

Application No.: A.20-04-  
Exhibit No.: \_\_\_\_\_  
Witness: Khoang T. Ngo

**PREPARED DIRECT TESTIMONY OF**  
**KHOANG T. NGO**  
**ON BEHALF OF**  
**SAN DIEGO GAS & ELECTRIC COMPANY**

**\*\**REDACTED, PUBLIC VERSION*\*\***

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



**April 15, 2020**

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GLOSSARY

1                                   **PREPARED DIRECT TESTIMONY OF**  
2                                   **KHOANG T. NGO**  
3                                   **ON BEHALF OF**  
4                                   **SAN DIEGO GAS & ELECTRIC COMPANY**

5 **I.       INTRODUCTION**

6               The purpose of my testimony is to address cost recovery related to San Diego Gas &  
7 Electric Company’s (“SDG&E”) Energy Resource Recovery Account (“ERRA”), Competition  
8 Transition Charge (“CTC”), Local Generation (“LG”) revenue requirements and Tree Mortality  
9 Non-Bypassable revenue requirements. More specifically, my testimony:

- 10               •       describes SDG&E’s ERRA, Transition Cost Balancing Account (“TCBA”),  
11               Local Generating Balancing Account (“LGBA”), Tree Mortality Non-Bypassable  
12               Charge Balancing Account (“TMNBCBA”), Portfolio Allocation Balancing  
13               Account (“PABA”) and Power Charge Indifference Adjustment (PCIA)  
14               Undercollection Balancing Account (CAPBA);
- 15               •       sets forth SDG&E’s forecasted 2021 ERRA, CTC, LG, TMNBC, PABA and  
16               CAPBA revenue requirements, and describes SDG&E’s request for authorization  
17               from the Commission to return the overcollected 2018 LGBA recorded activity of  
18               \$(91.08) million as requested in A.19-05-007.

19               In addition, my testimony presents the comparison between the recorded 2019 year-end  
20 balances with the actual 2019 year-end balances in the GHG allowance revenues and expenses  
21 balancing accounts. Finally, my testimony requests authorization of the revenue requirement of  
22 the San Onofre Nuclear Generating Station (“SONGS”) Unit 1 Offsite Spent Fuel Storage costs  
23 as described in Section X below.

1 **II. BACKGROUND**

2 Pursuant to California Public Utilities Commission (“Commission”) Decisions  
3 (“D.”) 02-10-062 and D.02-12-074, the purpose of the ERRA balancing account is to provide  
4 full recovery of SDG&E’s energy procurement costs associated with serving SDG&E’s bundled  
5 service customers. Energy procurement costs include expenses associated with the California  
6 Independent System Operator (“CAISO”) such as energy and ancillary services load charges,  
7 CAISO revenues from utility generation and supply contracts, contract costs, generation fuel  
8 costs, CAISO-related costs, and hedging costs. The ERRA records revenues from SDG&E’s  
9 Electric Energy Commodity Cost (“EECC”) rate schedule, adjusted to exclude commodity  
10 revenues assigned to the Non-Fuel Generation Balancing Account (“NGBA”),<sup>1</sup> and other  
11 Commission approved adjustments.

12 The purpose of the TCBA is to accrue all CTC revenues and recover all CTC-eligible  
13 generation-related costs. Pursuant to D.02-12-074 and D.02-11-022, payments to Qualifying  
14 Facilities (“QFs”) that are above the market benchmark proxy are charged to the TCBA. Eligible  
15 CTC expenses<sup>2</sup> reflect the difference between the market proxy and the contract price of costs  
16 associated with certain QF contracts.

17 The purpose of the LGBA is to record the revenues and costs of generation and other  
18 energy sources where the Commission has determined that the resource is subject to the Cost  
19 Allocation Mechanism (“CAM”). Such generation may take the form of purchase power

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<sup>1</sup> In compliance with D.03-12-063, the NGBA became effective January 1, 2004.

<sup>2</sup> Expenses eligible for CTC recovery are defined by Assembly Bill (“AB”) 1890.

1 agreements, company-owned generation units associated with new generation resources, and any  
 2 other resources approved by the Commission for CAM treatment.

3 **III. 2021 ERRA, CTC, AND LG REVENUE REQUIREMENT FORECASTS**

4 As shown in Table 1 below, SDG&E’s 2021 ERRA revenue requirement forecast is  
 5 \$604.409 million, including forecasted GHG costs as well as franchise fees and uncollectibles  
 6 (“FF&U”). The direct testimony of SDG&E witness Mr. Covic provides a detailed discussion of  
 7 the Greenhouse Gas (“GHG”) costs.

8 **TABLE 1**  
 9 **ERRA REVENUE REQUIREMENT**  
 10 **(\$Millions of Dollars)**

| No. | Component                         | 2021 Forecast |                      | 2020 Forecast |                | Change from Prior Year |                  |
|-----|-----------------------------------|---------------|----------------------|---------------|----------------|------------------------|------------------|
| 1.  | Load ISO Charges                  |               |                      |               |                |                        |                  |
| 2.  | Supply ISO Revenues               |               |                      |               |                |                        |                  |
| 3.  | Contract Costs (non-CTC)          |               |                      |               |                |                        |                  |
| 4.  | Contract Costs (CTC up to market) |               |                      |               |                |                        |                  |
| 5.  | Generation Fuel                   |               |                      |               |                |                        |                  |
| 6.  | Net Supply ISO Revenues           |               |                      |               |                |                        |                  |
| 7.  | Equity Re-balancing Costs         |               |                      |               |                |                        |                  |
| 8.  | CAISO Misc. Costs                 |               |                      |               |                |                        |                  |
| 9.  | Hedging Costs                     |               |                      |               |                |                        |                  |
| 10. | Direct and Indirect GHG Costs     |               |                      |               |                |                        |                  |
| 11. | Subtotal                          |               | 597.164 <sup>3</sup> |               | 791.611        |                        | (194.447)        |
| 12. | FF&U <sup>4</sup>                 |               | 7.245                |               | 9.614          |                        | (2.370)          |
| 13. | <b>TOTAL<sup>5</sup></b>          |               | <b>604.409</b>       |               | <b>801.225</b> |                        | <b>(196.816)</b> |

<sup>3</sup> This does not include the PABA revenue requirement of \$369.347 million (\$373.828 million including FF&U) in Table 5 for recovery of the above-market costs and revenues associated with all generation resources that are eligible for cost recovery through Power Charge Indifference Adjustment (“PCIA”) rates.

<sup>4</sup> The 2020 Forecasts reflect the franchise fee and uncollectible factor of 1.0121448. The 2021 Forecasts reflect the franchise fee and uncollectible factor of 1.012133.

<sup>5</sup> Sums may not equal due to rounding.

1 The forecasted cost components set forth in the line items contained in Table 1 above,  
2 and the reasons for the \$(196.816) million decrease in the 2021 ERRR revenue requirement  
3 forecast – as compared to the 2020 ERRR revenue requirement (as submitted in the 2020  
4 Forecast) – are addressed in Mr. Covic’s testimony.

5 SDG&E’s 2021 ERRR revenue requirement forecast includes the fuel costs for its  
6 electric generation facilities, including Miramar Energy Facility I (“Miramar I”), Miramar  
7 Energy Facility II (“Miramar II”), Palomar Energy Center (“Palomar”), Desert Star Energy  
8 Center (“Desert Star”), and the Cuyamaca Peak Energy Plant (“Cuyamaca”). The actual fuel  
9 costs of Miramar I, Miramar II, Palomar, Desert Star, and Cuyamaca are recorded in the ERRR  
10 for recovery through commodity rates. SDG&E’s non-fuel costs for these facilities are recorded  
11 in the NGBA and also recovered through SDG&E’s commodity rates.

12 As shown in Table 2 below, SDG&E’s 2021 CTC revenue requirement forecast is  
13 \$16.673 million, including FF&U.

14 **TABLE 2**  
15 **CTC REVENUE REQUIREMENT**  
16 **(\$Millions of Dollars)**

| No. | Component         | 2021 Forecast | 2020 Forecast | Change from Prior Year |
|-----|-------------------|---------------|---------------|------------------------|
| 1.  | QF Contracts      | 16.473        | 18.500        | (2.027)                |
| 2.  | FF&U <sup>6</sup> | 0.200         | 0.225         | (0.025)                |
| 3.  | <b>TOTAL</b>      | <b>16.673</b> | <b>18.725</b> | <b>(2.052)</b>         |

17 For CTC-eligible purchase power contracts, the power purchased is recorded to the  
18 ERRR at the market proxy of \$ [REDACTED] /MWh. The difference between the actual contract price

19  

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<sup>6</sup> *Id.*

1 and the market proxy is included in the 2021 CTC forecast and recorded to the TCBA. SDG&E  
2 witness Mr. Covic discusses the market proxy of [REDACTED]/MWh in greater detail.

3 As shown in Table 3 below, SDG&E's 2021 Local Generation ("LG") revenue  
4 requirement forecast is \$137.895 million, including FF&U.

5 **TABLE 3**  
6 **LG REVENUE REQUIREMENT**  
7 **(\$Millions of Dollars)**

| No. | Component                | 2021 Forecast  | 2020 Forecast  | Change from Prior Year |
|-----|--------------------------|----------------|----------------|------------------------|
| 1.  | New Generation PPAs      | [REDACTED]     | [REDACTED]     | [REDACTED]             |
| 2.  | Combined Heat & Power    | [REDACTED]     | [REDACTED]     | [REDACTED]             |
| 3.  | Energy Storage           | [REDACTED]     | [REDACTED]     | [REDACTED]             |
| 4.  | Peakers                  | [REDACTED]     | [REDACTED]     | [REDACTED]             |
| 5.  | Local Generation GHG     | [REDACTED]     | [REDACTED]     | [REDACTED]             |
| 6.  | SUBTOTAL                 | 136.242        | 131.320        | 4.922                  |
| 7.  | FF&U <sup>7</sup>        | 1.653          | 1.595          | 0.058                  |
| 8.  | <b>TOTAL<sup>8</sup></b> | <b>137.895</b> | <b>132.915</b> | <b>4.980</b>           |

8 The LGBA was authorized in D.13-03-029. The LGBA records the LG costs and the  
9 revenues received from SDG&E's LG rate. On a monthly basis, the LGBA compares the LG  
10 costs with the revenues received. Interest is applied to any over- or under-collected balance at  
11 the three-month Commercial Paper rate. The LGBA utilizes sub-accounts for each generation  
12 resource. In the 2020 LG Forecast, costs for new energy storage units were presented in the New  
13 Generation PPAs line. For the 2021 LG Forecast, energy storage is shown as a separate line  
14 item.  
15

<sup>7</sup> *Id.*

<sup>8</sup> Sums may not equal due to rounding.

1 **IV. RETURN OF THE OVERCOLLECTED 2018 LGBA RECORDED ACTIVITY**

2 In SDG&E’s 2018 ERRA Compliance Application, which is pending approval in A.19-  
 3 05-007, SDG&E presented a monthly summary of accounting entries recorded to the LGBA  
 4 during 2018, totaling \$(91.08) million. In that application, SDG&E proposed to return the  
 5 overcollected 2018 recorded activity of \$(91.08) million in this 2021 ERRA Forecast  
 6 Application.

7 **V. COMPARISON OF 2019 RECORDED VS ACTUAL YEAR-END BALANCES IN**  
 8 **GHG BALANCING ACCOUNTS**

9 In accordance with Finding of Fact (“FOF”) 13 of D.14-10-033, utilities must reconcile  
 10 forecast amounts with recorded amounts until all actuals are available for the forecast year.  
 11 Consistent with this methodology, SDG&E provides a comparison of the 2019 year-end  
 12 recorded/forecasted balances with the 2019 year-end actual balances in three GHG balancing  
 13 accounts in Table 4 below. More specifically, (1) GHG allowance revenues are recorded in the  
 14 GHG Revenue Balancing Account (“GHGRBA”); (2) expenses are recorded in the GHG  
 15 Customer Outreach and Education Memorandum Account (“GHGCOEMA”); and (3) expenses  
 16 are recorded in the GHG Administrative Costs Memorandum Account (“GHGACMA”).

17 **TABLE 4**  
 18 **COMPARISON OF 2019 RECORDED VS ACTUAL YEAR-END BALANCES IN GHG**  
 19 **BALANCING ACCOUNTS**

| Line | Description                                               | 2019 Recorded <sup>1</sup> (\$) | 2019 Actual (\$) | Difference  |
|------|-----------------------------------------------------------|---------------------------------|------------------|-------------|
|      | <b>(1) GHGRBA</b>                                         |                                 |                  |             |
| 1    | <b>Beginning Balance 1/1/2019</b>                         | 3,734,063                       | 3,734,063        | -           |
| 2    | Allowance Revenue                                         | (103,152,050)                   | (104,156,909)    | (1,004,859) |
| 3    | Revenue returned to customers                             | 88,023,951                      | 88,053,760       | 29,808      |
| 4    | Franchise Fees and Uncollectibles                         | (1,056,223)                     | (1,056,581)      | (357)       |
| 5    | Transfer to GHGCOEMA and GHGACMA <sup>2,3</sup>           | (135,316)                       | (135,316)        | -           |
| 6    | Allowance Set Aside for Multi-Family Program <sup>4</sup> | 10,115,640                      | 10,115,640       | -           |
| 7    | Allowance Set Aside for DAC-SASH <sup>5</sup>             | 1,030,000                       | 1,030,000        | -           |



|    |                                             |                  |                 |                  |
|----|---------------------------------------------|------------------|-----------------|------------------|
| 8  | Allowance Set Aside for DAC-GT <sup>6</sup> | 2,113,700        | 2,113,700       | -                |
| 9  | Allowance Set Aside for CSGT <sup>7</sup>   | 390,500          | 390,500         | -                |
| 10 | Interest                                    | 246,525          | 236,629         | (9,896)          |
| 11 | <b>Ending Balance 12/31/2019</b>            | <b>1,310,790</b> | <b>325,486</b>  | <b>(985,304)</b> |
|    |                                             |                  |                 |                  |
|    | <b>(2) GHGCOEMA</b>                         |                  |                 |                  |
| 12 | <b>Beginning Balance 1/1/2019</b>           | (142,632)        | (142,632)       | -                |
| 13 | Transfer from GHGRBA <sup>2</sup>           | 142,550          | 142,550         | -                |
| 14 | Expenses                                    | -                | 18,811          | 18,811           |
| 15 | Interest                                    | (268)            | (224)           | 44               |
| 16 | <b>Ending Balance 12/31/2019</b>            | <b>(350)</b>     | <b>18,505</b>   | <b>18,855</b>    |
|    |                                             |                  |                 |                  |
|    | <b>(3) GHGACMA</b>                          |                  |                 |                  |
| 17 | <b>Beginning Balance 1/1/2019</b>           | (40,178)         | (40,178)        | -                |
| 18 | Transfer from GHGRBA <sup>3</sup>           | (7,234)          | (7,234)         | -                |
| 19 | Expenses                                    | 18,873           | 3,291           | (15,582)         |
| 20 | Interest                                    | (1,090)          | (1,050)         | 40               |
| 21 | <b>Ending Balance 12/31/2019</b>            | <b>(29,629)</b>  | <b>(45,171)</b> | <b>(15,542)</b>  |

<sup>1</sup>Per A.19-04-010 (2020 ERRA Forecast Update November 7, 2019) Attachment G. Template D-1: Annual Allowance Revenue Receipts and Customer Returns; and Template D-3: Detail of Outreach and Administrative Expenses. Recorded amounts represent actual recorded activity from January through September 2019 and forecasted amounts from October through December 2019.

<sup>2</sup>Transfer per D.18-12-016 from GHGRBA to GHGCOEMA. This represents 1/1/19 projected overcollected balance of (\$142,550).

<sup>3</sup>Transfer per D.18-12-016 from GHGRBA to GHGACMA. This represents 1/1/19 projected overcollected balance of (\$40,266), plus 2019 forecasted expenses of \$47,500.

<sup>4</sup>Transfer per D.18-12-016 from GHGRBA to SOMAH. This represents the program funding for 2019.

<sup>5</sup>Transfer per D.18-12-016 from GHGRBA to DAC-SASH. This represents the program funding for 2019.

<sup>6</sup>Transfer per D.18-12-016 from GHGRBA to DAC-GT. This represents the program funding for 2019.

<sup>7</sup>Transfer per D.18-12-016 from GHGRBA to CSGT. This represents the program funding for 2019.

1  
2 **VI. GREEN TARIFF SHARED RENEWABLE BALANCING ACCOUNT**  
3 **("GTSRBA")**

4 Per D.15-01-051, SDG&E established the GTSRBA<sup>9</sup> to record the difference between the  
5 revenues collected from individual customers electing to participate in the GTSR program and  
6 the incremental costs incurred to serve customers participating in that program. The GTSR

<sup>9</sup> See SDG&E Advice Letter ("AL") 2889-E, approved June 23, 2016 and effective May 28, 2016.

1 program consists of both a Green Tariff (“GT”) component and an Enhanced Community  
2 Renewables (“ECR”) component which are recorded in separate subaccounts with the GTSRBA.  
3 SDG&E’s GTSR program began in 2016 and recorded minimal activity through 2019 as  
4 described in SDG&E’s Annual GTSR Program Progress Report filed on March 15, 2020 (A.12-  
5 01-008). SDG&E is requesting recovery of the undercollected 2018 ending balance of \$0.125  
6 million as requested in A.19-05-007 in this instant application.

7 **VII. TREE MORTALITY NON-BYPASSABLE CHARGE BALANCING ACCOUNT**  
8 **(“TMNBCBA”)**

9 Per D.18-12-003, SDG&E filed AL 3343-E<sup>10</sup> established the TMNBCBA to record the  
10 tree mortality related procurement costs. As noted in D.18-12-003, Ordering Paragraph (“OP”)  
11 9, the TMNBCBA cost will be recovered through the public purpose program (“PPP”) charge.

12 SDG&E’s 2021 TM NBC revenue requirement forecast is \$ [REDACTED] million (\$ [REDACTED]  
13 including FF&U), which is described in Mr. Covic’s testimony.

14 **VIII. PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)**

15 Pursuant to Commission Decision 18-10-019 and Advice Letter 3318-E,<sup>11</sup> the purpose of  
16 the PABA is to record the “above-market” costs and revenues associated with all generation  
17 resources that are eligible for cost recovery through the PCIA rates, including SDG&E’s Utility-  
18 Owned Generation (“UOG”). Costs recorded in each vintage subaccount will include, but are  
19 not limited to, fuel, GHG costs, third party power purchase contracts, and UOG’s revenue  
20 requirement. The above-market costs of all generation resources that are eligible for cost

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<sup>10</sup> Two supplemental ALs were filed for AL 3343. AL 3343-B was submitted on May 31, 2019 and approved on July 19, 2019 with a July 2, 2019 effective date. AL 3343-E was approved on July 19, 2019 with an effective date of July 2, 2019.

<sup>11</sup> See SDG&E AL 3318-E, filed on December 10, 2018, and approved on May 30, 2019.

1 recovery through the PCIA rates, including SDG&E's UOG, will be also be recorded in the  
2 PABA.

3 **TABLE 5**  
4 **PABA REVENUE REQUIREMENT**  
5 **(\$Millions of Dollars)**

| No. | Component           | 2021 Forecast | 2020 Forecast <sup>12</sup> | Change from Prior Year |
|-----|---------------------|---------------|-----------------------------|------------------------|
| 1.  | Supply ISO Revenues | ████████      | ████████                    | 78.604                 |
| 2.  | Contract Costs      | ████████      | ████████                    | 31.405                 |
| 3.  | Generation Fuel     | ████████      | ████████                    | (80.610)               |
| 4.  | GHG Costs           | ████████      | ████████                    | (19.118)               |
| 5.  | Subtotal            | 369.347       | 359.065                     | 10.282                 |
| 6.  | FF&U                | 4.481         | 4.361                       | 0.121                  |
| 7.  | TOTAL               | 373.828       | 363.426                     | 10.402                 |

6 SDG&E's 2021 PABA revenue requirement forecast is \$373.828 million, including  
7  
8 FF&U.

9 **IX. POWER CHARGE INDIFFERENCE ADJUSTMENT (PCIA)**  
10 **UNDERCOLLECTION BALANCING ACCOUNT (CAPBA)**

11 Pursuant to Commission Decision 18-10-019 and Advice Letter 3436-E,<sup>13</sup> the purpose of  
12 the CAPBA is to record the obligation that accrues for departing load (DL) customers in the  
13 event that the half-cent per kWh PCIA rate cap is reached. The CAPBA is comprised of a  
14 subaccount for each customer vintage, as well as a specific bundled subaccount, which capture  
15 the shortfall amount that is financed by bundled customers for DL customers when the DL PCIA

<sup>12</sup> The Updated November 2020 Forecast, included the 2019 forecasted year-end PABA under collected balance of \$254.057 million, including FF&U (not shown in Table 5 above).

<sup>13</sup> See SDG&E AL 3436-E, filed on September 30, 2019, and approved on October 30, 2019.

1 rate is capped, and the repayment amount from DL customers to bundled customers. In addition,  
2 pursuant to OP 10, SDG&E is to establish the trigger mechanism for the PCIA cap. In her  
3 testimony, SDG&E witness Ms. Fuhrer discusses the CAPBA in greater detail.

4 **X. SONGS UNIT 1 OFFSITE SPENT FUEL STORAGE**

5 This section of my testimony requests authorization of the SONGS Unit 1 Offsite Spent  
6 Fuel Storage costs revenue requirement of \$1.060 million (\$1.073 million including FF&U) for  
7 2021, which are described in Mr. Covic's testimony. The authorized revenue requirement is  
8 tracked in SDG&E's Nuclear Decommissioning Adjustment Mechanism account.

9 **XI. SUMMARY**

10 My testimony presents the following revenue requirements for which SDG&E seeks  
11 recovery in this 2021 ERRA Forecast Application:

- 12 • the 2021 ERRA revenue requirement forecast (which includes forecasted GHG  
13 costs) of \$604.409 million;
- 14 • the 2021 CTC revenue requirement forecast of \$16.673 million; and
- 15 • the 2021 LG revenue requirement forecast of \$137.895 million.
- 16 • the 2021 TMNBC revenue requirement forecast of \$ [REDACTED] million.
- 17 • the 2021 PABA revenue requirement forecast of \$373.828 million

18 Each of these amounts include FF&U.

19 SDG&E is requesting authorization from the Commission to return the overcollected  
20 2018 recorded LGBA activity of \$(91.08) million. SDG&E is also requesting recovery of the  
21 undercollected 2018 GTSRBA ending balance of \$0.125 million.

22 In addition, my testimony also presents the comparison of the 2019 recorded/forecasted  
23 vs. actual year-end balances in the GHG allowance revenues and expenses balancing accounts.

1           Finally, SDG&E requests that the Commission approve the 2021 revenue requirement of  
2 \$1.060 million (\$1.073 million including FF&U) for the forecasted SONGS Unit 1 Offsite Spent  
3 Fuel Storage costs.

4           This concludes my prepared direct testimony.

1 **XII. QUALIFICATIONS**

2 My name is Khoang T. Ngo. I am employed by SDG&E as the Senior Energy  
3 Administrator in the Settlements & Systems Department. My business address is 8315 Century  
4 Park Court, San Diego, California 92123. My current responsibilities include handling the  
5 payment, recovery, and regulatory reporting processes for SDG&E's procurement activities. I  
6 began working in Settlements & Systems as a Senior Energy Administrator in November 2013.

7 I have been employed by SDG&E since January of 2000. In addition to my current role  
8 in Settlements & Systems, I have worked in two other departments at SDG&E in positions of  
9 increasing responsibility. From January 2000 to August 2006, I was employed in the Cost  
10 Accounting group where I was primarily responsible for the accounting related to Electric  
11 Transmission assets, prepared FERC Forms, and involved in the monthly close functions of the  
12 transmission FERC accounts. From August 2006 to September 2013, I worked in the Electric  
13 Transmission Planning group. My responsibilities included managing the generator  
14 interconnection contracts, interconnection financial security deposits, CAISO study agreements  
15 and reconciling engineering interconnection and network reliability costs.

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

**ATTACHMENT A**

**DECLARATION OF KHOANG T. NGO**

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

**DECLARATION  
OF KHOANG T. NGO**

**A.20-04-\_\_\_  
Application of San Diego Gas & Electric Company (U 902-E)  
for Approval of Its 2021 Electric Procurement Revenue Requirement Forecasts and GHG-  
Related Forecasts**

I, Khoang T. Ngo, declare as follows:

1. I am a Senior Energy Administrator for San Diego Gas & Electric Company (“SDG&E”). I included my Prepared Direct Testimony (“Testimony”) in support of SDG&E’s April 15, 2020 Application for Approval of its 2021 Electric Procurement Revenue Requirement Forecasts and GHG-Related Forecasts (“Application”). Additionally, as a Senior Energy Administrator, 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 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>Location of Protected Information</b>                                     | <b>Matrix Reference</b>              | <b>Reason for Confidentiality</b>                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Table 1, line 1:<br>Load ISO Charges                                         | II.A.2<br>V.C                        | Utility Electric Price Forecasts; confidential for 3 years.<br>LSE Total Energy Forecast; confidential for the front 3 years.                                                                                                                                                                                    |
| Table 1, lines 2 and 6: Supply ISO Revenues                                  | II.A.2<br>II.B.1<br>II.B.3<br>II.B.4 | Utility Electric Price Forecasts; confidential for 3 years.<br>Generation Cost Forecasts of Utility Retained Generation; confidential for 3 years.<br>Generation Cost Forecasts of QF Contracts; confidential for 3 years.<br>Generation Cost Forecasts of Non-QF Bilateral Contracts; confidential for 3 years. |
| Table 1, lines 3 and 7: Contract Costs (non-CTC) & Equity Re-balancing Costs | II.B.4                               | Generation Cost Forecasts of Non-QF Bilateral Contracts; confidential for 3 years.                                                                                                                                                                                                                               |
| Table 1, line 4: Contract Costs (CTC up to market)                           | II.B.3<br>II.B.4                     | Generation Cost Forecasts of QF Contracts; confidential for 3 years.<br>Generation Cost Forecasts of Non-QF Bilateral Contracts; confidential for 3 years.                                                                                                                                                       |
| Table 1, line 5: Generation Fuel                                             | II.B.1<br>II.B.4                     | Generation Cost Forecasts of Utility Retained Generation; confidential for 3 years.<br>Generation Cost Forecasts of Non-QF Bilateral Contracts; confidential for 3 years.                                                                                                                                        |
| Table 1, line 8: CAISO Misc. Costs                                           | II.A.2                               | Utility Electric Price Forecasts; confidential for 3 years.                                                                                                                                                                                                                                                      |
| Table 1, line 9: Hedging Costs                                               | I.A.4                                | Long-term Fuel (gas) Buying and Hedging Plans; confidential for 3 years.                                                                                                                                                                                                                                         |

<sup>1</sup> In addition to the details addressed herein, SDG&E believes that the information being furnished in 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>Location of Protected Information</b>                                                  | <b>Matrix Reference</b>                      | <b>Reason for Confidentiality</b>                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------------|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Table 3, line 1:<br>New Generation<br>PPAs                                                | II.A.2<br>II.B.1<br><br>II.B.4               | Utility Electric Price Forecasts; confidential for 3 years.<br>Generation Cost Forecasts of Utility Retained Generation; confidential for 3 years.<br>Generation Cost Forecasts of Non-QF Bilateral Contracts; confidential for 3 years.                                                                         |
| Table 3, line 2:<br>Combined Heat &<br>Power                                              | II.B.3                                       | Generation Cost Forecasts of QF Contracts; confidential for 3 years.                                                                                                                                                                                                                                             |
| Table 3, line 3:<br>Energy Storage                                                        | II.B.1                                       | Utility Retained Generation                                                                                                                                                                                                                                                                                      |
| Table 3, line 4:<br>Peakers                                                               | II.B.3<br><br>II.B.4                         | Generation Cost Forecasts of QF Contracts; confidential for 3 years.<br>Generation Cost Forecasts of Non-QF Bilateral Contracts; confidential for 3 years.                                                                                                                                                       |
| Table 5, line 1:<br>Supply ISO<br>Revenues                                                | II.A.2<br>II.B.1<br><br>II.B.3<br><br>II.B.4 | Utility Electric Price Forecasts; confidential for 3 years.<br>Generation Cost Forecasts of Utility Retained Generation; confidential for 3 years.<br>Generation Cost Forecasts of QF Contracts; confidential for 3 years.<br>Generation Cost Forecasts of Non-QF Bilateral Contracts; confidential for 3 years. |
| Table 5, line 2:<br>Contract Costs                                                        | II.B.4                                       | Generation Cost Forecasts of Non-QF Bilateral Contracts; confidential for 3 years.                                                                                                                                                                                                                               |
| Table 5, line 3:<br>Generation Fuel                                                       | II.B.1<br><br>II.B.4                         | Generation Cost Forecasts of Utility Retained Generation; confidential for 3 years.<br>Generation Cost Forecasts of Non-QF Bilateral Contracts; confidential for 3 years.                                                                                                                                        |
| Section VII,<br>second paragraph,<br>and section X<br>Summary: Tree<br>Mortality contract | II.B.4                                       | Generation Cost Forecasts of Non-QF Bilateral Contracts; confidential for 3 years.                                                                                                                                                                                                                               |

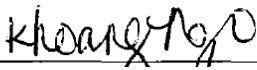
4. I am not aware of any instances where the Protected Information has been disclosed to the public. To my knowledge, no party, including SDG&E, has publicly revealed any of the Protected Information.

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 15th day of April, 2020, at San Diego, California.



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Khoang T. Ngo  
Senior Energy Administrator  
San Diego Gas & Electric Company

**ATTACHMENT B**

**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 Settlements & Systems department for San Diego Gas & Electric Company (“SDG&E”). I have been delegated authority to sign this declaration by Miguel Romero, Vice President of Energy Supply. I have reviewed Khoang Ngo’s Prepared Direct Testimony (“Testimony”) in support of SDG&E’s “Application ... for Approval of its 2021 Electric Procurement Revenue Requirement Forecasts and GHG-Related Forecasts” (“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 15th day of April, 2020, at San Diego.

/s/ James Magill  
James Magill

# ATTACHMENT A

## SDG&E Request for Confidentiality on the following information in its Application for Approval of Its 2021 Electric Procurement Revenue Requirement Forecasts and GHG- Related Forecasts

| Location of Protected Information               | Legal Authority                                                                                         | Narrative Justification                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Table 1, line 10: Direct and Indirect GHG Costs | D.14-10-033;<br>D.16-08-024;<br>D.17-05-035;<br>D.17-09-023;<br>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. |
| Table 3, line 5: Local Generation GHG           | D.14-10-033;<br>D.16-08-024;<br>D.17-05-035;<br>D.17-09-023;<br>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. |
| Table 5, line 4: Direct and Indirect GHG Costs  | D.14-10-033;<br>D.16-08-024;<br>D.17-05-035;<br>D.17-09-023;<br>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. |

## GLOSSARY

|             |                                                                        |
|-------------|------------------------------------------------------------------------|
| AB          | Assembly Bill                                                          |
| AL          | Advice Letter                                                          |
| CAISO       | California Independent System Operator                                 |
| CTC         | Competition Transition Charge                                          |
| CAM         | Cost Allocation Mechanism                                              |
| CAPBA       | Power Charge Indifference Adjustment Undercollection Balancing Account |
| CPUC        | California Public Utilities Commission                                 |
| CUYAMACA    | Cuyamaca Peak Energy Plant                                             |
| D           | Decision                                                               |
| DAC         | Disadvantaged Community                                                |
| DAC-SASH    | Disadvantaged Community – Single family Solar Homes                    |
| DACSASHBA   | Disadvantaged Community – Single family Solar Homes Balancing Account  |
| DESERT STAR | Desert Star Energy Center                                              |
| DL          | Departed Load                                                          |
| ECR         | Enhanced Community Renewables                                          |
| ERRA        | Energy Resource Recovery Account                                       |
| EECC        | Electric Energy Commodity Cost                                         |
| FASB        | Financial Accounting Standards Board                                   |
| FOF         | Finding of Fact                                                        |
| FF&U        | Franchise fee and uncollectible                                        |
| GHG         | Greenhouse Gas                                                         |
| GHGACMA     | GHG Administrative Costs Memorandum Account                            |
| GHGCOEMA    | GHG Customer Outreach and Education Memorandum Account                 |
| GHGRBA      | GHG Revenue Balancing Account                                          |
| GT          | Green Tariff                                                           |
| GTSRBA      | Green Tariff Shared Renewable Balancing Account                        |
| LG          | Local Generation                                                       |
| LGBA        | Local Generating Balancing Account                                     |
| MIRAMAR I   | Miramar Energy Facility I                                              |
| MIRAMAR II  | Miramar Energy Facility II                                             |
| MWh         | Megawatt hour                                                          |
| NGBA        | Non-Fuel Generation Balancing Account                                  |
| OMEC        | Otay Mesa Energy Center                                                |

|         |                                                           |
|---------|-----------------------------------------------------------|
| OP      | Ordering Paragraph                                        |
| PALOMAR | Palomar Energy Center                                     |
| PABA    | Portfolio Allocation Balancing Account                    |
| PPP     | Public Purpose Program                                    |
| QFs     | Qualifying Facilities                                     |
| RA      | Resource Adequacy                                         |
| REC     | Renewable Energy Credits                                  |
| SDG&E's | San Diego Gas & Electric Company's                        |
| SOMAHBA | Solar on Multifamily Affordable Housing Balancing Account |
| SONGS   | San Onofre Nuclear Generating Station                     |
| TCBA    | Transition Cost Balancing Account                         |
| TMNBCBA | Tree Mortality Non-Bypassable Charge Balancing Account    |
| UOG     | Utility-Owned Generation                                  |