

Application No.: A.16-04-
Exhibit No.: _____
Witness: Monica Vazquez Chihwaro

PREPARED DIRECT TESTIMONY OF
MONICA VAZQUEZ CHIHWARO
ON BEHALF OF
SAN DIEGO GAS & ELECTRIC COMPANY

*****redacted, public version*****

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

April 15, 2016



TABLE OF CONTENTS

I. PURPOSE AND OVERVIEW.....1

II. ACCOUNTING FOR DIRECT GHG EMISSIONS1

III. QUALIFICATIONS2

ATTACHMENT A

1 **PREPARED DIRECT TESTIMONY OF**

2 **MONICA VAZQUEZ CHIHWARO**

3 **ON BEHALF OF**

4 **SAN DIEGO GAS & ELECTRIC COMPANY**

5 **I. PURPOSE AND OVERVIEW**

6 This testimony presents San Diego Gas & Electric Company’s (“SDG&E”) accounting
7 procedure used to record the GHG Compliance Instrument Costs that are described in the
8 testimony of SDG&E witness Ana Garza-Beutz.

9 **II. ACCOUNTING FOR DIRECT GHG EMISSIONS**

10 As described in the direct testimony of Ana Garza-Beutz, SDG&E values its purchased
11 GHG compliance instruments on a monthly basis using the Weighted Average Cost of Compliance
12 Instruments (“WAC”) by compliance period, in accordance with D.14-10-033. The SDG&E
13 Utility Accounting Department recorded GHG costs in the ERRA balancing account based on data
14 detailing actual GHG emissions and WAC calculations provided by Ms. Garza-Beutz. More
15 specifically, the Utility Accounting Department took the total monthly emissions and multiplied
16 that amount by the WAC for each month. The product comprised the direct GHG costs and was
17 booked as an expense. SDG&E recognized the expense of the costs of GHG compliance
18 instruments for ERRA balancing account purposes as it emits GHG and incurs a liability to the
19 California Air and Resources Board (“CARB”). Each month, as monthly emissions were reported,
20 the Utility Accounting Department recorded the costs for the current month. If reported emission
21 amounts from previous months were revised, then the Utility Accounting Department updated the
22 current month’s expense to reflect the true-up of costs associated with the revised emission
23 amounts from prior months.

1 Recorded GHG Direct Compliance costs expensed in the ERRA balancing account in 2015
2 were [REDACTED], which include amounts expensed to true-up 2013 and 2014 emissions costs.
3 However to conform to D.14-10-033, actual GHG Direct Compliance costs should have been
4 [REDACTED] for 2015 emissions, as described in Ms. Garza-Beutz's testimony. GHG Direct
5 Compliance costs will be expensed in ERRA balancing accounts in 2016 to true-up accrual-based
6 actual costs for 2015 emissions. See attachment "A" for summary of these transactions.

7 This concludes my prepared direct testimony.

8 III. QUALIFICATIONS

9 My name is Monica Vazquez Chihwaro. My business address is 488 8th Avenue, San
10 Diego, California, 92101. I am employed by SDG&E as a Financial Accounting Manager in
11 their Utility Accounting Department. My responsibilities include reviewing journal entries
12 recorded to prepare financial statements, which include GHG-related accounts.

13 I joined SDG&E in July 1996, and since that time, I have held various positions within
14 Sempra Energy companies, including Corporate Development Manager, Audit Services
15 Manager, and Financial Reporting Manager at Sempra Energy. I rejoined SDG&E in November
16 2013.

17 I received a Bachelor of Science degree in Business Administration with an emphasis in
18 Accounting from San Diego State University. I am also a Certified Public Accountant licensed
19 in the state of California.

ATTACHMENT A

Attachment A

Year Recorded	Accrual-based Actual GHG Direct Compliance Costs ⁽¹⁾	Recorded in ERRA- GHG Direct Compliance Costs	Amounts Recorded in Misc Balancing Account
<u>Total recorded from 1/1/2012 - 12/31/2014</u>			
2015			
2015			
2015			
2015			
<u>Total as of 12/31/2015</u>			<u>\$ -</u>

(1) Estimated-actuals provided to Financial Accounting as of 12/31/2015.

(2) Remaining balance of temporary adjustment resulting from the cash-basis to accrual-basis of accounting change in 2013.

(3) Expense recorded in 2015 to true-up 2013 estimated-actuals provided as of 12/31/2015.

(4) Expense recorded in 2015 to true-up 2014 estimated-actuals provided as of 12/31/2015.

(5) Total expense calculated for the period January 2015 through December 2015. See also Template D-2, Line 16, Recorded 2015 costs.

(7) Expense recorded in 2015 for 2015 estimated-actuals provided as of 12/31/2015.

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

**DECLARATION OF MONICA VAZQUEZ CHIHWARO
REGARDING CONFIDENTIALITY OF CERTAIN DATA**

A.16-04-___

Application of San Diego Gas & Electric Company (U 902-E)
for Approval of Its 2017 Electric Procurement Revenue Requirement Forecasts and GHG-
Related Forecasts

I, Monica Vazquez Chihwaro, declare as follows:

1. I am a Financial Accounting Manager in the Utility Accounting Department for San Diego Gas & Electric Company (“SDG&E”). I have reviewed my Prepared Direct Testimony (“Testimony”) in support of SDG&E’s April 15, 2016 Application for Approval of its 2017 Electric Procurement Revenue Requirement Forecasts and GHG-Related Forecasts (“Application”). I am 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, except for those matters expressly stated to be based on information provided to me, and as to those matters, I believe them to be true.

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.

**CONFIDENTIAL PURSUANT TO APPLICABLE PROVISIONS OF
D.06-06-066, D.14-10-033, GO 66-C, P.U. CODE §§ 454.5(g), 583 AND 17 CCR § 95914(c)**

3. The data described in Table 1 below is market sensitive information designated as confidential under the Matrix of Allowed Confidential Treatment of Investor Owned Utility Data, adopted as Appendix 1 to D.06-06-066, and is entitled to confidential treatment under Public Utilities Code (“P.U. Code”) section 454.5(g), D.06-06-066 and D.08-04-023:

**Table 1
Information Protected from Disclosure Under the Matrix**

Confidential Information	Matrix Category	Matrix Category Description	Limitations on Confidentiality
Testimony at page 2; and at Appendix A-1 (Historical greenhouse gas (“GHG”) Direct Costs and Calculations)	I.A.4	Long-term fuel (gas) buying and hedging plans	3 years

4. In addition, the data described in Table 2 below does not expressly fall within any category of the Matrix, is market sensitive information analogous to Procurement Costs, Category XI in the Matrix, and is entitled to confidential treatment under D.06-06-066, D.08-04-023, P.U. Code section 454.5(g), General Order (“GO”) 66-C, 17 CCR § 95914(c) (the “ARB Confidentiality Regulation”) and D.14-10-033. Among other things, the ARB Confidentiality Regulation requires bidding strategies to be confidential. Since SDG&E’s historical auction awards and historical consignment strategies reveal SDG&E’s prior bidding/consignment strategies, prior auction results are required to be kept confidential. In addition, D.14-10-033 requires forecasts of emissions intensity, forecasts of GHG costs, compliance instrument prices and weight average cost (“WAC”) to be kept confidential:

**Table 2
Information Protected from Disclosure Under Other Relevant Statutes, Decisions,
Regulations or Other Provisions of Law**

Confidential Information	Legal Basis for Confidential Protection	Facts Showing consequence of Release
Testimony at page 2; and at Appendix A-1 (Historical GHG Direct Costs and Calculations)	D.06-06-066, D.08-04-023, P.U. Code § 454.5(g), GO 66-C, 17 CCR § 95914(c), and D.14-10-033	Providing this information to market participants would allow them to know SDG&E's historical GHG obligations and market position which could adversely impact the competitiveness of procurement activities in California's Assembly Bill ("AB") 32 cap-and-trade markets. Further, release of the information would compromise SDG&E's contractual bargaining power such that customer costs are likely to rise.

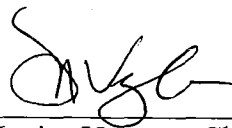
5. I am not aware of any instances where the confidential information described in my testimony was disclosed to the public.

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

7. 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, 2016, at San Diego, California.



Monica Vazquez Chihwaro
Financial Accounting Manager
San Diego Gas & Electric Company