

Proceeding No.: A.11-09-xxx  
Exhibit No.: \_\_\_\_\_  
Witness: Amanda D. Jenison

**DIRECT TESTIMONY OF**  
**AMANDA D. JENISON**  
**SAN DIEGO GAS & ELECTRIC COMPANY**

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

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA  
September 30, 2011**



**TABLE OF CONTENTS**

**I. INTRODUCTION.....1**

**II. BACKGROUND .....1**

**III. 2012 ERRA AND CTC REVENUE REQUIREMENT FORECASTS .....2**

**IV. ERRA YEAR-END BALANCE .....4**

**V. SUMMARY .....4**

**VI. QUALIFICATIONS .....5**

1 **DIRECT TESTIMONY OF**  
2 **AMANDA D. JENISON**  
3 **ON BEHALF OF SDG&E**

4 **I. INTRODUCTION**

5 The purpose of my testimony is to address cost recovery related to San Diego Gas &  
6 Electric Company's ("SDG&E's") Energy Resource Recovery Account ("ERRA") and  
7 Competition Transition Charge ("CTC") revenue requirements. My testimony:

- 8 ■ describes SDG&E's ERRA and Transition Cost Balancing Account ("TCBA");
- 9 ■ sets forth SDG&E's forecasted 2012 ERRA and CTC revenue requirements; and
- 10 ■ confirms the return of the 2011 year-end balance in rates beginning in 2012.

11 **II. BACKGROUND**

12 Pursuant to Decisions ("D.") 02-10-062 and D.02-12-074, the purpose of the ERRA is to  
13 provide full recovery of SDG&E's energy procurement costs associated with serving SDG&E's  
14 bundled service customers. Energy procurement costs include expenses associated with  
15 Independent System Operator ("ISO") energy and ancillary services load charges, ISO revenues  
16 from utility generation and supply contracts, contract costs, generation fuel costs, ISO-related  
17 costs, hedging costs and previously approved equity re-balancing costs related to the FIN 46(R)  
18 consolidation of the Otay Mesa Energy Center ("OMEC"). The ERRA records revenues from  
19 SDG&E's Electric Energy Commodity Cost ("EECC") rate schedule adjusted to exclude  
20 California Department of Water Resources ("CDWR") purchases and commodity revenues  
21 assigned to the Non-Fuel Generation Balancing Account ("NGBA").<sup>1</sup>

22 The purpose of the TCBA is to accrue all CTC revenues and recover all CTC-eligible  
23 generation-related costs. Pursuant to D.02-12-074 and D.02-11-022, payments to Portland

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<sup>1</sup> In compliance with D.03-12-063, the NGBA became effective January 1, 2004.

1 General Electric and Qualifying Facilities (“QFs”) that are above the market benchmark proxy  
 2 are charged to the TCBA. Eligible CTC expenses<sup>2</sup> reflect the difference between the market  
 3 proxy and the contract price of costs associated with the Portland General Electric and certain  
 4 QF contracts.

5 SDG&E’s pending Application (“A.”) 11-05-023, addressing the Cost Allocation  
 6 Mechanism (“CAM”) and requesting a new balancing account separate from ERRRA, is discussed  
 7 in more detail in the direct testimony of SDG&E witness William Saxe. Upon a final decision in  
 8 A.11-05-23, SDG&E will update this Application accordingly to comply with Commission  
 9 directives. Similarly, the allocation of allowances revenues related to California’s Greenhouse Gas  
 10 (“GHG”) Cap-and-Trade Program is still pending before the Commission in Rulemaking (“R.”)  
 11 11-03-012 and R.10-05-006 and is not addressed here.

12 **III. 2012 ERRRA AND CTC REVENUE REQUIREMENT FORECASTS**

13 As shown in Table 1 below, SDG&E’s 2012 ERRRA revenue requirement forecast is  
 14 \$886.500 million, including franchise fees and uncollectibles (“FF&U”).

15 **TABLE 1 - ERRRA REVENUE REQUIREMENT**  
 16 **(Thousands of Dollars)**

No.	Component	2012 Forecast		2011 Forecast <sup>3</sup>	
1.	Load ISO Charges		█		█
2.	Supply ISO Revenues	█		█	
3.	Contract Costs (non-CTC)	█		█	
4.	Contract Costs (CTC up to market)	█		█	
5.	Generation Fuel	█		█	
6.	Net Supply ISO Revenues		█		█
7.	Equity Re-balancing Costs		█		█
8.	CAISO Misc Costs		█		█

<sup>2</sup> Expenses eligible for CTC recovery are defined by Assembly Bill (“AB”) 1890.  
<sup>3</sup> The 2011 forecast was approved in A.10-10-001/D.11-07-041.

No.	Component	2012 Forecast		2011 Forecast <sup>3</sup>	
9.	Hedging Costs				
10.	<b>Subtotal</b>		876,154		746,597
11.	FF&U		10,346		8,816
12.	<b>TOTAL</b>		886,500		755,413

1 The line items contained in Table 1, above, as well as the reasons for the \$131.087 million  
2 increase in the 2012 ERRA revenue requirement forecast compared to the approved 2011 ERRA  
3 revenue requirement forecast are addressed in detail in the direct testimony of SDG&E witness  
4 Andrew Scates.

5 As shown in Table 2, below, SDG&E's 2012 CTC revenue requirement forecast is  
6 \$66.145 million, including FF&U.

7 **TABLE 2 - CTC REVENUE REQUIREMENT**  
8 **(Thousands of Dollars)**

No.	Component	2012 Forecast	2011 Forecast <sup>4</sup>
1.	Portland General Electric and QF Contracts	65,373	62,615
2.	FF&U <sup>5</sup>	772	739
3.	<b>TOTAL</b>	<b>66,145</b>	<b>63,354</b>

9 SDG&E's 2012 ERRA revenue requirement forecast includes the fuel costs for its  
10 electric generation facilities, including the San Onofre Nuclear Generating Station ("SONGS"),  
11 Miramar Energy Facility ("Miramar I"), Miramar Energy Facility II ("Miramar II"), Palomar  
12 Energy Center ("Palomar"), Desert Star Energy Center ("Desert Star") and the CalPeak El  
13 Cajon<sup>6</sup>. The actual fuel costs of SONGS, Miramar I, Miramar II, Palomar, Desert Star (formerly

<sup>4</sup> The 2011 forecast was approved in A.10-10-001/D.11-07-041.

<sup>5</sup> Reflects the combined franchise fee (1.0%) and uncollectible (0.141%) factor approved in A.06-12-009/D.08-07-046 (SDG&E 2008 GRC) such that  $1/(1-.01-.00141) = 1.012$  gross-up factor.

<sup>6</sup> The CalPeak El Cajon is projected to be in service prior to summer 2012.

1 known as El Dorado) and Calpeak El Cajon<sup>7</sup> are recorded in the ERRA for recovery through  
2 commodity rates (Schedule EECC). SDG&E's non-fuel costs for these afore-mentioned  
3 facilities are recorded in the NGBA and recovered through a separate component of SDG&E's  
4 commodity rates.

5 For CTC eligible purchase power contracts, the power purchased is recorded to the  
6 ERRA at the market proxy of \$42.50/MWh. The difference between the actual contract price  
7 and the market proxy is included in the 2012 CTC forecast and recorded to the TCBA.  
8 Mr. Scates discusses in more detail the market proxy of \$42.50/MWh.

9 SDG&E requests Commission approval of the 2012 ERRA revenue requirement forecast  
10 of \$886.500 million and 2012 CTC revenue requirement forecast of \$66.145 million.

#### 11 **IV. ERRA YEAR-END BALANCE**

12 In D.09-04-021, the Commission requires SDG&E to include the end-of-year ERRA  
13 balance in its annual regulatory account update advice filing (filed in October) for rates effective  
14 January 1 of the following year, assuming the balance is below the ERRA trigger threshold.  
15 Currently, SDG&E expects the 2011 end-of-year balance to fall below the ERRA trigger  
16 threshold, and therefore, expects to include this balance into rates effective January 1, 2012.

#### 17 **V. SUMMARY**

18 In my testimony, SDG&E requests the Commission to:

- 19 ■ approve the 2012 ERRA revenue requirement forecast of \$886.500 million; and
- 20 ■ approve the 2012 CTC revenue requirement forecast of \$66.145 million;

21 This concludes my direct testimony.  
22

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<sup>7</sup> SDG&E filed Application 11-01-004 on January 5, 2011 requesting authority to acquire CalPeak El Cajon.

1 **VI. QUALIFICATIONS**

2 My name is Amanda D. Jenison. My business address is 8330 Century Park Court, San  
3 Diego, CA 92123. I am employed by San Diego Gas & Electric Company (“SDG&E”) as a  
4 Regulatory Accounts Advisor in the Regulatory Accounts Department of the Financial Analysis  
5 Organization. My current responsibilities include the development, implementation and analysis  
6 of regulatory balancing and memorandum accounts.

7 I received a Bachelor of Science degree in Business Administration with Distinction in  
8 Accounting from San Diego State University in 2000. I have been employed by SDG&E and  
9 Sempra Energy since 2002 and have held various positions of increasing responsibility in various  
10 organizations including Audit Services, Human Resource Compliance, and Cost Accounting.

11 I have not previously testified before the Commission.

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

**DECLARATION  
OF AMANDA D. JENISON**

**A.11-09-XXX**

Application of San Diego Gas & Electric Company (U 902 E)  
For Adoption of its 2012 Energy Resource Recovery Account (ERRA) Revenue Requirement  
and Competitive Transition Charge Revenue Requirement Forecasts

I, Amanda D. Jenison, declare as follows:

1. I am a Regulatory Accounts Advisor for San Diego Gas & Electric Company (“SDG&E”). I included my Prepared Direct Testimony (“Testimony”) in support of SDG&E’s September 30, 2011 Application for Adoption of its 2012 Energy Resource Recovery Account (“ERRA”) and Competitive Transition Charge (“CTC”) revenue requirement forecasts. Additionally, as a Regulatory Accounts Advisor, I am thoroughly familiar with the facts and representations in this declaration, and if called upon to testify I could and would testify to the following based upon personal knowledge.

2. I am providing this Declaration to demonstrate that the confidential information (“Protected Information”) in support of the referenced Application falls within the scope of data provided confidential treatment in the IOU Matrix (“Matrix”) attached to the Commission’s Decision (“D.”) 06-06-066 (the Phase I Confidentiality decision). Pursuant to the procedure adopted in D.08-04-023, I am addressing each of the following five features of Ordering Paragraph 2 of D.06-06-066:

- that the material constitutes a particular type of data listed in the Matrix;
- the category or categories in the Matrix the data correspond to;
- that SDG&E is complying with the limitations on confidentiality specified in the Matrix for that type of data;
- that the information is not already public; and



- that the data cannot be aggregated, redacted, summarized, masked or otherwise protected in a way that allows partial disclosure.

3. The Protected Information contained in my Testimony constitutes material, market sensitive, electric procurement-related information that is within the scope of Section 454.5(g) of the Public Utilities Code.<sup>1</sup> As such, the Protected Information is allowed confidential treatment in accordance with the Matrix, as follows:

Table 1 “ERRA Revenue Requirement” at ADJ-2 of my Testimony includes redacted items listed in columns labeled “2012 Forecast” and “2011 Forecast.” As set forth more specifically below, these items are considered confidential under the Matrix:

- “Load ISO Charges” are protected under Matrix category II.A.2 and are confidential for three years and Matrix category V.C and are confidential for the front three years.
- “Supply ISO Revenues” and “Net Supply ISO revenues” are protected under Matrix categories II.A.2, II.B.1, II.B.3 and II.B.4 and are confidential for three years.
- “Contract Costs (non-CTC)” and “Equity Re-balancing Costs” are protected under Matrix category II.B.4 and are confidential for three years.
- “Contract Costs (CTC up to market)” are protected under Matrix category II.B.3 and II.B.4 and are confidential for three years.
- “Generation Fuel” is protected under Matrix category II.B.1 and II.B.4 and is confidential for three years.
- “CAISO Misc Costs” are protected under Matrix category II.A.2 and are confidential for three years.
- “Hedging Costs” are protected under Matrix category I.A.4 and are confidential for three years.

4. I am not aware of any instances where the Protected Information has been disclosed to the public. To my knowledge, no party, including SDG&E, has publicly revealed any of the Protected Information.

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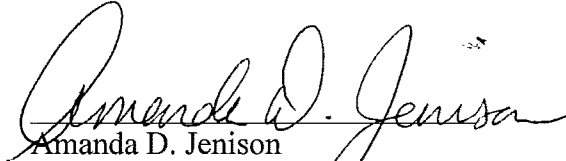
<sup>1</sup> In addition to the details addressed herein, SDG&E believes that the information being furnished in my Testimony is governed by Public Utilities Code Section 583 and General Order 66-C. Accordingly, SDG&E seeks confidential treatment of this data under those provisions, as applicable.

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

6. The Protected Information cannot be provided in a form that is aggregated, partially redacted, or summarized, masked or otherwise protected in a manner that would allow further disclosure of the data while still protecting confidential information.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 20th day of September, 2011, at San Diego, California.

  
Amanda D. Jenison  
Regulatory Accounts Advisor  
San Diego Gas & Electric Company