

**ED DATA REQUEST**  
**ED-SDG&E-DR-04**  
**SDG&E SB 350 TRANSPORTATION ELECTRIFICATION PROPOSALS (A.17-01-020)**  
**SDG&E RESPONSE**  
**DATE RECEIVED: August 3, 2017**  
**DATE RESPONDED: August 11, 2017**

**DATA REQUEST**

**Data Request #3 to San Diego Gas & Electric Company Regarding its SB 350  
Transportation Electrification Proposals Filed in A.17-01-020**

**Date:** August 3, 2017

**Response Due:** August 11, 2017

**To:** Jennifer Wright  
San Diego Gas & Electric Company  
[jwright@semprautilities.com](mailto:jwright@semprautilities.com)  
(858) 654-1891

**From:** Amy Mesrobian  
CPUC Energy Division  
[amy.mesrobian@cpuc.ca.gov](mailto:amy.mesrobian@cpuc.ca.gov)  
(415) 703-3175

Carrie Sisto  
CPUC Energy Division  
[Carolyn.sisto@cpuc.ca.gov](mailto:Carolyn.sisto@cpuc.ca.gov)  
(415) 703-2872

SDG&E should provide answers to the following questions in one document and supporting documentation in an attached Excel file. In light of the Prehearing Conference held on March 16, 2017, the Administrative Law Judge may instruct SDG&E to formally file their Data Responses.

**Cost recovery**

1. SDG&E “proposes to record revenues associated with the authorized revenue requirement as well as capital-related costs” in the balancing account (NGJ-1).
  - a. How would SDG&E separately track the revenues associated with the program and record them in the new balancing account?

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**SDG&E Response:**

SDG&E would carve out from billed revenue the portion that equals this program's revenue requirement; thus identifying it as revenue belonging to the SB350 program. In turn, that revenue would be recorded in the balancing account.

2. "SDG&E is also seeking approval to roll forward for recovery in its post 2019 GRC any undepreciated book value of plant balances associated with these six priority review projects." (MAC1-2).
  - a. Please clarify what "roll forward" means.
  - b. Is SDG&E asking for pre-approval of these costs, or stating that they may include the costs in their next GRC application?

**SDG&E Response:**

- a. All estimated project costs filed with the CPUC for both the Priority Review and Standard Review projects are incremental, and are not part of any GRC. Once the CPUC approves the projects, SDG&E completes installation, and the projects become operational, their associated assets will need to become part of the assets that make up SDG&E's totals system wide asset infrastructure for ratemaking/cost recovery purposes. The term "roll forward" is referring to the inclusion of these "incremental" undepreciated book value of plant balances for both the Priority Review and Standard Review projects as part of the next GRC (2019), or the most appropriate GRC from a timing perspective, which occurs approximately every three years.
  - b. SDG&E is asking for approval of all capital and O&M costs for years 2018-2019 for the Priority Review projects and all capital and O&M costs for years 2019-2025 for the Standard Review project. SDG&E is also asking for approval of the revenue requirement calculated on these capital and O&M costs for only the years until the projects' associated assets can be rolled into the next appropriate GRC.
3. SDG&E states that the balancing account under/over-collection will be amortized in rates the next year (NGJ-2).
    - a. Which rate component would the balancing account be applied to?
    - b. Would the TE balancing account under/over-collections be applied to another balancing account?

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**SDG&E Response:**

- a. SDG&E proposes that the costs discussed in the testimony of Norma Jasso<sup>1</sup> be recovered through the Distribution rate component. This is consistent with the rate impacts shown in the testimony of Cynthia Fang<sup>2</sup>.
- b. No, the under/over-collection would not be transferred to another balancing account; it would be amortized within the TE balancing account.

4. SDG&E discusses its “post-2019 GRC.”
  - a. When does SDG&E expect to file this?
  - b. Which years will it cover?

**SDG&E Response:**

- a. According to the current Rate Case Plan, SDG&E would anticipate filing its post-2019 GRC in 2020.
  - b. According to the current Rate Case Plan, SDG&E would anticipate that the post-2019 GRC would include the years 2022, 2023, and 2024.
5. Please provide a citation for the FERC Code of Federal Regulations that SDG&E cites for the useful life of capital equipment (MAC-11).
    - a. Are these the same values that were approved in SDG&E’s most recent GRC? If not, explain why SDG&E proposes different values in this application.

**SDG&E Response:**

Code of Federal Regulations (CFR) #18 Part 101

- a. Yes.
6. SDG&E states in its reply brief that its revenue requirement goes through 2067<sup>3</sup>. In both tabs of the attached Excel spreadsheet, complete one table with separate line items explaining the capital costs and expenses and operations and maintenance costs and expenses for each proposed project through the full expected lifetime of the assets. In the first tab, provide the cost details without escalators and loaders. In the second tab, provide the cost details with escalators and loaders.

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<sup>1</sup> Prepared Direct Testimony of Norma G. Jasso, page 1 line 22 – page 2 line 4.

<sup>2</sup> Prepared Direct Testimony of Cynthia Fang, table 5-4.

<sup>3</sup> SDG&E Reply Brief, pg 13.

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**SDG&E Response:**

See attached file name: "Energy Division-Cost Template-08-07-17."