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Exhibit Number : CA-01
Commissioner : Genevieve Shiroma
Admin Law Judge : Shannon O'Rourke
Witnesses : Chia



**PUBLIC ADVOCATES OFFICE
CALIFORNIA PUBLIC UTILITIES COMMISSION**

**Report on the Results of Examination
for
San Diego Gas & Electric Company's
Application for Authorization to Recover
Costs of Several Catastrophic Events
Recorded in Its Catastrophic Event
Memorandum Account**

San Francisco, California
June 30, 2023

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RESULTS OF EXAMINATION

I. INTRODUCTION

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) presents this testimony with analyses and recommendations regarding San Diego Gas and Electric Company's (SDG&E's), Application (A.) 22-10-021 filed with the California Public Utilities Commission (Commission or CPUC) on October 31, 2022. This testimony presents Cal Advocates' findings and recommendations in the examination of SDG&E's incremental cost recovery request for the Catastrophic Event Memorandum Account (CEMA) Events pursuant to Public Utilities Code Section 454.9 and Commission Resolution (R.) E-3238. Cal Advocates' objective is to ensure that costs recorded in SDG&E's CEMA are properly supported and incremental to costs already authorized and recovered in current rates.

SDG&E requests to recover costs recorded in its Catastrophic Event Memorandum Account (CEMA) associated with the following eight (8) catastrophic events (CEMA Events):

1. 204 Emergency Drought
2. January 2017 Storms
3. 2017 Lilac Fire
4. 2018 West Fire
5. 2019 Winter Storms
6. 2020 COVID-19 Pandemic
7. August 2020 Extreme Heat Event
8. September 2020 Extreme Heat and Valley Fire Event

Pursuant to Commission Resolution E-3238, dated July 24, 1991, SDG&E notified the Executive Director by letter for each of the eight CEMA Events that it had established its CEMA for both its electric and gas departments to record the costs associated with these eight catastrophic events.¹ SDG&E states, "Incremental costs

¹ Testimony of Gentes at 3.

1 recoverable through the CEMA are defined as costs which are directly related to the
2 restoring of utility services to customers: repairing, replacing or restoring damaged
3 facilities; complying with governmental agency orders in connection with events
4 declared disasters by competent state or federal authorities and not already recovered
5 through the utility's current rates. In determining what costs should be deemed
6 incremental and recoverable in its CEMA, SDG&E identified costs at the individual
7 account level and determined whether that cost would have otherwise been incurred
8 (and recovered in rates) had these eight CEMA Events not occurred (See Exhibit 11). If
9 the cost would have been incurred, absent these eight CEMA Events, the account is not
10 considered incremental (e.g., straight-time labor and all overheads associated with
11 O&M labor).²

12 SDG&E recorded \$77.2 million, of which \$66.0 million is subject to review under
13 Commission jurisdiction and \$11.2 million subject to Federal Energy Regulatory
14 Commission (FERC) jurisdiction for the eight CEMA Events. Of the \$66.0 million under
15 Commission jurisdiction, SDG&E states that \$42.9 million of Operation and
16 Maintenance (O&M) expense and \$8.4 million capital costs are incremental and
17 recoverable through this Application. SDG&E determined that the \$14.578 million which
18 is the remainder of the \$66.0 million under Commission jurisdiction is non-incremental
19 and excluded from this Application.³

20 In this Application, SDG&E requests the following:

- 21 1. Find reasonable \$42.9 million of Operation and Maintenance (O&M) expense
22 and \$8.4 million capital costs are incremental and recoverable through this
23 Application.
- 24 2. For the \$8.4 million in capital costs, SDG&E is requesting that the
25 Commission authorize the recovery of depreciation, return and taxes that
26 have already been expensed and will be expensed through 2027. SDG&E

² Testimony of Gentes at 5 and 6.

³ Testimony of Gentes at 5 and Exhibit 10.

1 requests the remaining electric and gas capital-related costs will be
2 incorporated into the Test Year (TY) 2028 General Rate Case (GRC).⁴

- 3 3. SDG&E is requesting to recover an electric distribution revenue requirement
4 of \$29.3 million, and a gas distribution revenue requirement of \$7.0 million
5 over a one-year period beginning January 1, 2024, both of which are related
6 to incremental costs incurred during these eight CEMA Events, as recorded to
7 these CEMAs from 2014 through 2024, including interest.⁵ SDG&E is further
8 requesting recovery of the gas portion of the revenue requirement of \$7.0
9 million beginning in 2024, including interest.⁶

10 Table 1⁷
11 Revenue Requirement (excluding FF&U), by year, \$ millions
12

	Actuals	Forecast			
	Jan 2014- Sep 2022	Oct-Dec 2022	2023	2024	Total
Electric	\$26.4	\$0.3	\$1.3	\$1.3	\$29.3
Gas	\$6.6	\$0.0	\$0.2	\$0.2	\$7.0
Total	\$33.0	\$0.3	\$1.5	\$1.5	\$36.3

- 13
14 4. SDG&E is requesting to recover the ongoing annual electric capital-related
15 costs of \$1.8 million to be incurred from 2025 through 2027, including
16 interest. The ongoing electric capital-related revenue requirement will be
17 amortized into electric distribution rates over a one-year period during

⁴ Testimony of Gentes at 2.

⁵ Excludes franchise fees & uncollectibles (FF&U) which are updated annually outside this instant application. The revenue requirements including current FF&U factors are \$30.4 million for electric and \$7.1 million for gas. (Testimony of Gentes at 2, footnote 1.)

⁶ Testimony of Gentes at 2.

⁷ Testimony of Gentes at 3.

1 each year from 2025 through 2027. The remaining electric capital-related
2 costs will be incorporated into the 2028 GRC.⁸

3
4 Table 2
5 Forecasted Revenue Requirement (excluding FF&U), by Year, \$ millions⁹
6

	2025	2026	2027	Total
Electric	\$0.6	\$0.6	\$0.6	\$1.8

7 **II. SUMMARY OF FINDINGS AND RECOMMENDATIONS**

8 Based on its examination, Cal Advocates makes the following recommendations:

- 9 1. Cal Advocates does not oppose SDG&E's request for the recovery of
10 incremental O&M expenses of \$42.9 million for the catastrophic events
11 requested in SDG&E's CEMA application.
- 12 2. Cal Advocates recommends the recovery of \$6.368 million in capital costs as
13 incremental which is \$2.071 million less than SDG&E's request of \$8.439
14 million. Cal Advocates recommends an adjustment of \$2.071 million for
15 overhead costs associated with capital work that should be considered non-
16 incremental.

17 The following table provides SDG&E's request and Cal Advocates'
18 recommendations for recovery of incremental O&M costs for the CEMA events.
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⁸ Testimony of Gentes at 3.

⁹ Testimony of Gentes at 3.

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Table 3
SDG&E's Request and Cal Advocates' Recommendations
Incremental O&M Expenses for CEMA Events
(\$000's)

Line No.	Event	SDG&E's Request	Cal Advocates' Recommendation	Difference SDG&E>Cal Advocates
1	2014 Emergency Drought Costs	\$2,239 ¹⁰	\$2,239	\$0
2	January 2017 Storms Costs	298 ¹¹	298	0
3	2017 Lilac Fire Costs	1,011 ¹²	1,011	0
4	2018 West Fire Costs	241 ¹³	241	0
5	2019 Winter Storms Costs	421 ¹⁴	421	0
6	2020 COVID-19 Pandemic Costs	33,679 ¹⁵	33,679	0
7	August 2020 Extreme Heat Event Costs	199 ¹⁶	199	0
8	September 2020 Extreme Heat and Valley Fire Event Costs	4,865 ¹⁷	4,865	0
9	Total	\$42,954	\$42,954 ¹⁸	\$0

6

¹⁰ Testimony of Gentes at Exhibit 13.

¹¹ Testimony of Gentes at Exhibit 16.

¹² Testimony of Gentes at Exhibit 19.

¹³ Testimony of Gentes at Exhibit 22.

¹⁴ Testimony of Gentes at Exhibit 25.

¹⁵ Testimony of Gentes at Exhibit 28.

¹⁶ Testimony of Gentes at Exhibit 31.

¹⁷ Testimony of Gentes at Exhibit 34.

¹⁸ Difference in total may be due to rounding.

1 The following table provides SDG&E's request and Cal Advocates'
 2 recommendations for recovery of incremental capital costs for the CEMA events.

3 Table 4
 4 SDG&E's Request and Cal Advocates' Recommendations
 5 Incremental Capital Costs for CEMA Events (\$000's)
 6

Line No.	Event	SDG&E's Request	Cal Advocates' Recommendation	Difference SDG&E>Cal Advocates
1	2014 Emergency Drought Costs	\$841 ^{<u>19</u>}	\$653	\$188
2	January 2017 Storms Costs	2,899 ^{<u>20</u>}	2,227	672
3	2017 Lilac Fire Costs	701 ^{<u>21</u>}	650	51
4	2018 West Fire Costs	840 ^{<u>22</u>}	554	286
5	2019 Winter Storms Costs	529 ^{<u>23</u>}	316	213
6	2020 COVID-19 Pandemic Costs	0 ^{<u>24</u>}	0	0
7	August 2020 Extreme Heat Event Costs	46 ^{<u>25</u>}	46	0
8	September 2020 Extreme Heat and Valley Fire Event Costs	2,584 ^{<u>26</u>}	1,922	662
9	Total	\$8,439	\$6,368 ^{<u>27</u>}	\$2,072

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¹⁹ Testimony of Gentes at Exhibit 13.

²⁰ Testimony of Gentes at Exhibit 16.

²¹ Testimony of Gentes at Exhibit 19.

²² Testimony of Gentes at Exhibit 22.

²³ Testimony of Gentes at Exhibit 25.

²⁴ Testimony of Gentes at Exhibit 28.

²⁵ Testimony of Gentes at Exhibit 31.

²⁶ Testimony of Gentes at Exhibit 34.

²⁷ Difference in total may be due to rounding.

1 **III. Examination Overview**

2 **A. Purpose**

3 The purpose of Cal Advocates' examination is to determine, but is not limited to,
4 the following: (i) whether the proposed recovery pertains to a catastrophic event defined
5 as one which results in the official declaration of a disaster by competent State or
6 Federal authorities; (ii) whether the losses are covered by insurance; (iii) whether
7 SDG&E's request for recovery is incremental, reasonable, and recoverable; and (iv)
8 whether the amounts requested are properly recorded and supported. The purpose of
9 the incremental evaluation is to determine whether SDG&E's CEMA cost recovery
10 requests are in addition to amounts previously authorized to be recovered in rates. Cal
11 Advocates addresses the extent to which SDG&E supports its incremental request in
12 conducting its evaluation.

13 **B. Scope**

14 The scope of Cal Advocates' transactional testing of SDG&E's CEMA expenses
15 focused on the O&M expenses and the capital costs incurred in the (1) 2014
16 Emergency Drought, (2) January 2017 Storms, (3) 2017 Lilac Fire, (4) 2020 COVID-19
17 Pandemic, and (5) September 2020 Extreme Heat and Valley Fire Event. Cal
18 Advocates also reviewed the internal labor costs, the overhead costs, and whether any
19 losses are covered by insurance for the eight CEMA Events.

20 **C. Transactional Testing**

21 Cal Advocates selected journal entries of SDG&E's recorded O&M expenses
22 and capital costs to review the associated supporting documentation (such as invoices
23 and other source data) to determine the accuracy of SDG&E's recorded CEMA entries.
24 Cal Advocates reviewed documents for vendors' names, descriptions of work and/or
25 services performed, dates of work/services performed, amount of costs, and whether
26 costs were incurred in the counties that a competent State or Federal authority declared
27 a state of emergency.

1 **IV. Cal Advocates' Examination**

2 **A. Disaster Declaration**

3 Cal Advocates reviewed SDG&E's testimonies and supporting exhibits and noted
4 that a State of Emergency Proclamation was issued by a competent State or Federal
5 authorities for the eight CEMA Events. The following provides a summary of the CEMA
6 Events.

- 7 • Emergency Drought 2014: On January 7, 2014, the Acting Governor
8 proclaimed a State of Emergency due to current drought conditions.²⁸
- 9 • January 2017 Storms: On January 23, 2017, the Acting Governor
10 proclaimed a State of Emergency due to rainstorms that started on
11 January 3, 2017 in the County of San Diego.²⁹
- 12 • 2017 Lilac Fire: On December 7, 2017, the Acting Governor proclaimed a
13 State of Emergency due to the Lilac Fire that started on December 7,
14 2017 in the County of San Diego.³⁰
- 15 • 2018 West Fire: On July 6, 2018, the Acting Governor proclaimed a State
16 of Emergency due to the West Fire that started on July 6, 2018 in the
17 County of San Diego.³¹
- 18 • 2019 Winter Storms: On February 21, 2019, the Acting Governor
19 proclaimed a State of Emergency due to the severe winter storms that
20 caused flooding, mudslides, erosion, power outages, and damage to
21 critical infrastructure beginning on January 5, 2019 in the County of San
22 Diego.³²

²⁸ Testimony of Gentes at Exhibit 1.

²⁹ Testimony of Gentes at Exhibit 2.

³⁰ Testimony of Gentes at Exhibit 3.

³¹ Testimony of Gentes at Exhibit 4.

³² Testimony of Gentes at Exhibit 5.

- 1 • 2020 COVID-19 Pandemic: On March 4, 2020, the Acting Governor
2 proclaimed a State of Emergency in response to the outbreak of novel
3 coronavirus, COVID-19.^{**33**}
- 4 • August 2020 Extreme Heat Event: On August 16, 2020, the Acting
5 Governor proclaimed a State of Emergency in response to the extreme
6 heat event that struck California and surrounding Western states, causing
7 record-breaking temperature and red flag warnings beginning August 14,
8 2020.^{**34**}
- 9 • September 2020 Extreme Heat and Valley Fire Event: On September 3,
10 2020, the Acting Governor proclaimed a State of Emergency in California
11 declaring that an Extreme Heat Event caused record-breaking
12 temperatures expected to last several days beginning on September 2,
13 2020. On September 6, 2020, the Acting Governor issued a separate
14 Proclamation of a State of Emergency noting the ongoing Extreme Heat
15 Event and indicating that high temperatures and dry conditions would
16 further exacerbate the current wildfire situation in California and
17 addressed the Valley Fire in San Diego County which started on
18 September 5, 2020.^{**35**}

19 Cal Advocates notes that SDG&E is not aware of any evidence or findings that
20 SDG&E's equipment caused or contributed to the ignition of the Lilac Fire, the West
21 Fire, and the Valley Fire Event.^{**36**}

^{**33**} Testimony of Gentes at Exhibit 6.

^{**34**} Testimony of Gentes at Exhibit 7.

^{**35**} Testimony of Gentes at Exhibit 8.

^{**36**} SDG&E's response to PubAdv-SDGE-CEMA-Audit-SWC-005, Question 2.

1 **B. Internal Labor**

2 Cal Advocates reviewed the incremental internal labor requested in SDG&E's
3 Application. SDG&E states, "Incremental internal labor reflects primarily overtime labor
4 (time and one-half and double time) costs as the straight time portion is considered to
5 be included already in authorized rates and would have been incurred with or without
6 these eight CEMA Events. Regular work was merely deferred until a later time, but still
7 completed, because all available resources were utilized to restore and repair damaged
8 facilities."³⁷

9 Cal Advocates notes that SDG&E included the incremental internal labor for time
10 and a half labor expense and double-time labor expense of its hourly employees for the
11 eight CEMA Events. Cal Advocates noted that SDG&E considered straight time internal
12 labor as non-incremental and excluded the recovery of the straight time internal labor
13 from its application.

14 **C. Overheads**

15 Cal Advocates recommends an adjustment of \$2.071 million in capital overhead
16 costs related to (1) capital labor overheads that reflect payroll taxes and incentive
17 compensation plan (ICP); (2) other common overheads for non-labor portion of capital
18 work for contract administration, shop order, small tools and purchasing and
19 warehouse; and (3) additional overheads related to non-labor portion of capital work for
20 engineering, department overheads and administrative and general expenses. Cal
21 Advocates disagrees with SDG&E's determination that overhead costs associated with
22 the non-labor portion of the capital work is incremental. Cal Advocates considers
23 overheads already recovered in rates as part of SDG&E's General Rate Case's (GRC's)
24 previously authorized funding levels and should not be considered incremental. Cal
25 Advocates disagrees with SDG&E's rationale and recommends the Commission deny
26 SDG&E's CEMA recovery request for incremental overhead costs as discussed below.

27 In its CEMA testimony, SDG&E states:

³⁷ Testimony of Gentes at 6.

1 Common overheads are loaded whether the work is capital or O&M.
2 These overheads are core labor loaders (including pension and benefits,
3 incentive compensation plan (ICP), vacation and sickness, and payroll
4 tax). All overheads associated with O&M labor are considered non-
5 incremental. Incremental capital labor overheads reflect only payroll taxes
6 and the ICP overhead assigned to overtime labor for these eight CEMA
7 Events. All other capital labor loaders are considered non-incremental.
8 Payroll taxes represent SDG&E's portion of required contributions to the
9 State Unemployment Insurance, Federal Unemployment Insurance, and
10 Federal Retirement and Medical Insurance. The incentive compensation
11 plan represents labor costs paid to Company employees based on
12 individual and utility performance as compared to pre-established goals.
13 In this CEMA filing, the ICP payout was assumed to be at target which is
14 15% for management employees and 10% for associated employees. For
15 hourly employees, the ICP pay-out increases incrementally with each
16 additional hour worked above a standard 2,080-hour work year. All other
17 overhead expenses assigned to labor, such as pension and benefits and
18 worker's compensation, were excluded from CEMA since these costs
19 would have been incurred in the same amounts absent these eight CEMA
20 Events. Other common incremental overheads include the non-labor
21 portion of contract administration, shop order, small tools and purchasing
22 and warehouse. For O&M these overheads are considered non-
23 incremental but for capital they are incremental.
24

25 Additional overheads are added for capital work only. These overheads
26 include engineering, department overheads and administrative & general.
27 For these capital overheads, only the non-labor portion is considered
28 incremental.³⁸
29

30 SDG&E excluded \$6.052 million in overheads associated with O&M labor as
31 non-incremental. SDG&E incurred \$5.687 million in overheads associated with capital
32 work. Of the \$5.687 million in overheads associated with the non-labor portion of
33 capital work, SDG&E considered \$3.616 million as non-incremental and \$2.071 million
34 as incremental.³⁹ The following table presents a breakdown of the \$2.071 million in
35 overhead costs that SDG&E considers incremental.
36

³⁸ Testimony of Gentes at 7.

³⁹ Testimony of Gentes at Exhibit 10.

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Table 5
SDG&E's Request for Incremental Overhead Costs⁴⁰

	SDG&E's Request for Incremental Overhead Costs
Payroll Taxes	\$230,795
Incentive Compensation Plan (ICP)	33,392
Contract Administration, Shop Order, Small Tools, Purchasing & Warehouse, Engineering, Department Overheads, and Administrative	1,806,323
Total	\$2,070,510

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Cal Advocates considers overheads already recovered in rates as part of SDG&E's GRC previously authorized funding levels and are therefore, not incremental. Cal Advocates asked SDG&E for additional support for its request for recovery of overhead costs as incremental. Cal Advocates finds SDG&E's testimony and its responses to Cal Advocates data requests do not provide sufficient support or analysis that its overhead costs are incremental. The following are SDG&E's responses to Cal Advocates' data requests' questions:

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1. Cal Advocates' question:

Please provide the reasons/justification as to why the labor overheads for payroll taxes and ICP payout assigned to overtime labor associated with capital labor are considered incremental but all overheads associated with O&M labor are considered non-incremental in recovery of CEMA costs.⁴¹

SDG&E's response:

As SDG&E was drafting this CEMA filing, the conclusion was that the labor overheads for payroll taxes and ICP payout assigned to overtime labor for both O&M and capital should be considered incremental. However, when SDG&E reviewed the historical amounts balanced in the various CEMA accounts only the labor overheads for payroll taxes and ICP payout on capital overtime labor were balanced. The labor

⁴⁰ SDG&E's response to data request, PubAdv-SDGE-CEMA-Audit SWC-006, Questions 5, 7 and 10. Note that SDG&E's response is mislabelled as response to PubAdv-SDGE-CEMA-Audit-SWC-004.

⁴¹ Cal Advocates' data request, PubAdv-SDGE-CEMA-Audit-SWC-006, Question 2.

1 overheads for payroll taxes and ICP payout on O&M had not been
2 balanced. Therefore, a determination was made just for this filing to
3 not correct the amount of unbalanced incremental labor overheads for
4 payroll taxes and ICP payout on O&M overtime labor. Instead, the
5 wording quoted above in Question 1 of Mr. Gentes' testimony on page
6 7 was modified to state that, "all overheads associated with O&M labor
7 are considered non-incremental" just for this filing to match the
8 requested costs.⁴²

9
10 2. Cal Advocates' question:

11 Please provide supporting documentation that SDG&E paid incremental
12 State Unemployment Insurance, Federal Unemployment Insurance, and
13 Federal Retirement and Medical Insurance due to the capital labor
14 associated with the eight CEMA Events.⁴³

15
16 SDG&E's response:

17
18 SDG&E pays its associated payroll taxes to both the State and Federal
19 agencies as required by law. SDG&E below is attaching examples of those
20 returns in support of those payments being made.

- 21
22 • Attached is the Q1 2021 federal payroll tax return (Form 941) for SDG&E.
23 The employer Social Security and Medicare taxes are noted on this form.
24 Half of the amounts in lines 5c and 5d are the employer portion of the cost
25 (6.2% for Social Security, 1.45% for Medicare) and the other half was
26 withheld from employees. Please see "Q1 2021 941 Filings-SDGE."
27
- 28 • Attached is the annual unemployment tax return for SDG&E showing the
29 amounts due (line 12) and amounts paid (line 13). Please see
30 "940_VC_SAA_20214_95-11848002271_75."
31
- 32 • Attached is the quarterly payroll tax return for CA (Form DE-9). The
33 unemployment taxes are on line D and the total payments are listed in line I.
34 Please see "CA DE-9-Filing-Q1 2021."⁴⁴

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36 3. Cal Advocates' question:

⁴² SDG&E's response to data request, PubAdv-SDGE-CEMA-Audit SWC-006, Question 2. Note that SDG&E's response is mislabelled as response to PubAdv-SDGE-CEMA-Audit-SWC-004.

⁴³ Cal Advocates' data request, PubAdv-SDGE-CEMA-Audit-SWC-006, Question 6.

⁴⁴ SDG&E's response to data request, PubAdv-SDGE-CEMA-Audit SWC-006, Question 6. Note that SDG&E's response is mislabelled as response to PubAdv-SDGE-CEMA-Audit-SWC-004.

1 Please provide the reasons/justification as to why additional overheads for
2 engineering, department overheads and administrative and general for the
3 non-labor portion associated with capital work are considered incremental.⁴⁵
4

5 SDG&E's response:

6 The non-labor portion of these overheads includes external costs incurred
7 that vary with the work being performed. Therefore, when SDG&E is
8 performing incremental work caused by a CEMA event additional non-labor
9 costs that go into these pools also are incurred. The labor portion of these
10 overheads includes SDG&E employee labor which is being recovered via the
11 General Rate Case funding and is therefore considered non-incremental.⁴⁶
12

13 4. Cal Advocates' question:

14 Please provide the reasons/justification as to why the overhead costs
15 for the non-labor portion of contract administration, shop order, small
16 tools and purchasing and warehouse are considered incremental for
17 capital but are considered non-incremental for O&M costs in recovery
18 of CEMA costs.⁴⁷

19 SDG&E response:

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21
22 As SDG&E was drafting this CEMA filing, the conclusion was that the
23 non-labor portion of contract administration, shop orders, small tools
24 and purchasing and warehouse for both O&M and capital should be
25 considered incremental. However, when SDG&E reviewed the
26 historical amounts balanced in the various CEMA accounts only these
27 overheads on capital costs were balanced. These overheads on O&M
28 costs had not been balanced. Therefore, a determination was made
29 just for this filing to not correct the amount of unbalanced incremental
30 overheads for these overheads on O&M costs. Instead, the wording
31 quoted above in Question 1 of Mr. Gentes' testimony on page 7 was
32 modified to state that, "Other common incremental overheads include
33 the non-labor portion of contract administration, shop order, small
34 tools and purchasing and warehouse. For O&M these overheads are

⁴⁵ Cal Advocates' data request, PubAdv-SDGE-CEMA-Audit-SWC-006, Question 8.

⁴⁶ SDG&E's response to data request, PubAdv-SDGE-CEMA-Audit SWC-006, Question 8. Note that SDG&E's response is mislabelled as response to PubAdv-SDGE-CEMA-Audit-SWC-004.

⁴⁷ Cal Advocates' data request, PubAdv-SDGE-CEMA-Audit-SWC-006, Question 3.

1 considered non-incremental but for capital they are incremental.” Just
2 for this filing to match the requested costs.⁴⁸

3
4 5. Cal Advocates’ question:

5 In response to data request, PubAdv-SDGE-CEMA-Audit-SWC-006,
6 question 3, SDG&E states, “As SDG&E was drafting this CEMA filing, the
7 conclusion was that the labor overheads for payroll taxes and ICP payout
8 assigned to overtime labor for both O&M and capital should be considered
9 incremental. However, when SDG&E reviewed the historical amounts
10 balanced in the various CEMA accounts only the labor overheads for payroll
11 taxes and ICP payout on capital overtime labor were balanced. The labor
12 overheads for payroll taxes and ICP payout on O&M had not been balanced.”
13 Please provide the analysis that SDG&E performed to conclude that the non-
14 labor portion of contract administration, shop orders, small tools and
15 purchasing and warehouse for capital are incremental to funds already
16 authorized through the General Rate Case (GRC).⁴⁹

17
18 SDG&E response:

19
20 CEMA-related incremental work is not contemplated in SDG&E’s
21 request for GRC funds. As each GRC witness reviews historical
22 costs, overtime labor and non-labor costs associated with each CEMA
23 event are excluded to present a history of normal, ongoing activities.
24 As stated in my testimony, at page 6, “Regular work was merely
25 deferred until a later time, but still completed, because all available
26 resources were utilized to restore and repair damaged facilities.”

27
28 The straight-time labor portions of contract administration, shop
29 orders, small tools and purchasing and warehouse are contemplated
30 in the GRC. Although it is possible that overtime labor was incurred in
31 these overheads due to these CEMA events, SDG&E decided to not
32 pursue recovery of these overtime costs and therefore is considering
33 any such overhead costs as non-incremental. However, the non-labor
34 portions of contract administration, shop orders, small tools and
35 purchasing and warehouse costs include external costs from third
36 parties do increase as CEMA activities occur, similarly to the
37 increased incremental direct charges on capital restoration work to
38 address the emergency event. Therefore, these specific non-labor

⁴⁸ SDG&E’s response to data request, PubAdv-SDGE-CEMA-Audit SWC-006, Question 3. Note that SDG&E’s response is mislabelled as response to PubAdv-SDGE-CEMA-Audit-SWC-004.

⁴⁹ Cal Advocates’ data request, PubAdv-SDGE-CEMA-Audit-SWC-007, Question 1.

1 overhead costs are incremental to the GRC and therefore
2 recoverable.⁵⁰

3
4 6. Cal Advocates' question:

5 In response to data request, PubAdv-SDGE-CEMA-Audit-SWC-006, question
6 8 regarding the incremental overheads for engineering, department
7 overheads, and A&G, SDG&E states, "The non-labor portion of these
8 overheads includes external costs incurred that vary with the work being
9 performed. Therefore, when SDG&E is performing incremental work caused
10 by a CEMA event additional non-labor costs that go into these pools also are
11 incurred."

- 12
13 a. Please provide the analysis that SDG&E performed to conclude that the
14 non-labor portion associated with engineering, department overheads, and
15 A&G for capital are incremental to funds already authorized through the
16 General Rate Case (GRC).⁵¹

17
18 SDG&E's response:

19 CEMA-related incremental work is not contemplated in SDG&E's request for
20 GRC funds. As each GRC witness reviews historical costs, overtime labor
21 and non-labor costs associated with each CEMA event are excluded to
22 present a history of normal ongoing activities. As stated in my testimony, at
23 page 6, "Regular work was merely deferred until a later time, but still
24 completed, because all available resources were utilized to restore and repair
25 damaged facilities."

26
27 The straight-time labor portions of engineering, department overheads, and
28 A&G are contemplated in the GRC. Although it is possible that overtime labor
29 was incurred in these overheads due to these CEMA events, SDG&E decided
30 to not pursue recovery of these costs and therefore is considering any such
31 overhead costs as non-incremental. However, the non-labor portions of
32 engineering, department overheads, and A&G costs include external costs
33 from third parties do increase as CEMA activities occur, similarly to the
34 increased incremental direct charges on capital restoration work to address
35 the emergency event. Therefore, these specific non-labor overhead costs are
36 incremental to the GRC and therefore are recoverable.⁵²

37
38 7. Cal Advocates' question:

⁵⁰ SDG&E's response to data request, PubAdv-SDGE-CEMA-Audit-SWC-007, Question 1.

⁵¹ Cal Advocates' data request, PubAdv-SDG&E-CEMA-Audit-SWC-007, Question 2.

⁵² SDG&E's response to data request, PubAdv-SDGE-CEMA-Audit-SWC-007, Question 2.

1 Please provide all analysis that SDG&E performed to compare what was
2 collected in authorized General Rate Case (GRC) authorized rates for
3 overheads and what was expended for overheads in routine work as part of
4 normal operations so that SDG&E can substantiate that the overheads
5 requested for the CEMA Events are incremental.⁵³

6
7 SDG&E's response:

8
9 As stated in the first paragraph, above, in the responses to questions 1 and
10 2: the costs for CEMA-related incremental work are not included in SDG&E's
11 request for GRC funds. As each GRC witness reviews historical costs,
12 overtime labor and non-labor costs associated with a CEMA event are
13 excluded to present a history of normal ongoing activities. As stated in my
14 testimony, at page 6, "Regular work was merely deferred until a later time,
15 but still completed, because all available resources were utilized to restore
16 and repair damaged facilities."

17
18 The overheads that SDG&E lists as non-incremental in Exhibit 11 of R. Craig
19 Gentes' testimony generally do not fluctuate with increased work, such as the
20 incremental work caused by a CEMA event. However, in contrast, the
21 overheads listed in that testimony as incremental do increase as incremental
22 work is performed caused by a CEMA event. For example, the non-labor
23 portion of the engineering overhead will include the additional costs
24 associated with additional purchased engineering services to handle the
25 additional engineering work added to the normal work caused by the CEMA
26 event.⁵⁴

27
28 In its data request responses, SDG&E does not provide supporting
29 documentation that it paid incremental payroll taxes associated with the CEMA capital
30 overtime labor. Even though payroll taxes and ICP payout may nominally increase,
31 SDG&E has not provided a comparison of what was collected in rates for normal
32 operations and what was paid. Consequently, SDG&E is unable to substantiate that
33 these CEMA event costs are not already covered through authorized revenues and
34 rates.

35 Based on SDG&E's responses, it did not provide sufficient support and analysis
36 to compare what was collected in authorized GRC authorized rates for overheads and

⁵³ Cal Advocates' data request, PubAdv-SDG&E-CEMA-Audit-SWC-007, Question 3.

⁵⁴ SDG&E's response to data request, PubAdv-SDGE-CEMA-Audit-SWC-007, Question 3.

1 what was expended for overheads in routine work as part of normal operations in order
2 to substantiate that the overheads requested for the CEMA Events are incremental.
3 Consequently, SDG&E fails to meet its burden to justify the incremental nature of these
4 overhead costs. Cal Advocates recommends an adjustment of \$2.071 million for
5 overhead costs associated with capital work that should be considered non-incremental.
6 Therefore, Cal Advocates recommends the recovery of \$6.368 million in capital costs as
7 incremental which is \$2.071 million less than SDG&E's request of \$8.439 million.

8 **D. Other CEMA Filings**

9 Cal Advocates found recent CEMA filings from Southern California Edison (SCE)
10 that support Cal Advocates' recommendation that SDG&E's overhead costs associated
11 with the capital work should be considered non-incremental. In recent CEMA
12 applications by SCE, it excludes overhead type costs as follows:

- 13
- 14 1. On July 31, 2019, SCE submitted Application (A.)19-07-021
15 requesting authorization to recover incremental disaster-related
16 expenses and capital costs incurred in responding to the 2017-
17 2018 Drought and 2017 Firestorms catastrophic events. In its
18 testimony, SCE states (as part of its Incremental Standard): In the
19 second step, SCE reviewed the CPUC-jurisdictional costs to
20 identify any costs recorded in the storm CEMAs that were not
21 incremental. SCE has removed these costs from its request.
22 Costs can only be defined as incremental if the costs: (1) would not
23 have been incurred "but for" the Drought; and (2) are not funded
24 through existing rates. Non-incremental costs excluded from SCE's
25 request in this Application, consist of normal-time labor costs and
26 other associated labor costs, including paid absences, employee
27 benefits, payroll taxes and corporate and division overheads. SCE
28 identified \$9.214 million of O&M expenses incurred as result of the
29 Drought as being non-incremental. SCE removed all of these
30 expenses from its request.⁵⁵
31
 - 32 2. On September 30, 2021, SCE submitted A.21-09-019 requesting
33 authorization to recover incremental disaster-related expenses and
34 capital costs incurred in responding to 2019-2020 Drought, 2018-
35 2019 Firestorms, 2019 Earthquakes, 2019 Windstorms, and 2020
36 COVID-19 catastrophic events. In its testimony, SCE states (as
37 part of its Incremental Standard): In step two, SCE reviewed the

⁵⁵ SCE Testimony (A.19-07-021) at 53, lines 17-20.

1 CPUC-jurisdictional costs to identify any costs recorded in the
2 CEMAs that were not incremental. SCE removed these costs from
3 its request. Costs can only be defined as incremental if the costs:
4 (1) would not have been incurred “but for” the CEMA events; and
5 (2) are not funded through existing rates. As shown below, the
6 non-incremental costs that SCE excluded from this CEMA
7 application consist of normal-time labor costs and other associated
8 labor costs. This includes paid absence, employee benefits, payroll
9 taxes, and corporate and division overhead costs. SCE identified
10 non-incremental expenses and removed these costs from this
11 request.⁵⁶

12
13 3. On March 30, 2022, SCE submitted A.22-03-018 requesting
14 authorization to recover incremental disaster-related expenses and
15 capital costs incurred in responding to the 2019 Winter Storms, the
16 2020 Heatwaves, and the 2020 Fires recorded in its CEMA. In its
17 testimony, SCE states (as part of its Incremental Standard): In step
18 two, SCE reviewed the CPUC-jurisdictional costs to identify any
19 costs associated with the CEMA events that were not incremental.
20 SCE did not include non-incremental costs in its request. Costs
21 can only be defined as incremental if the costs: (1) would not have
22 been incurred “but for” the CEMA event(s); and (2) are not funded
23 through existing rates. The non-incremental costs that SCE
24 excluded from this Application consist of normal-time labor costs
25 and other associated labor costs. This includes paid absence,
26 employee benefits, payroll taxes, and overhead costs. SCE
27 identified \$97.097 million of capital expenditures and \$4.2349
28 million of O&M expenses incurred as a result of the CEMA events
29 as being non-incremental. These costs were excluded from the
30 Application.⁵⁷

31 **V. Transactional Testing**

32 Cal Advocates performed transactional testing of the journal entries for the O&M
33 expenses and capital costs for recorded external labor and services/other costs for (1)
34 2014 Emergency Drought, (2) January 2017 Storms, (3) 2017 Lilac Fire, (4) 2020
35 COVID-19 Pandemic, and (5) September 2020 Extreme Heat and Valley Fire Event.
36 Cal Advocates selected \$10.365 million out of \$30.570 million of recorded external labor

⁵⁶ SCE Testimony (A.21-09-019) at 23, lines 6-12.

⁵⁷ SCE Testimony (A.22-03-018) at 68, lines 2 to 9.

1 and services/other costs to determine whether CEMA requested costs were properly
2 supported and related to the counties declared a disaster.

3 Cal Advocates does not recommend any adjustment based on its transactional
4 testing of the selected journal entries for O&M expenses and capital costs associated
5 with external labor and services/other.

6 **VI. Recovery of CEMA Costs from Insurance Coverage**

7 The Commission, in Resolution E-3238, stated that “recovery [of CEMA related
8 costs] may be limited by consideration of the extent to which losses are covered by
9 insurance, the level of loss already built into existing rates, and possibly other factors
10 relevant to the particular utility and event.” The eight CEMA Events in SDG&E’s
11 application were not covered by insurance.

12 SDG&E states, “SDG&E does not carry insurance for company owned
13 transmission and distribution property with insurance carriers. The company is self-
14 insured as the cost of this type of insurance coverage is prohibitive. Sempra Energy’s
15 Risk Management group periodically evaluates the availability and cost of insurance
16 coverage for SDG&E’s company owned transmission and distribution property;
17 however, due to the prohibitively high cost of obtaining available insurance coverage,
18 the management decision has been to not purchase this coverage. Therefore, for these
19 eight CEMA Events no insurance was in force and no insurance reimbursements were
20 received.”⁵⁸

21

⁵⁸ SDG&E’s response to data request, PubAdv-SDG&E-CEMA-Audit-SWC-005, Question 1.

1 **WITNESS QUALIFICATIONS – S. CHIA**

2
3 My name is Sophie Chia. My business address is 505 Van Ness Avenue, San
4 Francisco, California. I am employed by the Public Advocates Office (Cal Advocates)
5 as a Public Utility Financial Examiner IV in the Energy Cost of Service and Natural Gas
6 Branch.

7 I received a Bachelor of Science Degree in Business Administration/Accounting
8 from California State University, San Francisco.

9 I joined the Public Advocates Office (formerly the Office of Ratepayer Advocates)
10 in 1985. I held the position of Financial Examiner until 1995. During that time, I
11 conducted audits and analyses of utility operations, prepared written testimony, and
12 testified in telecommunications proceedings. I rejoined Cal Advocates in January 2003.
13 I have been an expert witness on Results of Examination, Customer Service expenses,
14 Other Operating Revenues, Operations Support expenses, Transmission & Distribution
15 expenses, and capital expenditures for General Rate Cases of various electric and gas
16 utilities.

17 I am responsible for this report.

18 This completes my prepared testimony.

19

APPENDIX

Appendix

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DATA REQUEST

San Diego Gas and Electric Company CEMA for 2014 Emergency Drought, 2017 Storm and Lilac Fire, 2018 West Fire, 2019 Winter Storm, 2020 Covid-19 Pandemic, and 2020 Extreme Heat Event and Valley Fire A.22-10-021

Origination Date: 20 April 2023

Response Due: 04 May 2023

To: R. Craig Gentes (CGentes@sdge.com)
Maddy Strutner (MStrutner@sdge.com)
Paul Szymanski (PSzymanski@sdge.com)

Originated by: Sophie Chia
Phone: 415-703-5609
Email: sophie.chia@cpuc.ca.gov

Exhibit Reference: Testimony of Craig Gentes

Public Advocates No: PubAdv-SDG&E-CEMA-Audit-SWC-005

Please provide the following:

1. For each of the eight CEMA Events in A.22-10-021, please provide any insurance reimbursements for the CEMA Event and explain the accounting of the insurance reimbursement in the incremental cost recovery calculation. If there were no insurance reimbursements, please so state.
2. For the 2017 Lilac Fire, 2018 West Fire and the Valley Fire Event, is SDG&E aware of any evidence or findings that SDG&E's equipment caused or contributed to the ignition of these fires? If yes, please provide a copy of the evidence or findings.

END OF REQUEST

INSTRUCTIONS

You are instructed to answer the Data Requests in the above-captioned proceeding, with written, verified responses pursuant to Public Utilities Code §§ 309.5, 314, 314.5, 581 and 582, and Rules 1.1 and 10.1 of the California Public Utilities Commission's Rules of Practice and Procedure. Restate the text of each request prior to providing the response. If you have any questions regarding this data request, please contact the Originator at the email address or phone number above.

Each Data Request is continuing in nature such that if any information provided changes, or new information becomes available that is responsive to a request, respondent is required to supplement its response to the Public Advocates Office. Provide your response as it becomes available, but no later than the due date noted above. If you are unable to provide a response by this date, notify the Originator and Project Coordinator(s) as soon as possible, with a written explanation as to why the response date cannot be met and a best estimate of when the information can be provided. If you acquire additional information after providing an answer to any request, you must supplement your response following the receipt of such additional information.

Identify the person providing the answer to each data request and his/her contact information. All data responses need to have each page numbered, referenced, and indexed so worksheets can be followed. If any numbers are calculated, include a copy of all supporting electronic files, with data and formulas intact and functioning, so that the formula and their sources can be reviewed. Responses should be provided both in the original electronic format, if available, and in hard copy. (If available in Word or Excel format, send the Word document or Excel file and do not send the information only as a PDF file.) All electronic documents submitted in response to this data request should be in readable, downloadable, printable, and searchable formats, unless use of such formats is infeasible.

Documents produced in response to the data requests should be numbered, and indexed if voluminous. Responses to data requests that refer to or incorporate documents should identify the particular documents referenced by page numbers.

If a request, definition, or an instruction, is unclear, notify the data request Originator and the Project Coordinator(s) as soon as possible. In any event, answer the request to the fullest extent possible, specifying the reason for your inability to answer the remaining portion of the Data Request.

Provide two copies of the above information as it becomes available but no later than the due date identified above. Provide electronic responses and set of hard copy responses with your submittal to the data request Originator and the Project Coordinator(s).

RESPONSES

Please provide the following:

QUESTION 1

For each of the eight CEMA Events in A.22-10-021, please provide any insurance reimbursements for the CEMA Event and explain the accounting of the insurance reimbursement in the incremental cost recovery calculation. If there were no insurance reimbursements, please so state.

RESPONSE 1

SDG&E does not carry insurance for company owned transmission and distribution property with insurance carriers. The company is self-insured as the cost of this type of insurance coverage is prohibitive. Sempra Energy's Risk Management group periodically evaluates the availability and cost of insurance coverage for SDG&E's company owned transmission and distribution property; however, due to the prohibitively high cost of obtaining available insurance coverage, the management decision has been to not purchase this coverage. Therefore, for these eight CEMA Events no insurance was in force and no insurance reimbursements were received.

This response was prepared by Craig Gentes, Director Accounting Operations

QUESTION 2

For the 2017 Lilac Fire, 2018 West Fire and the Valley Fire Event, is SDG&E aware of any evidence or findings that SDG&E's equipment caused or contributed to the ignition of these fires? If yes, please provide a copy of the evidence or findings.

RESPONSE 2

SDG&E is not aware of any evidence or findings that SDG&E's equipment caused or contributed to the ignition of the Lilac, West, or Valley Fire.

This response was prepared by Peter Pavao, Manager Construction and Operations in Electric Regional Operations

END OF REQUEST

DATA REQUEST

San Diego Gas and Electric Company CEMA for 2014 Emergency Drought, 2017 Storm and Lilac Fire, 2018 West Fire, 2019 Winter Storm, 2020 Covid-19 Pandemic, and 2020 Extreme Heat Event and Valley Fire A.22-10-021

Origination Date: 27 April 2023

Response Due: 11 May 2023

To: R. Craig Gentes (CGentes@sdge.com)
Maddy Strutner (MStrutner@sdge.com)
Paul Szymanski (PSzymanski@sdge.com)

Originated by: Sophie Chia
Phone: 415-703-5609
Email: sophie.chia@cpuc.ca.gov

Exhibit Reference: Testimony of Craig Gentes

Public Advocates No: PubAdv-SDG&E-CEMA-Audit-SWC-006

Please provide the following:

1. On page 7 of Mr. Gentes' testimony, SDG&E states, "Common overheads are loaded whether the work is capital or O&M. These overheads are core labor loaders (including pension and benefits, incentive compensation plan (ICP), vacation and sickness, and payroll tax). All overheads associated with O&M labor are considered non-incremental. Incremental capital labor overheads reflect only payroll taxes and the ICP overhead assigned to overtime labor for these eight CEMA Events. All other capital labor loaders are considered non-incremental. Payroll taxes represent SDG&E's portion of required contributions to the State Unemployment Insurance, Federal Unemployment Insurance, and Federal Retirement and Medical Insurance. The incentive compensation plan represents labor costs paid to Company employees based on individual and utility performance as compared to pre-established goals. In this CEMA filing, the ICP payout was assumed to be at target which is 15% for management employees and 10% for associated employees. For hourly employees, the ICP pay-out increases incrementally with each additional hour worked above a standard 2,080-hour work year. All other overhead expenses assigned to labor, such as pension and benefits and worker's compensation, were excluded from CEMA since these costs would have been incurred in the same amounts absent these eight CEMA Events. Other common incremental overheads include the non-labor portion of contract administration, shop order, small tools and purchasing

and warehouse. For O&M these overheads are considered non-incremental but for capital they are incremental. Additional overheads are added for capital work only. These overheads include engineering, department overheads and administrative & general. For these capital overheads, only the non-labor portion is considered incremental.”

- a. For each of the following CEMA Events, please provide the calculation for the CPUC incremental overhead costs:
 - i. 2014 Emergency Drought
 - ii. January 2017 Storms
 - iii. 2017 Lilac Fire
 - iv. 2018 West Fire
 - v. 2019 Winter Storms
 - vi. September 2020 Extreme Heat and Valley Fire Event
2. Please provide the reasons/justification as to why the labor overheads for payroll taxes and ICP payout assigned to overtime labor associated with capital labor are considered incremental but all overheads associated with O&M labor are considered non-incremental in recovery of CEMA costs.
3. Please provide the reasons/justification as to why the overhead costs for the non-labor portion of contract administration, shop order, small tools and purchasing and warehouse are considered incremental for capital but are considered non-incremental for O&M costs in recovery of CEMA costs.
4. Please provide a copy of SDG&E’s accounting policies/procedures/guidelines on the recovery of CPUC incremental overhead costs in a CEMA filing.
5. Please provide the amount of incremental payroll taxes (e.g., State Unemployment Insurance, Federal Unemployment Insurance, and Federal Retirement and Medical Insurance) that were paid in association with the capital labor for each of the eight CEMA Events.
6. Please provide supporting documentation that SDG&E paid incremental State Unemployment Insurance, Federal Unemployment Insurance, and Federal Retirement and Medical Insurance due to the capital labor associated with the eight CEMA Events.
7. Please provide the amount of incremental ICP payout for the hourly employees associated with the capital labor for each of the eight CEMA Events.
8. Please provide the reasons/justification as to why additional overheads for engineering, department overheads and administrative and general for the non-labor portion associated with capital work are considered incremental.
9. Please provide the reasons as to why additional overheads for engineering, department overheads and administrative and general associated with O&M costs are non-incremental.
10. For each of the eight CEMA Events, please provide the amounts of incremental overheads for engineering, department overheads and administrative and general associated with the non-labor portion of the capital work.

END OF REQUEST

INSTRUCTIONS

You are instructed to answer the Data Requests in the above-captioned proceeding, with written, verified responses pursuant to Public Utilities Code §§ 309.5, 314, 314.5, 581 and 582, and Rules 1.1 and 10.1 of the California Public Utilities Commission's Rules of Practice and Procedure. Restate the text of each request prior to providing the response. If you have any questions regarding this data request, please contact the Originator at the email address or phone number above.

Each Data Request is continuing in nature such that if any information provided changes, or new information becomes available that is responsive to a request, respondent is required to supplement its response to the Public Advocates Office. Provide your response as it becomes available, but no later than the due date noted above. If you are unable to provide a response by this date, notify the Originator and Project Coordinator(s) as soon as possible, with a written explanation as to why the response date cannot be met and a best estimate of when the information can be provided. If you acquire additional information after providing an answer to any request, you must supplement your response following the receipt of such additional information.

Identify the person providing the answer to each data request and his/her contact information. All data responses need to have each page numbered, referenced, and indexed so worksheets can be followed. If any numbers are calculated, include a copy of all supporting electronic files, with data and formulas intact and functioning, so that the formula and their sources can be reviewed. Responses should be provided both in the original electronic format, if available, and in hard copy. (If available in Word or Excel format, send the Word document or Excel file and do not send the information only as a PDF file.) All electronic documents submitted in response to this data request should be in readable, downloadable, printable, and searchable formats, unless use of such formats is infeasible.

Documents produced in response to the data requests should be numbered, and indexed if voluminous. Responses to data requests that refer to or incorporate documents should identify the particular documents referenced by page numbers.

If a request, definition, or an instruction, is unclear, notify the data request Originator and the Project Coordinator(s) as soon as possible. In any event, answer the request to the fullest extent possible, specifying the reason for your inability to answer the remaining portion of the Data Request.

Provide two copies of the above information as it becomes available but no later than the due date identified above. Provide electronic responses and set of hard copy responses with your submittal to the data request Originator and the Project Coordinator(s).

RESPONSES

Please provide the following:

QUESTION 1

1. On page 7 of Mr. Gentes' testimony, SDG&E states, "Common overheads are loaded whether the work is capital or O&M. These overheads are core labor loaders (including pension and benefits, incentive compensation plan (ICP), vacation and sickness, and payroll tax). All overheads associated with O&M labor are considered non-incremental. Incremental capital labor overheads reflect only payroll taxes and the ICP overhead assigned to overtime labor for these eight CEMA Events. All other capital labor loaders are considered non-incremental. Payroll taxes represent SDG&E's portion of required contributions to the State Unemployment Insurance, Federal Unemployment Insurance, and Federal Retirement and Medical Insurance. The incentive compensation plan represents labor costs paid to Company employees based on individual and utility performance as compared to pre-established goals. In this CEMA filing, the ICP payout was assumed to be at target which is 15% for management employees and 10% for associated employees. For hourly employees, the ICP pay-out increases incrementally with each additional hour worked above a standard 2,080-hour work year. All other overhead expenses assigned to labor, such as pension and benefits and worker's compensation, were excluded from CEMA since these costs would have been incurred in the same amounts absent these eight CEMA Events. Other common incremental overheads include the non-labor portion of contract administration, shop order, small tools and purchasing and warehouse. For O&M these overheads are considered non-incremental but for capital they are incremental. Additional overheads are added for capital work only. These overheads include engineering, department overheads and administrative & general. For these capital overheads, only the non-labor portion is considered incremental."
 - a. For each of the following CEMA Events, please provide the calculation for the CPUC incremental overhead costs:
 - i. 2014 Emergency Drought
 - ii. January 2017 Storms
 - iii. 2017 Lilac Fire
 - iv. 2018 West Fire
 - v. 2019 Winter Storms
 - vi. September 2020 Extreme Heat and Valley Fire Event

RESPONSE 1

Please see the attached schedule with the requested calculated incremental overhead costs for the above CEMA events (Q1 - Capital Overheads - Cost Elements - CEMA Events).

QUESTION 2

Please provide the reasons/justification as to why the labor overheads for payroll taxes and ICP payout assigned to overtime labor associated with capital labor are considered incremental but all overheads associated with O&M labor are considered non-incremental in recovery of CEMA costs.

RESPONSE 2

As SDG&E was drafting this CEMA filing, the conclusion was that the labor overheads for payroll taxes and ICP payout assigned to overtime labor for both O&M and capital should be considered incremental. However, when SDG&E reviewed the historical amounts balanced in the various CEMA accounts only the labor overheads for payroll taxes and ICP payout on capital overtime labor were balanced. The labor overheads for payroll taxes and ICP payout on O&M overtime labor had not been balanced. Therefore, a determination was made just for this filing to not correct the amount of unbalanced incremental labor overheads for payroll taxes and ICP payout on O&M overtime labor. Instead, the wording quoted above in Question 1 of Mr. Gentes' testimony on page 7 was modified to state that, "all overheads associated with O&M labor are considered non-incremental" just for this filing to match the requested costs.

QUESTION 3

Please provide the reasons/justification as to why the overhead costs for the non-labor portion of contract administration, shop order, small tools and purchasing and warehouse are considered incremental for capital but are considered non-incremental for O&M costs in recovery of CEMA costs.

RESPONSE 3

As SDG&E was drafting this CEMA filing, the conclusion was that the non-labor portion of contract administration, shop orders, small tools and purchasing and warehouse for both O&M and capital should be considered incremental. However, when SDG&E reviewed the historical amounts balanced in the various CEMA accounts only these overheads on capital costs were balanced. These overheads on O&M costs had not been balanced. Therefore, a determination was made just for this filing to not correct the amount of unbalanced incremental overheads for these overheads on O&M costs. Instead, the wording quoted above in Question 1 of Mr. Gentes' testimony on page 7 was modified to state that, "Other common incremental overheads include the non-labor portion of contract administration, shop order, small tools and purchasing and warehouse. For O&M these overheads are considered non-incremental but for capital they are incremental." just for this filing to match the requested costs.

QUESTION 4

Please provide a copy of SDG&E's accounting policies/procedures/guidelines on the recovery of CPUC incremental overhead costs in a CEMA filing.

RESPONSE 4

SDG&E does not have any written accounting policies/procedures/guidelines related to the recovery of CPUC incremental overhead costs in a CEMA filing.

QUESTION 5

Please provide the amount of incremental payroll taxes (e.g., State Unemployment Insurance, Federal Unemployment Insurance, and Federal Retirement and Medical Insurance) that were paid in association with the capital labor for each of the eight CEMA Events.

RESPONSE 5

Please see the attached schedule with the requested incremental payroll taxes for each of the eight CEMA events (Q5 - Payroll Taxes - Incremental Capital - CEMA Events).

QUESTION 6

Please provide supporting documentation that SDG&E paid incremental State Unemployment Insurance, Federal Unemployment Insurance, and Federal Retirement and Medical Insurance due to the capital labor associated with the eight CEMA Events.

RESPONSE 6

SDG&E pays its associated payroll taxes to both the State and Federal agencies as required by law. SDG&E below is attaching examples of those returns in support of those payments being made.

- Attached is the Q1 2021 federal payroll tax return (Form 941) for SDG&E. The employer Social Security and Medicare taxes are noted on this form. Half of the amounts in lines 5c and 5d are the employer portion of the cost (6.2% for Social Security, 1.45% for Medicare) and the other half was withheld from employees. Please see “Q1 2021 941 Filings-SDGE.”
- Attached is the annual unemployment tax return for SDG&E showing the amounts due (line 12) and amounts paid (line 13). Please see “940_VC_SAA_20214_95-11848002271_75.”
- Attached is the quarterly payroll tax return for CA (Form DE-9). The unemployment taxes are on line D and the total payments are listed in line I. Please see “CA DE-9-Filing-Q1 2021.”

QUESTION 7

Please provide the amount of incremental ICP payout for the hourly employees associated with the capital labor for each of the eight CEMA Events.

RESPONSE 7

Please see the attached schedule with the requested incremental ICP loaders for each of the eight CEMA events (Q7 - ICP - Incremental Capital - CEMA Events).

QUESTION 8

Please provide the reasons/justification as to why additional overheads for engineering, department overheads and administrative and general for the non-labor portion associated with capital work are considered incremental.

RESPONSE 8

The non-labor portion of these overheads includes external costs incurred that vary with the work being performed. Therefore, when SDG&E is performing incremental work caused by a CEMA event additional non-labor costs that go into these pools also are incurred. The labor portion of these overheads includes SDG&E employee labor which is being recovered via the General Rate Case funding and is therefore considered non-incremental.

QUESTION 9

Please provide the reasons as to why additional overheads for engineering, department overheads and administrative and general associated with O&M costs are non-incremental.

RESPONSE 9

These additional overheads for engineering, department overheads and administration and general are only loaded on capital work. These additional overheads are not loaded on O&M costs. The wording quoted above in Question 1 of Mr. Gentes' testimony, "Additional overheads are added for capital work only. These overheads include engineering, department overheads and administrative & general. For these capital overheads, only the non-labor portion is considered incremental."

QUESTION 10

For each of the eight CEMA Events, please provide the amounts of incremental overheads for engineering, department overheads and administrative and general associated with the non-labor portion of the capital work.

RESPONSE 10

Please see the attached schedule with the requested incremental overhead costs for engineering, department overheads and administrative and general categories associated with the non-labor portion of capital work for each of the eight CEMA events (Q10 - Capital Overheads - Incr Categories - CEMA Events).

END OF REQUEST

All responses were prepared by Craig Gentes, Director Accounting Operations

CEMA Event	Cost Element	CE Description	Incremental	Non-Incremental	Total
Winter Storms (2019)	6900004	AFUDC-DEBT	116	-	116
Winter Storms (2019)	6900005	AFUDC-EQUITY	337	-	337
Winter Storms (2019)	9121100	V&S L (CS)	-	29,318	29,318
Winter Storms (2019)	9121200	ICP L (CS)	2,355	2,058	4,414
Winter Storms (2019)	9121400	PLPD L (CS)	-	354	354
Winter Storms (2019)	9121500	Wk Comp L (CS)	-	106	106
Winter Storms (2019)	9121600	P&B L (CS)	-	105	105
Winter Storms (2019)	9122300	PR Tax NL (CS)	20,175	1,889	22,064
Winter Storms (2019)	9122301	PR Tax NL ICP (CS)	-	309	309
Winter Storms (2019)	9122400	PLPD NL (CS)	-	10,628	10,628
Winter Storms (2019)	9122500	Wk Comp NL (CS)	-	1,749	1,749
Winter Storms (2019)	9122600	P&B NL (CS)	-	40,128	40,128
Winter Storms (2019)	9122900	P&B REF NL (CS)	-	20,086	20,086
Winter Storms (2019)	9123100	V&S L (CL)	-	17,613	17,613
Winter Storms (2019)	9123200	ICP L (CL)	-	30,496	30,496
Winter Storms (2019)	9123400	PLPD L (CL)	-	214	214
Winter Storms (2019)	9123500	Wk Comp L (CL)	-	64	64
Winter Storms (2019)	9123600	P&B L (CL)	-	63	63
Winter Storms (2019)	9124300	PR Tax NL (CL)	-	10,805	10,805
Winter Storms (2019)	9124400	PLPD NL (CL)	-	6,375	6,375
Winter Storms (2019)	9124500	Wk Comp NL (CL)	-	1,043	1,043
Winter Storms (2019)	9124600	P&B NL (CL)	-	24,112	24,112
Winter Storms (2019)	9124900	P&B REF NL (CL)	-	12,143	12,143
Winter Storms (2019)	9131150	Purchasing L (CS)	-	116	116
Winter Storms (2019)	9131250	Warehouse L (CS)	-	877	877
Winter Storms (2019)	9131500	DOH ED L (CS)	-	33,675	33,675
Winter Storms (2019)	9131600	Eng ED L (CS)	-	64,914	64,914
Winter Storms (2019)	9131700	Shop Order L (CS)	-	798	798
Winter Storms (2019)	9131850	Small Tools L (CS)	-	1,843	1,843
Winter Storms (2019)	9131900	Capital A&G L (CS)	-	4,029	4,029
Winter Storms (2019)	9132150	Purchasing NL (CS)	32	-	32
Winter Storms (2019)	9132250	Warehouse NL (CS)	725	-	725
Winter Storms (2019)	9132300	Exmpt Matl E NL (CS)	2,533	-	2,533
Winter Storms (2019)	9132500	DOH ED NL (CS)	730	-	730
Winter Storms (2019)	9132600	Eng ED NL (CS)	174,521	-	174,521
Winter Storms (2019)	9132700	Shop Order NL (CS)	423	-	423
Winter Storms (2019)	9132850	Small Tools NL (CS)	4,664	-	4,664
Winter Storms (2019)	9132900	Capital A&G NL (CS)	6,723	-	6,723
Winter Storms (2019) Total			213,335	315,911	529,246
Emergency Drought (2014)	6610123	CAP PROP TAX - CWIP	-	31	31

Emergency Drought (2014)	6900004	AFUDC-DEBT	7	-	7
Emergency Drought (2014)	6900005	AFUDC-EQUITY	20	-	20
Emergency Drought (2014)	9121100	V&S L (CS)	-	8,847	8,847
Emergency Drought (2014)	9121200	ICP L (CS)	96	843	939
Emergency Drought (2014)	9121400	PLPD L (CS)	-	94	94
Emergency Drought (2014)	9121500	Wk Comp L (CS)	-	23	23
Emergency Drought (2014)	9121600	P&B L (CS)	-	37	37
Emergency Drought (2014)	9122300	PR Tax NL (CS)	2,602	2,946	5,548
Emergency Drought (2014)	9122400	PLPD NL (CS)	-	2,036	2,036
Emergency Drought (2014)	9122500	Wk Comp NL (CS)	-	627	627
Emergency Drought (2014)	9122600	P&B NL (CS)	-	10,442	10,442
Emergency Drought (2014)	9122900	P&B REF NL (CS)	-	1,349	1,349
Emergency Drought (2014)	9123100	V&S L (CL)	-	27,491	27,491
Emergency Drought (2014)	9123200	ICP L (CL)	-	54,950	54,950
Emergency Drought (2014)	9123400	PLPD L (CL)	-	292	292
Emergency Drought (2014)	9123500	Wk Comp L (CL)	-	67	67
Emergency Drought (2014)	9123600	P&B L (CL)	-	102	102
Emergency Drought (2014)	9124300	PR Tax NL (CL)	-	17,310	17,310
Emergency Drought (2014)	9124400	PLPD NL (CL)	-	5,856	5,856
Emergency Drought (2014)	9124500	Wk Comp NL (CL)	-	1,888	1,888
Emergency Drought (2014)	9124600	P&B NL (CL)	-	32,448	32,448
Emergency Drought (2014)	9124900	P&B REF NL (CL)	-	1,572	1,572
Emergency Drought (2014)	9131150	Purchasing L (CS)	-	2,010	2,010
Emergency Drought (2014)	9131250	Warehouse L (CS)	-	2,748	2,748
Emergency Drought (2014)	9131450	Contract Adm L (CS)	-	1,294	1,294
Emergency Drought (2014)	9131500	DOH ED L (CS)	-	75,138	75,138
Emergency Drought (2014)	9131600	Eng ED L (CS)	-	72,753	72,753
Emergency Drought (2014)	9131700	Shop Order L (CS)	-	189	189
Emergency Drought (2014)	9131850	Small Tools L (CS)	-	656	656
Emergency Drought (2014)	9131860	Union Cntrct L (CS)	-	8	8
Emergency Drought (2014)	9131900	Capital A&G L (CS)	-	7,721	7,721
Emergency Drought (2014)	9132150	Purchasing NL (CS)	473	-	473
Emergency Drought (2014)	9132250	Warehouse NL (CS)	877	-	877
Emergency Drought (2014)	9132300	Exmpt Matl E NL (CS)	4,628	-	4,628
Emergency Drought (2014)	9132450	Contract Adm NL (CS)	295	-	295
Emergency Drought (2014)	9132500	DOH ED NL (CS)	15,315	-	15,315
Emergency Drought (2014)	9132600	Eng ED NL (CS)	148,240	-	148,240
Emergency Drought (2014)	9132700	Shop Order NL (CS)	101	-	101
Emergency Drought (2014)	9132850	Small Tools NL (CS)	1,644	-	1,644
Emergency Drought (2014)	9132900	Capital A&G NL (CS)	13,524	-	13,524
Emergency Drought (2014) Total			187,822	331,768	519,590

January Storms (2017)	9121100	V&S L (CS)	-	109,826	109,826
January Storms (2017)	9121200	ICP L (CS)	11,160	1,459	12,619
January Storms (2017)	9121400	PLPD L (CS)	-	923	923
January Storms (2017)	9121500	Wk Comp L (CS)	-	470	470
January Storms (2017)	9121600	P&B L (CS)	-	608	608
January Storms (2017)	9122300	PR Tax NL (CS)	79,019	3,653	82,672
January Storms (2017)	9122400	PLPD NL (CS)	-	52,935	52,935
January Storms (2017)	9122500	Wk Comp NL (CS)	-	8,931	8,931
January Storms (2017)	9122600	P&B NL (CS)	-	132,757	132,757
January Storms (2017)	9122900	P&B REF NL (CS)	-	(1,461)	(1,461)
January Storms (2017)	9123100	V&S L (CL)	-	93,462	93,462
January Storms (2017)	9123200	ICP L (CL)	-	127,271	127,271
January Storms (2017)	9123400	PLPD L (CL)	-	798	798
January Storms (2017)	9123500	Wk Comp L (CL)	-	387	387
January Storms (2017)	9123600	P&B L (CL)	-	501	501
January Storms (2017)	9124300	PR Tax NL (CL)	-	50,447	50,447
January Storms (2017)	9124400	PLPD NL (CL)	-	47,322	47,322
January Storms (2017)	9124500	Wk Comp NL (CL)	-	7,953	7,953
January Storms (2017)	9124600	P&B NL (CL)	-	110,608	110,608
January Storms (2017)	9124900	P&B REF NL (CL)	-	(745)	(745)
January Storms (2017)	9131150	Purchasing L (CS)	-	2,974	2,974
January Storms (2017)	9131250	Warehouse L (CS)	-	7,539	7,539
January Storms (2017)	9131450	Contract Adm L (CS)	-	13,495	13,495
January Storms (2017)	9131500	DOH ED L (CS)	-	210,616	210,616
January Storms (2017)	9131510	DOH GD L (CS)	-	1,055	1,055
January Storms (2017)	9131600	Eng ED L (CS)	-	311,243	311,243
January Storms (2017)	9131620	Eng GD L (CS)	-	1,266	1,266
January Storms (2017)	9131700	Shop Order L (CS)	-	2,054	2,054
January Storms (2017)	9131850	Small Tools L (CS)	-	7,317	7,317
January Storms (2017)	9131900	Capital A&G L (CS)	-	12,571	12,571
January Storms (2017)	9132150	Purchasing NL (CS)	1,190	-	1,190
January Storms (2017)	9132250	Warehouse NL (CS)	5,654	-	5,654
January Storms (2017)	9132300	Exmpt Matl E NL (CS)	9,424	-	9,424
January Storms (2017)	9132450	Contract Adm NL (CS)	20,243	-	20,243
January Storms (2017)	9132500	DOH ED NL (CS)	13,392	-	13,392
January Storms (2017)	9132510	DOH GD NL (CS)	21	-	21
January Storms (2017)	9132600	Eng ED NL (CS)	478,822	-	478,822
January Storms (2017)	9132620	Eng GD NL (CS)	1,688	-	1,688
January Storms (2017)	9132700	Shop Order NL (CS)	1,357	-	1,357
January Storms (2017)	9132850	Small Tools NL (CS)	33,551	-	33,551
January Storms (2017)	9132900	Capital A&G NL (CS)	15,935	-	15,935

January Storms (2017) Total			671,455	1,318,235	1,989,690
Lilac Fire (2017)	6610123	CAP PROP TAX - CWIP	-	1,234	1,234
Lilac Fire (2017)	6900004	AFUDC-DEBT	314	-	314
Lilac Fire (2017)	6900005	AFUDC-EQUITY	914	-	914
Lilac Fire (2017)	9121100	V&S L (CS)	-	30,239	30,239
Lilac Fire (2017)	9121200	ICP L (CS)	2,853	1,587	4,440
Lilac Fire (2017)	9121400	PLPD L (CS)	-	248	248
Lilac Fire (2017)	9121500	Wk Comp L (CS)	-	146	146
Lilac Fire (2017)	9121600	P&B L (CS)	-	184	184
Lilac Fire (2017)	9122300	PR Tax NL (CS)	19,044	4,237	23,281
Lilac Fire (2017)	9122301	PR Tax NL ICP (CS)	-	(208)	(208)
Lilac Fire (2017)	9122400	PLPD NL (CS)	-	8,894	8,894
Lilac Fire (2017)	9122500	Wk Comp NL (CS)	-	2,133	2,133
Lilac Fire (2017)	9122600	P&B NL (CS)	-	39,598	39,598
Lilac Fire (2017)	9122900	P&B REF NL (CS)	-	8,811	8,811
Lilac Fire (2017)	9123100	V&S L (CL)	-	1,874	1,874
Lilac Fire (2017)	9123200	ICP L (CL)	-	1,680	1,680
Lilac Fire (2017)	9123400	PLPD L (CL)	-	15	15
Lilac Fire (2017)	9123500	Wk Comp L (CL)	-	9	9
Lilac Fire (2017)	9123600	P&B L (CL)	-	11	11
Lilac Fire (2017)	9124300	PR Tax NL (CL)	-	1,020	1,020
Lilac Fire (2017)	9124400	PLPD NL (CL)	-	553	553
Lilac Fire (2017)	9124500	Wk Comp NL (CL)	-	132	132
Lilac Fire (2017)	9124600	P&B NL (CL)	-	2,438	2,438
Lilac Fire (2017)	9124900	P&B REF NL (CL)	-	670	670
Lilac Fire (2017)	9131150	Purchasing L (CS)	-	586	586
Lilac Fire (2017)	9131250	Warehouse L (CS)	-	6,290	6,290
Lilac Fire (2017)	9131510	DOH GD L (CS)	-	1,465	1,465
Lilac Fire (2017)	9131620	Eng GD L (CS)	-	570	570
Lilac Fire (2017)	9131700	Shop Order L (CS)	-	515	515
Lilac Fire (2017)	9131850	Small Tools L (CS)	-	1,478	1,478
Lilac Fire (2017)	9131900	Capital A&G L (CS)	-	118	118
Lilac Fire (2017)	9132150	Purchasing NL (CS)	472	-	472
Lilac Fire (2017)	9132250	Warehouse NL (CS)	10,771	-	10,771
Lilac Fire (2017)	9132300	Exmpt Matl E NL (CS)	10,621	-	10,621
Lilac Fire (2017)	9132310	Exmpt Matl G NL (CS)	100	-	100
Lilac Fire (2017)	9132510	DOH GD NL (CS)	142	-	142
Lilac Fire (2017)	9132620	Eng GD NL (CS)	630	-	630
Lilac Fire (2017)	9132700	Shop Order NL (CS)	412	-	412
Lilac Fire (2017)	9132850	Small Tools NL (CS)	5,486	-	5,486
Lilac Fire (2017)	9132900	Capital A&G NL (CS)	116	-	116

Lilac Fire (2017) Total			51,873	116,530	168,403
September Extreme Heat and Valley Fire Event (2020)	6610123	CAP PROP TAX - CWIP	-	6,746	6,746
September Extreme Heat and Valley Fire Event (2020)	6900004	AFUDC-DEBT	8,718	-	8,718
September Extreme Heat and Valley Fire Event (2020)	6900005	AFUDC-EQUITY	27,348	-	27,348
September Extreme Heat and Valley Fire Event (2020)	9121100	V&S L (CS)	-	76,097	76,097
September Extreme Heat and Valley Fire Event (2020)	9121200	ICP L (CS)	9,205	11,704	20,909
September Extreme Heat and Valley Fire Event (2020)	9121400	PLPD L (CS)	-	1,139	1,139
September Extreme Heat and Valley Fire Event (2020)	9121500	Wk Comp L (CS)	-	380	380
September Extreme Heat and Valley Fire Event (2020)	9121600	P&B L (CS)	-	486	486
September Extreme Heat and Valley Fire Event (2020)	9122300	PR Tax NL (CS)	51,086	24,633	75,719
September Extreme Heat and Valley Fire Event (2020)	9122301	PR Tax NL ICP (CS)	-	1,359	1,359
September Extreme Heat and Valley Fire Event (2020)	9122400	PLPD NL (CS)	-	40,177	40,177
September Extreme Heat and Valley Fire Event (2020)	9122500	Wk Comp NL (CS)	-	6,363	6,363
September Extreme Heat and Valley Fire Event (2020)	9122600	P&B NL (CS)	-	113,900	113,900
September Extreme Heat and Valley Fire Event (2020)	9122900	P&B REF NL (CS)	-	44,145	44,145
September Extreme Heat and Valley Fire Event (2020)	9123100	V&S L (CL)	-	50,294	50,294
September Extreme Heat and Valley Fire Event (2020)	9123200	ICP L (CL)	-	102,948	102,948
September Extreme Heat and Valley Fire Event (2020)	9123400	PLPD L (CL)	-	731	731
September Extreme Heat and Valley Fire Event (2020)	9123500	Wk Comp L (CL)	-	251	251
September Extreme Heat and Valley Fire Event (2020)	9123600	P&B L (CL)	-	274	274
September Extreme Heat and Valley Fire Event (2020)	9124300	PR Tax NL (CL)	25,075	12,091	37,166
September Extreme Heat and Valley Fire Event (2020)	9124400	PLPD NL (CL)	-	30,284	30,284
September Extreme Heat and Valley Fire Event (2020)	9124500	Wk Comp NL (CL)	-	4,421	4,421
September Extreme Heat and Valley Fire Event (2020)	9124600	P&B NL (CL)	-	74,112	74,112
September Extreme Heat and Valley Fire Event (2020)	9124900	P&B REF NL (CL)	-	28,116	28,116
September Extreme Heat and Valley Fire Event (2020)	9131150	Purchasing L (CS)	-	2,417	2,417
September Extreme Heat and Valley Fire Event (2020)	9131250	Warehouse L (CS)	-	114	114
September Extreme Heat and Valley Fire Event (2020)	9131450	Contract Adm L (CS)	-	3,962	3,962
September Extreme Heat and Valley Fire Event (2020)	9131500	DOH ED L (CS)	-	132,929	132,929
September Extreme Heat and Valley Fire Event (2020)	9131600	Eng ED L (CS)	-	250,616	250,616
September Extreme Heat and Valley Fire Event (2020)	9131700	Shop Order L (CS)	-	1,942	1,942
September Extreme Heat and Valley Fire Event (2020)	9131850	Small Tools L (CS)	-	6,808	6,808
September Extreme Heat and Valley Fire Event (2020)	9131900	Capital A&G L (CS)	-	19,358	19,358
September Extreme Heat and Valley Fire Event (2020)	9132150	Purchasing NL (CS)	558	-	558
September Extreme Heat and Valley Fire Event (2020)	9132250	Warehouse NL (CS)	260	-	260
September Extreme Heat and Valley Fire Event (2020)	9132300	Exmpt Matl E NL (CS)	325	-	325
September Extreme Heat and Valley Fire Event (2020)	9132450	Contract Adm NL (CS)	17,420	-	17,420
September Extreme Heat and Valley Fire Event (2020)	9132500	DOH ED NL (CS)	1,519	-	1,519
September Extreme Heat and Valley Fire Event (2020)	9132600	Eng ED NL (CS)	486,910	-	486,910
September Extreme Heat and Valley Fire Event (2020)	9132700	Shop Order NL (CS)	1,362	-	1,362
September Extreme Heat and Valley Fire Event (2020)	9132850	Small Tools NL (CS)	27,192	-	27,192

September Extreme Heat and Valley Fire Event (2020)	9132900	Capital A&G NL (CS)	41,076	-	41,076
September Extreme Heat and Valley Fire Event (2020) Total			698,052	1,048,797	1,746,849
West Fires (2018)	9121100	V&S L (CS)	-	46,884	46,884
West Fires (2018)	9121200	ICP L (CS)	7,723	4,661	12,384
West Fires (2018)	9121400	PLPD L (CS)	-	424	424
West Fires (2018)	9121500	Wk Comp L (CS)	-	174	174
West Fires (2018)	9121600	P&B L (CS)	-	182	182
West Fires (2018)	9122300	PR Tax NL (CS)	33,794	3,711	37,505
West Fires (2018)	9122301	PR Tax NL ICP (CS)	-	858	858
West Fires (2018)	9122400	PLPD NL (CS)	-	17,645	17,645
West Fires (2018)	9122500	Wk Comp NL (CS)	-	2,896	2,896
West Fires (2018)	9122600	P&B NL (CS)	-	57,263	57,263
West Fires (2018)	9122900	P&B REF NL (CS)	-	37,336	37,336
West Fires (2018)	9123100	V&S L (CL)	-	23,105	23,105
West Fires (2018)	9123200	ICP L (CL)	-	36,706	36,706
West Fires (2018)	9123400	PLPD L (CL)	-	214	214
West Fires (2018)	9123500	Wk Comp L (CL)	-	86	86
West Fires (2018)	9123600	P&B L (CL)	-	89	89
West Fires (2018)	9124300	PR Tax NL (CL)	-	14,059	14,059
West Fires (2018)	9124400	PLPD NL (CL)	-	8,785	8,785
West Fires (2018)	9124500	Wk Comp NL (CL)	-	1,438	1,438
West Fires (2018)	9124600	P&B NL (CL)	-	28,768	28,768
West Fires (2018)	9124900	P&B REF NL (CL)	-	18,682	18,682
West Fires (2018)	9131150	Purchasing L (CS)	-	179	179
West Fires (2018)	9131250	Warehouse L (CS)	-	775	775
West Fires (2018)	9131500	DOH ED L (CS)	-	49,238	49,238
West Fires (2018)	9131510	DOH GD L (CS)	-	2,907	2,907
West Fires (2018)	9131600	Eng ED L (CS)	-	80,041	80,041
West Fires (2018)	9131620	Eng GD L (CS)	-	1,279	1,279
West Fires (2018)	9131700	Shop Order L (CS)	-	859	859
West Fires (2018)	9131850	Small Tools L (CS)	-	3,330	3,330
West Fires (2018)	9131900	Capital A&G L (CS)	-	5,168	5,168
West Fires (2018)	9132150	Purchasing NL (CS)	209	-	209
West Fires (2018)	9132250	Warehouse NL (CS)	431	-	431
West Fires (2018)	9132300	Exmpt Matl E NL (CS)	1,834	-	1,834
West Fires (2018)	9132310	Exmpt Matl G NL (CS)	558	-	558
West Fires (2018)	9132500	DOH ED NL (CS)	3,745	-	3,745
West Fires (2018)	9132510	DOH GD NL (CS)	83	-	83
West Fires (2018)	9132600	Eng ED NL (CS)	217,534	-	217,534
West Fires (2018)	9132620	Eng GD NL (CS)	3,367	-	3,367
West Fires (2018)	9132700	Shop Order NL (CS)	667	-	667

West Fires (2018)	9132850	Small Tools NL (CS)	9,192	-	9,192
West Fires (2018)	9132900	Capital A&G NL (CS)	6,608	-	6,608
West Fires (2018) Total			285,746	447,740	733,486
Grand Total			2,108,283	3,578,980	5,687,263

**SAN DIEGO GAS AND ELECTRIC
ALL CEMA EVENTS
CPUC - INCREMENTAL CAPITAL
Overheads - Payroll Taxes
(in thousands of dollars)**

G/L#	G/L Name	Winter Storms (2019)	Emergency Drought (2014)	January Storms (2017)	Lilac Fire (2017)	September Extreme Heat and Valley Fire Event (2020)	West Fires (2018)	Total
6110030	SAL-MGMT T&1/2	15,703	637	68,180	19,018	59,824	47,968	211,330
6110040	SAL-MGMT D/T	-	-	6,036	-	1,542	3,457	11,036
6110090	SAL-CLERICAL/TEC T&H	-	-	279	-	-	97	375
6110120	SAL-UNION T&1/2	26,241	1,748	68,863	11,549	486	12,398	121,284
6110130	SAL-UNION D/T	216,539	31,014	871,150	213,965	910,179	367,982	2,610,829
6110335	SAL-DEL LUNCH PREM	2,884	525	7,255	1,554	14,337	2,125	28,680
Total		261,368	33,924	1,021,764	246,086	986,367	434,027	2,983,535

Payroll Tax Rate - Plus Mgmt ICP	8.80%	8.80%	8.80%	8.80%	8.80%	8.80%
Payroll Tax Rate - Plus C&T ICP	8.42%	8.42%	8.42%	8.42%	8.42%	8.42%
Payroll Tax Rate - Union	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%

	Total						
Management Employees	1,381	56	6,529	1,673	5,399	4,524	19,563
Clerical & Technical Employees	-	-	23	-	-	8	32
Union Employees	18,793	2,546	72,466	17,371	70,763	29,262	211,201
Total	20,175	2,602	79,019	19,044	76,161	33,794	230,795

Form **941 for 2021: Employer's QUARTERLY Federal Tax Return**
 (Rev. March 2021) Department of the Treasury — Internal Revenue Service

950121

OMB No. 1545-0029

Employer identification number (EIN) -

Name (not your trade name)

Trade name (if any)

Address
Number Street Suite or room number

City State ZIP code

Foreign country name Foreign province/county Foreign postal code

Report for this Quarter of 2021
 (Check one.)

1: January, February, March

2: April, May, June

3: July, August, September

4: October, November, December

Go to www.irs.gov/Form941 for instructions and the latest information.

Read the separate instructions before you complete Form 941. Type or print within the boxes.

Part 1: Answer these questions for this quarter.

1 Number of employees who received wages, tips, or other compensation for the pay period including: *Mar. 12 (Quarter 1), June 12 (Quarter 2), Sept. 12 (Quarter 3), or Dec. 12 (Quarter 4)* **1**

2 Wages, tips, and other compensation **2**

3 Federal income tax withheld from wages, tips, and other compensation **3**

4 If no wages, tips, and other compensation are subject to social security or Medicare tax Check and go to line 6.

	Column 1		Column 2
5a Taxable social security wages . . .	<input type="text" value="212858951.44"/>	× 0.124 =	<input type="text" value="26394509.98"/>
5a (i) Qualified sick leave wages . . .	<input type="text" value="."/>	× 0.062 =	<input type="text" value="."/>
5a (ii) Qualified family leave wages . . .	<input type="text" value="."/>	× 0.062 =	<input type="text" value="."/>
5b Taxable social security tips . . .	<input type="text" value="."/>	× 0.124 =	<input type="text" value="."/>
5c Taxable Medicare wages & tips . . .	<input type="text" value="232169776.08"/>	× 0.029 =	<input type="text" value="6732923.52"/>
5d Taxable wages & tips subject to Additional Medicare Tax withholding	<input type="text" value="14584863.73"/>	× 0.009 =	<input type="text" value="131263.77"/>

5e Total social security and Medicare taxes. Add Column 2 from lines 5a, 5a(i), 5a(ii), 5b, 5c, and 5d **5e**

5f Section 3121(q) Notice and Demand—Tax due on unreported tips (see instructions) **5f**

6 Total taxes before adjustments. Add lines 3, 5e, and 5f **6**

7 Current quarter's adjustment for fractions of cents **7**

8 Current quarter's adjustment for sick pay **8**

9 Current quarter's adjustments for tips and group-term life insurance **9**

10 Total taxes after adjustments. Combine lines 6 through 9 **10**

11a Qualified small business payroll tax credit for increasing research activities. Attach Form 8974 **11a**

11b Nonrefundable portion of credit for qualified sick and family leave wages from Worksheet 1 **11b**

11c Nonrefundable portion of employee retention credit from Worksheet 1 **11c**

Name (not your trade name) SAN DIEGO GAS & ELECTRIC	Employer identification number (EIN) 95-1184800
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Part 1: Answer these questions for this quarter. (continued)

11d Total nonrefundable credits. Add lines 11a, 11b, and 11c 11d

12 Total taxes after adjustments and nonrefundable credits. Subtract line 11d from line 10 12

13a Total deposits for this quarter, including overpayment applied from a prior quarter and overpayments applied from Form 941-X, 941-X (PR), 944-X, or 944-X (SP) filed in the current quarter 13a

13b Reserved for future use 13b

13c Refundable portion of credit for qualified sick and family leave wages from Worksheet 1 13c

13d Refundable portion of employee retention credit from Worksheet 1 13d

13e Total deposits and refundable credits. Add lines 13a, 13c, and 13d 13e

13f Total advances received from filing Form(s) 7200 for the quarter 13f

13g Total deposits and refundable credits less advances. Subtract line 13f from line 13e 13g

14 Balance due. If line 12 is more than line 13g, enter the difference and see instructions 14

15 Overpayment. If line 13g is more than line 12, enter the difference Check one: Apply to next return. Send a refund.

Part 2: Tell us about your deposit schedule and tax liability for this quarter.

If you're unsure about whether you're a monthly schedule depositor or a semiweekly schedule depositor, see section 11 of Pub. 15.

16 Check one: Line 12 on this return is less than \$2,500 or line 12 on the return for the prior quarter was less than \$2,500, and you didn't incur a \$100,000 next-day deposit obligation during the current quarter. If line 12 for the prior quarter was less than \$2,500 but line 12 on this return is \$100,000 or more, you must provide a record of your federal tax liability. If you're a monthly schedule depositor, complete the deposit schedule below; if you're a semiweekly schedule depositor, attach Schedule B (Form 941). Go to Part 3.

You were a monthly schedule depositor for the entire quarter. Enter your tax liability for each month and total liability for the quarter, then go to Part 3.

Tax liability: Month 1

Month 2

Month 3

Total liability for quarter Total must equal line 12.

You were a semiweekly schedule depositor for any part of this quarter. Complete Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors, and attach it to Form 941. Go to Part 3.

Name (not your trade name) SAN DIEGO GAS & ELECTRIC	Employer identification number (EIN) 95-1184800
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Part 3: Tell us about your business. If a question does NOT apply to your business, leave it blank.

- 17 If your business has closed or you stopped paying wages Check here, and enter the final date you paid wages / / ; also attach a statement to your return. See instructions.
- 18 If you're a seasonal employer and you don't have to file a return for every quarter of the year Check here.
- 19 Qualified health plan expenses allocable to qualified sick leave wages 19 .
- 20 Qualified health plan expenses allocable to qualified family leave wages 20 .
- 21 Qualified wages for the employee retention credit 21 .
- 22 Qualified health plan expenses allocable to wages reported on line 21 22 .
- 23 Credit from Form 5884-C, line 11, for this quarter 23 .
- 24 Reserved for future use 24 .
- 25 Reserved for future use 25 .

Part 4: May we speak with your third-party designee?

Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See the instructions for details.

Yes. Designee's name and phone number

Select a 5-digit personal identification number (PIN) to use when talking to the IRS.

No.

Part 5: Sign here. You MUST complete all three pages of Form 941 and SIGN it.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

 **Sign your name here**

Print your name here

Print your title here

Date Best daytime phone

Paid Preparer Use Only

Check if you're self-employed

Preparer's name	<input type="text"/>	PTIN	<input type="text"/>
Preparer's signature	<input type="text"/>	Date	<input type="text"/> / <input type="text"/> / <input type="text"/>
Firm's name (or yours if self-employed)	<input type="text"/>	EIN	<input type="text"/>
Address	<input type="text"/>		Phone <input type="text"/>
City	<input type="text"/>	State	<input type="text"/>
		ZIP code	<input type="text"/>

Schedule B (Form 941):

Report of Tax Liability for Semiweekly Schedule Depositors

OMB No. 1545-0029

(Rev. January 2017)

Department of the Treasury — Internal Revenue Service

Employer identification number (EIN) -

Name (not your trade name)

Calendar year (Also check quarter)

Report for this Quarter...
(Check one.)

1: January, February, March

2: April, May, June

3: July, August, September

4: October, November, December

Use this schedule to show your TAX LIABILITY for the quarter; don't use it to show your deposits. When you file this form with Form 941 or Form 941-SS, don't change your tax liability by adjustments reported on any Forms 941-X or 944-X. You must fill out this form and attach it to Form 941 or Form 941-SS if you're a semiweekly schedule depositor or became one because your accumulated tax liability on any day was \$100,000 or more. Write your daily tax liability on the numbered space that corresponds to the date wages were paid. See Section 11 in Pub. 15 for details.

Month 1					Tax liability for Month 1		
1	<input type="text" value="1334.25"/>	9	<input type="text" value="7331.14"/>	17	<input type="text"/>	15565719.18	
2	<input type="text"/>	10	<input type="text"/>	18	<input type="text" value="617.19"/>		
3	<input type="text"/>	11	<input type="text"/>	19	<input type="text"/>		
4	<input type="text"/>	12	<input type="text"/>	20	<input type="text" value="1599467.21"/>		<input type="text" value="39785.01"/>
5	<input type="text" value="1925930.88"/>	13	<input type="text"/>	21	<input type="text" value="255447.76"/>		<input type="text" value="5957776.22"/>
6	<input type="text" value="13668.30"/>	14	<input type="text" value="10831.86"/>	22	<input type="text" value="141.42"/>		<input type="text" value="2230.69"/>
7	<input type="text" value="4285.04"/>	15	<input type="text" value="5726350.49"/>	23	<input type="text" value="6085.87"/>		<input type="text"/>
8	<input type="text" value="11914.27"/>	16	<input type="text" value="2521.58"/>	24	<input type="text"/>		<input type="text"/>
Month 2					Tax liability for Month 2		
1	<input type="text"/>	9	<input type="text"/>	17	<input type="text" value="3300.06"/>	13154031.87	
2	<input type="text" value="1117.17"/>	10	<input type="text"/>	18	<input type="text" value="98.34"/>		<input type="text" value="5987049.86"/>
3	<input type="text" value="15449.97"/>	11	<input type="text" value="4579.18"/>	19	<input type="text"/>		<input type="text" value="120.95"/>
4	<input type="text" value="2567.73"/>	12	<input type="text" value="6019810.22"/>	20	<input type="text" value="1236.51"/>		<input type="text"/>
5	<input type="text" value="1269.48"/>	13	<input type="text" value="83.04"/>	21	<input type="text"/>		<input type="text"/>
6	<input type="text" value="344.66"/>	14	<input type="text"/>	22	<input type="text"/>		<input type="text"/>
7	<input type="text"/>	15	<input type="text"/>	23	<input type="text"/>		<input type="text"/>
8	<input type="text"/>	16	<input type="text"/>	24	<input type="text" value="1117004.70"/>		<input type="text"/>
Month 3					Tax liability for Month 3		
1	<input type="text"/>	9	<input type="text" value="23460.79"/>	17	<input type="text" value="576.48"/>	38962739.46	
2	<input type="text" value="1012.77"/>	10	<input type="text"/>	18	<input type="text" value="7726.37"/>		<input type="text" value="6077200.07"/>
3	<input type="text" value="5456.48"/>	11	<input type="text" value="26637794.48"/>	19	<input type="text" value="9445.37"/>		<input type="text" value="44184.28"/>
4	<input type="text"/>	12	<input type="text" value="6118118.88"/>	20	<input type="text" value="6440.07"/>		<input type="text"/>
5	<input type="text"/>	13	<input type="text"/>	21	<input type="text"/>		<input type="text"/>
6	<input type="text"/>	14	<input type="text"/>	22	<input type="text"/>		<input type="text" value="5079.19"/>
7	<input type="text"/>	15	<input type="text"/>	23	<input type="text" value="11527.42"/>		<input type="text"/>
8	<input type="text"/>	16	<input type="text" value="57.49"/>	24	<input type="text"/>		<input type="text"/>
Fill in your total liability for the quarter (Month 1 + Month 2 + Month 3) ▶					Total liability for the quarter		
Total must equal line 12 on Form 941 or Form 941-SS.					67682490.51		

Employer identification number (EIN) -

Name (not your trade name)

Trade name (if any)

Address
Number Street Suite or room number

City State ZIP code

Foreign country name Foreign province/county Foreign postal code

Type of Return
 (Check all that apply.)

a. Amended

b. Successor employer

c. No payments to employees in 2021

d. Final: Business closed or stopped paying wages

Go to www.irs.gov/Form940 for instructions and the latest information.

Read the separate instructions before you complete this form. Please type or print within the boxes.

Part 1: Tell us about your return. If any line does NOT apply, leave it blank. See instructions before completing Part 1.

- 1a If you had to pay state unemployment tax in one state only, enter the state abbreviation 1a
- 1b If you had to pay state unemployment tax in more than one state, you are a multi-state employer 1b Check here. Complete Schedule A (Form 940).
- 2 If you paid wages in a state that is subject to CREDIT REDUCTION 2 Check here. Complete Schedule A (Form 940).

Part 2: Determine your FUTA tax before adjustments. If any line does NOT apply, leave it blank.

- 3 Total payments to all employees 3
- 4 Payments exempt from FUTA tax 4
- Check all that apply: 4a Fringe benefits 4c Retirement/Pension 4e Other
 4b Group-term life insurance 4d Dependent care
- 5 Total of payments made to each employee in excess of \$7,000 5
- 6 Subtotal (line 4 + line 5 = line 6) 6
- 7 Total taxable FUTA wages (line 3 - line 6 = line 7) See instructions 7
- 8 FUTA tax before adjustments (line 7 x 0.006 = line 8) 8

Part 3: Determine your adjustments. If any line does NOT apply, leave it blank.

- 9 If ALL of the taxable FUTA wages you paid were excluded from state unemployment tax, multiply line 7 by 0.054 (line 7 x 0.054 = line 9). Go to line 12 9
- 10 If SOME of the taxable FUTA wages you paid were excluded from state unemployment tax, OR you paid ANY state unemployment tax late (after the due date for filing Form 940), complete the worksheet in the instructions. Enter the amount from line 7 of the worksheet 10
- 11 If credit reduction applies, enter the total from Schedule A (Form 940) 11

Part 4: Determine your FUTA tax and balance due or overpayment. If any line does NOT apply, leave it blank.

- 12 Total FUTA tax after adjustments (lines 8 + 9 + 10 + 11 = line 12) 12
- 13 FUTA tax deposited for the year, including any overpayment applied from a prior year 13
- 14 Balance due. If line 12 is more than line 13, enter the excess on line 14.
 • If line 14 is more than \$500, you must deposit your tax.
 • If line 14 is \$500 or less, you may pay with this return. See instructions 14
- 15 Overpayment. If line 13 is more than line 12, enter the excess on line 15 and check a box below. 15
- ▶ You **MUST** complete both pages of this form and **SIGN** it. Check one: Apply to next return. Send a refund.

Next

Name (not your trade name) SAN DIEGO GAS & ELECTRIC Employer identification number (EIN) 95-1184800

Part 5: Report your FUTA tax liability by quarter only if line 12 is more than \$500. If not, go to Part 6.

16 Report the amount of your FUTA tax liability for each quarter; do NOT enter the amount you deposited. If you had no liability for a quarter, leave the line blank.

Table with 4 rows for quarters (1st, 2nd, 3rd, 4th) and a total row. Columns include quarter description, label (16a-16d), and amount. Total tax liability for the year is 219,448.76.

Part 6: May we speak with your third-party designee?

Do you want to allow an employee, a paid tax preparer, or another person to discuss this return with the IRS? See the instructions for details.

Form with checkboxes for Yes/No, a text box for name and phone number, and a 5-digit PIN selection area.

Part 7: Sign here. You MUST complete both pages of this form and SIGN it.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that no part of any payment made to a state unemployment fund claimed as a credit was, or is to be, deducted from the payments made to employees. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature area with a large 'X' icon, fields for name (W CORWIN), title (ADP ATTY-IN-FACT), date (02/11/22), and best daytime phone (877-706-0510).

Paid Preparer Use Only Check if you are self-employed

Form for paid preparer with fields for name, signature, firm name, address, city, state, ZIP code, PTIN, date, EIN, and phone.

Schedule A (Form 940) for 2021:

860312

Multi-State Employer and Credit Reduction Information

Department of the Treasury - Internal Revenue Service

OMB No. 1545-0028

See the instructions on page 2. File this schedule with Form 940.

Employer identification number (EIN) -

Name (not your trade name)

Place an "X" in the box of EVERY state in which you had to pay state unemployment tax this year. For the U.S. Virgin Islands, enter the FUTA taxable wages and the reduction rate (see page 2). Multiply the FUTA taxable wages by the reduction rate and enter the credit reduction amount. Don't include in the FUTA Taxable Wages box wages that were excluded from state unemployment tax (see the instructions for Step 2). If any states don't apply to you, leave them blank.

Postal Abbreviation	FUTA Taxable Wages	Reduction Rate	Credit Reduction	Postal Abbreviation	FUTA Taxable Wages	Reduction Rate	Credit Reduction
<input type="checkbox"/> AK	.	x 0.000	.	<input type="checkbox"/> NC	.	x 0.000	.
<input type="checkbox"/> AL	.	x 0.000	.	<input type="checkbox"/> ND	.	x 0.000	.
<input type="checkbox"/> AR	.	x 0.000	.	<input type="checkbox"/> NE	.	x 0.000	.
<input type="checkbox"/> AZ	.	x 0.000	.	<input type="checkbox"/> NH	.	x 0.000	.
<input checked="" type="checkbox"/> CA	.	x 0.000	.	<input type="checkbox"/> NJ	.	x 0.000	.
<input type="checkbox"/> CO	.	x 0.000	.	<input type="checkbox"/> NM	.	x 0.000	.
<input type="checkbox"/> CT	.	x 0.000	.	<input checked="" type="checkbox"/> NV	.	x 0.000	.
<input type="checkbox"/> DC	.	x 0.000	.	<input type="checkbox"/> NY	.	x 0.000	.
<input type="checkbox"/> DE	.	x 0.000	.	<input type="checkbox"/> OH	.	x 0.000	.
<input type="checkbox"/> FL	.	x 0.000	.	<input type="checkbox"/> OK	.	x 0.000	.
<input type="checkbox"/> GA	.	x 0.000	.	<input type="checkbox"/> OR	.	x 0.000	.
<input type="checkbox"/> HI	.	x 0.000	.	<input type="checkbox"/> PA	.	x 0.000	.
<input type="checkbox"/> IA	.	x 0.000	.	<input type="checkbox"/> RI	.	x 0.000	.
<input type="checkbox"/> ID	.	x 0.000	.	<input type="checkbox"/> SC	.	x 0.000	.
<input type="checkbox"/> IL	.	x 0.000	.	<input type="checkbox"/> SD	.	x 0.000	.
<input type="checkbox"/> IN	.	x 0.000	.	<input type="checkbox"/> TN	.	x 0.000	.
<input type="checkbox"/> KS	.	x 0.000	.	<input type="checkbox"/> TX	.	x 0.000	.
<input checked="" type="checkbox"/> KY	.	x 0.000	.	<input type="checkbox"/> UT	.	x 0.000	.
<input type="checkbox"/> LA	.	x 0.000	.	<input type="checkbox"/> VA	.	x 0.000	.
<input type="checkbox"/> MA	.	x 0.000	.	<input type="checkbox"/> VT	.	x 0.000	.
<input type="checkbox"/> MD	.	x 0.000	.	<input type="checkbox"/> WA	.	x 0.000	.
<input type="checkbox"/> ME	.	x 0.000	.	<input type="checkbox"/> WI	.	x 0.000	.
<input type="checkbox"/> MI	.	x 0.000	.	<input type="checkbox"/> WV	.	x 0.000	.
<input type="checkbox"/> MN	.	x 0.000	.	<input type="checkbox"/> WY	.	x 0.000	.
<input type="checkbox"/> MO	.	x 0.000	.	<input type="checkbox"/> PR	.	x 0.000	.
<input type="checkbox"/> MS	.	x 0.000	.	<input type="checkbox"/> VI	.	x 0.033	.
<input type="checkbox"/> MT	.	x 0.000	.				

Total Credit Reduction. Add all amounts shown in the *Credit Reduction* boxes. Enter the total here and on Form 940, line 11

DE 9

EDD 12356



00090111

QUARTER ENDED 03/31/21

DUE 04/01/21

DELINQUENT IF NOT POSTMARKED OR RECEIVED BY

04/30/21

21 1

ORIGINAL FILED ELECTRONICALLY

001 5390 8

SAN DIEGO GAS & ELECTRIC
488 8TH AVENUE
SAN DIEGO CA 92101

95 1184800

A. NO WAGES

B. OUT OF BUSINESS

B1

C. TOTAL SUBJECT WAGES PAID THIS QUARTER

645 852 971 32

D. UNEMPLOYMENT INSURANCE

1.70%

96 009 345 80

1 632 158 88

E. EMPLOYMENT TRAINING TAX (ETT)

0.10%

96 009 35

F. STATE DISABILITY INSURANCE (SDI)

1.20%

540 551 511 21

6 486 744 81

G. CALIFORNIA PERSONAL INCOME TAX (PIT) WITHHELD

43 727 877 11

H. SUBTOTAL (Add Items D3, E2, F3, and G)

51 942 790 15

I. LESS:

51 943 405 42

J. TOTAL TAXES DUE OR OVERPAID (Item H minus Item I)

- 615 27

K. I declare that the above, to the best of my knowledge and belief, is true and correct, if a refund was claimed, a reasonable effort was made to refund any erroneous deductions to the affected employee(s).

Signature H.A. Healy Title ADP ATTY-IN-FACT Phone 877-706-0510 Date 04/28/21

**SAN DIEGO GAS AND ELECTRIC
ALL CEMA EVENTS
CPUC - INCREMENTAL CAPITAL
Overheads - ICP**

(in thousands of dollars)

G/L#	G/L Name	Winter Storms (2019)	Emergency Drought (2014)	January Storms (2017)	Lilac Fire (2017)	September Extreme Heat and Valley Fire Event (2020)	West Fires (2018)	Total
6110030	SAL-MGMT T&1/2	15,703	637	68,180	19,018	59,824	47,968	211,330
6110040	SAL-MGMT D/T	-	-	6,036	-	1,542	3,457	11,036
6110090	SAL-CLERICAL/TEC T&H	-	-	279	-	-	97	375
Total		15,703	637	74,496	19,018	61,366	51,521	222,742

Management ICP Rate	15%	15%	15%	15%	15%	15%
Clerical & Technical ICP Rate	10%	10%	10%	10%	10%	10%

	Total						
Management Employees	2,355	96	11,132	2,853	9,205	7,714	33,355
Clerical & Technical Employees	-	-	28	-	-	10	38
Total	2,355	96	11,160	2,853	9,205	7,723	33,392

CEMA Event	Category	Cost Element	CE Description	Incremental
Winter Storms (2019)	Administrative & General	9132150	Purchasing NL (CS)	32
Winter Storms (2019)	Administrative & General	9132700	Shop Order NL (CS)	423
Winter Storms (2019)	Administrative & General	9132250	Warehouse NL (CS)	725
Winter Storms (2019)	Administrative & General	9132300	Exmpt Matl E NL (CS)	2,533
Winter Storms (2019)	Administrative & General	9132850	Small Tools NL (CS)	4,664
Winter Storms (2019)	Administrative & General	9132900	Capital A&G NL (CS)	6,723
Winter Storms (2019)	Department Overheads	9132500	DOH ED NL (CS)	730
Winter Storms (2019)	Engineering	9132600	Eng ED NL (CS)	174,521
Winter Storms (2019) Total				190,351
Emergency Drought (2014)	Administrative & General	9132700	Shop Order NL (CS)	101
Emergency Drought (2014)	Administrative & General	9132450	Contract Adm NL (CS)	295
Emergency Drought (2014)	Administrative & General	9132150	Purchasing NL (CS)	473
Emergency Drought (2014)	Administrative & General	9132250	Warehouse NL (CS)	877
Emergency Drought (2014)	Administrative & General	9132850	Small Tools NL (CS)	1,644
Emergency Drought (2014)	Administrative & General	9132300	Exmpt Matl E NL (CS)	4,628
Emergency Drought (2014)	Administrative & General	9132900	Capital A&G NL (CS)	13,524
Emergency Drought (2014)	Department Overheads	9132500	DOH ED NL (CS)	15,315
Emergency Drought (2014)	Engineering	9132600	Eng ED NL (CS)	148,240
Emergency Drought (2014) Total				185,097
January Storms (2017)	Administrative & General	9132150	Purchasing NL (CS)	1,190
January Storms (2017)	Administrative & General	9132700	Shop Order NL (CS)	1,357
January Storms (2017)	Administrative & General	9132250	Warehouse NL (CS)	5,654
January Storms (2017)	Administrative & General	9132300	Exmpt Matl E NL (CS)	9,424
January Storms (2017)	Administrative & General	9132900	Capital A&G NL (CS)	15,935
January Storms (2017)	Administrative & General	9132450	Contract Adm NL (CS)	20,243
January Storms (2017)	Administrative & General	9132850	Small Tools NL (CS)	33,551
January Storms (2017)	Department Overheads	9132510	DOH GD NL (CS)	21
January Storms (2017)	Department Overheads	9132500	DOH ED NL (CS)	13,392
January Storms (2017)	Engineering	9132620	Eng GD NL (CS)	1,688
January Storms (2017)	Engineering	9132600	Eng ED NL (CS)	478,822
January Storms (2017) Total				581,276
Lilac Fire (2017)	Administrative & General	9132310	Exmpt Matl G NL (CS)	100
Lilac Fire (2017)	Administrative & General	9132900	Capital A&G NL (CS)	116
Lilac Fire (2017)	Administrative & General	9132700	Shop Order NL (CS)	412
Lilac Fire (2017)	Administrative & General	9132150	Purchasing NL (CS)	472
Lilac Fire (2017)	Administrative & General	9132850	Small Tools NL (CS)	5,486
Lilac Fire (2017)	Administrative & General	9132300	Exmpt Matl E NL (CS)	10,621

Lilac Fire (2017)	Administrative & General	9132250	Warehouse NL (CS)	10,771
Lilac Fire (2017)	Department Overheads	9132510	DOH GD NL (CS)	142
Lilac Fire (2017)	Engineering	9132620	Eng GD NL (CS)	630
Lilac Fire (2017) Total				28,749
September Extreme Heat and Valley Fire Event (2020)	Administrative & General	9132250	Warehouse NL (CS)	260
September Extreme Heat and Valley Fire Event (2020)	Administrative & General	9132300	Exmpt Matl E NL (CS)	325
September Extreme Heat and Valley Fire Event (2020)	Administrative & General	9132150	Purchasing NL (CS)	558
September Extreme Heat and Valley Fire Event (2020)	Administrative & General	9132700	Shop Order NL (CS)	1,362
September Extreme Heat and Valley Fire Event (2020)	Administrative & General	9132450	Contract Adm NL (CS)	17,420
September Extreme Heat and Valley Fire Event (2020)	Administrative & General	9132850	Small Tools NL (CS)	27,192
September Extreme Heat and Valley Fire Event (2020)	Administrative & General	9132900	Capital A&G NL (CS)	41,076
September Extreme Heat and Valley Fire Event (2020)	Department Overheads	9132500	DOH ED NL (CS)	1,519
September Extreme Heat and Valley Fire Event (2020)	Engineering	9132600	Eng ED NL (CS)	486,910
September Extreme Heat and Valley Fire Event (2020) Total				576,621
West Fires (2018)	Administrative & General	9132150	Purchasing NL (CS)	209
West Fires (2018)	Administrative & General	9132250	Warehouse NL (CS)	431
West Fires (2018)	Administrative & General	9132310	Exmpt Matl G NL (CS)	558
West Fires (2018)	Administrative & General	9132700	Shop Order NL (CS)	667
West Fires (2018)	Administrative & General	9132300	Exmpt Matl E NL (CS)	1,834
West Fires (2018)	Administrative & General	9132900	Capital A&G NL (CS)	6,608
West Fires (2018)	Administrative & General	9132850	Small Tools NL (CS)	9,192
West Fires (2018)	Department Overheads	9132510	DOH GD NL (CS)	83
West Fires (2018)	Department Overheads	9132500	DOH ED NL (CS)	3,745
West Fires (2018)	Engineering	9132620	Eng GD NL (CS)	3,367
West Fires (2018)	Engineering	9132600	Eng ED NL (CS)	217,534
West Fires (2018) Total				244,229
Grand Total				1,806,323

DATA REQUEST

San Diego Gas and Electric Company CEMA for 2014 Emergency Drought, 2017 Storm and Lilac Fire, 2018 West Fire, 2019 Winter Storm, 2020 Covid-19 Pandemic, and 2020 Extreme Heat Event and Valley Fire A.22-10-021

Origination Date: 16 May 2023

Response Due: 31 May 2023

To: R. Craig Gentes (CGentes@sdge.com)
Maddy Strutner (MStrutner@sdge.com)
Paul Szymanski (PSzymanski@sdge.com)

Originated by: Sophie Chia
Phone: 415-703-5609
Email: sophie.chia@cpuc.ca.gov

Exhibit Reference: Testimony of Craig Gentes

Public Advocates No: PubAdv-SDG&E-CEMA-Audit-SWC-007

Please provide the following:

1. In response to data request, PubAdv-SDGE-CEMA-Audit-SWC-006, question 3, SDG&E states, "As SDG&E was drafting this CEMA filing, the conclusion was that the non-labor portion of contract administration, shop orders, small tools and purchasing and warehouse for both O&M and capital should be considered incremental. However, when SDG&E reviewed the historical amounts balanced in the various CEMA accounts only these overheads on capital costs were balanced. These overheads on O&M costs had not been balanced."
 - a. Please provide the analysis that SDG&E performed to conclude that the non-labor portion of contract administration, shop orders, small tools and purchasing and warehouse for capital are incremental to funds already authorized through the General Rate Case (GRC).
2. In response to data request, PubAdv-SDGE-CEMA-Audit-SWC-006, question 8 regarding the incremental overheads for engineering, department overheads, and A&G, SDG&E states, "The non-labor portion of these overheads includes external costs incurred that vary with the work

being performed. Therefore, when SDG&E is performing incremental work caused by a CEMA event additional non-labor costs that go into these pools also are incurred.”

- a. Please provide the analysis that SDG&E performed to conclude that the non-labor portion associated with engineering, department overheads, and A&G for capital are incremental to funds already authorized through the General Rate Case (GRC).
3. Please provide all analysis that SDG&E performed to compare what was collected in authorized General Rate Case (GRC) authorized rates for overheads and what was expended for overheads in routine work as part of normal operations so that SDG&E can substantiate that the overheads requested for the CEMA Events are incremental.

END OF REQUEST

INSTRUCTIONS

You are instructed to answer the Data Requests in the above-captioned proceeding, with written, verified responses pursuant to Public Utilities Code §§ 309.5, 314, 314.5, 581 and 582, and Rules 1.1 and 10.1 of the California Public Utilities Commission’s Rules of Practice and Procedure. Restate the text of each request prior to providing the response. If you have any questions regarding this data request, please contact the Originator at the email address or phone number above.

Each Data Request is continuing in nature such that if any information provided changes, or new information becomes available that is responsive to a request, respondent is required to supplement its response to the Public Advocates Office. Provide your response as it becomes available, but no later than the due date noted above. If you are unable to provide a response by this date, notify the Originator and Project Coordinator(s) as soon as possible, with a written explanation as to why the response date cannot be met and a best estimate of when the information can be provided. If you acquire additional information after providing an answer to any request, you must supplement your response following the receipt of such additional information.

Identify the person providing the answer to each data request and his/her contact information. All data responses need to have each page numbered, referenced, and indexed so worksheets can be followed. If any numbers are calculated, include a copy of all supporting electronic files, with data and formulas intact and functioning, so that the formula and their sources can be reviewed. Responses should be provided both in the original electronic format, if available, and in hard copy. (If available in Word or Excel format, send the Word document or Excel file and do not send the information only as a PDF file.) All electronic documents submitted in response to this data request should be in readable, downloadable, printable, and searchable formats, unless use of such formats is infeasible.

Documents produced in response to the data requests should be numbered, and indexed if voluminous. Responses to data requests that refer to or incorporate documents should identify the particular documents referenced by page numbers.

If a request, definition, or an instruction, is unclear, notify the data request Originator and the Project Coordinator(s) as soon as possible. In any event, answer the request to the fullest extent possible, specifying the reason for your inability to answer the remaining portion of the Data Request.

Provide two copies of the above information as it becomes available but no later than the due date identified above. Provide electronic responses and set of hard copy responses with your submittal to the data request Originator and the Project Coordinator(s).

RESPONSES

Please provide the following:

QUESTION 1

In response to data request, PubAdv-SDGE-CEMA-Audit-SWC-006, question 3, SDG&E states, “As SDG&E was drafting this CEMA filing, the conclusion was that the non-labor portion of contract administration, shop orders, small tools and purchasing and warehouse for both O&M and capital should be considered incremental. However, when SDG&E reviewed the historical amounts balanced in the various CEMA accounts only these overheads on capital costs were balanced. These overheads on O&M costs had not been balanced.”

- a. Please provide the analysis that SDG&E performed to conclude that the non-labor portion of contract administration, shop orders, small tools and purchasing and warehouse for capital are incremental to funds already authorized through the General Rate Case (GRC).

RESPONSE 1

CEMA-related incremental work is not contemplated in SDG&E’s request for GRC funds. As each GRC witness reviews historical costs, overtime labor and non-labor costs associated with each CEMA event are excluded to present a history of normal, ongoing activities. As stated in my testimony, at page 6, “Regular work was merely deferred until a later time, but still completed, because all available resources were utilized to restore and repair damaged facilities.”

The straight-time labor portions of contract administration, shop orders, small tools and purchasing and warehouse are contemplated in the GRC. Although it is possible that overtime labor was incurred in these overheads due to these CEMA events, SDG&E decided to not pursue recovery of these overtime costs and therefore is considering any such overhead costs as non-incremental. However, the non-labor portions of contract administration, shop orders, small tools and purchasing and warehouse costs include external costs from third parties do increase as CEMA activities occur, similarly to the increased incremental direct charges on capital restoration work to address the emergency event. Therefore, these specific non-labor overhead costs are incremental to the GRC and therefore recoverable.

QUESTION 2

In response to data request, PubAdv-SDGE-CEMA-Audit-SWC-006, question 8 regarding the incremental overheads for engineering, department overheads, and A&G, SDG&E states, “The non-labor portion of these overheads includes external costs incurred that vary with the work being performed. Therefore, when SDG&E is performing incremental work caused by a CEMA event additional non-labor costs that go into these pools also are incurred.”

- a. Please provide the analysis that SDG&E performed to conclude that the non-labor portion associated with engineering, department overheads, and A&G for capital are incremental to funds already authorized through the General Rate Case (GRC).

RESPONSE 2

CEMA-related incremental work is not contemplated in SDG&E’s request for GRC funds. As each GRC witness reviews historical costs, overtime labor and non-labor costs associated with each CEMA event are excluded to present a history of normal ongoing activities. As stated in my testimony, at page 6, “Regular work was merely deferred until a later time, but still completed, because all available resources were utilized to restore and repair damaged facilities.”

The straight-time labor portions of engineering, department overheads, and A&G are contemplated in the GRC. Although it is possible that overtime labor was incurred in these overheads due to these CEMA events, SDG&E decided to not pursue recovery of these costs and therefore is considering any such overhead costs as non-incremental. However, the non-labor portions of engineering, department overheads, and A&G costs include external costs from third parties do increase as CEMA activities occur, similarly to the increased incremental direct charges on capital restoration work to address the emergency event. Therefore, these specific non-labor overhead costs are incremental to the GRC and therefore are recoverable.

QUESTION 3

Please provide all analysis that SDG&E performed to compare what was collected in authorized General Rate Case (GRC) authorized rates for overheads and what was expended for overheads in routine work as part of normal operations so that SDG&E can substantiate that the overheads requested for the CEMA Events are incremental

RESPONSE 3

As stated in the first paragraph, above, in the responses to questions 1 and 2: the costs for CEMA-related incremental work are not included in SDG&E's request for GRC funds. As each GRC witness reviews historical costs, overtime labor and non-labor costs associated with a CEMA event are excluded to present a history of normal ongoing activities. As stated in my testimony, at page 6, "Regular work was merely deferred until a later time, but still completed, because all available resources were utilized to restore and repair damaged facilities."

The overheads that SDG&E lists as non-incremental in Exhibit 11 of R. Craig Gentes' testimony generally do not fluctuate with increased work, such as the incremental work caused by a CEMA event. However, in contrast, the overheads listed in that testimony as incremental do increase as incremental work is performed caused by a CEMA event. For example, the non-labor portion of the engineering overhead will include the additional costs associated with additional purchased engineering services to handle the additional engineering work added to the normal work caused by the CEMA event.

END OF REQUEST

All responses were prepared by Craig Gentes, Director Accounting Operations

Application No.: A.19-07-021
Exhibit No.: SCE-01
Witnesses: C. Cameron
M. Childs
M. Jocelyn
V. Saakyan
S. Sprague
A. Varvis



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(U 338-E)

***Catastrophic Event Memorandum Account Testimony
2017-2018 Drought & 2017 Firestorms***

Before the

Public Utilities Commission of the State of California

Rosemead, California
July 31, 2019

1 **C. Adjustments to Total Drought CEMA Costs**

2 SCE analyzed the total costs related to the Drought to identify any costs that were not
3 considered: (1) CPUC-jurisdictional, (2) incremental, (3) Drought-related, or (4) reasonable, and
4 removed these costs from its request. SCE utilized a four-step process described below to determine
5 what portion of the costs recorded in the 2017 and 2018 Drought CEMAs should be appropriately
6 included in this Application.

7 **1. CPUC-Jurisdictional Standard**

8 In the first step, SCE reviewed and analyzed FERC-jurisdictional costs. SCE's
9 accounting system utilizes regulatory indicators for FERC-jurisdictional costs. SCE did not remove any
10 FERC-jurisdictional costs from its request in this Application, because all costs recorded to distribution
11 accounts, FERC 593 - Maintenance of Overhead Lines (Major Only). Therefore, no FERC-jurisdictional
12 adjustments were necessary.

13 **2. Incremental Standard**

14 In the second step, SCE reviewed the CPUC-jurisdictional costs to identify any costs
15 recorded in the storm CEMAs that were not incremental. *SCE has removed these costs from its request.*
16 Costs can only be defined as incremental if the costs: (1) would not have been incurred "but for" the
17 Drought; and (2) are not funded through existing rates. Non-incremental costs excluded from SCE's
18 request in this Application, as seen in Table IV-6 below, consist of normal-time labor costs and other
19 associated labor costs, including paid absences, employee benefits, payroll taxes, and corporate and
20 division overhead costs. SCE identified \$9.214 million of O&M expenses incurred as a result of the
21 Drought as being non-incremental. SCE removed all of these expenses from its request.

Application No.: A.21-09-019

Exhibit No.: SCE-01

Witnesses:

A. Aguirre	J. Gurrola	J. Perez
J. Buchanan	M. Jocelyn	J. Price
J. Butler	P. Joseph	G. Quinn
M. Childs	N. Le	E. Roddick
D. Daigler	R. LeMoine	S. Sandoval
S. DiBernardo	A. Li	E. Skouras
D. Fanous	E. Lopez	S. Stueland
D. Golden	T. Maddox	A. Varvis
T. Guntrip	D. Neal	



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(U 338-E)

Prepared Testimony in Support of Southern California Edison Company's Application for Authorization to Recover Costs Related to 2019-2020 Drought, 2018-2019 Firestorms, 2019 Earthquakes, 2019 Windstorms, and 2020 COVID-19 Recorded in the Catastrophic Event Memorandum Account and Costs Related to Wildfire Property Insurance Recorded in the Wildfire Expense Memorandum Account

Before the

Public Utilities Commission of the State of California

Rosemead, California
September 30, 2021

1 a) **CPUC-Jurisdictional Standard**

2 In step one, SCE reviewed and analyzed any FERC-jurisdictional costs in the CEMA. SCE’s
3 accounting system utilizes regulatory indicators that enable SCE to separately track FERC-jurisdictional
4 costs. SCE did not include any FERC-jurisdictional costs in this Application.

5 b) **Incremental Standard**

6 In step two, SCE reviewed the CPUC-jurisdictional costs to identify any costs recorded in the
7 CEMAs that were not incremental. SCE removed these costs from its request. Costs can only be defined
8 as incremental if the costs: (1) would not have been incurred “but for” the CEMA events; and (2) are not
9 funded through existing rates. As shown below, the non-incremental costs that SCE excluded from this
10 CEMA application consist of normal-time labor costs and other associated labor costs. This includes
11 paid absence, employee benefits, payroll taxes, and corporate and division overhead costs. SCE
12 identified non-incremental expenses and removed these costs from this request.

13 c) **CEMA Costs Were Related to Events For Which State of Emergency**
14 **Proclamations Were Made**

15 From the onset of the CEMA events, SCE followed specific accounting procedures to separately
16 track storm-related costs for storm events, vegetation management-related costs for the drought, and
17 COVID-19 related-costs and activities. SCE personnel are instructed to record CEMA event costs to
18 unique accounts created specifically for this purpose. CEMA event orders are opened when certain
19 criteria are met, and costs are accumulated in a CEMA account. SCE notifies the CPUC of SCE’s
20 catastrophic event and advises that costs are being accrued in a CEMA for the event.

21 While the 2018-2019 storm events caused significant damage throughout the entire SCE service
22 territory, SCE is requesting only those costs that are related to the specific storm damage incurred in the
23 counties in which State of Emergency Proclamations were made. Before costs were booked to SCE’s
24 CEMA for these events, the invoices and associated accounting were reviewed by district field
25 personnel and authorized by district supervisors familiar with the scope of work performed. When
26 reviewing the CEMA support documentation, SCE reviewed dates and work locations included in the
27 invoices to validate that the costs were incurred by SCE as a result of these storm events.

Application No.: A.22-03-018
Exhibit No.: SCE-01
Witnesses: J. Buerkle
J. Butler
M. Childs
D. Daigler
T. Guntrip
J. Gurrola
A. Hardy
M. Jocelyn
P. Joseph
A. Ochoa
G. Quinn
A. Varvis



(U 338-E)

Prepared Testimony in Support of Southern California Edison Company's Application for Authorization to Recover Costs Related to 2019 Winter Storms, 2020 Heatwaves, and 2020 Fires Recorded in the Catastrophic Event Memorandum Account

Before the

Public Utilities Commission of the State of California

Rosemead, California
March 30, 2022

1 **2. Incremental Standard**

2 In step two, SCE reviewed the CPUC-jurisdictional costs to identify any costs associated
3 with the CEMA events that were not incremental. SCE did not include non-incremental costs in its
4 request. Costs can only be defined as incremental if the costs: (1) would not have been incurred “but
5 for” the CEMA event(s); and (2) are not funded through existing rates. The non-incremental costs that
6 SCE excluded from this Application consist of normal-time labor costs and other associated labor costs.
7 This includes paid absence, employee benefits, payroll taxes, and overhead costs. SCE identified
8 \$97.097 million of capital expenditures and \$4.349 million of O&M expenses incurred as a result of the
9 CEMA events as being non-incremental.³⁷ These costs were excluded from the Application.

10 **3. CEMA Costs Were Related to Events Declared Disasters by Competent State or**
11 **Federal Authorities**

12 From the onset of the CEMA events, SCE followed specific accounting procedures to
13 separately track CEMA storm-related costs for storm events.³⁸ SCE personnel are instructed to record
14 CEMA costs to unique accounts created specifically for this purpose. CEMA event orders are opened
15 when certain storm damage criteria are met. Following a major emergency or declared disaster, SCE
16 may apply to recover costs associated with restoring service to customers, repairing or replacing
17 facilities, or complying with government orders. Such costs are accumulated in a CEMA account.
18 SCE notifies the CPUC of SCE’s catastrophic event and advises that costs are being captured in a
19 CEMA for the event.

20 While the 2019-2020 events caused significant damage throughout SCE’s service area,
21 SCE is requesting only those costs that are related to the storm damage incurred in the counties in which
22 state or federal authorities declared disasters. Specifically, the incremental costs identified in this filing
23 are those costs incurred due to: (1) 2019 Winter Storms, (2) the 2020 Heatwaves, and (3) the 2020 Fires.
24 Before costs were booked to SCE’s CEMA for these events, the invoices and associated accounting

³⁷ See Table V-13 and Table V-16 for cost element detail.

³⁸ Firestorms are considered storm events.