

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

Application of San Diego Gas & Electric Company
(U 902 M) for Authorization to Recover Costs of Several
Catastrophic Events Recorded in Its Catastrophic Expense
Memorandum Account (CEMA).

A.22-10-021
(Filed October 31, 2022)

**PREHEARING CONFERENCE STATEMENT OF
SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M)**

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January 17, 2023

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Pursuant to the *Administrative Law Judge's Ruling Setting Telephonic Prehearing Conference and Directing Prehearing Conference Statement*, dated January 5, 2023 (ALJ Ruling), San Diego Gas & Electric Company (SDG&E) hereby submits its Prehearing Conference Statement addressing the questions raised in the ALJ Ruling.

I. RESPONSE TO ISSUES ADDRESSED IN THE ALJ RULING

A. Proposed Scope of Issues.

SDG&E's proposed scope of issues in this proceeding includes each of the following areas for which SDG&E has requested various findings and authorizations:

By this Application, SDG&E is requesting, with respect to the eight Catastrophic Expense Memorandum Account (CEMA) Events, that the Commission:

1. Find reasonable and recoverable \$42.9 million in incremental of Operation and Maintenance expense.
2. Find reasonable and recoverable \$8.4 million in incremental capital costs.
3. Authorize the recovery of depreciation, return and taxes that have already been expensed and will be expensed through 2027.
4. Authorize any remaining electric and gas capital-related costs to be incorporated into SDG&E's Test Year 2028 General Rate Case.

5. Authorize recovery of an electric distribution revenue requirement of \$29.3 million and a gas distribution revenue requirement of \$7.0 million for the incremental costs SDG&E incurred during the eight CEMA Events, plus associated interest to be recovered through electric distribution rates over a one year period beginning January 1, 2024.
6. Authorize the annual 2025-2027 electric revenue requirements as presented in the testimony of Mr. R Craig Gentes to be recovered through electric distribution rates and included in SDG&E’s annual electric consolidated advice letter filing to implement January 1 rates.
7. Authorize recovery of the gas portion of the revenue requirement of \$7.0 million beginning in 2024, including interest.

B. Proposed Procedural Schedule.

SDG&E proposes two procedural schedules, one that could apply if there continues to be no intervenors, and one that could apply in the event that there will be one or more intervenors.

1. No Intervenors

Scoping Memo	by mid-February 2023
Audit	Conclude by April 2023
SDG&E comments on Audit Results	May 2023
Proposed Decision	June 2023
Final Decision	July 2023

2. With Intervenors

Scoping Memo	by mid-February 2023
Audit	conclude by April 2023
Intervenor Testimony	[date]
SDG&E Rebuttal Testimony	[3 weeks after Intervenor Test.]

Concurrent Opening Briefs on Issues in Contention	[date]
Concurrent Reply Briefs on Issues in Contention	[date]
Proposed Decision	October 2023
Final Decision	November 2023

C. Appropriate Category for Proceeding.

This proceeding should be categorized as ratesetting.

D. SDG&E’s Response to the Question: The value of an audit, that would be conducted by either a third-party or the Commission’s Utility Audits Branch, to developing [sic] a sufficiently robust record for the Commission to be able to determine whether the costs in question are incremental, reasonable and recoverable.

SDG&E agrees that an independent review of SDG&E’s CEMA costs by either a third-party or the Commission’s Utility Audits Branch would provide additional validation that those costs included for recovery are appropriate based upon the CEMA preliminary statement criteria. SDG&E wishes to set a schedule that will allow for the Commission to render a decision on this Application before the end of 2023. SDG&E notes that Pacific Gas & Electric Company retained Ernst & Young to conduct a similar cost analysis for its Wildfire Mitigation and CEMA application 21-09-008, filed November 18, 2021. Similarly, SDG&E could engage Ernst & Young or Price Waterhouse Coopers to perform a third-party cost review on an expedited basis.

E. A list and description of other matters SDG&E wishes to address at the prehearing conference.

1. SDG&E witness Mr. Ron Kiralla has retired. His prepared, direct testimony will be adopted by Mr. Bobby W. Watson, Jr. Mr. Watson’s witness qualifications will be served on the Service List as soon as it is available.

2. SDG&E respectfully requests that a final Order in this proceeding be issued no later than November 30, 2023, and as early as is feasible, as indicated above in the section discussing Proposed Schedules.

At this time, SDG&E does not have any other matters it wishes to discuss at the prehearing conference.

II. CONCLUSION

SDG&E appreciates the opportunity to provide these responses to the ALJ Ruling's questions and looks forward to discussing these issues further at the telephonic prehearing conference scheduled for January 20, 2023, at 10:00 a.m.

Respectfully submitted,

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