the market during  
6 February 2021, these revenues were primarily booked to PABA<sup>13</sup> because the associated  
7 resources are PCIA-eligible contracts. Therefore, any additional CAISO revenues received  
8 above forecast was reflected in PABA’s balancing account and was not an offset to ERRA  
9 expenses. SDG&E expects that this change in the way CAISO revenue is recovered, and booked  
10 into PABA, will impact this and future ERRA triggers. Combining the ERRA balance with the  
11 bundled portion of PABA (as requested below) would mitigate this impact.

12 **IV. REQUEST FOR AUTHORIZATION TO CALCULATE THE ERRA TRIGGER**  
13 **MECHANISM USING BOTH THE ERRA BALANCE AND THE BUNDLED**  
14 **PORTION OF THE PABA BALANCE**

15 As noted above and depicted in Table 4 below, SDG&E is requesting Commission  
16 authorization to employ a different methodology for calculating the ERRA balancing account

<sup>13</sup> Pursuant to D. 18-10-019, Ordering Paragraph 7.

1 trigger mechanism – specifically, how SDG&E determines whether the ERRA balancing account  
2 has exceeded the 4% trigger point and 5% trigger threshold. SDG&E’s current methodology  
3 *only* considers the ERRA balance to make this trigger mechanism determination. Therefore, as  
4 noted in Section III above, the ERRA balancing account would be undercollected by \$140  
5 million as of September 30, 2021, which correlates with a trigger calculation of 8.7%, exceeding  
6 both the 4% trigger point and 5% trigger threshold.

7           However, under SDG&E’s proposed methodology, SDG&E would consider *both* the  
8 ERRA balance and the bundled portion of the PABA to determine whether the ERRA balancing  
9 account is in a triggered position. By doing so, SDG&E calculates that its combined  
10 ERRA/PABA bundled balance as of September 30, 2021 is undercollected by \$75 million (net of  
11 unamortized trigger of \$61 million<sup>14</sup>), which correlates with a trigger calculation of 4.7%,  
12 exceeding the 4% trigger point but not exceeding the 5% trigger threshold. SDG&E’s analysis  
13 of potential revenues and expected expenses for October through December 2021 reveals that the  
14 combined ERRA/PABA Bundled balance will self-correct through the remainder of the year.  
15 This is due to the fact that a significant portion of the CAISO revenues are recorded in the  
16 bundled portion of PABA, which would have the effect of reducing the undercollected balance  
17 subject to the ERRA Trigger. Moreover, when calculating the balance subject to the ERRA  
18 trigger, the unamortized portion of the trigger is excluded because it has been implemented in

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<sup>14</sup> D.21-02-014 approved the transfer of the 2020 ERRA Trigger undercollection of \$124 million from ERRA to PABA vintage 2020, to be amortized over 22 months beginning March 1, 2021. The PABA bundled portion of the 2020 ERRA trigger is \$100 million and as of September 30, 2021 the unamortized portion of the trigger is \$68 million. D. 20-12-028 approved the transfer of the 2020 CAPBA Trigger overcollection of \$9 million from CAPBA to PABA, to be amortized over 36 months beginning January 1, 2021. The unamortized portion of the CAPBA trigger is \$7 million. When calculating the balance subject to trigger, the unamortized portion of the triggers are excluded because they have been implemented in rates.

1 rates. By combining the ERRA and PABA bundled balances, the unamortized trigger from the  
 2 bundled portion of PABA reduces the balance subject to trigger below the trigger point and  
 3 threshold, resulting in the self-correction as shown in Table 4 below. Table 4 below sets forth  
 4 SDG&E’s actual and forecasted combined ERRA and PABA bundled balances for 2021.

5 **TABLE 4: COMBINED ERRA/PABA BUNDLED BALANCES**

(\$ in Millions)					
ERRA/PABA Bundled Monthly Summary	Beginning Balance	Revenues	Expenses	Ending Balance	Calculated Trigger Percentage
ACTUAL January 31, 2021	\$175	(78)	\$68	\$165	14.6%
ACTUAL February 28, 2021	\$165	(75)	\$(18)	\$72	6.4%
ACTUAL March 31, 2021	\$72	(77)	\$96	\$91	8.0%
ACTUAL April 30, 2021	\$91	(76)	\$120	\$135	8.4%
ACTUAL May 31, 2021	\$135	(79)	\$100	\$156	9.7%
ACTUAL June 30, 2021	\$156	(114)	\$104	\$146	9.1%
ACTUAL July 31, 2021	\$146	(129)	\$122	\$139	8.7%
ACTUAL August 31, 2021	\$139	(131)	\$102	\$110	6.8%
ACTUAL September 30, 2021	\$110	(146)	\$111	\$75	4.7%
FORECASTED October 31, 2021	\$75	(111)	\$83	\$47	3.0%
FORECASTED November 30, 2021	\$47	(84)	\$70	\$33	2.0%
FORECASTED December 31, 2021	\$33	(70)	\$79	\$42	2.6%

6 If SDG&E’s requested methodology is approved, there would be no need for a rate  
 7 increase as the undercollection is projected to self-correct by the end of the year. Instead,  
 8 SDG&E would maintain all ERRA-related rates at their current levels and address its projected  
 9 December 31, 2021 ERRA balance undercollection (currently projected to be \$148 million at  
 10 year end as depicted in Table 1), in SDG&E’s 2022 ERRA Forecast Application (A.21-04-

1 010).<sup>15 16</sup> In **Attachment B**, SDG&E provides further detail regarding the recorded and  
2 forecasted activities as well as monthly PABA bundled balances for January 2021 through  
3 December 2021.

4 Similar to SDG&E’s previous ERRA Trigger and CAPBA Trigger applications, SDG&E  
5 plans to transfer the projected undercollection to PABA as part of SDG&E’s November Update  
6 to its 2022 ERRA Forecast application.<sup>17</sup> This transfer to PABA will allow for those ratepayers  
7 that depart bundled service during 2021 and 2022 to remain responsible for the shortfall from the  
8 undercollection that accrued while they were still receiving bundled service from SDG&E in  
9 2021. As explained in SDG&E’s pending ERRA PFM, SDG&E must have the flexibility to  
10 address the disposition of its year-end ERRA balance in the context of the ERRA forecast  
11 proceeding to ensure that cost indifference between Departing Load customers and Bundled  
12 customers is maintained.<sup>18</sup>

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<sup>15</sup> In November 2021, SDG&E will be filing the November Update to its 2022 ERRA Forecast Application that will include the ERRA balancing account undercollection. The final projected year-end balances that comprise the ERRA balance will be updated to incorporate actuals for April through September 2021, therefore, reflecting a more accurate year-end forecast since it will only include three months of forecasted values, rather than the nine months of forecasted values shown in this application.

<sup>16</sup> On April 7, 2021, SDG&E filed a Petition for Modification (“PFM”) of D.09-04-021 (SDG&E’s 2009 ERRA Forecast decision in A.08-10-004) to allow SDG&E to address the disposition of its annual ERRA balance within the scope of the ERRA forecast proceeding, rather than SDG&E’s annual regulatory account update advice letter process. However, it is not clear whether this PFM will be approved prior to SDG&E filing its annual regulatory account update advice letter. Therefore, and out of an abundance of caution, SDG&E requests authority to maintain all ERRA-related rates at their current levels and address the final year-end balances that comprise the ERRA balance in SDG&E’s 2022 ERRA Forecast proceeding A.21-04-010.

<sup>17</sup> See D.21-02-014 *Decision Approving Recovery of 2020 Energy Resource Recovery Account Undercollection* (Feb. 16, 2021) at OP 2; D.20-12-08 *Decision Regarding Power Charge Indifference Adjustment Trigger Application of SDG&E* (Dec. 21, 2020) at OP 4.

<sup>18</sup> See PFM at pp. 8-11.

1 Finally, as noted above, SDG&E’s proposed methodology is already utilized by SCE. In  
2 addition, in the pending PCIA proceeding (Rulemaking 17-06-026), both SDG&E and PG&E  
3 have proposed that this methodology for calculating the ERRA balancing account trigger  
4 mechanism be permanently authorized for all three investor-owned utilities (“IOUs”).<sup>19</sup>  
5 Specifically, in the PCIA proceeding, the Joint IOUs recommended that the Commission adjust  
6 the ERRA trigger mechanism to consider PCIA-related bundled customer balances in PABA or  
7 other generation balancing accounts when determining whether an IOU is required to file an  
8 expedited ERRA trigger application.

9 **V. FUTURE EXPECTATIONS**

10 The combining of the bundled portion of the PABA balance with the ERRA balance  
11 should prevent the 2021 combined ERRA/PABA bundled balance from exceeding the 5% trigger  
12 threshold and enable SDG&E to reduce rate volatility and be in compliance with the ERRA  
13 trigger mechanism as intended by AB 57 and D.02-10-062.

14 **VI. CONCLUSION AND RELIEF REQUESTED**

15 In compliance with D.02-10-062, which implemented the provisions of AB 57, SDG&E  
16 hereby notifies the Commission that the recorded balance in the ERRA as of September 30,  
17 2021, has exceeded the 4% trigger point and the 5% trigger threshold and is not expected to self-  
18 correct within 120 days. However, if SDG&E’s request for authorization to employ a different  
19 methodology for calculating the ERRA balancing account trigger mechanism is approved, then  
20 the combined ERRA/PABA bundled balance self-corrects as of September 30, 2021 and is  
21 forecasted to stay self-corrected through the remainder of the year . For this reason, SDG&E is

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<sup>19</sup> See R.17-06-026, Joint Response of Southern California Edison Company (U 388-E), San Diego Gas & Electric Company (U 902 E) and Pacific Gas and Electric Company (U 39 E) to Assigned Commissioner’s Amended Scoping Memo and Ruling (Jan. 22, 2021) at p.18.

1 not requesting a rate increase in this application. SDG&E requests the following relief in the  
2 Commission's forthcoming decision in this proceeding:

- 3 (1) a finding that SDG&E complied with the requirements of D.02-10-062;
- 4 (2) allow SDG&E to maintain all ERRA-related rates at their current levels;
- 5 (3) authorize SDG&E to consider both the combined ERRA balance and the bundled  
6 portion of the PABA balance to calculate the trigger mechanism and to determine whether the  
7 ERRA balancing account is in a triggered position; and
- 8 (4) authorize SDG&E's proposal to address the projected 2021 year-end ERRA balance  
9 in its pending 2022 ERRA Forecast proceeding (A.21-04-010) as part of the November Update.

10 This concludes my prepared direct testimony.

11

1 **VII. WITNESS QUALIFICATIONS**

2 My name is Eric Dalton. I am employed by SDG&E as the Regulatory Reporting and  
3 Accounts Manager in the Controller’s Division. My business address is 8330 Century Park  
4 Court, San Diego, California 92123. My current responsibilities include managing the process  
5 for the development, implementation, analysis and accounting for regulatory balancing and  
6 memorandum accounts. I assumed my current position in August 2014 as the Regulatory  
7 Reporting Manager and assumed the Regulatory Accounts Manager position in July 2019.

8 I received a Bachelor of Science in Accounting in 1999 from the University of Kansas. I  
9 am a Certified Public Accountant (“CPA”) licensed in the State of California since 2003.

10 I have been employed with SDG&E since 2006. In addition to my current position in  
11 Regulatory Reporting & Accounts, I have held various other positions increasing in  
12 responsibility since September 2006. I served as the Billable Project Supervisor in Plant  
13 Accounting (January 2013 – August 2014), Bank Reconciliation Supervisor (July 2011 –  
14 December 2012), and Financial Accounting Senior and Principal Accountant (September 2006 -  
15 June 2011).

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



**ATTACHMENT A**

**ERRA FORECAST**

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**TESTIMONY OF ERIC L. DALTON**  
**A.21-05-006 ATTACHMENT A**

**ERRA Forecast (\$Million)**  
 (Energy Resource Recovery Account)

	Recorded Jan-21	Recorded Feb-21	Recorded Mar-21	Recorded Apr-21	Recorded May-21	Recorded Jun-21	Recorded Jul-21	Recorded Aug-21	Recorded Sep-21	Forecast Oct-21	Forecast Nov-21	Forecast Dec-21
<b>ERRA Revenue and Costs</b>												
1 Beginning Balance	124	147	91	110	151	137	133	165	146	140	127	125
<b>2 Revenue</b>												
3 Electric Energy Commodity Cost (EECC) Revenue	(21)	(24)	(37)	(44)	(46)	(78)	(97)	(100)	(111)	(74)	(50)	(37)
4 Franchise Fees	0	0	0	1	1	1	1	1	1	0	0	0
5 SDGE Residual Revenue (w/o FF&U)	(21)	(24)	(36)	(43)	(45)	(77)	(96)	(99)	(110)	(74)	(50)	(37)
6 <b>Non-Fuel Generation Balancing Account (NGBA)</b>	5	7	8	7	7	8	7	7	8	6	6	6
7 <b>Marine Mitigation Memorandum Account (MMA)</b>	0	0	0	0	0	0	0	0	0	0	0	0
8 <b>Demand Response Generation Balancing Account (DRGBA)</b>	0	0	0	0	0	0	0	0	0	0	0	0
9 <b>General Rate Case Memorandum Account (GRCMA)</b>	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
10 <b>Tax Cuts and Jobs Act (TCJA)</b>	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
11 <b>Net ERRA Revenue</b>	(17)	(19)	(30)	(38)	(40)	(71)	(91)	(94)	(104)	(69)	(46)	(33)
12												
<b>13 Expense</b>												
14 ISO Load Charges & Supply Revenues												
15 Contract Costs (Non-CTC) (Incl RECs & NRG)												
16 Contract Costs (CTC Up to Mkt)												
17 CAISO Msc Costs												
18 Hedging Costs & Financial Transactions												
19 Other												
20 Green House Gas Costs												
21 <b>Net Expense</b>	40	88	49	79	27	66	124	75	98	56	45	56
22 <b>Net Under / (Over) Collect Prior to Interest &amp; Transfers</b>	23	68	19	41	(13)	(5)	33	(19)	(6)	(13)	(2)	23
23 Interest	0	0	0	0	0	(0)	0	0	0	0	0	0
24 <b>Transfers Other Bal Accts:</b>	-	(124)	-	-	-	-	-	-	-	-	-	-
25 <b>Total Under / (Over) Collect for Period with Interest &amp; Transfers</b>	23	(56)	19	41	(13)	(5)	33	(19)	(6)	(13)	(2)	23
26												
27 <b>Cumulative Balance Under / (Over) Collect (1)</b>	147	91	110	151	137	133	165	146	140	127	125	148
28												
<b>29 ERRA Trigger</b>												
30 Prior Year Generation Revenue	1,127	1,127	1,127	1,606	1,606	1,606	1,606	1,606	1,606	1,606	1,606	1,606
31 5% Threshold	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
32 5% Threshold \$ Value	56	56	56	80	80	80	80	80	80	80	80	80
33 Cumulative ERRA Balance Under / (Over) Collection	147	91	110	151	137	133	165	146	140	127	125	148
34 Calculated Trigger %	13.0%	8.1%	9.8%	9.4%	8.6%	8.3%	10.3%	9.1%	8.7%	7.9%	7.8%	9.2%
35												
36 PABA Bundled	9	72	68	67	97	87	44	29	(4)	(22)	(40)	(58)
37 Combined ERRA/PABA Bundled	156	163	178	218	234	220	209	175	136	104	86	90
38 Unamortized Trigger - ERRA		(100)	(96)	(91)	(86)	(82)	(77)	(73)	(68)	(64)	(59)	(55)
39 Unamortized Trigger - PABA	9	9	8	8	8	8	7	7	7	7	6	6
40 Balance Subject to Trigger	165	72	91	135	156	146	139	110	75	47	33	42
41 Calculated ERRA Trigger % - Combined ERRA/PABA Bundled	14.6%	6.4%	8.0%	8.4%	9.7%	9.1%	8.7%	6.8%	4.7%	3.0%	2.0%	2.6%

(1) Footnote (Line 27 - Cumulative Balance Under/Over Collect): Totals may not add due to rounding.

**ATTACHMENT B**  
**PABA BUNDLED FORECAST**

SAN DIEGO GAS & ELECTRIC COMPANY

TESTIMONY OF ERIC L. DALTON

A.21-05-006: ATTACHMENT B

**PABA Bundled Forecast (\$Million)**

(Portfolio Allocation Balancing Account)

PABA Revenue and Costs	Recorded Jan-21	Recorded Feb-21	Recorded Mar-21	Recorded Apr-21	Recorded May-21	Recorded Jun-21	Recorded Jul-21	Recorded Aug-21	Recorded Sep-21	Forecast Oct-21	Forecast Nov-21	Forecast Dec-21
1 Beginning Balance	51	9	72	68	67	97	87	44	29	(4)	(22)	(40)
2 <b>Revenue</b>												
3 PCIA Revenue - Bundled	(61)	(56)	(47)	(38)	(39)	(44)	(38)	(38)	(43)	(42)	(38)	(38)
4 Franchise Fees	1	1	1	0	0	1	0	0	1	0	0	0
5 <b>Total PCIA Revenue (net FFU)</b>	(61)	(56)	(47)	(37)	(39)	(43)	(38)	(37)	(42)	(42)	(38)	(38)
6												
7 <b>CAPBA Amortization</b>	-	0	0	0	0	0	0	0	0	0	0	0
8												
9 <b>Expenses UOG:</b>												
10 UOG Non Fuel Above Market Revenue Requirement												
11 UOG Above Market Fuel Expenses												
12 UOG GHG Expense												
13 UOG CAISO Revenues												
14 <b>Total UOG Above Market Expenses</b>												
15												
16 <b>Expenses Non-UOG:</b>												
17 Above Market Expenses - Power Purchase Contracts												
18												
19 <b>Total Procurement Activity</b>	28	19	42	36	68	33	(6)	22	9	23	20	19
20 <b>Net Under / (Over) Collect Prior to Interest &amp; Transfers</b>	(33)	(37)	(4)	(1)	30	(10)	(43)	(15)	(33)	(19)	(17)	(18)
21 Interest	0	(0)	0	0	0	0	0	0	0	(0)	(0)	(0)
22 Transfers Other Bal Accts:	(9)	100	-	-	-	-	-	-	-	-	-	-
23												
24 <b>Cumulative Balance Under / (Over) Collect (1)</b>	9	72	68	67	97	87	44	29	(4)	(22)	(40)	(56)

(1) Footnote (Line 24 - Cumulative Balance Under/Over Collect): Totals may not add due to rounding.

**ATTACHMENT C**

**DECLARATION OF ERIC L. DALTON**

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

**DECLARATION  
OF ERIC L. DALTON**

**A.21-05-006**

**Expedited Application of San Diego Gas & Electric Company (U 902-E) Under the Energy  
Resource Recovery Account Trigger Mechanism**

I, Eric L. Dalton, declare as follows:

1. I am the Regulatory Reporting and Accounts Manager for San Diego Gas & Electric Company (“SDG&E”). I included my Updated Prepared Direct Testimony (“Testimony”) in support of SDG&E’s May 7, 2021 Expedited Application Under the Energy Resource Recovery Account Trigger Mechanism (“Application”). Additionally, as Regulatory Reporting and Accounts Manager, I am thoroughly familiar with the facts and representations in this declaration, and if called upon to testify I could and would testify to the following based upon personal knowledge.

2. I am providing this Declaration to demonstrate that the confidential information (“Protected Information”) in support of the referenced Application falls within the scope of data provided confidential treatment in the IOU Matrix (“Matrix”) attached to the Commission’s Decision (“D.”) 06-06-066 (the Phase I Confidentiality decision). Pursuant to the procedure adopted in D.08-04-023, I am addressing each of the following five features of Ordering Paragraph 2 of D.06-06-066:

- that the material constitutes a particular type of data listed in the Matrix;
- the category or categories in the Matrix the data correspond to;
- that SDG&E is complying with the limitations on confidentiality specified in the Matrix for that type of data;
- that the information is not already public; and

- that the data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure.

3. The Protected Information contained in the workpapers underlying my Testimony constitutes material, market sensitive, electric procurement-related information that is within the scope of Section 454.5(g) of the Public Utilities Code.<sup>1</sup> As such, the Protected Information is allowed confidential treatment in accordance with the Matrix, as follows:

<b>Confidential Information</b>	<b>Matrix Reference</b>	<b>Reason for Confidentiality and Timing</b>
Attachment A, line 14: Load ISO Charges	II.A.2  V.C	Utility Electric Price Forecasts; confidential for 3 years.  LSE Total Energy Forecast; confidential for the front 3 years.
Attachment A, line 14: Supply ISO Revenues  Attachment B, lines 10, 11, and 13: UOG Non Fuel Above Market Revenue Requirement, UOG Above Market Fuel Expenses, and UOG CAISO Revenues  Table 2: ERRA Load Cost	II.A.2  II.B.1  II.B.3  II.B.4	Utility Electric Price Forecasts; confidential for 3 years.  Generation Cost Forecasts of Utility Retained Generation; confidential for 3 years.  Generation Cost Forecasts of QF Contracts; confidential for 3 years.  Generation Cost Forecasts of Non-QF Bilateral Contracts; confidential for 3 years.
Attachment A, lines 15 and 19: Contract Costs (non-CTC) & Other  Attachment B, line 17: Above Market Power Purchase Contracts	II.B.4	Generation Cost Forecasts of Non-QF Bilateral Contracts; confidential for 3 years.
Attachment A, line 16: Contract Costs (CTC up to market)	II.B.3  II.B.4	Generation Cost Forecasts of QF Contracts; confidential for 3 years.  Generation Cost Forecasts of Non-QF Bilateral Contracts; confidential for 3 years.

<sup>1</sup> In addition to the details addressed herein, SDG&E believes that the information being furnished in the workpapers underlying my Testimony is governed by Public Utilities Code Section 583 and General Order 66-D. Accordingly, SDG&E seeks confidential treatment of this data under those provisions, as applicable.

<b>Confidential Information</b>	<b>Matrix Reference</b>	<b>Reason for Confidentiality and Timing</b>
Attachment A, line 17: CAISO Misc. Costs	II.A.2	Utility Electric Price Forecasts; confidential for 3 years.
Attachment A, line 18: Hedging Costs	I.A.4	Long-term Fuel (gas) Buying and Hedging Plans; confidential for 3 years.

4. I am not aware of any instances where the Protected Information has been disclosed to the public. To my knowledge, no party, including SDG&E, has publicly revealed any of the Protected Information.

5. SDG&E will comply with the limitations on confidentiality specified in the Matrix for the Protected Information.

6. The Protected Information cannot be provided in a form that is aggregated, partially redacted, or summarized, masked or otherwise protected in a manner that would allow further disclosure of the data while still protecting confidential information.

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

Executed this 9th day of November 2021, at San Diego, California.

/s/ Eric L. Dalton  
Eric L. Dalton  
Regulatory Reporting and Accounts Manager  
San Diego Gas & Electric Company



**ATTACHMENT D**

**DECLARATION OF JAMES MAGILL  
REGARDING CONFIDENTIALITY OF CERTAIN  
DATA/DOCUMENTS PURSUANT TO D.16-08-024, *et al.***

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

**DECLARATION OF JAMES MAGILL  
REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS  
PURSUANT TO D.16-08-024, *et al.***

I, James Magill, do declare as follows:

1. I am the Manager of the Settlement & Systems department for San Diego Gas & Electric Company (“SDG&E”). I have been delegated authority to sign this declaration by Estella M. De Llanos, Vice President of Energy Procurement and Sustainability. I have reviewed Eric L. Dalton’s Updated Prepared Direct Testimony (“Testimony”) in support of SDG&E’s May 7, 2021 Expedited Application Under the Energy Resource Recovery Account Trigger Mechanism (“Application”). I am personally familiar with the facts and representations in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or information and belief.

2. I hereby provide this Declaration in accordance with Decisions (“D.”) 16-08-024, D.17-05-035, and D.17-09-023 to demonstrate that the confidential information (“Protected Information”) provided in the Testimony is within the scope of data protected as confidential under applicable law.

3. In accordance with the legal authority described herein, the Protected Information should be protected from public disclosure.

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

Executed this 9th day of November 2021, at San Diego.

  
\_\_\_\_\_  
James Magill

# ATTACHMENT A

## SDG&E Request for Confidentiality on the following information in its Application Under the Energy Resource Recovery Account Trigger Mechanism

Location of Protected Information	Legal Authority	Narrative Justification
Attachment A, line 20: Green House Gas Costs and Attachment B, line 12: UOG GHG Expense	D.14-10-033; D.16-08-024; D.17-05-035; D.17-09-023; Public Utilities Code Section 454.5(g).	GHG emissions forecasts: Providing these forecasts to market participants would allow them to know SDG&E's forecasted GHG obligation, thereby compromising SDG&E's contractual bargaining power such that customer costs are likely to rise. Thus, the release of this non-public confidential information will unjustifiably allow market participants to use this information to the disadvantage of SDG&E's customers.