

Application No.: A.24-05-XXX  
Exhibit No.: SDGE-7  
Witness: Daniel F. Skopec

**PREPARED DIRECT TESTIMONY OF**  
**DANIEL F. SKOPEC**  
**ON BEHALF OF**  
**SAN DIEGO GAS & ELECTRIC COMPANY**

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



**May 15, 2024**

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**I. OVERVIEW AND PURPOSE**

I am the Senior Vice President of State Government Affairs and Chief Regulatory Officer for San Diego Gas & Electric Company (“SDG&E”) and Southern California Gas Company (“SoCalGas”). The purpose of this testimony is to describe my implementation, use, and oversight of an effective internal control and review process for SDG&E’s Energy Resource Recovery Account (“ERRA”) filing and SDG&E’s Sales Forecast filing as required by Decision (“D.”) 21-12-040 and D.22-03-003.

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**II. BACKGROUND**

On December 20, 2021, the California Public Utilities Commission (“CPUC” or “Commission”) issued D.21-12-040 approving SDG&E’s 2022 ERRA forecast application. D.21-12-040 included the following directive:

San Diego Gas & Electric Company’s (SDG&E) Chief Regulatory Officer, or successor executive position, shall serve testimony that describes and justifies that officer’s implementation, use and oversight of an effective internal control and review process in all of SDG&E’s subsequent Electric Resource Recovery Account filings.<sup>1</sup>

Similarly, on March 23, 2022, the CPUC issued D.22-03-003 approving SDG&E’s 2022 Electric Sales Forecast application and directing SDG&E to file its subsequent annual Sales Forecast application in its ERRA forecast application. D.22-03-003 also directed SDG&E to include this oversight testimony in the combined application.<sup>2</sup>

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<sup>1</sup> D.21-12-040, Ordering Paragraph (“OP”) 10.

<sup>2</sup> D.22-03-003 at OP 3.

1 **III. SDG&E EMPLOYS A COMPREHENSIVE AND EFFECTIVE INTERNAL**  
 2 **CONTROL AND REVIEW PROCESS FOR ITS ERRA FORECAST FILING**

3 This year, the combined 2025 ERRA forecast and sales forecast application relies on six  
 4 different substantive witness areas in order to present the necessary revenue requirement  
 5 forecasts, electric sales forecast, illustrative rate impacts, rate components, Greenhouse Gas  
 6 (“GHG”) compliance instruments, balancing account activity, and Power Charge Indifference  
 7 Adjustment (“PCIA”) forecasted costs, among other requirements. The following table briefly  
 8 identifies each ERRA forecast witness and the subject matter of their testimony.

9 **Table DS-1**  
 10 **ERRA Forecast Witness Summary**

<b>Witness</b>	<b>Subject Matter</b>
James Simmerman	Presents SDG&E’s 2025 Electric Sales Forecast.
Jimmy Elias	Describes the resources that SDG&E expects to use in 2025 to meet its forecasted bundled customer load as well as a forecast of the procurement costs that SDG&E expects to record.
LaRee Felan	Presents SDG&E’s 2025 forecast of: the ERRA revenue requirement (which includes GHG costs); the Competition Transaction Charge; the Local Generation revenue requirement; the Local Generation Balancing Account activity; and the Portfolio Allocation Balancing Account (“PABA”) revenue requirement. Ms. Felan also compares the 2023 year-end recorded balances with the 2023 year-end actual balances in the GHG balancing accounts used for GHG expenses.
Sheri Miller	Describes the process of forecasting SDG&E’s PCIA costs in the 2025 ERRA forecast Application. Ms. Miller also presents the projected PABA year-end balance.
Stephen M. Elliott	Presents SDG&E’s 2023 costs for GHG compliance instruments used to satisfy obligations under California Air Resources Board’s cap-and-trade program.
Erica Wissman	Presents the illustrative rate and bill impacts associated with the cost recovery of SDG&E’s 2025 forecast application.

1           Although testimony and workpapers are often prepared by teams of subject matter  
2 experts and support staff working under the direction and supervision of each witness, each  
3 witness remains responsible for and ultimately adopts the final drafts of their subject matter  
4 testimony and workpapers.<sup>3</sup> First drafts of testimony are initially reviewed by legal and  
5 regulatory teams to ensure they comply with all applicable statutes and CPUC decisions. Drafts  
6 are also peer-reviewed by other witnesses and staff to ensure accuracy and consistency. After  
7 the necessary resource planning and forecasting models have been completed, balancing account  
8 figures updated, and illustrative rates developed, the draft testimony is again presented to legal  
9 and regulatory teams for a second review and to begin the preparation of the application portion  
10 of the filing.

11           Once the application has been drafted, the entire ERRA forecast team conducts a “page-  
12 turn” of the application to ensure that all data contained therein is accurate and consistent.  
13 Testimonies are also reviewed to ensure figures are accurate across multiple witnesses and  
14 calculations are in compliance with the most recent Commission decisions. Each witness also  
15 submits their respective testimonies to their supervisor (either a director or manager) for review.

16           The ERRA team also presents its forecast filing to certain members of SDG&E’s  
17 executive board. This briefing enables management to ask questions and provide additional  
18 feedback on the information presented in the ERRA forecast application and address any  
19 changes that may need to be made prior to filing. In addition, management is provided with  
20 copies of both the draft application and draft witness testimonies. Any suggested edits or  
21 changes to the application or testimony by management are then communicated to the witnesses,

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<sup>3</sup> Many of the activities that are performed by witnesses and staff are done at the direction of legal counsel and with legal counsel’s guidance. While my testimony attempts to provide an overview of SDG&E’s internal review and control process, nothing in my testimony should be construed as a waiver of the attorney-client privilege or attorney work product doctrine.

1 legal and regulatory teams to be considered for incorporation into the final drafts. Lastly, the  
2 final application is reviewed, verified, and executed by SDG&E's Vice President of Energy  
3 Procurement and Rates (currently Adam Pierce) prior to its submission.

4 **IV. CONCLUSION**

5 SDG&E takes its obligation to provide complete and accurate data in all of its rate  
6 applications very seriously. As the Commission is no doubt aware, the ERRA forecast  
7 application has grown increasingly complex over the years with additional compliance  
8 directives. However, I am confident, based on information and belief following reasonable  
9 inquiry, that the internal control and review process that SDG&E has developed will help ensure  
10 the accuracy of the ERRA forecast-related information that is presented to the Commission,  
11 staff, and stakeholders. SDG&E will continue to strive to identify and incorporate other  
12 reasonable improvements to this process as may be necessary.

13 This concludes my direct testimony.

1 **V. QUALIFICATIONS**

2 My name is Daniel F. Skopec. My business address is 8330 Century Park Court, San  
3 Diego, CA 92123. I am currently the Senior Vice President of State Government Affairs and  
4 Chief Regulatory Officer for SDG&E and SoCalGas. I joined SDG&E and SoCalGas in 2008,  
5 and since that time, I have held various positions including Vice President, Regulatory Affairs.

6 I received a master's degree in international economics from The George Washington  
7 University and a bachelor's degree in political science and European history from the University  
8 of California, San Diego.

9 I have previously testified before the California Public Utilities Commission.