Application No: A.15-07-__________
Exhibit No.: ________________
Witness: Miranda M. Niederle

Application of Southern California Gas Company (U 904 G) and San Diego Gas & Electric Company (U 902 G) for Authority to Revise their Natural Gas Rates Effective January 1, 2017 in this Triennial Cost Allocation Proceeding Phase 2	A.15-07-____ (Filed July 8, 2015)

PREPARED DIRECT TESTIMONY OF

MIRANDA M. NIEDERLE

SOUTHERN CALIFORNIA GAS COMPANY

AND

SAN DIEGO GAS & ELECTRIC COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

July 8, 2015

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PREPARED DIRECT TESTIMONY
OF MIRANDA M. NIEDERLE

I. PURPOSE

The purpose of my direct testimony on behalf of San Diego Gas and Electric Company (SDG&E) is to (1) present the forecasts of the December 31, 2016, account balances in SDG&E's authorized gas regulatory accounts to be incorporated into the Triennial Cost Allocation Proceeding (TCAP) adopted rates; (2) propose a true-up mechanism to amortize in rates the additional unamortized over- or undercollection that remains in the Core Fixed Cost Account (CFCA) at the end of each year if it exceeds a 15% threshold; and (3) propose a refund plan for the charges accumulated in the Curtailment Penalty Funds Account (CPFA). SDG&E proposes to amortize the applicable balances over a 12-month period, beginning January 1, 2017.

II. OVERVIEW

The rates authorized in the 2013 TCAP Decision (D.)14-06-007 became effective July 1, 2014. As authorized by the California Public Utilities Commission (Commission), SDG&E subsequently filed an annual regulatory account balance update by Advice Letter (AL) 2332-G in October 2014, requesting authority to incorporate estimated December 31, 2014, regulatory account balances into rates, effective on January 1 of the following year. The Commission granted such authority on December 16, 2014. The regulatory account balance update provided in AL 2332-G reflects the latest available information on the regulatory account balances, including forecasts of other regulatory accounts established in other proceedings. In every annual October regulatory account balance update filing, SDG&E will amortize in rates the forecast year-end balances effective January 1 of the following year. SDGE's annual regulatory account balance update filing prior to a final decision in this proceeding will supersede the forecasts being provided in Appendix A in order to ensure that rates are based on forecasted regulatory account balances that reflect the latest available information for incorporation into rates.

Unless otherwise noted, SDG&E proposes to amortize the forecasted regulatory account balances in rates, over a 12-month period, beginning January 1, 2017. The associated rate impact of the regulatory account balances are addressed in the direct testimony of Mr. Bonnett.

The following gas regulatory accounts are addressed in my testimony:

1. Core Fixed Cost Account (CFCA)
2. Noncore Fixed Cost Account (NFCA)
3. Rewards and Penalties Balancing Account (RPBA)
4. Self-Generation Program Memorandum Account (SGPMA)
5. Hazardous Substance Cleanup Cost Account (HSCCA)
6. FERC Settlement Proceeds Memorandum Account (FSPMA)
7. Integrated Transmission Balancing Account (ITBA)
8. California Solar Initiative Thermal Program Memorandum Account (CSITPMA)
9. Liquefied Natural Gas Service Tracking Account (LNGSTA)
10. Pension Balancing Account (PBA)
11. Post-Retirement Benefits Other than Pensions Balancing Account (PBOPBA)
12. General Rate Case Memorandum Account (GRCMA)
13. New Environmental Regulatory Balancing Account (NERBA)
14. Greenhouse Gas Balancing Account (GHGBA)

In addition to addressing the above regulatory accounts, my testimony also addresses the refund plan for charges accounted in the CPFA. SDG&E proposes to amortize the accumulated overcollected balance forecast of $0.1 million by December 31, 2016, in the NFCA. SDG&E

believes that this is the most equitable approach, considering the type of curtailment violations that occurred during the period.

III. REGULATORY ACCOUNTS

SDG&E's regulatory accounts are described below and identify the forecast account balances as of December 31, 2016.

A. Regulatory Accounts – Forecast Balances as of December 31, 2016

SDG&E's forecast of regulatory account balances as of December 31, 2016, is based on recorded data through March 2015, and is summarized in Appendix A.

1. Core Fixed Cost Account (CFCA)

The CFCA is a balancing account authorized by D.05-03-023, which allows SDG&E to record the difference between its authorized gas core transportation base margin revenue requirement (excluding transmission revenue requirements) and recorded base margin revenues from authorized gas transportation rates, which is recorded in the Base Margin Revenue Requirement subaccount (CFCA-Margin). Also included in the Base Margin Revenue Requirement is the authorized revenue requirement for gas storage.

The CFCA has three other subaccounts: (1) Southern California Gas Company (SoCalGas) Transportation Costs (CFCA-SCG), (2) Other SDG&E Costs (CFCA-Other), and (3) Neighbor-to-Neighbor (NTN). The "SoCalGas Transportation Costs" subaccount records SoCalGas charges and offsetting revenues billed to SDG&E. The "Other SDG&E Costs" subaccount records costs and offsetting revenues for Unaccounted For (UAF) gas and Company Use (CU) gas (excluding transmission revenue requirements). The purpose of the NTN subaccount is to record a portion of the CFCA balance to provide funding to the NTN program.

The authorized gas core transportation base margin revenue requirement and storage revenue requirement is recorded to the CFCA-Margin subaccount on a monthly basis using seasonality percentage factors. SDG&E proposes to update these factors based on the consolidated core demand forecasts presented in the testimony and workpapers of Mr. Wetzel.

The CFCA balance is forecast to be overcollected by $13.9 million as of December 31, 2016, which includes the NTN program overcollection of $0.2 million that will not be included in January 1, 2017 rates because SDG&E needs to retain funds for future expenses. The forecast overcollection in CFCA is primarily due to the anticipated amortization rate for 2016 being higher than 2015.

On an annual basis, SDG&E complies with the longstanding practice of submitting an annual AL updating its revenue requirement for projected year-end regulatory account balances, including the CFCA, for incorporation into rates effective January 1 of the subsequent year. Any differences between the projected year-end regulatory account balances and the actual recorded balances at December 31 remain unamortized during the subsequent year. SDG&E has to wait until the following year's AL filing to incorporate any unamortized differences into rates in the year after that AL filing.

The Annual Regulatory Account Update Filing includes a year-end forecast for CFCA that is a combination of eight months of the current year's actual results and four months of forecasts. This forecast helps determine the year-end over or undercollection that is amortized in rates for the following year. The process of forecasting one third of the year when ratemaking leaves SDG&E at risk of significant over- or undercollections in the event that anticipated customer throughput for the remaining four months of the year varies greatly. Currently there is no mechanism in place by which SDG&E can true-up this gap to align rates with actual year-end results.

Table 1 below presents the CFCA results for the last five years and the additional over- and undercollected balances that were unamortized. As shown, on average, SDG&E has carried an additional $14.6 million annually of unamortized balances. When comparing these numbers to the September to December authorized and recorded CFCA margin the variance is, on average, 17.9%.

Table 1: CFCA Unamortized Balances Compared to Margin ($millions)			
Year	**Unamortized Balance at Year-End (Over) / Under Collected A**	**September through December CFCA Margin Recorded (Over) / Under Collected B**	**Percentage variance A/B**
2010	2.6	66.7	3.9%
2011	4.9	69.0	7.0%
2012	11.7	73.8	15.8 %
2013	23.3	81.4	28.6%
2014	30.6	89.9	34.0%
Average	**14.6**	**76.2**	**17.9%**

SDG&E proposes to institute a mechanism that would allow a true-up of the additional unamortized over or undercollection that remains in CFCA at the end of each year. SDG&E proposes the following accounting mechanism to determine whether a true-up of rates could be made for the unamortized portion of the CFCA balance: SDG&E will total the authorized margin recorded in the CFCA for the last four months of the year and compare 15% of the total amount to the absolute value of the unamortized portion of the CFCA balance.

In the event that the CFCA unamortized balance exceeded the 15% threshold, SDG&E would file a Tier 2 AL by February 28 of the following year that may propose a rate change to amortize the additional balance in rates over the remaining nine months of the year, effective April 1. The accounting mechanism would apply to situations that result in significant unamortized portions for both undercollected and overcollected balances for the CFCA. For illustrative purposes, suppose SDG&E projects a $20 million overcollected balance in the CFCA for inclusion in the subsequent year's rates; however, weather during the winter months turns out to be colder, and customer usage is higher than expected, resulting in a recorded CFCA overcollected balance of $50 million. Presuming the proposed accounting mechanism determines a rate update, SDG&E would file an advice letter to update rates to refund the unamortized portion of the CFCA overcollected balance, which, in this example, would be an additional $30 million.

2. Noncore Fixed Cost Account (NFCA)

The NFCA is a balancing account authorized by D.05-03-023, which authorizes SDG&E to record the difference between its authorized gas noncore transportation base margin revenue requirement (excluding transmission revenue requirements) and recorded base margin revenues from authorized gas transportation rates, which is recorded in the Base Margin Revenue Requirement subaccount (NFCA-Margin). The NFCA has two other subaccounts: (1) SoCalGas Transportation Costs (NFCA-SCG) and (2) Other SDG&E Costs (NFCA-Other). The "SoCalGas Transportation Costs" subaccount records SoCalGas charges billed to SDG&E and offsetting revenues. The "Other SDG&E Costs" subaccount records costs and offsetting revenues for UAF and CU gas.

The authorized gas noncore transportation base margin revenue requirement is recorded to the NFCA-Margin subaccount on a monthly basis using seasonality percentage factors. SDG&E proposes to update these factors based on the noncore demand forecast presented in the testimony and workpapers of Mr. Wetzel.

The NFCA balance is forecast to be overcollected by $16.3 million as of December 31, 2016. The forecast overcollection is due to greater anticipated thoroughput. SDG&E will also reflect in January 1, 2017, rates the new authorized revenue requirement for UAF and CU that result from this proceeding.

3. Rewards and Penalties Balancing Account (RPBA)

The RPBA records SDG&E's rewards, penalties, and performance-based ratemaking revenue sharing. The RPBA balance is forecast to be undercollected by $0.3 million as of December 31, 2016.

4. Self-Generation Program Memorandum Account (SGPMA)

The SGPMA, effective March 8, 2002, records the incremental costs associated with SDG&E's Self-Generation Incentive Program (SGIP). Self-generation refers to Distributed Generation (DG) technologies, such as microturbines, small gas turbines, wind turbines, photovoltaics, fuel cells, internal combustion engines, and combined heat and power (or cogeneration), as well as incremental costs associated with the California Solar Initiative (CSI). The SGIP budget is allocated between electric and gas customers 93% and 7%, respectively.

In D.14-12-033, the Commission authorized SDG&E's SGIP annual budget for 2015 through 2019 to be equal to the funding in 2014, or $0.8 million for gas. The SGPMA balance is forecast to be $4.2 million overcollected as of December 31, 2016. SDG&E proposes to retain the overcollected balance to fulfill future outstanding program commitments.

5. Hazardous Substance Cleanup Cost Account (HSCCA)

The HSCCA was approved by D.94-05-020, which provides a mechanism for allocating costs and recoveries associated with hazardous substance-related activities. These activities include hazardous substance cleanup and litigation and related insurance payouts. The HSCCA balance is forecast to be overcollected by $0.2 million as of December 31, 2016.

6. FERC Settlement Proceeds Memorandum Account (FSPMA)

The original purpose of the FSPMA (previously established as the El Paso Settlement Proceeds Memorandum Account) was solely to record the El Paso Settlement proceeds allocable to core aggregation customers pursuant to D.03-10-087. The FSPMA incorporates a modification to include the core aggregation customers' share of all FERC settlement proceeds received from other companies settling with the State of California for their involvement in the 2000-2001 energy crisis.

The FSPMA balance is forecast to be $0.7 million undercollected as of December 31, 2016. The undercollected balance resulted from the return of past settlement proceeds to ratepayers at a faster rate than forecast, as sales were higher than predicted at the time. SDG&E proposes not to amortize this forecast balance in rates on January 1, 2017. Instead, SDG&E will continue with an undercollection until such time as either settlement dollars come in to offset the balance, or it is certain that there will be no offsetting settlement dollars. Appendix A reflects the plan to not amortize.

7. Integrated Transmission Balancing Account (ITBA)

The ITBA records the difference between the authorized transmission system revenue requirement, which excludes CU gas, and the corresponding transmission revenues pursuant to D.06-04-033, D.06-12-031, and D.11-04-032. Under System Integration, the balance in the ITBA is combined with the balance in SoCalGas' ITBA-SI subaccount and re-allocated between the utilities based on cold-year throughput. SDG&E's allocation of the ITBA balances is amortized in the following year's rates as proposed in SDG&E's annual October regulatory account balance update filing.

The ITBA balance, before its re-allocation between SDG&E and SoCalGas, is forecast to be undercollected by $6.9 million as of December 31, 2016. The ITBA balance, after its re-allocation between SDG&E and SoCalGas, is forecast to be undercollected by $1.5 million.

8. California Solar Initiative Thermal Program Memorandum Account (CSITPMA)

The CSITPMA is an interest-bearing memorandum account recorded on SDG&E's financial statements. The purpose of the CSITPMA is to record expenses associated with the CSI Thermal program pursuant to D.10-01-022. In compliance with AB 1470, the Commission established the CSI Thermal program to provide incentives to promote the installation of solar water heating systems in homes and businesses that displace the use of natural gas. SDG&E was allocated 10%, or $25.0 million, of the $250.0 million funded by gas customers for the CSI Thermal program. The CSI Thermal program is effective January 21, 2010, through December 31, 2017.

The balance in the CSITPMA will be amortized in gas transportation rates on an equal-cents-per-therm (ECPT) basis from all customers excluding customers who participate in the California Alternate Rates for Energy (CARE) program and any customers who are currently exempt from funding under the SGIP. The CSITPMA balance is forecasted to be $0.5 million undercollected as of December 31, 2016.

9. Liquefied Natural Gas Service Tracking Account (LNGSTA)

The LNGSTA is a tracking account to record the difference between expenses and revenues related to the purchase and sale of Liquefied Natural Gas (LNG) to the customers receiving service under Schedule GL-1. SDG&E's remaining LNG customers are the residents of the Roadrunner Mobilehome Park located in Borrego Springs, CA. The account is recorded through three subaccounts: LNG Fuel, LNG Capital, and LNG O&M.

The LNGSTA balance is forecast to be approximately $0.7 million undercollected as of December 31, 2016. The amortization will not be included in rates for January 1, 2017, and are not reflected in Appendix A. The decision to not amortize this balance in rates relates to a cap imposed by the 2009 BCAP Phase 2 Settlement Agreement adopted by D.09-11-006, stating: "SDG&E will maintain the existing requirement that the average combined liquefied natural gas ('LNG') and electric bill for residents of the Roadrunner Home Park in Borrego Springs, California will not exceed the average Borrego Springs all-electric bill. The parties agree, however, that notwithstanding this requirement, SDG&E will implement for the Settlement Term the rates it proposed in this proceeding." Due to the small nature of the undercollection, SDG&E proposes to continue its practice of tracking the LNGSTA account and may propose to amortize the undercollection in rates in a future proceeding.

10. Pension Balancing Account (PBA)

The purpose of the PBA is to balance the difference between the forecast and actual minimum contributions to SDG&E's pension fund. The authorized pension revenue requirement and the related actual pension expenses recorded in the PBA are adjusted for related pension costs capitalized in rate base and inter-company pension costs (*i.e.*, for shared services) billed to and charged from SDG&E's affiliate companies. In addition, the PBA records an adjustment for the difference in pension costs embedded in authorized and actual depreciation along with the related return.

Pursuant to D.13-05-010, SDG&E's 2012 General Rate Case (GRC), the PBA is effective January 1, 2012, and will continue for the four-year GRC cycle through December 31, 2015. The PBA is addressed in SDG&E's 2016 GRC Application (A.) 14-11-003, which includes, among other things, the pension funding revenue requirement and the continued amortization of the PBA balance on an annual basis during the 2016 GRC period. Pending resolution of the PBA in SDG&E's 2016 GRC application, a forecast of the PBA balance as of December 31, 2016 is not presented in this application. In every annual October regulatory account balance update filing, SDG&E will amortize in rates the forecasted year-end PBA balance effective January 1 of the following year. SDG&E is not currently amortizing a PBA balance effective January 1, 2015, which will be kept constant as a placeholder for the proposed amortization in rates over the 12-month period beginning January 1, 2017. Once a Commission decision in SDG&E's 2016 GRC application is issued, an updated forecast of the PBA will be included in SDG&E's next annual regulatory account balance update filing.

11. Post-Retirement Benefits Other than Pensions Balancing Account (PBOPBA)

The purpose of the PBOPBA is to balance the difference between the annual PBOP costs embedded in authorized rates and the actual tax-deductible contributions to the PBOP Trust. The authorized PBOP revenue requirement and the related actual PBOP expenses recorded in the PBOPBA are adjusted for related PBOP costs capitalized in ratebase and inter-company PBOP costs (*i.e.*, for shared services) billed to and charged from SDG&E's affiliate companies. In addition, the PBOPBA records an adjustment for the difference in PBOP costs embedded in authorized and actual depreciation along with the related return.

Pursuant to D.13-05-010, SDG&E's 2012 GRC, the PBOPBA is effective January 1, 2012, and will continue for the four-year GRC cycle through December 31, 2015. The PBOPBA is addressed in SDG&E's 2016 GRC A.14-11-003, which includes, among other things, the PBOP funding requirement and the continued amortization of the PBOPBA balance on an annual basis during the 2016 GRC period. Pending resolution of the PBOPBA in SDG&E's 2016 GRC application, a forecast of the PBOPBA balance as of December 31, 2016, is not presented in this application. In every annual October regulatory account balance update filing, SDG&E will amortize in rates the forecasted year-end PBOPBA balance effective January 1 of the following year. As SDG&E is amortizing an overcollected PBOPBA balance of $0.4 million effective January 1, 2015, the same overcollected balance will be retained as a placeholder for the proposed amortization in rates over the 12-month period beginning January 1, 2017. Once a Commission decision in SDG&E's 2016 GRC application is issued, an updated forecast of the PBOPBA will be included in SDG&E's next annual regulatory account balance update filing.

12. General Rate Case Memorandum Account (GRCMA)

The GRCMA is a memorandum account effective January 1, 2012, in which SDG&E records the shortfall or overcollection resulting from the difference between the rates currently in effect and the final rates adopted by the Commission in D.13-05-010 in A.10-12-005, SDG&E's 2012 GRC. The GRCMA is addressed in A.14-11-003, SDG&E's 2016 GRC. In the testimony of Ms. Jasso, the GRCMA was forecast to have a zero balance as of December 31, 2015, so SDG&E proposed to transfer any residual balance to the CFCA and NFCA and eliminate the current GRCMA.

13. New Environmental Regulatory Balancing Account (NERBA)

Pursuant to D.13-05-010, the purpose of the NERBA was to record the difference between actual costs and authorized costs in rates associated with the new greenhouse gas (GHG) requirements. Per D.14-12-040, SDG&E established a Greenhouse Gas Balancing Account and Greenhouse Gas Memorandum Account to record Cap-and-Trade Program costs related to GHG emissions associated with SDG&E's covered facilities and natural gas deliveries to end users. As a result, the NERBA consists of two subaccounts: AB32 Admin Fee Subaccount and Subpart W Subaccount. The purpose of the AB32 Admin Fee Subaccount is to record the difference between actual administrative fees paid to the California Air Resources Board (CARB) and the associated authorized cost in base rates. The purpose of the Subpart W Subaccount is to record the operating and maintenance and capital-related costs associated with the monitoring and reporting requirements of Subpart W to the GHG Mandatory Reporting Rule issued by the United States (US) Environmental Protection Agency and the associated authorized costs in base rates.

Pursuant to D.13-05-010, the NERBA is effective January 1, 2012, and will continue for the four-year GRC cycle through December 31, 2015. The NERBA is addressed in SDG&E's 2016 GRC, A.14-11-003, which includes, among other things, continuation of its authorized ratemaking treatment and current allocation method for the next GRC period. Pending resolution of the NERBA in SDG&E's 2016 GRC application, a forecast of the NERBA balance as of December 31, 2016, is not presented in this application. As SDG&E is amortizing an overcollected balance for the NERBA of $1.2 million effective January 1, 2015, the same overcollected balance will be retained as a placeholder for the proposed amortization in rates over the 12-month period beginning January 1, 2017. Once a Commission decision in SDG&E's 2016 GRC application is issued, an updated forecast of the NERBA will be included in the next regulatory account balance update filing.

14. Greenhouse Gas Balancing Account (GHGBA)

Pursuant to D.14-12-040, the purpose of the GHGBA is to record costs incurred to comply with the California Cap and Greenhouse Gas (GHG) Emissions and Market-Based Compliance mechanisms (Cap-and-Trade Program) regulations imposed by CARB. The GHGBA consists of three subaccounts: End Users GHG Compliance Cost Subaccount, Company Facilities GHG Compliance Cost Subaccount, and Consignment Revenues Subaccount. The purpose of the End Users GHG Compliance Cost Subaccount is to record costs and corresponding revenues associated with emissions allowances and/or offsets purchases for SDG&E's natural gas deliveries to end users. The purpose of the Company Facilities GHG Compliance Cost Subaccount is to record costs and corresponding revenues associated with emissions allowances and/or offset purchases for SDG&E's covered facilities. The purpose of the Consignment Revenues Subaccount is to record revenues received from consignment of natural gas supplier allowances for auction.

Prior to the establishment of the GHGBA, Cap-and-Trade (C&T) program costs related to GHG emissions and the corresponding authorized cost in GRC base rates were recorded in the C&T Facilities and C&T End User Subaccounts of the NERBA. In compliance with D.14-12-040, SDG&E transferred the year-end 2014 balances from the two NERBA subaccounts to the GHGBA as of January 1, 2015. However, in AL 2332-G, SDG&E requested and received approval to amortize the NERBA C&T Facilities Subaccount in 2015 rates. Since the balance of the NERBA C&T Facilities Subaccount was transferred to the GHGBA Company Facilities GHG Compliance Cost Subaccount, the amortization revenues in 2015 rates associated with the transferred balance are recorded in the associated GHGBA Subaccount. SDG&E is party to a current greenhouse gas rulemaking (R.14-03-003) in which, among other things, the disposition of the GHGBA is being addressed. Pending resolution of the GHGBA in R.14-03-003, a forecast of the GHGBA balance as of December 31, 2016, is not presented in this application. Once a Commission decision on the disposition of the GHGBA in R.14-03-003 is issued, a forecast of the GHGBA will be included in SDG&E's next regulatory account balance update filing.

B. Refund Plan for Charges Accumulated in the Curtailment Penalty Funds Account (CPFA)

The CPFA is a balancing account in which SDG&E records revenues collected from the Curtailment Penalty provisions as set forth in SDG&E's Gas Rule 14. As provided in the CPFA description in SDG&E's preliminary statement, SDG&E proposes in the TCAP the manner by which the accumulated balance in the CPFA shall be returned to customers. The gas curtailment events and the associated gas curtailment violation charges are described below.

In October and November 2011, in order to comply with safety requirements established by the US Department of Transportation (DOT), SDG&E needed to conduct scheduled pipeline maintenance on the major natural gas pipeline feeding SDG&E's customers. Because of this required maintenance work, gas transportation service was not available to noncore customers for a series of eight gas curtailment events.

Noncore customers who declared to SDG&E that the gas curtailments for scheduled maintenance created an operating emergency were required to complete an Operating Emergency Form. Noncore Customers who received Utility approval to operate during the gas curtailment were also responsible for ensuring the quantities delivered at the Otay Mesa receipt point were sufficient to cover all of its usage during the scheduled maintenance event or be subject to curtailment violation charges. $0.03 million was booked to the CPFA in November and December 2011 for violation charges related to the curtailments for scheduled pipeline maintenance.

In December 2013 and February 2014, due to severe weather conditions affecting gas production and interstate pipelines serving southern California, SoCalGas and SDG&E determined it was necessary to curtail Standby Procurement Service for all transportation customers. The entity bearing the financial responsibility of managing noncore transportation imbalances was required to schedule a quantity equal to or greater than 90% of usage for each day or a violation of the Curtailment Order had occurred, and charges for non-compliance were billed to the entity. A total of $0.1 million was booked to the CPFA for curtailment violation charges related to the December 2013 and February 2014 curtailments of Standby Procurement Service.

Due to the nature of the violation charges, it would be very difficult to use the methodology established in the 2009 BCAP and the 2013 TCAP to calculate each customer's pro-rata share of the CPFA. Because the curtailments impacted only noncore customers, SDG&E proposes to amortize these balances, plus accumulated interest, in the NFCA. The total forecast balance related to all of the abovementioned violations in the CPFA as of December 31, 2016, is an overcollection of $0.1 million.

IV. SUMMARY

SDG&E proposes to amortize the regulatory accounts shown in Appendix A into rates, which reflects a decrease of $92.9 million from the $63.2 million undercollection in current rates. SDG&E also proposes a true-up mechanism to amortize in rates the additional unamortized over or undercollection that remains in CFCA at the end of each year if it exceeds the 15% threshold. Finally, SDG&E proposes to amortize the CPFA overcollected balance forecast to be $0.1 million as of December 31, 2016, in the NFCA beginning January 1, 2017.

This concludes my prepared direct testimony.

V. QUALIFICATIONS

My name is Miranda M. Niederle. I am employed by San Diego Gas & Electric Company as a Senior Regulatory Accounts Advisor in the Regulatory Accounts Department. My business address is 8330 Century Park Court, San Diego, California 92123. My current responsibilities include the development, implementation, and analysis of regulatory balancing and memorandum accounts. I assumed my current position in June 2014.

I have been employed with SDG&E and Sempra Energy Corporate (Parent) since June 2010. In addition to my current position in Regulatory Accounts, I served as Auditor II for Sempra Energy's Audit Services Department and completed a three year Financial Leadership Program which included roles in accounting, finance, and audit. I received a Bachelor's of Science degree in Accounting from San Diego State University in June 2010. I am a Certified Public Accountant in the State of California.

Appendix A

APPENDIX A

A-1

San Diego Gas & Electric Company - 2017 TCAP
Present and Proposed Regulatory Account Balances [1]
(Over) / Under Collection
Table 1

	Account Name		1/1/2015 Current Amortization AL 2347-G ($Millions)	1/1/2017 Proposed Amortization ($Millions)	Revenue Requirement Change Incr / (Decr) ($Millions)
			A	B	(B-A)
1	Core Fixed Cost Account	CFCA	50.1	(13.9)	(64.0)
2	Noncore Fixed Cost Account	NFCA	(10.4)	(16.3)	(5.9)
3	Rewards and Penalties Balancing Account	RPBA	1.1	0.3	(0.8)
4	Self-Generation Program Memo. Account (Revenue Requirement)	SGPMA	0.8	0.0	(0.8)
5	Hazardous Substance Cleanup Cost Account	HSCCA	1.4	(0.2)	(1.6)
6	FERC Settlement Proceeds Memo. Account	FSPMA	0.0	0.0	0.0
7	Integrated Transmission Balancing Account[2]	ITBA	0.4	1.5	1.1
8	California Solar Initiative Thermal Program Memorandum Account	CSITPMA	1.9	0.5	(1.4)
9	Liquefied Natural Gas Service Tracking Account	LNGSTA	0.0	0.0	0.0
10	Pension Balancing Account	PBA	0.0	0.0	0.0
11	Post-Retirement Benefits Other than Pensions Balancing Account	PBOPBA	(0.4)	(0.4)	0.0
12	General Rate Case Memorandum Account	GRCMA	19.5	0.0	(19.5)
13	New Environmental Regulatory Balancing Account	NERBA	(1.2)	(1.2)	0.0
14	Greenhouse Gas Balancing Account	GHGBA	0.0	0.0	0.0
15	Total Amortization		$63.2	($29.7)	($92.9)
16	Curtailment Penalty Funds Account[3]	CPFA	0.0	(0.1)	(0.1)
17	TOTAL		$63.2	($29.8)	($93.0)

[1] Balances are based upon recorded data through March 2015 and assume the rate impacts filed in SDG&E's Consolidated Gas Rate Changes Effective January 1, 2015 (AL 2347-G dated December 29, 2014). Balances exclude franchise fees and uncollectibles.

[2] Balance reflects combined SDG&E and SoCalGas ITBA balances re-allocated between utilities based on cold year throughput per Preliminary Statement.

[3] This account is forecasted to have a $0.1 million overcollection as of December 31, 2017, subject to refund to customers.