

Company: San Diego Gas & Electric Company (U902M)
Proceeding: 2019 General Rate Case
Application: A. 17-10-____
Exhibit: SDG&E-31

SDG&E

DIRECT TESTIMONY OF SANDRA K. HRNA

**(ACCOUNTING AND FINANCE/LEGAL/REGULATORY AFFAIRS/
EXTERNAL AFFAIRS)**

October 6, 2017

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



TABLE OF CONTENTS

I.	INTRODUCTION	1
A.	Summary of Administrative & General Costs and Activities.....	1
B.	Forecast Method.....	3
C.	Summary of Safety and Risk-Related Costs.....	3
D.	Summary of Costs Related to Fueling our Future	4
E.	Summary of Aliso-Related Costs.....	4
F.	Organization of Testimony	5
II.	RISK ASSESSMENT MITIGATION PHASE AND SAFETY CULTURE	5
A.	Risk Assessment Mitigation Phase	5
B.	Alternatives Considered.....	7
C.	Safety Culture	8
III.	ACCOUNTING AND FINANCE DIVISION	9
A.	Introduction.....	9
B.	Summary of Accounting and Finance Division Request between Shared/Non-Shared Costs.....	10
C.	VP – Controller and CFO	10
	1. Description of Costs and Underlying Activities	10
	2. Cost Drivers	11
D.	Utility Accounting	11
	1. Description of Costs and Underlying Activities	11
	2. Cost Drivers	12
E.	Accounting Operations	12
	1. Description of Costs and Underlying Activities	12
	2. Cost Drivers	14
F.	Financial Systems & Compliance.....	14
	1. Description of Costs and Underlying Activities	14
	2. Cost Drivers	16
G.	Financial & Business Planning	17
	1. Description of Costs and Underlying Activities	17
	2. Cost Drivers	19
IV.	LEGAL DIVISION.....	20
A.	Introduction.....	20
B.	Summary of Legal Division Request between Shared/Non-Shared Costs	20

C.	Legal Division Activities	20
1.	Description of Costs and Underlying Activities	20
2.	Cost Drivers	24
D.	FERC Account 925 Costs – Third-Party Claims Balancing Account Proposal ...	25
V.	REGULATORY AFFAIRS DIVISION	27
A.	Introduction.....	27
B.	Summary of Regulatory Affairs Division Request between Shared/Non-Shared Costs.....	28
C.	VP Regulatory Affairs	28
1.	Description of Costs and Underlying Activities	28
2.	Cost Drivers	29
D.	Case Management, Tariffs & Compliance.....	29
1.	Description of Costs and Underlying Activities	29
2.	Cost Drivers	31
E.	GRC & Revenue Requirements	32
1.	Description of Costs and Underlying Activities	32
2.	Cost Drivers	33
VI.	EXTERNAL RELATIONS DIVISION	33
A.	Introduction.....	33
B.	Summary of External Affairs Division Request between Shared/Non-Shared Costs.....	34
1.	Description of Costs and Underlying Activities	34
2.	Cost Drivers	36
VII.	MEALS AND ENTERTAINMENT.....	37
A.	Summary of Meals and Entertainment Costs.....	37
1.	Description of Costs and Underlying Activities	37
VIII.	CONCLUSION.....	38
IX.	WITNESS QUALIFICATIONS.....	39

Appendix A – Glossary of Acronyms

SUMMARY

San Diego Gas and Electric Company's (SDG&E or the Company) forecasted Test Year (TY) 2019 request for the Accounting and Finance, Legal, Regulatory Affairs, and External Affairs divisions is \$35.98 million as compared to 2016 adjusted recorded of \$37.82 million for an decrease of \$1.84 million. Refer to Table SKH-1. Collectively, the Accounting and Finance, Legal, Regulatory Affairs, and External Affairs costs are known as Administrative and General (A&G) costs. The A&G costs included in this request are all operations and maintenance (O&M) costs and do not include any capital costs. The following testimony supports the change in the forecast of costs necessary to serve customers, meet accounting, regulatory and legal requirements, manage third-party claims and payments, maintain internal controls, and support internal clients and external stakeholders. Included in this forecast are the resulting operational efficiencies implemented as part of the Fueling Our Future (FOF) initiative.

TABLE SKH-1

Test Year 2019 Summary of Total Costs

ACCOUNTING AND FINANCE, LEGAL, REGULATORY AFFAIRS, EXTERNAL AFFAIRS (In 2016 \$)	2016 Adjusted- Recorded (000s)	TY2019 Estimated (000s)	Change (000s)
Accounting and Finance Division	12,984	13,535	551
Legal Division	16,041	13,407	-2,634
Regulatory Affairs Division	5,638	5,963	325
External Affairs Division	3,160	3,072	-88
Total	37,823	35,977	-1,846

SDG&E DIRECT TESTIMONY OF SANDRA K. HRNA
ACCOUNTING AND FINANCE, LEGAL, REGULATORY AFFAIRS AND
EXTERNAL AFFAIRS

I. INTRODUCTION

A. Summary of Administrative & General Costs and Activities

My testimony supports SDG&E's forecasted TY 2019 request for the Accounting and Finance, Legal, Regulatory Affairs, and External Relations divisions, including both shared and non-shared services. Collectively, the costs of these divisions are known as A&G costs. Table SKH-2 summarizes the forecasted costs described and justified in my sponsored testimony.

TABLE SKH-2

Test Year 2019 Summary of Total Costs

ACCOUNTING AND FINANCE, LEGAL, REGULATORY AFFAIRS, EXTERNAL AFFAIRS (In 2016 \$)	2016 Adjusted- Recorded (000s)	TY2019 Estimated (000s)	Change (000s)
Accounting and Finance Division	12,984	13,535	551
Legal Division	16,041	13,407	-2,634
Regulatory Affairs Division	5,638	5,963	325
External Affairs Division	3,160	3,072	-88
Total	37,823	35,977	-1,846

ACCOUNTING AND FINANCE, LEGAL, REGULATORY AFFAIRS, EXTERNAL AFFAIRS (In 2016 \$)	2016 Adjusted- Recorded (000s)	TY2019 Estimated (000s)	Change (000s)
Total Shared Services	13,386	13,858	472
Total Non-Shared Services	24,437	22,119	-2,318
Total	37,823	35,977	-1,846

A&G divisions are responsible for the Company's accounting, financial planning and analysis, legal and claims, regulatory analysis and case management, media and external communications, and community relations functions. These functions are necessary to support the electric and natural gas operational activities that serve our customers and other key external stakeholders. A&G costs consist primarily of labor costs of full-time equivalents (FTEs), the

1 associated non-labor costs, and the payment of third-party claims against the Company. The cost
2 and benefit drivers are summarized as follows:

- 3 • Two FTEs for the Risk Assessment Mitigation Phase (RAMP) cost tracking and
4 financial accountability reporting requirements as required by the California
5 Public Utilities Commission (CPUC).
- 6 • Consulting costs to mitigate the RAMP records management risk. The records
7 management risk relates to the potential public safety, property, reliability,
8 regulatory or financial impacts that result from the use of inaccurate or incomplete
9 records.
- 10 • One FTE for accounting research. The accounting research position will assist
11 with the implementation of new accounting standards relating to revenue, leases,
12 pensions and other accounting changes.
- 13 • One FTE in the Regulatory law department of the Legal division. The additional
14 FTE will support the evolving regulatory policies, particularly RAMP and Safety
15 Model Assessment Proceeding (SMAP), and other regulatory and compliance
16 matters.
- 17 • One FTE in the Claims department. The additional position will assist with the
18 increase in the number and complexity of third-party claims related to property
19 damage and bodily injury.
- 20 • Claims payments. Reduction in the amount of forecasted third-party claim
21 payments net of the recovery and a proposed two-way balancing account.
- 22 • Two FTEs in the Regulatory Affairs department. These positions will support the
23 necessary compliance requirements of evolving regulatory policy.
- 24 • Operational Efficiencies. Approximately \$0.94 million of operational efficiencies
25 were implemented as part of the FOF initiative.

26 The total costs of these divisions include both shared and non-shared service costs.
27 Certain departments and groups within these divisions are considered shared service functions in
28 which services are performed on behalf of Southern California Gas Company (SoCalGas),
29 Sempra Energy Corporate Center (SECC) and affiliated companies. These shared service
30 departments or groups are known as shared. The costs of the shared departments or groups are
31 based upon the amount of services provided and allocated to SoCalGas, SECC and the affiliated
32 companies. Services provided to the affiliated companies are permissible services under the
33 CPUC Affiliate Transaction rules. Generally, the same allocation methodology is used for all
34 departments and groups in a division; however, the allocation methodologies may differ
35 depending upon specific circumstances. The allocation methodologies are described for each
36 division's department or group in the work papers. A&G departments and groups that perform

1 all functions solely for SDG&E are known as non-shared. All non-shared costs remain within
2 SDG&E.

3 **B. Forecast Method**

4 A five-year average (2012-2016) was the only methodology employed for forecasting
5 A&G costs. These expenses will be included in the 2019 revenue requirement as forecasted.
6 The five-year average best represents the typical cost stream of these longstanding divisions,
7 which provide essential compliance governance, oversight and other support. It should be noted
8 that the costs for these divisions experience some year-to-year cost variability attributable to new
9 accounting and regulatory mandates, legal proceedings, regulatory activities and unusual or non-
10 recurring, one-time events.

11 One example of year-to-year variability is the General Rate Case (GRC) proceeding,
12 which historically occurs every 3 to 4 years. These proceedings require resources to analyze,
13 process and administer such cases over a multi-year period. Depending upon the year or years in
14 which these proceedings occur, SDG&E may incur significant costs to support the proceeding in
15 one year and lesser costs in a subsequent year. Further examples causing variability include new
16 accounting pronouncements, new regulatory proceedings or rulemaking orders, and payments of
17 third-party claims.

18 Averaging the costs over a five-year period best reflects a reasonable estimate of annual
19 costs when considering the cost trends and year-to-year variability (increases and decreases).
20 This five-year average methodology has been consistently favored for A&G costs in prior
21 SDG&E GRC proceedings.

22 **C. Summary of Safety and Risk-Related Costs**

23 Certain costs included in this testimony represent activities described in SDG&E's
24 November 30, 2016 RAMP report. The Accounting and Finance division forecast has been
25 adjusted to reflect additional costs needed to mitigate the RAMP records management risk. The
26 records management risk is the potential public safety, property, reliability, regulatory or
27 financial impacts resulting from the use of inaccurate or incomplete records. Specifically, the
28 Accounting and Finance division will engage a records management consulting expert to advise
29 and provide recommendations on SDG&E's records management policies and practices. Table
30 SKH-3 provides a summary of the RAMP-related costs supported in my testimony.

TABLE SKH-3

Summary of RAMP Overlay

ACCOUNTING AND FINANCE, LEGAL, REGULATORY AFFAIRS, EXTERNAL AFFAIRS (In 2016 \$)			
SDG&E RAMP Chapter 13 - Records Management	2016 Embedded Base Costs (000s)	TY2019 Estimated Incremental (000s)	Total (000s)
Workpaper 2100-3555.000, Oper CCTR-USS-Controllers -BUSINESS CONTROLS	591	200	791

D. Summary of Costs Related to Fueling our Future

As described in the Direct Testimony of Randall Clark (Exh. SDG&E-03), SDG&E participated in the FOF initiative in May 2016. The initiative identified improvements to operations that, when implemented, will result in lower costs to operate. Within the A&G divisions, multiple FOF projects were implemented and resulted, or will result, in operating efficiencies, including streamlining and automating business processes, maximizing functionality of existing systems, consolidating workflows, optimizing roles and responsibility of FTEs, and reducing consultant spending and other costs. Table SKH-4 provides a summary of the FOF cost benefits described throughout this testimony and included in the forecasted request.

TABLE SKH-4

Summary of FOF Benefits

ACCOUNTING AND FINANCE, LEGAL, REGULATORY AFFAIRS, & EXTERNAL AFFAIRS (In 2016 \$)	Estimated 2017 (000s)	Estimated 2018 (000s)	Estimated 2019 (000s)
Total FOF O&M Benefits	-516	-855	-935

E. Summary of Aliso-Related Costs

In compliance with D.16-06-054,¹ the testimony of witness Andrew Steinberg (Ex. SCG-12) describes the process undertaken so the 2019 TY forecasts do not include the costs directly related to the Aliso Canyon Storage Facility natural gas leak incident (Aliso Incident), and demonstrates that the itemized recorded costs are removed from the historical information used by the impacted GRC witnesses.

¹ D.16-06-054, at 332 (Ordering Paragraph 12) and 374 (Conclusion of Law 75).

As a result of removing historical costs related to the Aliso Incident from SDG&E's A&G divisions' recorded data, and in tandem with the forecasting method(s) employed and described herein, costs related to the Aliso Incident response are not included in SDG&E's TY 2019 request. Details to remove the Aliso Incident costs are reflected as adjustments in my work papers and are summarized in Table SKH-5 below.

TABLE SKH-5
Summary of Excluded Aliso-Related Costs

ACCOUNTING AND FINANCE, LEGAL, REGULATORY AFFAIRS, & EXTERNAL AFFAIRS (In 2016 \$)	2015 Adjustment (000s)	2016 Adjustment (000s)	Total (000s)
Work paper			
1AG006.000, Oper CCTR-NSS-Legal -Legal	0	-26	-26
1AG007.000, Oper CCTR-NSS-Legal -Claims	0	-78	-78
Total Non-Shared Service	0	-104	-104
Total Shared Service	0	0	0
Total Aliso	0	-104	-104

F. Organization of Testimony

The remainder of my testimony is organized as follows:

- Risk Assessment Mitigation Phase and Safety Culture
- Accounting and Finance
- Legal
- Regulatory Affairs
- External Affairs
- Conclusion

II. RISK ASSESSMENT MITIGATION PHASE AND SAFETY CULTURE

A. Risk Assessment Mitigation Phase

As illustrated in Table SKH-6, a portion of my requested funds is linked to mitigating a top safety risk that has been identified in the RAMP Report. This risk is further described here:

TABLE SKH-6
RAMP Risk Chapter Description

RAMP Risk	Description
Records Management (SDG&E-13)	Relates to the potential public safety, property, reliability, regulatory, or financial impacts that result from the use of inaccurate or incomplete records.

In developing my request, priority was given to these key safety risks to determine which currently established risk control measures were important to continue and what incremental efforts were needed to further mitigate these risks.

Identifying projects and programs that help to mitigate these risks manifest themselves in my testimony as adjustments to my forecasted costs. This adjustment process was used to identify both RAMP mitigation costs embedded as part of traditional and historic activities, as well as forecasted RAMP-incremental costs that are also associated with mitigation strategies and corresponding to historic or new activities. These can be found in my workpapers as described below. The general treatment of RAMP forecasting is described in the testimony of Diana Day and Jamie York (Ex. SDG&E-02).

For each of these risks, an “embedded” 2016 estimated cost-to-mitigate, and any incremental costs expected by the Test Year 2019, are shown in the following tables. RAMP-related costs are further described in the subsequent sections of my testimony as well as in my workpapers. The tables also provide the location in my workpapers where the specific adjustments representing those incremental costs can be found.

TABLE SKH-7
Summary of Related RAMP Costs

Records Management (In 2016 \$)	2016 Embedded Base Costs (000s)	TY2019 Estimated Incremental (000s)	Total (000s)
Workpaper 2100-3555.000, Oper CCTR-USS-Controllors -BUSINESS CONTROLS	591	200	791
Total Cost	591	200	791

As the table demonstrates, the RAMP risk mitigation efforts are associated with specific programs or projects. For each of these mitigation efforts, an evaluation was made to determine the portion, if any, that was already being performed in our historical activities.

While the starting point for consideration of the risk mitigation effort and cost was the RAMP Report, our evaluation of those efforts continued through the preparation of this GRC

1 request. Changes in scope, schedule, availability of resources, overlaps or synergies of
2 mitigation efforts, and shared costs or benefits were also considered. Therefore, the incremental
3 costs of risk mitigation sponsored in my testimony may differ from those first identified in the
4 RAMP Report.

5 Many, if not all, departments at both Companies rely on having correct, updated, and
6 easily accessible information that is stored in the company's data centers. As such, records
7 management is an issue for everyone at the Company and adherence to records management
8 policies are vital to Company operations. Failure in records management, in the use of
9 inaccurate or incomplete records, has potential public safety, property, regulatory and financial
10 impacts, as well as the threat of erosion of public confidence.

11 We are proposing that in order for our employees to follow leading records management
12 practices we must first identify what these leading practices for utilities are and what we need to
13 do to improve our practices. To do this, the Companies will hire a third-party records
14 management expert to conduct a gap assessment between current policies and practices and
15 leading policies and practices, then provide recommendations on filling these gaps. This
16 assessment will help us develop a roadmap to shore up any deficiencies in our records
17 management practices and minimize our records management-related risk.

18 **B. Alternatives Considered**

19 The following were considered in the RAMP Report² as alternatives to the proposed
20 RAMP mitigation efforts:

21 1) Maintain the current records management program, including the risk mitigations in
22 their current state. Although current controls are strong, there may be areas that could be
23 improved to further mitigate the risk and provide additional benefit. SDG&E intends to leverage
24 a records management expert (consultant) to identify any potential areas of improvement.
25 Additionally, SDG&E operations groups have identified specific areas for modernization of
26 records. Maintaining the status quo may hinder these projects from moving forward.

27 2) An alternative for IT applications is to implement one centralized records management
28 IT system for all operational asset groups. This centralized system would replace all existing
29 systems, like GIS, and implement in their place a single system. This alternative would

² As a result of D. 14-12-025, SDG&E adopted a risk-based decision-making framework to assess and minimize such risks.

1 minimize the potential for multiple systems to have differing records and may reduce some costs
2 since SDG&E could stop supporting many of its other IT applications. However, this alternative
3 would also prevent each operational asset group from identifying, implementing and utilizing a
4 system that best meets the needs of the specific operational asset group. A one-size-fits-all
5 approach does not allow specialization (because not all records require the same attributes to be
6 collected and retained) and thus could be limiting. Further, inputting records can take
7 considerable time and resources. SDG&E strives to create interfaces that allow its employees
8 and contractors to quickly and efficiently input data into its systems. This is especially critical as
9 it pertains to the accuracy and completeness of SDG&E records. Additionally, an effort of this
10 magnitude may cause a significant disruption to the existing records management process and
11 may adversely impact the effectiveness of current mitigations. Therefore, this alternative was
12 rejected in favor of the proposed plan.

13 **C. Safety Culture**

14 The Accounting and Finance, Legal, Regulatory Affairs, and External Affairs divisions
15 for SDG&E create and support a safety culture by creating and implementing the strategies of
16 SDG&E that result from or create that culture.

17 Included in my testimony are a few specific examples of activities, efforts, and initiatives
18 that are undertaken or proposed that will further develop, implement, and support the safety
19 culture at SDG&E.

20 • Consulting costs to mitigate the RAMP records management risk. The records
21 management risk relates to the potential public safety, property, reliability, regulatory or
22 financial impacts that result from the use of inaccurate or incomplete records. Keeping and
23 managing accurate records is important to construct, operate, and maintain a utility system safely
24 and prudently, which helps to build and sustain our safety culture.

25 • In managing the claims process, the Claims Department conducts loss control and
26 prevention activities intended to prevent and reduce accidents, which mitigate utility operational
27 expenses, reduce customer costs, and promote public safety.

28 • The Regulatory and Legal areas of SDG&E advise management and operational
29 groups on new rules, regulations, tariffs, rate issues, initiatives, and investigations at the
30 regulatory agencies. Some of these regulations and issues are safety-related or have safety-

1 related impacts. Understanding and complying with regulations and requirements also builds
2 and sustains a culture of safety.

3 • Finally, External Affairs builds and maintains relationships with key stakeholders,
4 communities, and customer organizations to provide clear and transparent communication as
5 well as to educate stakeholders, customers, and the public on safety-related issues.

6 **III. ACCOUNTING AND FINANCE DIVISION**

7 **A. Introduction**

8 The Accounting and Finance division consists of the following departments, which will
9 be described in greater detail below:

- 10 • Vice President (VP) – Controller and Chief Financial Officer (CFO)
- 11 • Utility Accounting
- 12 • Accounting Operations
- 13 • Financial Systems and Compliance
- 14 • Financial Planning and Business Planning

15 Over the past five years, the Accounting and Finance division has experienced fluctuating
16 costs associated with the services it provides. The forecasting approach for the Accounting and
17 Finance division is consistent with SDG&E's intent to manage the division's responsibilities and
18 workforce in aggregate to meet the needs of the Company. While individual departments and
19 groups experience variances compared to prior years, it is the overall request for the Accounting
20 and Finance division that should be the focus. The Accounting and Finance division expects
21 increased cost pressures in the future to implement and manage more rigorous accounting
22 procedures and standards, implement the necessary tools to file the new regulatory financial
23 accountability reports, enhance records management for new regulatory standards, and other
24 accounting and regulatory initiatives issued by the Securities Exchange Commission (SEC),
25 CPUC, Federal Energy Regulatory Commission (FERC) and the other prominent accounting or
26 regulatory governing bodies. Accounting and Finance divisional O&M costs are both shared and
27 non-shared, and summarized in Table SKH-8. Shared costs are referred to herein as USS (for
28 Utility Shared Services) and non-shared costs are referred to as NSS (for Non-Shared Services).

B. Summary of Accounting and Finance Division Request between Shared/Non-Shared Costs

TABLE SKH-8

**Summary of Accounting and Finance Division
Shared and Non-Shared Costs**

Accounting and Finance Division (In 2016 \$)	2016 Adjusted-Recorded (000s)			TY2019 Estimated (000s)			Change (000s)		
	NSS	USS	Total	NSS	USS	Total	NSS	USS	Total
VP - Controller & CFO	0	16	16	0	120	120	0	104	104
Utility Accounting	0	2,394	2,394	0	2,487	2,487	0	93	93
Accounting Operations	2,886	1,279	4,165	3,028	1,086	4,114	142	-193	-51
Financial Systems and Compliance	455	1,181	1,636	468	1,516	1,984	13	335	348
Financial & Business Planning	3,965	808	4,773	4,084	746	4,830	119	-62	57
Total	7,306	5,678	12,984	7,580	5,955	13,535	274	277	551

C. VP – Controller and CFO

1. Description of Costs and Underlying Activities

The VP – Controller and CFO department provides accounting and financial oversight and guidance for both SDG&E and SoCalGas. The VP – Controller and CFO oversees compliance and reporting for all relevant accounting, financial and regulatory rules and regulations in accordance with Generally Accepted Accounting Principles (GAAP), including those mandated by the SEC, CPUC and FERC. The VP – Controller and CFO certifies the integrity of the financial statements, reports, and internal controls. The O&M costs represented in Table SKH-9 are shared costs representing non-labor costs for upgrading the accounting system (SAP) and for safety awareness expenses.

TABLE SKH-9

**Summary of VP – Controller & CFO Department
Shared Costs**

Accounting and Finance Division (In 2016 \$)	2016 Adjusted- Recorded (000s)			TY2019 Estimated (000s)			Change (000s)		
	NSS	USS	Total	NSS	USS	Total	NSS	USS	Total
VP - Controller & CFO	0	16	16	0	120	120	0	104	104

2. Cost Drivers

The cost drivers for this department include:

- Costs related to an SAP accounting system upgrade. Routine software upgrades are necessary maintenance to the accounting system functionality for system integrity and operational efficiency.
- Costs related to safety events. The department sponsors safety events for its employees that encourage and promote a safety culture strategy and objective within the Company.

D. Utility Accounting

1. Description of Costs and Underlying Activities

The Utility Accounting department is a shared department responsible for the financial statement accounting and reporting of SDG&E and SoCalGas. The department is responsible for ensuring that policies, procedures, and transactional activities are accounted for and presented in accordance with GAAP, SEC regulations, and the regulatory reporting mandates under the CPUC and FERC. Transactional activities include the monthly close of the general ledger, reporting of financial results, and the preparation of financial statements. The following is a non-exhaustive, more specific description of the financial statement responsibilities performed by this department:

- Ensuring the accuracy and integrity of the recorded financial data.
- Compiling and reporting of financial statements and other accounting information for the SEC and other regulatory disclosures.
- Coordinating, testing, and executing financial statement internal controls prescribed by Sarbanes-Oxley (SOX) regulations.
- Providing expertise and guidance of proper accounting treatment of various operating activities (e.g. assessment of variable interest entity consolidation evolving from electric power supply contracts and investments).
- Implementing new accounting standards.
- Coordinating the financial statement audit.

The department is also responsible for some operational accounting including:

- Recording of customer revenues.
- Maintaining and reporting regulatory accounting activity.
- Assessing the adequacy of accounting accruals.
- Reconciling general ledger activity.
- Bank account reconciliations and escheatment of unclaimed funds to state authorities.

All shared O&M costs of the Utility Accounting department are summarized in Table SKH-10.

TABLE SKH-10
Summary of Utility Accounting Department
Shared Costs

Accounting and Finance Division (In 2016 \$)	2016 Adjusted- Recorded (000s)			TY2019 Estimated (000s)			Change (000s)		
	NSS	USS	Total	NSS	USS	Total	NSS	USS	Total
Utility Accounting	0	2,394	2,394	0	2,487	2,487	0	93	93

2. Cost Drivers

The cost drivers for the Utility Accounting department are labor costs. As changes occur in accounting and regulatory reporting standards, this department is responsible for implementing the new standards and are incremental to the normal workload. Currently, accounting boards are reviewing and updating several accounting standards which will require implementation by this department.

E. Accounting Operations

1. Description of Costs and Underlying Activities

The Accounting Operations department analyzes, records and maintains the operational accounting books and records for SDG&E. This department is comprised of three groups: Asset & Project Accounting (A&PA), Sundry Services, and Accounts Payable. Included in this department are labor costs associated with the Management Accounting and Finance Rotational Program (MARF). The MARF costs are comprised of labor for new accounting employees that rotate annually to different positions within the Accounting and Finance division to develop their understanding of the Company and accounting.

1 A&PA is responsible for ensuring the accounting accuracy of SDG&E's rate base,
2 operational transactions, new business, fixed asset management, billable projects, and generation
3 facilities. The A&PA group maintains the accounting for over \$5 billion of CPUC rate base for
4 SDG&E. This group oversees the accounting transactions for work orders (i.e. issuing,
5 monitoring and reporting); transferring construction work in progress (CWIP) into rate base;
6 analyzing and developing asset classes; preparing depreciation life studies; calculating
7 depreciation expense; forecasting plant additions; accounting for plant retirements; developing
8 and monitoring capitalization policies, general ledger accounts reconciliation, and performing
9 internal control test procedures prescribed by SOX.

10 A&PA also provides accounting support for regulatory filings including:

- 11 • Advising on proper accounting treatment for work order forecasts (including the
12 proper application of overhead rates, accounting classification, and FERC account
13 assignments).
- 14 • Providing accounting guidance, gathering of information, and analytical support
15 for data requests.

16 The Sundry Services group is responsible for the accounting of SDG&E's sundry
17 products and services (excluding electric and natural gas commodity, transportation and delivery
18 costs), which are considered non-tariff products and services (NTP&S). The Sundry Services
19 group issues invoices to third parties for the sales of products or services that result in revenues,
20 reductions to expense/capital, or customer deposits for services other than metered sales. This
21 group conducts annual training for the Sundry Business commercial managers to ensure
22 compliance with regulatory policy and procedures. Monthly financial performance reports are
23 provided to the business managers to monitor the NTP&S programs. Lastly, all business control
24 and SOX testing activities for the Accounting Operations department are coordinated through the
25 Sundry Services group.

26 The Accounts Payable group is responsible for timely and accurate accounting and
27 payment of all service and material invoices and contract obligations of SDG&E, SoCalGas and
28 SECC. Accounts Payable is responsible for ensuring that all payments are appropriately
29 authorized for disbursement, assists in resolving payment disputes, and maintains the vendor
30 master information and accounts payable procedures as prescribed by SOX. Employee travel
31 and expense reimbursement requests and the Internal Revenue Service Form 1099 filings
32 (annually approximately 320,000 invoices totaling \$4.5 billion) are processed and reported by

Accounts Payable for SDG&E and SECC. All shared and non-shared O&M costs of the Accounting Operations department are summarized in Table SKH-11.

TABLE SKH-11
Summary of the Accounting Operations Department
Shared & Non-Shared Costs

Accounting and Finance Division (In 2016 \$)	2016 Adjusted- Recorded (000s)			TY2019 Estimated (000s)			Change (000s)		
	NSS	USS	Total	NSS	USS	Total	NSS	USS	Total
Accounting Operations	2,886	1,279	4,165	3,028	1,086	4,114	142	-193	-51

2. Cost Drivers

Responsibilities of the Accounting Operations department described above are necessary to satisfy financial, regulatory, and operational requirements. The costs of this department are primarily labor driven and fluctuate depending upon CPUC regulatory requests or policy directives impacting the company's operations, assets, or investments. The accurate and timely recording of capital expenditures as plant records, paying all invoices, and other activities are critical requirements of GAAP and the FERC regulatory guidelines. The Company's books and records are audited by regulatory agencies for compliance with the GAAP and FERC guidelines.

F. Financial Systems & Compliance

1. Description of Costs and Underlying Activities

The Financial Systems and Compliance department includes four groups: Business Controls, Financial Systems, Affiliate Billing and Costing, and Affiliate Compliance.

The Business Controls group provides oversight to both SDG&E and SoCalGas and is responsible for organizing, coordinating, and managing several compliance processes to meet evolving state and federal guidelines. Business Controls is responsible for:

- Corporate policy guidance and management.
- General business controls and SOX compliance and governance.
- Technical accounting research for GAAP, CPUC and FERC.
- Company records management oversight and guidance.
- Forensic accounting.
- Technical accounting review of contracts, energy procurement deals and other Company transactions.

1 The Business Controls group works closely with the SECC and affiliate counterparts to
2 ensure consistency of GAAP accounting and reporting between SDG&E, SoCalGas and Sempra
3 Energy. All new accounting pronouncements are researched, analyzed and implemented by this
4 group. An additional FTE is necessary to perform these tasks for SDG&E and SoCalGas.
5 Records management is an important part of supporting the Company's ability to operate safely
6 with the use of accurate records of the electric and natural gas system. In the RAMP report, the
7 records management risk was identified as the potential public safety, property, reliability,
8 regulatory or financial impacts of using inaccurate or incomplete records. To mitigate the risk,
9 SDG&E will engage a third-party expert to review and provide best practice recommendations
10 for improving the records management procedures. The records management review will be a
11 comprehensive review of the Company's records management governance, practices and
12 procedures. The engagement is expected to be conducted over several years.

13 The Financial Systems group provides financial system support (including training,
14 system reporting, upgrades and improvements) to the SDG&E and SoCalGas Accounting and
15 Finance division. This group's role is to monitor the financial systems for accurate recording
16 and reporting of financial transactions. Financial Systems also provides assistance in gathering
17 data for regulatory filings, data responses and analytics.

18 The Affiliate Billing & Costing (ABC) group is responsible for managing SDG&E's cost
19 allocation policy and procedures. This group sets the overhead rates and administers the cost
20 allocations and overhead distributions of all cost categories (O&M, capital and billings to
21 affiliates). This group works closely with the Affiliate Compliance group and the Internal Audit
22 department to ensure compliance with all regulatory decisions affecting inter-Company
23 transactions and accounting requirements. ABC also supports internal management reporting
24 and forecasting, performance monitoring, accurate project cost estimations for regulatory filings
25 and providing historical data for compliance reporting and audits.

26 The Affiliate Compliance group is responsible for facilitating and ensuring compliance
27 with state and federal affiliate transaction rules. Such rules include the CPUC's longstanding
28 Affiliate Transaction Rules and the FERC Standards of Conduct. To ensure compliance with the
29 CPUC's Affiliate Transaction Rules, the group's main activities include:

- 30 • Training, monitoring, and providing guidance on transactions between companies.
- 31 • Annual CPUC reporting of the affiliate compliance transactions.

- Participating in CPUC rulemakings and the implementation of directives related to affiliate transactions.

The Affiliate Compliance group is also responsible for implementing, maintaining, and overseeing SDG&E's compliance with the FERC Standards of Conduct. The FERC Standards of Conduct are based upon the requirements that natural gas and electric transmission providers must treat all customers in a nondiscriminatory manner. The group ensures compliance with the FERC Standards of Conduct by monitoring employees working in the critical areas of transmission services and marketing services of SDG&E.

The Affiliate Compliance group plays a key oversight role in the Company's operations and the required reporting to the CPUC. All costs of this group are included in this request with the exception of the affiliate compliance audit costs. Adjustment for the audit costs are reflected in the supporting work papers.

All of the shared and non-shared O&M costs of the Financial Systems & Compliance department are summarized in Table SKH-12.

TABLE SKH-12
Summary of the Financial Systems & Compliance Department
Shared & Non-Shared Costs

Accounting and Finance Division (In 2016 \$)	2016 Adjusted- Recorded (000s)			TY2019 Estimated (000s)			Change (000s)		
	NSS	USS	Total	NSS	USS	Total	NSS	USS	Total
Financial Systems and Compliance	455	1,181	1,636	468	1,516	1,984	13	335	348

2. Cost Drivers

The costs of the Financial Systems & Compliance department are primarily labor driven and fluctuate depending upon new accounting guidance, regulatory requests, and policy directives impacting the Company's operations.

The forecasts have been adjusted to reflect additional resources requested for the mitigation of the RAMP records management risk. The increase in forecast costs addresses the risk by hiring a third-party records management expert to provide guidance on SDG&E's records management policies and practices.

The other increase in the forecasted costs is an additional FTE to perform accounting research and implement new accounting standards relating to revenue, leases, pensions and other standards yet to be finalized. Currently, the governing accounting board has been active in

1 reviewing and standardizing accounting standards. The accounting board has not completed
2 their review of all standards and it is expected that more changes to the accounting standards will
3 occur during this GRC cycle. It should be noted that the new standards are not simple
4 implementations, as the changes typically include a thorough review of the accounting policies,
5 transactions and financial systems. The revenue, lease and pension accounting standard, for
6 example, requires accounting system enhancements or new accounting systems to meet the
7 standards.

8 **G. Financial & Business Planning**

9 **1. Description of Costs and Underlying Activities**

10 The Financial & Business Planning department includes four groups:

- 11 • Financial Planning
- 12 • Business Planning
- 13 • Regulatory Accounts
- 14 • Financial Services

15 This SDG&E department develops the financial plans, oversees the budgeting for O&M
16 and capital budgets, monitors financial performance, maintains all of the electric and natural gas
17 regulatory accounts, performs all cash flow forecasting and Treasury functions, and provides
18 accounting and financial guidance.

19 The Financial Planning group is responsible for developing, measuring and reporting the
20 financial performance targets and results of SDG&E to internal management and other
21 stakeholders. Responsibilities include compiling various inputs to develop financial plans,
22 implement and maintain annual capital and O&M budgets, and develop reports and presentations
23 for communication of financial results to management and other stakeholders. These results are
24 measured and reported monthly.

25 The Business Planning group provides budget, accounting and financial support to all
26 business departments across SDG&E. More specifically, these personnel support the
27 development, maintenance and analysis of the O&M and capital budgets for their respective
28 operating clients. The group ensures that the budget process incorporates safety into the resource
29 allocation process and finds methods to budget and finance important safety improvements. The
30 budget process also ensures that resources are being deployed, effectively, in the manner
31 intended. To ensure accountability, the group provides accounting support to ensure transactions
32 are properly recorded, cost centers are maintained and internal work orders are established

consistent with company policies and accounting rules. The responsibility for the new CPUC requirements for RAMP cost tracking and financial accountability reporting will be managed by this group. This request includes two FTEs to meet the new regulatory requirements. The Business Planning personnel also provide financial support to regulatory proceedings and other compliance filings impacting their assigned operating department, including supporting the GRC proceedings. Specific operating departments supported by SDG&E business planning personnel include:

- Energy Delivery - Electric Distribution and Customer Service.
- Energy Supply - Electric Transmission, Generation and Business Development.
- Information Technology and Support Services - Information Technology, Fleet, Facilities, Environmental and Real Estate (shared service supporting both SDG&E and SoCalGas).

The Regulatory Accounts group is responsible for the development, implementation and analysis of regulatory balancing accounts, regulatory memorandum accounts, and other cost recovery and ratemaking mechanisms. This group oversees the regulatory accounts approved in current tariffs and serves as a liaison with the regulatory agencies as well as the Utility Accounting group to maintain regulatory accounting compliance with CPUC directives and financial accounting standards. The group also supports regulatory proceedings where cost recovery issues are addressed.

The Financial Services group develops, analyzes and implements strategies to optimize all aspects of debt issuances (debt term, timing of debt issuance and amount of debt issuance), dividend payments and equity infusions. Responsibilities also include:

- Forecasting and analyzing all short-term and long-term cash flows.
- Assessing the financial markets for conditions to minimize financing costs.
- Analyzing adequate levels of liquidity to finance the Company's operations at the lowest rates possible for customers.
- Serving as witnesses and support members for the cost of capital, debt financing, and GRC proceedings.
- Performing compliance functions in support of debt and dividend issuances.

The Financial & Business Planning department costs include shared and non-shared O&M and are summarized in Table SKH-13.

TABLE SKH-13

Summary of the Financial & Business Planning Department
Shared and Non-Shared Costs

Accounting and Finance Division (In 2016 \$)	2016 Adjusted- Recorded (000s)			TY2019 Estimated (000s)			Change (000s)		
	NSS	USS	Total	NSS	USS	Total	NSS	USS	Total
Financial & Business Planning	3,965	808	4,773	4,084	746	4,830	119	-62	57

2. Cost Drivers

The costs of the Financial and Business Planning department are primarily labor driven and fluctuate depending upon new accounting guidance, regulatory requests and policy directives impacting the company's operations.

The forecasts have been adjusted to reflect a Company re-organization in 2015 and the additional resources needed for RAMP cost tracking and financial accountability reporting requirements. In 2015, the Business Planning groups were centralized into the Financial & Business Planning department for more efficient services to all operating organizations. To reflect the reorganization in historical years, the employee costs that were consolidated from other departments have been adjusted within the supporting work papers and are designated as reorganization transfers.

Additional labor included in the forecast request are to comply with the new CPUC RAMP requirements for financial accountability reporting. These additional FTEs are needed to analyze and report financial information that has not been previously reported to the CPUC. The new requirement includes reporting authorized GRC funding and actual results for risks identified in the RAMP filing (risk spending and mitigation results). The ability to track the authorized GRC funds and actual results in our accounting system will require system enhancements to accomplish these new reporting requirements. This additional labor will be dedicated to system enhancements, tracking and reporting of the financial accountability to the CPUC.

IV. LEGAL DIVISION

A. Introduction

The Legal division consists of the following departments, which will be described in greater detail below:

- General Counsel
 - Regulatory Law
 - Litigation
 - Commercial Law
 - Environmental and Real Estate Law
- Claims
 - Claims Payments & Recovery Costs

The Legal Division is headed by a Senior Vice President (SVP) and General Counsel (GC), who oversees and manages all legal matters for SDG&E with the support of personnel in four disciplines of law. SDG&E's Legal division also includes the Claims department and a staff of legal research attorneys, paralegals, and administrative assistants. The costs of this division include labor, the associated non-labor costs and the payments and recovery of third-party claims. O&M costs of the Legal division are non-shared and are summarized in Table SKH-14.

B. Summary of Legal Division Request between Shared/Non-Shared Costs

TABLE SKH-14

**Summary of the Legal Division
Non-Shared Costs**

Legal Division (In 2016 \$)	2016 Adjusted- Recorded (000s)			TY2019 Estimated (000s)			Change (000s)		
	NSS	USS	Total	NSS	USS	Total	NSS	USS	Total
Legal	8,772	0	8,772	8,745	0	8,745	-27	0	-27
Claims	678	0	678	906	0	906	228	0	228
Subtotal	9,450	0	9,450	9,651	0	9,651	201	0	201
Claims Payments & Recovery Costs	6,591	0	6,591	3,756	0	3,756	-2,835	0	-2,835
Grand Total	16,041	0	16,041	13,407	0	13,407	-2,634	0	-2,634

C. Legal Division Activities

1. Description of Costs and Underlying Activities

The Legal division manages SDG&E's legal matters, issues and risks and advises senior management and the Board of Directors on matters impacting the Company. The Legal division

1 represents the Company on all legal matters pertaining to SDG&E described specifically in the
2 sections below.

3 **a. Regulatory Law**

4 The Regulatory Law department represents SDG&E in regulatory proceedings at the
5 CPUC, FERC, California Energy Commission (CEC), and Commodity Futures Trading
6 Commission (CFTC). This department provides legal guidance to management and operational
7 groups on new and existing rules, regulations, tariffs, rate issues, initiatives, rulemakings,
8 complaints, and investigations involving the foregoing regulatory agencies. Regulatory attorneys
9 also contribute to other legal matters (e.g. litigation and commercial) with a regulatory basis or
10 implication.

11 The volume and complexity of the regulatory workload has changed due to the evolving
12 of energy policy in new regulatory requirements proceedings. Given CPUC and Legislative
13 priorities, regulatory proceedings involving new or complex initiatives have been increasing
14 (e.g., related to new technology such as electric vehicles and electric storage, distributed
15 generation and rate reform). With new initiatives and emerging issues, compliance requirements
16 follow and involve advocacy, advice and counsel by regulatory attorneys. These proceedings are
17 in addition to recurring proceedings such as the GRC, cost of capital, electric and natural gas
18 commodity filings, and typical cost allocation/rate design. To meet the increasing workload
19 demands and be responsive to the CPUC and other agencies, an additional FTE attorney is
20 included in this request.

21 **b. Litigation**

22 The Litigation Law department represents SDG&E in civil litigation proceedings,
23 ranging from the defense of personal injury and property damage lawsuits to more complex
24 commercial, environmental, and business litigation. Company litigation matters are handled by
25 the litigation attorneys, from initial filing through the trial completion, using outside counsel
26 only when in-house resources are limited.

27 **c. Commercial Law**

28 The Commercial Law department provides legal counsel and support on all SDG&E
29 business-related matters. Commercial Law handles the legal aspects of business transactions of
30 all types, including drafting and negotiating contracts for the procurement of goods and services,
31 development and construction of new SDG&E assets, maintenance and services for existing

1 SDG&E assets, energy procurement, utility system interconnections, licensing, intellectual
2 property, technology matters and customer programs. The Commercial Law department
3 provides legal advice and counseling to SDG&E on a wide variety of matters, including the
4 Company's rights and obligations under existing agreements and compliance with applicable
5 laws.

6 **d. Environmental and Real Estate Law**

7 SDG&E's Environmental and Real Estate Law department provides comprehensive legal
8 counseling on environmental and real estate matters. These matters include complying with
9 federal, state, and local laws and obtaining environmental approvals and property rights for
10 construction, operations, and maintenance of electric and natural gas infrastructure and other
11 Company facilities. This department also represents the Company in environmental and real
12 estate transactions and litigation with public and private entities and in proceedings before
13 agencies with jurisdiction over air quality, greenhouse gas emissions, cultural and historic
14 resources, hazardous materials and waste, water quality, species protection, and siting and land
15 use. In addition, this department advises and represents the Company in regulatory proceedings
16 that require environmental review and approval by the Commission or another agency, such as
17 proceedings for capital projects and pipeline integrity work.

18 **e. Administrative Staff**

19 SDG&E's administrative staff includes legal research attorneys, paralegals, and
20 administrative assistants. Legal research attorneys are licensed practitioners who support the
21 department on an array of matters, provide legal research and writing, and provide regulatory and
22 litigation support (e.g. depositions and court appearances). Paralegals engage in a variety of
23 tasks, including organization of filings, legal research, monitoring agency activities and
24 proceedings, developing administrative records, creating and managing databases, tracking and
25 marking exhibits at hearing, researching testimony, and receiving and responding to thousands of
26 third-party subpoenas. In addition, paralegals identify and collaborate with internal witnesses to
27 collect relevant documentation for judicial and administrative proceedings involving CPUC and
28 other agency permitting, agency investigations and enforcement actions, and administrative
29 appeals. Administrative Assistants provide general administrative support as well as specialized
30 support depending on practice areas. They are required to be knowledgeable and proficient in

1 civil and regulatory rules, practices, and procedures, as well as constantly enhance their skills as
2 technologies and the business practices change.

3 **f. Outside Counsel**

4 SDG&E uses outside counsel for certain matters that require special skills or for
5 workload support. SDG&E's Legal division supervises the work performed by outside legal
6 firms. The corporate center law department, in consultation with SDG&E, coordinates retention
7 and oversight of outside firms on behalf of the Company, as described in the Direct Testimony of
8 Mia DeMontigny (Ex. SDG&E-26).

9 **g. Claims and Claims Payments & Recovery Costs**

10 The Claims department is responsible for the investigation, processing, recovery of and
11 payment for all third-party property damage and bodily injury claims for SDG&E.
12 Responsibilities include conducting investigations, documenting facts into the claims
13 information database, determining Company liability, and settlement and collection of claims
14 from the responsible party. The department also conducts loss prevention activities designed to
15 protect assets, prevent and reduce accidents, which mitigate utility operational expenses, reduce
16 customer costs, and promote public safety. The following is a non-exhaustive list of issues the
17 Claims department processes and manages:

- 18 • Claims paid to third parties.
- 19 • The defense and settlement of claims and cases.
- 20 • The engagement and management of outside experts to provide expert opinion
21 and forensic analysis.

22 The Claims department processes claims paid to third parties related to property damage,
23 business income losses and bodily injury claims. Before any third-party claim is paid, research
24 and analysis is performed to ensure the claim is legitimate and the claim has been properly
25 valued. Over the last five years, SDG&E has experienced an increase in the number of and
26 amount of litigation and claims. Most notably, the Company experienced a spike in the amount
27 of claims paid in 2016.

28 The Company's increasing trend of litigation and claims, however, does not necessarily
29 predict the future. To predict and plan for claim payments to third parties for TY 2019 is
30 difficult because of the nature, volatility and unpredictability of events. Historically, SDG&E
31 has seen the Claims expense vary significantly from one year to the next. While SDG&E
32 manages its operations to mitigate the impact of third-party claims, the exposure to claims will

1 always be an expected risk to the Company, given the nature of its business, and the large
2 presence of property, assets and resources throughout a wide geographic region. In order to
3 properly manage the recent upward trend of claims, this GRC request includes an additional FTE
4 to support the investigation, analysis and processing of the claims.

5 **2. Cost Drivers**

6 The Legal Division provides many services and has experienced a large increase in the
7 workload due to various changes and developments in the business and regulatory areas. The
8 volume and complexity of regulatory work have been impacted by new regulatory requirements
9 and the expansion of proceedings requiring legal staffing. The following is a non-exhaustive list
10 of activities for which the Legal Division is responsible:

- 11 • Managing the legal aspects of recurring proceedings such as GRCs, cost of capital
12 applications, electric and natural gas commodity filings, and cost allocation/rate
13 design proceedings.
- 14 • Managing civil litigation proceedings, ranging from the defense of personal injury
15 and property damage lawsuits to more complex commercial, environmental, and
16 business litigation.
- 17 • Providing legal guidance on business transactions including drafting and
18 negotiating contracts for procurement of goods and services, development and
19 construction of new SDG&E assets, maintenance and services for existing
20 SDG&E assets, energy procurement, utility system interconnections, licensing,
21 intellectual property and technology matters and customer programs.
- 22 • Reviewing and advising the Company on rules, regulations, tariffs, rate issues,
23 initiatives and compliance matters.
- 24 • Obtaining environmental approvals and property rights for construction,
25 operations, and maintenance of electric and natural gas infrastructure and other
26 Company facilities.
- 27 • Representing the Company in environmental and real estate transactions and
28 litigation with public and private entities and in proceedings before agencies with
29 jurisdiction over air quality, greenhouse gas emissions, cultural and historic
30 resources, hazardous materials and waste, water quality, species protection, and
31 siting and land use.
- 32 • Managing and supervising the work of outside legal firms hired to represent the
33 company in certain legal matters.
- 34 • Conducting investigations into third party claims, determine liability, and
35 settlement and collection of claims from the responsible party.

36 Evolving energy policy has led to an increase in the volume and complexity of regulatory
37 work. The Company has also seen an increase in third-party claims. The Legal Division is
38 seeking additional funding for two FTEs to process and manage the increased work load in the
39 Regulatory Law and Claims departments.

1 **D. FERC Account 925 Costs – Third-Party Claims Balancing Account Proposal**

2 Despite increasing efforts by SDG&E to manage its operations to prevent third-party
3 related claims, it remains difficult to predict third-party incidents, as have historically occurred,
4 as well as natural disasters outside of SDG&E’s control. Wildfires, for example, are a type of
5 natural disaster that will continue to occur in our service territory at an increasingly alarming rate
6 due to exacerbated drought conditions, climate change, and other factors outside the control of
7 SDG&E. California’s laws regarding strict liability and inverse condemnation essentially make
8 it inevitable that when wildfires or other events occur that involve utility-owned facilities, claims
9 will be filed against the local utility. Under inverse condemnation, a public entity is held to be
10 strictly liable for property damage when its facilities are a cause of the damage, irrespective of
11 fault and where its facilities are merely one of several concurrent causes. The policy rationale
12 for inverse condemnation is that public utilities (extended by California courts to include
13 investor owned utilities) can spread costs through taxation or rates.

14 As described in the testimony of Neil Cayabyab (Ex. SDG&E-27), in this GRC, SDG&E
15 is proposing a Liability Insurance Premium Balancing Account (LIPBA) to address the
16 uncertainty regarding the need for and price of liability insurance, including wildfire insurance.
17 However, even if the Commission approves SDG&E’s proposed LIPBA, there can be significant
18 shortfalls for SDG&E when comparing the dollar amount of claims paid against the amount of
19 available insurance. This is due to a multitude of factors, including the impossibility of
20 predicting the exact amount of insurance the Company will require at any given time and the
21 inevitable tradeoff between price and the level of coverage due in part to the limited number of
22 insurance carriers willing to provide liability insurance for utilities (particularly utilities with
23 California wildfire exposure).

24 Third-party claims, including wildfires, are expressly within the scope of FERC account
25 925 costs.³ Pursuant to the Code of Federal Regulations, Title 18, Uniform Systems of Accounts

³ See, e.g., CPUC Decision (D.) 00-02-046), which stated that Account 925 “includes amounts charged for uninsured losses, the costs of liability insurance premiums, the costs of claims and suits for injuries and property damages.” See also FERC’s Initial Decision and Order Granting SDG&E Motion for Summary Disposition, but Denying SDG&E Motion to Terminate in FERC Docket ER12-2454-003, 14 FERC ¶ 63,017 (February 25, 2014) involving SDG&E’s 2007 FERC-jurisdictional wildfire costs: “The Commission has previously determined that Wildfire Costs are properly recorded in Account 925. Thus, the total amount of wildfire claims paid between December 2011 and March 2012 (amounting to approximately \$159 million) was properly booked to Account 925 and a portion of that amount (the \$23.2 million) was properly allocated to transmission rates based on labor ratios.” (Paragraph 54) and “it is

1 (accounting regulations adopted in whole by the CPUC), Account 925, Injuries and Damages, is
2 defined as follows:

3 “(A) *This account shall include* the cost of insurance or reserve accruals
4 to protect the utility against claims of employees or others, losses of such
5 character not covered by insurance, and expenses incurred in settlement of
6 injuries and damage claims. For Major utilities, it shall also include the
7 cost of labor and related supplies and expenses incurred in injuries and
8 damages activities.

9 (B) Reimbursements from insurance companies or others for expenses
10 charged hereto on account of injuries and damages and insurance
11 dividends or refunds shall be credited to this account.

12 ITEMS

13 ...2. *Losses not covered by insurance or reserve accruals on account of*
14 *injuries and damages to employees or others and damages to the property*
15 *of others.*

16 ...4. *Payments of awards to claimants for court costs and attorney’s*
17 *services....” (Emphasis added)*

18 In light of the mismatch experienced historically between third-party related claims to be
19 paid versus the amount of available insurance at any given time, in this testimony, SDG&E is
20 proposing a new two-way balancing account named the Third-Party Claims Balancing Account
21 (TPCBA) to be recorded on SDG&E’s accounting general ledger to compare the revenue
22 requirement approved in this GRC for third-party related claims payments and recoveries (see
23 Table SKH-14) with actual net expenses booked. The balancing account is necessary due to the
24 impossibility of predicting the number of claims and amounts resulting through resolution of the
25 claims. While the recovery of Account 925 damages and injury claims is important, customers
26 should be protected by only paying for the claims expensed. This balancing account will see that
27 customers are ultimately billed no more or no less than actual claims net payments. The
28 balancing account protects both SDG&E and customers against the exposure to expenses that are
29 predicated on a five-year history of events but may actually differ dramatically from such a
30 forecast. As such, the TPCBA is a reasonable approach to managing the claims and should be

clear that SDG&E’s proactive steps in settling related third-party claims were justified since they would have been exposed to strict liability for third party claims in any event. By settling, SDG&E avoided facing considerable litigation risk and disposed of the claims for significantly less than the amount demanded by claimants. Therefore, I find SDG&E’s conduct was rational and prudent.” (Paragraph 62)

1 approved in this proceeding. Please see the direct testimony of SDG&E Regulatory Accounts
2 witness Norma Jasso (SDG&E-41) for details on the TPCBA.

3 **V. REGULATORY AFFAIRS DIVISION**

4 **A. Introduction**

5 The Regulatory Affairs division provides case management, oversight, policy
6 formulation, legislative analysis, regulatory strategy, rates analysis, demand forecasting,
7 economic analysis, tariff administration, and compliance services for the Company. Regulatory
8 Affairs works with various government and regulatory agencies, including the CPUC, FERC,
9 California Independent System Operator (CAISO), and the CEC.

10 Regulatory Affairs is primarily a shared service division between SDG&E and SoCalGas.
11 The shared service departments within the Regulatory Affairs division have standardized policies
12 and practices and eliminated redundant activities and personnel across both utilities. The
13 Regulatory Affairs division consists of the following departments, which will be described in
14 greater detail below:

- 15 • Vice President – Regulatory Affairs
- 16 • Case Management, Tariffs & Compliance
- 17 • GRC & Revenue Requirements

18 All O&M costs of the Regulatory Affairs division are separated between shared and non-shared
19 and summarized in Table SKH-15.

B. Summary of Regulatory Affairs Division Request between Shared/Non-Shared Costs

TABLE SKH-15

**Summary of the Regulatory Affairs Division
Shared and Non-Shared Costs**

Regulatory Affairs Division (In 2016 \$)	2016 Adjusted-Recorded (000s)			TY2019 Estimated (000s)			Change (000s)		
	NSS	USS	Total	NSS	USS	Total	NSS	USS	Total
VP of Regulatory Affairs	0	1,242	1,242	0	1,146	1,146	0	-96	-96
Case Management, Tariffs and Compliance	1,051	2,213	3,264	1,101	2,467	3,568	50	254	304
GRC & Revenue Requirements	0	1,132	1,132	0	1,249	1,249	0	117	117
Total	1,051	4,587	5,638	1,101	4,862	5,963	50	275	325

C. VP Regulatory Affairs

1. Description of Costs and Underlying Activities

The VP Regulatory Affairs department includes the VP in charge of Regulatory Affairs and a team that serves as the liaison between SDG&E, SoCalGas and regulatory agency personnel. This department engages both state and federal agencies, such as the CPUC, CEC, CAISO and FERC. The primary activities of this department involve interactions with the state agencies. This department performs a multitude of activities including, but not limited to:

- Responding to Commission directions, inquiries and requests.
- Maintaining ongoing dialogue with the various regulatory divisions for major regulatory priorities, such as safety and enforcement, energy, audit, policy and planning.
- Communicating and responding to the Office of Ratepayer Advocates (ORA) regarding key operations and developments.
- Communicating and explaining the Company's positions on key issues and matters that are under consideration in various proceedings.

All costs of the VP Regulatory Affairs department are shared O&M costs. Table SKH-16 below summarizes the costs and the details of the shared allocations can be found in the supporting work papers.

TABLE SKH-16

Summary of VP Regulatory Affairs Department
Shared and Non-Shared Costs

Regulatory Affairs Division (In 2016 \$)	2016 Adjusted- Recorded (000s)			TY2019 Estimated (000s)			Change (000s)		
	NSS	USS	Total	NSS	USS	Total	NSS	USS	Total
VP of Regulatory Affairs	0	1,242	1,242	0	1,146	1,146	0	-96	-96

2. Cost Drivers

The VP Regulatory Affairs department costs are primarily driven by regulatory agency priorities and mandates. The needs of the agency and the number of activities may fluctuate from year to year and affect the direct engagement with key regulatory personnel and decision makers. These direct interactions are crucial for the success of the Company and regulatory agencies in addressing initiatives and mandates.

D. Case Management, Tariffs & Compliance

1. Description of Costs and Underlying Activities

Within the Regulatory Affairs division, the Case Management, Tariffs and Compliance department performs all the activities related to management of regulatory proceedings, filings and compliance. There are several groups within this department that perform these functions:

- Case Management
- Customer Rates and Tariffs
- Natural Gas Rates and Analysis

The Case Management group oversees SDG&E's proceedings and initiatives conducted by state and federal regulatory authorities, including the CPUC, CEC, CAISO and FERC. The portion of costs directly related to the electric transmission business are not included in this request and accordingly are recovered through electric transmission rates regulated by the FERC. The only portion requested in my testimony reflects the costs related to electric generation and overall reliability of the distribution system and recovered through CPUC-jurisdictional rates.

The Case Management group also coordinates the SDG&E subject matter experts and support needed to effectively participate in proceedings before the state and federal regulatory agencies. The subject matter of these proceedings touches every aspect of the Company's operations, services and objectives. Some subject matter experts include safety, reliability, energy resource procurement, environmental policy, nuclear decommissioning, critical electric

1 and natural gas infrastructure, development & administering of customer programs (including
2 energy efficiency and demand response), access to essential customer services, and programs for
3 disadvantaged customer groups. In performing this function, the regulatory case manager leads
4 the subject matter experts and support teams through every aspect of the proceeding beginning
5 with the initial filing, through the final decision, and subsequent compliance requirements. The
6 case manager is closely involved with the development of the policy, analysis, testimony and the
7 legal work product generated for a regulatory proceeding. The case manager's responsibilities
8 also include preparing the subject matter experts involved in the proceeding.

9 The Customer Rates and Tariffs group primarily oversees and manages the Company's
10 state and federal tariff schedules. Responsibilities include the administrative coordination of the
11 compliance-related activities of timely submitting the required reports, addressing various legal
12 requirements (e.g., General Order reporting requirements), complying with specific regulatory
13 directives, and responding to regulatory agency requests for information (i.e., data requests).
14 The most common filings submitted to the CPUC include revisions of the tariff schedules,
15 compliance filings for various regulatory directives, and advice letter filings.

16 The Natural Gas Rates and Analysis group performs natural gas rate design and analysis,
17 determines cost allocations by customer class, and coordinates the information into regulatory
18 filings, proceedings and data requests. Additional analyses include economic impacts, forecasts
19 of alternative fuel and natural gas prices, and natural gas demand forecasts. The group also
20 coordinates the natural gas proceedings, filings and compliance before the CPUC for both
21 SDG&E and SoCalGas.

22 All of the Case Management, Tariffs and Compliance department costs are O&M and are
23 summarized in Table SKH-17 below.

TABLE SKH-17

**Summary of Case Management, Tariffs & Compliance Department
Shared/Non Shared Costs**

Regulatory Affairs Division (In 2016 \$)	2016 Adjusted- Recorded (000s)			TY2019 Estimated (000s)			Change (000s)		
	NSS	USS	Total	NSS	USS	Total	NSS	USS	Total
Case Management, Tariffs and Compliance	1,051	2,213	3,264	1,101	2,467	3,568	50	254	304

2. Cost Drivers

The Case Management, Tariffs and Compliance department supports multiple activities to analyze, respond and comply with regulatory agencies. California is a leader in advancing energy policy. Over the years, this department has experienced an increase in workload due to the evolving energy policy at the regulatory and legislative level. In some cases, the policies are new and complex. The following is a non-exhaustive list of factors that have impacted the Company's cost request:

- The number of major proceedings has increased significantly.
- The regulatory process is lengthier, more dynamic and resource intensive.
- Higher regulator expectations of the Company to demonstrate robust and thorough records to support decision making.
- Participation by various new special-interest parties have increased over time.
- Proceedings are more likely to involve both settlement discussions and litigation, requiring management of both tracks to resolution.
- Regulators have employed a collaborative process with the expectation that the Company lead certain efforts (e.g., via working groups) to develop the proposals and build consensus.
- California's legislative focus on energy and the aggressive climate goals fast tracks the implementation of energy policy.
- Complex and critical issues are being addressed and will evolve over time:
 - Safety and reliability activities (planning, data access, stakeholder engagement, etc.).
 - Rate design reform (e.g., default time-of-use) and related customer education and outreach efforts.
 - State policy directives and goals regarding:
 - Integrated Resource Plan and Renewable Procurement Standards Program.
 - Energy Efficiency Programs.

- Transportation electrification, energy storage, demand response, and other related programs.
- The process for filing advice letters has changed. SDG&E filed more than 300 advice letters in 2016. Requirements for filing include a greater proportion of Tier 2 and 3 advice filings, which are more complex and require greater CPUC staff interaction.

Given increased requirements and regulatory expectations, the Case Management, Tariffs and Compliance department is seeking additional funding for two FTEs to process and manage the increase in workload described above.

E. GRC & Revenue Requirements

1. Description of Costs and Underlying Activities

The GRC and Revenue Requirements department is a shared department that is responsible for the management and coordination of SDG&E's and SoCalGas's major proceedings before the CPUC. Major proceedings managed by this department include the GRC, including the immediate TY 2019 case, the Cost of Capital proceeding, RAMP and SMAP. These cases are significant undertakings due to the considerable size, scope, and duration of the proceedings. Beyond procedural management of the cases, the GRC & Revenue Requirements group:

- Oversees and coordinates the Company's data collection and forecasting efforts, and development of witness testimony.
- Develops and maintains GRC database software.
- Coordinates and responds to numerous intervenor and CPUC inquiries.
- Provides detailed analysis of utility revenues, expenses, and investments in plant and equipment to appropriately establish revenue requirements for SDG&E and SoCalGas.

The O&M costs of the GRC and Revenue Requirements department are shared and are summarized in Table SKH-18.

TABLE SKH-18

Summary of GRC & Revenue Requirements Department Shared Costs

Regulatory Affairs Division (In 2016 \$)	2016 Adjusted-Recorded (000s)			TY2019 Estimated (000s)			Change (000s)		
	NSS	USS	Total	NSS	USS	Total	NSS	USS	Total
GRC & Revenue Requirements	0	1,132	1,132	0	1,249	1,249	0	117	117

1 **2. Cost Drivers**

2 The responsibilities of the GRC and Revenue Requirements department has changed as a
3 result of new regulatory requirements. Since the last GRC filing, this department has managed
4 the new RAMP and SMAP filings in collaboration with the CPUC and others. Thus, the new
5 GRC cycle now involves three intensive proceedings:

- 6 • The SMAP, to be filed every three years.
7 • The RAMP, to be filed prior to each GRC.
8 • The GRC itself, which includes major initiatives previously addressed in
9 separate proceedings.

10 As state policy directives and goals continue to advance, the activities of this group must be able
11 to continue to meet regulatory agency requirements.

12 **VI. EXTERNAL RELATIONS DIVISION**

13 **A. Introduction**

14 The External Relations Division is comprised of the following departments:

- 15 • VP External Relations
16 • Communications
17 • Regulatory Policy and Legislative Analysis
18 • Community Relations

19 This testimony does not seek recovery of the cost associated with the State Governmental
20 Affairs department, which is responsible for providing advocacy for the utilities and ratepayers.
21 All costs of the External Affairs division are shared and non-shared O&M and summarized in
22 Table SKH-19.

B. Summary of External Affairs Division Request between Shared/Non-Shared Costs

TABLE SKH-19

**Summary of the External Affairs Division
Shared and Non-Shared Costs**

External Affairs Division (In 2016 \$)	2016 Adjusted-Recorded (000s)			TY2019 Estimated (000s)			Change (000s)		
	NSS	USS	Total	NSS	USS	Total	NSS	USS	Total
VP External Relations	0	915	915	0	727	727	0	-188	-188
Communications, Regulatory Policy and Legislative Analysis	0	1,140	1,140	0	1,289	1,289	0	149	149
Community Relations	39	1,066	1,105	31	1,025	1,056	-8	-41	-49
Total	39	3,121	3,160	31	3,041	3,072	-8	-80	-88

1. Description of Costs and Underlying Activities

a. VP External Relations

The VP of External Relations department oversees the external communications and community activities for SDG&E and SoCalGas. This department provides oversight and guidance and serves as the Company liaison with external stakeholders within the service territory at the local community or state legislative level.

b. Communications

The role of the Communications department is to communicate issues of interest and importance to the public, by reaching the multiple diverse audiences including residential, business, low-income customers, and community leaders.

The Communications department develops, manages and coordinates external communications for the Company, including developing daily content for its news and information website (sdgenews.com). The Communications department is responsible for building relationships with news media and managing the Company's official position and/or response on issues such as natural gas and electric outages and restoration times, load curtailment, electric and natural gas safety response and prevention, natural disaster response, fire preparedness, utility infrastructure projects, current energy market conditions, energy

1 efficiency, winter and summer preparedness, and customer assistance programs. This group
2 provides proactive communications to audiences in preparation for changes in bills, weather
3 impacts, new customer service channels and programs, and other appropriate topics.

4 Additionally, to help customers save money on their bills, SDG&E relies on various
5 forms of media to promote and educate its customers about beneficial programs such as energy-
6 efficiency, sustainable communities, and customer assistance programs.

7 **c. Regulatory Policy and Legislative Analysis**

8 The Legislative Analysis department examines California legislative issues and
9 recommends actions that permit the utilities to provide clean and reliable service, while
10 balancing the various needs of customers and the State's policy objectives. The duties include
11 reviewing proposed legislation, identifying operational and policy issues, consulting with subject
12 matter experts, recommending positions and responses, and developing recommended future
13 legislative actions and policies. Additionally, the Legislative Analysis department provides
14 business advice and guidance for compliance with recently passed laws and for implementing
15 new laws.

16 **d. Community Relations**

17 The Community Relations department is the primary liaison between SDG&E and non-
18 profit community-based organizations, faith-based organizations, and local communities. The
19 Community Relations department develops partnerships with these groups to facilitate the
20 promotion of SDG&E's customer programs and services. The Community Relations department
21 is tasked with engaging these organizations in Company programs, providing charitable support,
22 and linking them with energy efficiency products and programs to save energy and money.

23 The Community Relations charitable giving programs are specifically designed to
24 support hard-to-reach, underserved, historically disadvantaged, low-income populations in
25 demographically diverse communities. The Community Relations staff is responsible for
26 aligning with non-profit organizations to educate their constituencies regarding the Company's
27 customer programs and services.

28 The Community Relations department is responsible for increasing employee
29 engagement and volunteerism in the communities and encouraging employees to participate on
30 local non-profit boards of directors for community leadership. The Community Relations
31 department is also tasked with making grants to local organizations. All of the grant making

1 activities require coordinating, accounting and tracking in a centralized grant tracking system to
2 ensure compliance with state and federal laws and tax requirements.

3 The Community Relations team also organizes meetings between SDG&E and its
4 Community Advisory Council, which addresses various community issues and involves giving
5 events, emergency preparedness summits and other events.

6 An example of the partnerships formed by the Community Relations department is in the
7 areas of public safety and emergency preparedness. Through partnerships with Fire Safety
8 Councils, 2-1-1 San Diego, the American Red Cross, the Burn Institute, police and fire agencies,
9 Deaf Community Services, the Inter-Tribal Long Term Recovery Foundation, and Community
10 Emergency Response Teams (CERTS), Community Relations is able to improve emergency
11 preparedness and safety coordination across many communities. This work also includes
12 educating customers on preventive measures such as the Vegetation Management programs, Call
13 Before You Dig service, and Electric and Natural Gas Safety programs.

14 In the environmental space, Community Relations partners with organizations aligned
15 with clean-air and climate change projects to ensure communities are educated about the
16 importance of clean air and renewable energy. These groups include but are not limited to, the
17 Climate Science Alliance, I Love A Clean San Diego, and Wildcoast.

18 In the workforce space, Community Relations works with organizations to develop future
19 workforce skills through programs such as STEM (science, technology, engineering and math)
20 programs. Community Relations partners with organizations such as the Barrio Logan College
21 Institute, League of Amazing Programmers, and local robotics programs at Boys & Girls Clubs
22 to promote these and other programs.

23 **2. Cost Drivers**

24 The employees of, and activities associated with, the organizations described herein
25 perform a fundamental service to customers by disseminating news and information and
26 facilitating development of programs or infrastructure upgrades that affect customers. The cost
27 drivers behind this forecast are the personnel and materials necessary for communicating safety
28 and reliability programs for projects that are in construction or soon to be in construction. These
29 departments are critical for communicating to media, external stakeholders and other important
30 stakeholders including non-profit organizations with diverse and often underserved communities.
31 Communication is vital for safety messages, regulatory changes that impact the community such

as the next steps of rate reform and the soon-to-be implemented time-of-use rates that all residential customers will be moving towards in 2019.

VII. MEALS AND ENTERTAINMENT

A. Summary of Meals and Entertainment Costs

TABLE SKH-20

Summary of Meals and Entertainment Costs

MEALS AND ENTERTAINMENT	2016 Adjusted-Recorded (000s)	TY2019 Estimated (000s)	Change (000s)
Total Costs	420	0	-420

1. Description of Costs and Underlying Activities

SDG&E uses the cost element titled Meals and Entertainment to record expenses incurred by employees in the course of doing business. The Company's employees are often required to travel and/or attend meetings out of the office or overnight away from home. Pursuant to its business policy, SDG&E reimburses our employees for out-of-pocket travel expenses, which includes meals, to attend such business activities. An example includes employees who travel to attend Commission meetings and workshops and who incur meal costs while they are away. At times, meetings may extend through the lunch hour and for productivity, a lunch meal may be ordered for the meeting attendees. These are simple examples of meal costs that are included in this cost element. Although the cost element title includes the word "entertainment," the meals discussed in this testimony and included in this cost element should not be considered a perk. The meal expenses are reasonable business expenditures expenses and necessary and should be recoverable in rates.

Even though the meal expenditures are necessary and reasonable business expenses recoverable in rates, SDG&E is excluding \$442,000 (in 2019 dollars) from its request to eliminate the meal expenses for the Company. Although SDG&E would normally include this amount in its TY 2019 GRC request, SDG&E is proposing to request \$0 for SDG&E's 2019 GRC revenue requirement for Meals and Entertainment. This one-time non-precedential policy decision was made in recognition of the impact on our customers as shown in the rates testimony of Jeff Shaughnessy (Exh. SDGE-45). SDG&E reserves the right to petition the Commission in

1 future GRC requests to return to historical, precedential recovery of Meals and Entertainment
2 expenses - i.e., to include the corresponding amount in future GRC requests.

3 SDG&E does not specifically forecast Meals and Entertainment as a line item expense in
4 its rate cases. Instead, Meals and Entertainment expenses are embedded throughout the case in
5 the non-labor sections of various witness areas. As such, no one witness sponsors the entirety of
6 Meals and Entertainment and these expenses are not solely an A&G expense. Because there is
7 no sponsoring direct witness, I am addressing this proposal on behalf of all witnesses here in my
8 A&G testimony. The total adjustment to remove the meals costs were removed as a top-side
9 adjustment to the Results of Operations Model (RO Model) when calculating the Revenue
10 Requirement. Please see the Summary of Earnings direct testimony of Khai Nguyen (Ex.
11 SDG&E-42) for more information on the RO Model.

12 **VIII. CONCLUSION**

13 SDG&E requests that the Commission adopt the O&M TY 2019 forecasts presented in
14 this testimony. SDG&E's TY 2019 A&G forecasts were carefully developed and scrutinized to
15 reflect a prudent level of funding needed for the critical functions and activities to take place
16 during this GRC term. The amounts requested for A&G are necessary to meet the needs of
17 utility operations and customer service. Further, the A&G divisions work to integrate the desires
18 and demands of important external legal, legislative, and regulatory stakeholders, which includes
19 creating effective regulations and laws to improve safety of the electric and natural gas systems.

20 This concludes my prepared direct testimony.

1 **IX. WITNESS QUALIFICATIONS**

2 My name is Sandra K. Hrna. I am the Assistant Controller of SDG&E and SoCalGas.
3 My business address is 8330 Century Park Court, San Diego, California 92123. I have been
4 employed by SDG&E, SoCalGas and Sempra Energy since 2001. In addition to my current
5 position, I have held various operational, accounting, and finance positions within the
6 organization. Some of those positions include the Director of Supply Management & Supplier
7 Diversity, Director of Capital & Business Optimization, Assistant Treasurer and Director of
8 Financial Analysis & Regulatory Accounts, Director of Business Planning, Budgets & Claims,
9 Director of Compliance and Accounts Payable, and Tax Accounting Manager.

10 I received my Bachelors of Business Administration – Accounting from The University
11 of Texas at Austin in 1991. I also received a Masters in Professional Accounting – Tax from
12 The University of Texas at Austin in 1991.

13 I have previously testified before this Commission.

Appendix A – Glossary of Acronyms

A&G – Administrative and General
A&PA - Asset & Project Accounting
ABC – Affiliate Billing and Costing
AGC – Assistant General Counsel
CAISO – California Independent System Operator
CEC – California Energy Commission
CERTS - Community Emergency Response Teams
CFO - Chief Financial Officer
CFTC - Commodity Futures Trading Commission
CPUC – California Public Utilities Commission
CWIP – Construction Work In Progress
FERC – Federal Energy Regulatory Commission
FOF – Fueling our Future
FTE – Full-Time Equivalent
GAAP – Generally Accepted Accounting Principals
GC – General Counsel
GRC – General Rate Case
MARP - Management Accounting and Finance Rotational Program
NTP&S – Non-Tariffed Products and Services
NSS – Non-Shared Services
O&M – Operations and Maintenance
RAMP – Risk Assessment Mitigation Phase
SMAP – Safety Model Assessment Proceeding
SDG&E – San Diego Gas & Electric
SEC – Securities and Exchange Commission
SECC – Sempra Energy Corporate Center
SOX – Sarbanes Oxley
SoCalGas – Southern California Gas Company
SVP – Senior Vice President
TY – Test Year
USS – Utility Shared Services
VP – Vice President