BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of San Diego Gas & Electric Company (U 902 M) for Authorization to Recover Costs of Several Catastrophic Events Recorded in Its Catastrophic Expense Memorandum Account (CEMA).	A.22-10-021 (Filed October 31, 2022)

REPLY BRIEF OF SAN DIEGO GAS & ELECTRIC COMPANY IN SUPPORT OF FULL RECOVERY OF ITS CATASTROPHIC EVENT MEMORANDUM ACCOUNT COSTS

Paul A. Szymanski
8330 Century Park Court, CP32D
San Diego, CA 92123
Telephone: (858) 654-1732
Facsimile: (619) 699-5027
E-mail: pszymanski@sdge.com

Attorney for:
SAN DIEGO GAS & ELECTRIC COMPANY

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I. INTRODUCTION AND SUMMARY.

Pursuant to Public Utilities Code Section 454.9, Commission Resolution E-3238, the Commission's Rules of Practice and Procedure, Rule 13.11, and the November 8, 2023 email Ruling of Administrative Law Judge (ALJ) Regina DeAngelis, San Diego Gas & Electric Company (SDG&E) files this Reply Brief in reply to the November 30, 2023 Opening Brief of the Commission's Public Advocates Office (Cal Advocates). On that same date, SDG&E filed its Opening Brief, providing a full recitation of SDG&E's evidence submitted in this proceeding, including an accounting methodology for establishing the incrementality of its Catastrophic Event Memorandum Account (CEMA) expenses for eight (8) CEMA events (CEMA Events) which were presented in SDG&E's October 31, 2022 Application (Application). Additionally, SDG&E's Opening Brief took issue with Cal Advocates' false and unsupported claim that SDG&E's CEMA costs have already been recovered in an SDG&E General Rate Case (GRC); it explained that Cal Advocates' position that SDG&E must first "exhaust" its authorized but unspent GRC overheads has been previously proposed by Cal Advocates and flatly rejected by the Commission at least twice previously; and it pointed out that Cal Advocates clearly and equivocally stated during evidentiary hearings that SDG&E CEMA-related engineering overheads "are recoverable in this CEMA application."[1]

[1] SDG&E Opening Brief at Section III, citing to Tr. at 39, line 25. This issue is discussed further in Section IV, below. *See also* Attachment A to this Reply Brief.

SDG&E's Application seeks to recover in rates approximately $51.4 million in costs incurred by SDG&E to remediate those CEMA Events. Of that total, Cal Advocates recommended that $2.071 million be disallowed for recovery. Cal Advocates' Opening Brief is nearly a carbon copy of its limited Testimony,[2] and it doubles down – still with no factual substantiation – on the same two unsupported positions that it raised in its Testimony on which its attempts to base its recommendation.[3] SDG&E addressed each of those positions in detail in its Opening Brief.[4] They are addressed, once again, in this Reply Brief in summary fashion in Sections II and III, below.

SDG&E's Opening and Rebuttal testimonies put forth a detailed accounting methodology designed to ensure the incrementality of the costs tracked in its CEMA memorandum accounts. As outlined in SDG&E's Opening Brief, with references to SDG&E's supporting testimonies, SDG&E initially applies a "but-for" test to determine if the costs would have been incurred if any of the eight CEMA events had not occurred.[5] Next, SDG&E undertakes five additional steps, controls, and protocols for all candidate CEMA costs before any costs are determined eligible and considered incremental.[6] When fully considered, these steps ensure that costs included for recovery in a CEMA memorandum account are entirely independent and mutually exclusive of costs that are applied for and authorized in an SDG&E GRC. There is and can be

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2 Ex. CA-01.

3 SDG&E Opening Brief at 2-3.

4 SDG&E incorporates its Opening Brief by reference; nothing in this Reply Brief should be construed to suggest that SDG&E's positions have changed having received Cal Advocates' Opening Brief. To the contrary, SDG&E reaffirms the analyses and conclusions presented in its Opening Brief and underscores the evidentiary lacuna underlying Cal Advocates' positions that purported to support its disallowance recommendation.

5 SDG&E Opening Brief at 14.

6 SDG&E Opening Brief at 14-17.

no overlap. Thus, SDG&E's methodology ensures – indeed, proves – that each CEMA cost is incremental to any other GRC-authorized cost. The record of this proceeding contains no evidence contradicting the validity of this accounting methodology for ensuring incrementality of SDG&E's CEMA costs.

And yet, while SDG&E's accounting methodology is spelled out in SDG&E's testimonies (and summarized in SDG&E's Opening Brief), neither Cal Advocates' testimony nor its Opening Brief acknowledges any part of it, much less do they fairly and carefully analyze it. Then, having turned a blind eye to this central, critical aspect of SDG&E's showing, Cal Advocates falsely claims that SDG&E's proof of incrementality is "insufficient" (without explanation of any purported deficiency), and SDG&E did not carry its burden of proof. In sum, Cal Advocates has not given SDG&E's Application a full and fair assessment, on the merits, and consistent with applicable precedent. On the contrary, Cal Advocates failed to carry its burden of going forward, which is required by applicable Commission precedent. See Section V, below.

SDG&E trusts that ALJ DeAngelis and the Commission will carefully consider all of the evidence that SDG&E has submitted as well as SDG&E's Opening and Reply Briefs. When they do so, they will find that SDG&E adopted and followed a sound accounting methodology for establishing the incrementality of its applied-for CEMA costs. SDG&E is confident that such a careful review will cause the Commission to reject Cal Advocates' transparent attempt to mischaracterize SDG&E's robust showing, reject Cal Advocates' false and unsupported claim that SDG&E's CEMA costs already have been recovered in SDG&E's GRC, and authorize full recovery of all of SDG&E applied-for CEMA costs.

II. CAL ADVOCATES' FALSE CLAIM THAT SDG&E'S CEMA COSTS WERE ALREADY RECOVERED IN AN SDG&E GRC REMAINS UNSUPPORTED AND ITS POSITION APPEARS TO SHIFT FROM TESTIMONY TO HEARINGS TO BRIEFING.

A. Cal Advocates' Persists in Making a False, Unsupported Factual Claim That SDG&E's CEMA Costs Were Already Recovered in SDG&E GRC.

Cal Advocates' Opening Brief relies exclusively on Cal Advocates' own testimony to defend its position that "the overhead costs associated with the non-labor portion of the capital work are non-incremental and that overhead costs already recovered in rates as part of SDG&E's [GRC] previously authorized funding levels are non-incremental."[7] However, Cal Advocates confirmed during hearings that in developing its testimony it did not review any SDG&E GRC to see if any CEMA costs, which are costs incurred specifically for emergency-related, non-routine restoration work following an officially declared emergency -- were included.[8] Additionally, SDG&E's Opening Brief pointed out that neither Cal Advocates' written nor oral testimonies could even possibly substantiate factually Cal Advocates' repeated factual claim that SDG&E's GRC included CEMA overhead costs.[9]

All indications are that Cal Advocates' review of the SDG&E's Application has at best a casual connection to undertaking serious fact-based analyses and preparing fact-based conclusions. Further to this point, during evidentiary hearings, Cal Advocates either would not or could not answer very basic questions about whether its own analysis of SDG&E's Application was fact-based:

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[7] Cal Advocates Opening Brief at 4, citing Ex. CA-01 at 13; *see also id.* at 5, citing Ex. CA-01 at 10, 12. Note that Cal Advocates cites only to its own, factually unsupported testimony as the basis for its claims about SDG&E's GRC.

[8] SDG&E Opening Brief at 3-4, citing Tr. at 42, line 10 through Tr. at 44, line 2.

[9] SDG&E Opening Brief at 37, "Cal Advocates has provided no factual showing, no facts to contradict SDG&E's showing, and its legal support for its demands for GRC-related data is misplaced and off-base due to its incorrect understanding of the Commission's CEMA precedent."

Q: But is your evaluation fact based?

A: Well, I – it's based on fact. ***And you know, creative decisions.*** Previous – you know, a GRC we might have worked on or CEMAs we might have worked on.[10]

A CEMA proceeding is at its core a straight-forward accounting exercise. Facts are critical. Creativity has no role. SDG&E's Opening Brief provides a nearly twenty-page summary of its accounting methodology and case-in-chief, referring to the record, all of which are facts in evidence.[11] The Commission must make its decisions based only on facts and law, not creative whimsy. SDG&E's showing establishes by a preponderance of the evidence that its Application contains only incremental CEMA costs for non-routine, CEMA-related emergencies that have never been previously requested, authorized by the Commission or recovered in any other Commission proceeding.

In sharp contrast, Cal Advocates' "evidence" contains no facts to support its claims, which SDG&E maintains are false, and appears to base its analysis and disallowance recommendation on something other than facts, such as "creativity." The Commission is fundamentally a finder- and trier-of-facts. The record is clear and dispositive both in substantiating SDG&E's fact-based showing and substantiating the absence of any substantiation for Cal Advocates' claims.

B. Cal Advocates' Written Testimony, Oral Testimony and Opening Brief, Cal Advocates Each Use Different and Confusing Phraseology, Making Its Position Regarding SDG&E's GRC Unclear and Confusing.

As indicated above and in SDG&E's Opening Brief, Cal Advocates insists without any evidence that certain overhead costs included in this CEMA proceeding were previously recovered in SDG&E's GRC. However, because the record does not identify the factual source

[10] Tr. at 12, lines 16-19 (emphases added).

[11] *See* SDG&E Opening Brief, Section II.

of this claim – it is not based on the contents of an SDG&E GRC – Cal Advocates' statements on this claim have shifted at various stages of this proceeding.

First, its testimony states: "Cal Advocates ***considers*** overheads already recovered in rates as part of SDG&E's [GRC's] previously authorized funding levels and should not be ***considered*** incremental."[12] SDG&E was not – and still is not – clear why Cal Advocates chose to use the word "considers" twice in this sentence. At the November 2, 2023 hearing, SDG&E asked:

Q: Can you explain what you mean by the word "considers" in this context?

A: I use the word "considers" because it's my opinion.[13]

Thus, in addition to not checking any SDG&E GRC before making this assertion, Cal Advocates nonetheless made the assertion, clarifying that is merely "opinion."

Second, during hearings, when Cal Advocates was pressed about the reasons why Cal Advocates was focused on SDG&E's GRCs, given SDG&E's accounting methodology designed to ensure cost incrementality that was spelled out in SDG&E's CEMA case, Cal Advocates repeatedly stated that SDG&E must "exhaust" all of its authorized but unspent GRC revenues before seeking CEMA recovery. SDG&E's Opening Brief captures all of Cal Advocates' statements regarding "exhausting GRC revenues first" and then points out that the Commission has rejected this very GRC "exhaustion" argument advanced by Cal Advocates.[14] Thus, Cal Advocates' objective in seeking SDG&E's spent GRC authorized amounts is entirely misplaced and an improper grounds to allege that SDG&E has not responded to Cal Advocates' data

[12] Ex. CA-01 at 4, lines 15-16 (emphases added).

[13] Tr. at 37, line22 – Tr. at 38, line 1.

[14] SDG&E Opening Brief at 8-13.

requests.[15] SDG&E indeed responded in full to Cal Advocates' data requests,[16] the answers to which Cal Advocates' claims are "insufficient," but regardless, indicates Cal Advocates' erroneous understanding of the Commission's CEMA precedent. The incrementality of SDG&E's CEMA costs is explained in detail in and established by SDG&E's testimonies, as indicated above.

Third, Cal Advocates refers to the CEMA-GRC connection a different way in its Opening Brief. There, it states unequivocally that "…SDG&E's overhead costs associated with the non-labor portion of the capital work ***were already recovered*** in rates as part of SDG&E's [GRC's] previously authorized funding levels and should thus not be considered incremental."[17] In this formulation, Cal Advocates omits using the "considers" language from its written testimony and also avoids using the "exhausts" language from the oral testimony at hearings.

Thus, the record is not clear what Cal Advocates' actual position is regarding the role of the utility's GRC in assessing its CEMA costs; either that, or the record is clear that Cal Advocates is unclear about the role a GRC plays in analyzing a CEMA application. But one thing is very certain: the only evidence in the record cited to by Cal Advocates in support of this false claim is its own factually unsupported written testimony and its own legally unsupported oral testimony.[18] Neither has substantive merit.

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[15] Cal Advocates Opening Brief at 4.

[16] SDG&E's Opening Brief does a comprehensive walk-through of each data request and response. See SDG&E's Opening Brief at Section II.C.

[17] Cal Advocates' Opening Brief at 5 (citation omitted) (emphases added).

[18] Public Utilities Code Section 1757(a)(4) requires that Commission decisions must be "supported by substantial evidence in light of the whole record." SDG&E submits that Cal Advocates has submitted no evidence to support its false allegation that SDG&E's CEMA costs have already been recovered in an SDG&E GRC.

III. CAL ADVOCATES' CLAIM THAT SDG&E'S SHOWING IS "INSUFFICIENT" LACKS ANY REFERENCE TO ANY SPECIFIC STANDARD OF "SUFFICIENCY" AND ITSELF IS INSUFFICIENT.

There is no question that SDG&E must establish that its applied-for CEMA costs must be incremental to any costs previously recovered by SDG&E. As indicated above, and especially in its Opening Brief and referenced testimony, SDG&E has repeatedly and exhaustively explained how it established the incrementality of its CEMA expenses that are included in this Application. Further, as explained in Section I, above, Cal Advocates has chosen to disregard or omit mentioning any aspect of SDG&E's accounting methodology and then claim that SDG&E's showing is "insufficient" and SDG&E has not carried out its burden of proof. This tactic should and must be rejected.

To focus this point: of the vast amount of evidence proffered by SDG&E in this case regarding the incrementality of its CEMA costs, the only piece of evidence provided by SDG&E that Cal Advocates' Opening Brief acknowledges consists of a single sentence from SDG&E's Rebuttal Testimony: "SDG&E argues that all of its requested CEMA costs were neither sought for recovery nor recovered in any other proceeding, including SDG&E's pending GRC proceeding."[19] The one sentence from SDG&E's testimony that Cal Advocates elected to mention was mischaracterized as "argument," when it is plain not argument but fact. Cal Advocates' testimony and Opening Brief ignore the rest of the points about SDG&E's accounting methodology that are in evidence and summarized in nearly 20 pages of SDG&E's Opening Brief in Section II. Cal Advocates appears more interested in denigrating SDG&E's showing than in analyzing it factually and on the merits.

[19] Cal Advocates Opening Brief at 4, citing SDG&E's Rebuttal Testimony, Ex. SDGE-02 at 8.

Moreover, as SDG&E pointed out in its Opening Brief, the Commission has not prescribed a specific way by which a utility must prove incrementality of its costs in a CEMA application.[20] It is true and undisputed, of course, that a utility must not try to recover CEMA costs that have previously been recovered in its GRC or elsewhere. But that does not mean that establishing incrementality must be demonstrated with "comparisons" between CEMA data and GRC data or provided reams of "numbers" (and it is not clear what "numbers" or "comparisons" actually would support a finding of incrementality), as Cal Advocates has maintained.[21] Instead, as stated above, and reflected in the record, SDG&E developed and deployed an accounting methodology that creates a well-defined demarcation between costs that can be applied for authorization in a GRC and those that are eligible for CEMA costs recoverable, and the two are as different as apples and raccoons.

In fact, Cal Advocates appeared to understand this key aspect of SDG&E's demonstration of incrementality at the November 2, 2023 hearing:

> Q: But, I want to go back to what we were talking about a moment ago, which is the relationship of SDG&E's CEMA and – to SDG&E's GRC. Is it your understanding that SDG&E puts costs in one proceeding that would not be appropriate to put in the other proceeding, that the two types of proceedings are mutually exclusive?
>
> A: Yes.[22]

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[20] *See* SDG&E Opening Brief at Executive Summary, at vi-vii.

[21] *See e.g.*, Cal Advocates Opening Brief at 4; Tr. at 61, lines 22-25, ALJ DeAngelis state during the hearing: "We're entitled to a little bit of evidence…. I would be interested in evidence."

[22] Tr. at 23, lines 6-23. *See also* SDG&E's Opening Brief, Section II.E.

Thus, Cal Advocates indicated that it understands the key "mutually exclusivity" aspect of SDG&E's accounting methodology that ensures incrementality, even though neither Cal Advocates' testimony nor its Opening Brief address any of it. Nor did they indicate how this accounting treatment would not ensure the incrementality of SDG&E's CEMA expenses.

Even though Cal Advocates continues to allege that SDG&E's showing was somehow deficient, it has not explained for the record or in its Opening Brief by what standard it evaluated SDG&E's showing and determined it to be "insufficient." Additionally, Cal Advocates has failed to indicate why SDG&E's accounting methodology does not ensure incrementality, and why that methodology leads Cal Advocates to continue its false assertion that SDG&E has already recovered its CEMA costs in a GRC. For these reasons, it is Cal Advocates' – not SDG&E's – analysis that is insufficient, both legally and factually, as indicated above.

IV. CAL ADVOCATES ADMITTED ON THE RECORD THAT SDG&E'S ENGINEERING-RELATED CAPITAL OVERHEAD COSTS INCLUDED IN ITS CEMA APPLICATION ARE FULLY RECOVERABLE "IN THIS CEMA CASE."

Notwithstanding the above-mentioned debates, Cal Advocates clearly and emphatically admitted during the November 2, 2023 evidentiary hearing that SDG&E's engineering-related capital overhead costs included for recovery in this Application are fully recoverable "in this case."[23] Those costs comprise $1.512 million of the $2.071 million in Cal Advocates' disallowance recommendation. See Attachment A for a full delineation of these costs that Cal Advocates deemed eligible for recovery "in this case."

Cal Advocates' Opening Brief makes no mention of this important admission (it makes no references or citations to any aspect of the November 2, 2023 hearing), which has the effect of changing its disallowance recommendation, SDG&E takes Cal Advocates' sworn testimony

[23] *See* Tr. at 38, line 13 through Tr. 39 line 25.

regarding the recoverability of these engineering-related costs in this case as an assurance that it no longer opposes that $1.512 million portion of its disallowance recommendation since it clearly and unequivocally stated "yes" to the question posed whether those costs are recoverable in this proceeding. Based on Cal Advocates' own words, SDG&E can see no other reasonable conclusion that can be made other than its agreement with SDG&E that the Commission should authorize recovery of those $1.512 million in costs.[24]

Accordingly, in its Final Order, the Commission should understand Cal Advocates' admission necessarily to mean that its recommended disallowance should be adjusted to be no greater than $0.559 million.

V. CONTRARY TO CAL ADVOCATES' LEGAL ARGUMENT, CURRENT COMMISSION PRECEDENT CLEARLY INDICATES THAT THE BURDEN OF PROOF SHIFTS TO THE INTERVENOR IN RATE CASES, AND CAL ADVOCATES FAILED IN ITS BURDEN OF GOING FORWARD.

SDG&E's Opening Brief explained that, while an applicant in a Commission proceeding bears the initial burden of proof, an intervenor challenging the applicant's requested relief has an affirmative obligation of the burden of going forward.[25] In the Opening Brief, SDG&E pointed to two recent Commission rate cases that contain that clear precedent. However, Cal Advocates' Opening Brief cites to a year 2000 Commission decision and quotes it as follows: "The inescapable fact is that the ultimate burden of proof of reasonableness … never shifts from the utility which is seeking to pass its costs of operations onto ratepayers on the basis of the reasonableness of those costs."[26] Cal Advocates' reliance on that case is legally wrong and inexplicable.

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[24] Doing so means that Cal Advocates' recommended disallowance, factoring in this admission about the recoverability of these CEMA costs, is $559,000 ($2.071 - $1.512) million. *See* Attachment A.

[25] SDG&E Opening Brief at Section V.C.

[26] Cal Advocates' Opening Brief at 5, n22, citing D.00-02-046.

Three years ago, in D.20-07-038, the Commission reviewed a rehearing request filed by two intervenors in a rate case. One intervenor argued that the underlying rate case decision unfairly shifted the burden of proof back to the intervenors. The Commission held:

> Commission decisions consistently hold the utilities to their ultimate burden to prove the reasonableness of the relief they seek and the costs they seek to recover. Yet when other parties propose a different result, they too have a 'burden of going forward' to produce evidence to support their position and raise a reasonable doubt as to the utility's request.[27]

Similarly, in 2021, the Commission issued the same holding in a different rate case, D.21-08-036:

> It is well-established that, as the applicant, SCE must meet the burden of proving that it is entitled to the relief it is seeking in this proceeding. SCE has the burden of affirmatively establishing the reasonableness of all aspects of its application. The Commission has held that the standard of proof the applicant must meet in rate cases is that of a preponderance of the evidence. Preponderance of the evidence usually is defined 'in terms of probability of truth, *e.g.*, 'such evidence as, when weighed with that opposed to it, has more convincing force and the greater probability of truth.'"[28]

Although the utility bears the ultimate burden to prove the reasonableness of the relief they seek and the costs they seek to recover, the Commission has held that when other parties propose a different result, they too have a '"burden of going forward' to produce evidence to support their position and raise a reasonable doubt as to the utility's request."[29]

Four points must be made here with respect to this precedent. First, SDG&E questions Cal Advocates' use of a Commission case that is more than twenty years old and wonders if it was checked to see if it contained an accurate and current statement of the applicable precedent.

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[27] D.20-07-038 at 3-4, citing D.87-12-067.

[28] D.21-08-036 at 9-10, citing D.09-03-025 at 8; D.06-05-016 at 7; D.19-05-020 at 7; D.15-11-021 at 8-9; D.14-08-032 at 17; D.08-12-058 at 19, citing Witkin, Calif. Evidence, 4th Edition, Vol. 1 at 184.]

[29] D.20-07-038 at 3-4, citing D.87-12-067.]

It does not. ALJ DeAngelis specifically requested that parties' briefs address burdens of proof and when the shifting burden of proof.[30]

Second, it stands to reason why the Commission would require an intervenor to carry its "burden of going forward": if, after the applicant makes its case-in-chief, which SDG&E in fact did (but Cal Advocates did not address in testimony or its brief), and the intervenor simply alleges with nothing more than opinion that the applicant did not meet its burden of proof, the intervenor's lack of evidence to support its position would leave the Commission in a quandary about the basis on which the intervenor opposed the applicant's case-in-chief. The record would be incomplete, and the applicant would be deprived of having the opportunity to challenge the evidence on which the opposition was based. It would create a due process issue. That is the case here: as stated above, Cal Advocates failed to provide factual evidence on which to substantiate its disallowance recommendation. Thus, Cal Advocates failed to carry its burden of going forward in accordance with Commission precedent.

Third, applying the correct precedent, it is clear that SDG&E has submitted a full case-in-chief, including an accounting methodology that was designed and implemented in this case to ensure that only incremental CEMA costs are sought for recovery. SDG&E has carried its burden of proof by a preponderance of the evidence. However, Cal Advocates has failed in carrying out its Commission-required burden of going forward. As stated in this Reply Brief, Cal Advocates does not address SDG&E's accounting methodology ***at all***. Cal Advocates has not responded to SDG&E's showing and provided any evidence to suggest that SDG&E's accounting methodology does not ensure incrementality of its CEMA costs, as SDG&E has

[30] Tr. at 97, line 23 through Tr. at 98, line 5. SDG&E notes that this is the second legal misstatement by Cal Advocates in this proceeding. *See* SDG&E's Opening Brief at Section I.C.2.

steadfastly maintained. Applying applicable Commission precedent and its standard of proof, SDG&E's showing "has more convincing force and the greater probability of truth."[31]

Fourth, Cal Advocates has attempted to turn the evidentiary record in this proceeding on its head by alleging, without support, that SDG&E has not carried its burden of proof, and at the same time, maintaining that it has provided testimony adequate to support its disallowance recommendation. The Commission's full and fair appraisal of the record will indicate just the opposite: SDG&E has carried its burden of proof by virtue of its case-in-chief, including a methodology that ensures the incrementality of its requested CEMA costs, and Cal Advocates has produced no evidence to support its main contention that SDG&E's CEMA costs have been recovered in an SDG&E GRC.

VI. CONCLUSION

Rule 13.11 of the Commission's Rules of Practice and Procedure, which governs briefs, states that "factual statements must be supported by identified evidence of record." However, as indicated above, Cal Advocates' factual statements stating that SDG&E's CEMA costs were already recovered in SDG&E GRC are supported only by Cal Advocates' own statements from its testimony that it charactered as "opinion." These statements do not meet the requirements of Rule 13.11 requiring fact-based statements.

Similarly, Cal Advocates' claim that SDG&E's showing is "insufficient" fails to state any specific Commission standard or requirement by which SDG&E's showing is "insufficient." Again, SDG&E made a full and exhaustive showing, including a rigorous accounting methodology designed to ensure the incrementality of SDG&E's CEMA expenses – a showing that Cal Advocates to date has failed even to mention, much less analyze on its merits. Both of

[31] D.21-08-036 at 9-10.

Cal Advocates' two claims regarding SDG&E's Application are nothing more than subjective opinion, or opinions masquerading as facts.

At the same time, throughout this proceeding, neither Cal Advocates' testimony nor its Opening Brief even acknowledges SDG&E's accounting methodology that ensures the incrementality of its CEMA expenses included for recovery in this Application. Cal Advocates provides no evidence to refute SDG&E's methodology that creates a clear demarcation between its costs applied for and authorized in its GRCs and the much different circumstances and analyses that determine the incrementality and eligibility for recovery of SDG&E's emergency-related CEMA costs. Cal Advocates' total silence regarding this essential part of SDG&E's case-in-chief speaks volumes about Cal Advocates' posture and one-sided agenda for this proceeding.

Indeed, SDG&E has carried its burden of proof by a preponderance of the evidence – actual facts – through its detailed accounting methodology designed to identify the eligibility of its reasonable and incremental CEMA costs. Cal Advocates has offered nothing in the record of this case that would fairly call into question the legitimacy of any of SDG&E's applied-for CEMA costs and has not justified – legally, factually or otherwise – its disallowance recommendation. Therefore, SDG&E respectfully requests that the Commission approve SDG&E's CEMA Application and all of its requested relief.

Respectfully submitted,

/s/ Paul A. Szymanski

Paul A. Szymanski
8330 Century Park Court, CP32D
San Diego, CA 92123
Telephone: (858) 654-1732
E-mail: pszymanski@sdge.com

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Attorney for:
San Diego Gas & Electric Company

ATTACHMENT A

Summary of SDG&E's CEMA Engineering-Related Overhead Costs

Summary of SDG&E's CEMA Engineering-Related Overhead Costs

CEMA Event	Category	Cost Element	CE Description	Incremental
Winter Storms (2019)	Engineering	9132600	Eng ED NL (CS)	174,521
Emergency Drought (2014)	Engineering	9132600	Eng ED NL (CS)	148,240
January Storms (2017)	Engineering	9132620	Eng GD NL (CS)	1,688
January Storms (2017)	Engineering	9132600	Eng ED NL (CS)	478,822
Lilac Fire (2017)	Engineering	9132620	Eng GD NL (CS)	630
September Extreme Heat and Valley Fire Event (2020)	Engineering	9132600	Eng ED NL (CS)	486,910
West Fires (2018)	Engineering	9132620	Eng GD NL (CS)	3,367
West Fires (2018)	Engineering	9132600	Eng ED NL (CS)	217,534
Grand Total				**1,511,712**

SOURCE: Cal Advocates Office's Report on the Results of Examination for SDG&E's Application for Authorization to Recover Costs of Several Catastrophic Events Recorded in its CEMA (June 30, 2023) (Exhibit (Ex.) CA-01) at 64-65.