

**ORA DATA REQUEST
ORA-SDGE-151-MRK
SDG&E 2019 GRC – A.17-10-007
SDG&E RESPONSE
DATE RECEIVED: MARCH 2, 2018
DATE RESPONDED: MARCH 16, 2018**

Exhibit Reference: SDG&E-40
SDG&E Witness: Eric Dalton
Subject: Miscellaneous Revenues/CIAC

Please provide the following:

1. In response to ORA-SDG&E-116-MRK, SDG&E sent ORA a copy of Tariff Rule 15 and Tariff Rule 16 to document the distinction between applicant-performed work and company work for CIAC and CAC projects. ORA has some questions regarding these Tariff Rules:

- a. Re Tariff Rule 15: Sheets 5 and 6 (Contributions or Advances by Applicant). Please clarify the treatment of the Applicant's contribution with respect to its accounting as a CAC advance or a CIAC contribution, clarifying the difference in accounting if the applicant or the utility performs the work.
- b. Re Tariff Rule 15: Sheets 7 and 8 (Refunds). Please clarify the treatment of the Applicant's contribution with respect to its accounting as a CAC advance or a CIAC contribution, clarifying the difference in accounting if the applicant or the utility performs the work.
- c. Re Tariff Rule 15: Sheets 8 and 9, (Applicant Design Option For New Installations). Please clarify the treatment of the Applicant's contribution with respect to its accounting as a CAC advance or a CIAC contribution, clarifying the difference in accounting if the applicant or the utility performs the work.
- d. Re Tariff Rule 15: Sheets 9 and 10, (Applicant Installation Options). Please clarify the treatment of the Applicant's contribution with respect to its accounting as a CAC advance or a CIAC contribution, clarifying the difference in accounting if the applicant or the utility performs the work.
- e. Re Tariff Rule 15: Sheets 10 and 11 (Overhead Distribution line Extension for Subdivisions or Developments). Please clarify the treatment of the Applicant's contribution with respect to its accounting as a CAC advance or a CIAC contribution, clarifying the difference in accounting if the applicant or the utility performs the work.
- f. Re Tariff Rule 15: Sheet 11 (Special Conditions). Please clarify the treatment of the Applicant's contribution with respect to its accounting as a CAC advance or a CIAC contribution, clarifying the difference in accounting if the applicant or the utility performs the work.
- g. Re Tariff Rule 16: Sheets 5, 6, 7, 8, and 9 (Applicant Responsibility). Please clarify the treatment of the Applicant's contribution with respect to its accounting as a CAC advance or a CIAC contribution, clarifying the difference in accounting if the applicant or the utility performs the work. Please also clarify whether the reference to the Utility's design specification in Sheet 5 should be viewed as a general rule applicable to all Applicant performed work.

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Question 1 - Continued

- h. Re Tariff Rule 16: Sheets 9 and 10 (Utility Responsibility). Please clarify the treatment of the Applicant's contribution with respect to its accounting as a CAC advance or a CIAC contribution, clarifying the difference in accounting if the applicant or the utility performs the work.
- i. Re Tariff Rule 16: Sheet 10 and 11 (Allowances and Payments by Applicant). Please clarify the treatment of the Applicant's contribution with respect to its accounting as a CAC advance or a CIAC contribution, clarifying the difference in accounting if the applicant or the utility performs the work.
- j. Re Tariff Rule 16: Sheet 11, 12, and 13 (Existing Service Facilities). Please clarify the treatment of the Applicant's contribution with respect to its accounting as a CAC advance or a CIAC contribution, clarifying the difference in accounting if the applicant or the utility performs the work.

SDG&E Response 01:

1.a. With respect to SDG&E Tariff Rule 15: Sheets 5 and 6 (Contributions or Advances by Applicant), contributions by cash payment are considered (i) CIAC, if they're non-refundable; or, (ii) CAC, if refundable. The direct value of work performed by the Applicant is always considered CIAC. If the Applicant were to hypothetically perform all work on a job and the utility none, the direct value of work performed would be CIAC. Under this hypothetical, the Applicant could elect either (i) to pay the indirect costs associated with this work up front as CIAC and discounted per SDG&E Tariff Rule 15.D.5.c; or, (ii) to pay the undiscounted amount as CAC, if they wish to apply future allowances toward it.

1.b. With respect to SDG&E Tariff Rule 15: Sheets 7 and 8 (Refunds), the direct value of work performed by the Applicant is considered CIAC. This includes required work under SDG&E Tariff Rule 15.D.5.d or other work performed by the Applicant. Any remaining amounts due to SDG&E, after the granting of any allowances, are considered (i) CIAC, if the Applicant selects to pay the discounted amount up front; or, (ii) CAC, if the Applicant selects to pay the full amount subject to future refund. If the Applicant selects to pay these costs up front as CIAC, then they're subject to a discount, as stated in SDG&E Tariff Rule 15.D.5.c.

1.c. With respect to SDG&E Tariff Rule 15: Sheets 8 and 9 (Applicant Design Option for New Installations), Applicant design credits are not considered CAC. Credits for design work performed by the Applicant are credited against any CIAC monies due at the time the contract is signed. If there is no CIAC money due at the time the contract is signed, then the Applicant is paid the value of the Applicant design credit upon final acceptance of their work by the utility.

1.d. With respect to SDG&E Tariff Rule 15: Sheets 9 and 10 (Applicant Installation Options), see the response to 1.b above. This applies to all work performed by the Applicant.

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SDG&E Response 01 Continued:

1.e. With respect to SDG&E Tariff Rule 15: Sheets 10 and 11 (Overhead Distribution Line Extension for Subdivision or Developments), see the response to 1.b above. In the case of overhead extensions, the Applicant typically does not perform any of the work, so they may pay a refundable CAC amount or a discounted CIAC amount.

1.f. With respect to SDG&E Tariff Rule 15: Sheet 11 (Special Conditions), please see the response to Question 1.a. in data request ORA-SDGE-148-MRK.

1.g. With respect to SDG&E Tariff Rule 16: Sheets 5, 6, 7, 8, and 9 (Applicant Responsibility), all work required to serve the Applicant under SDG&E Tariff Rule 16 is considered CIAC, regardless of who performs it, as stated in SDG&E Tariff Rule 16.E.3.c. All Applicant performed work must conform to the utility's design specifications.

1.h. With respect to SDG&E Tariff Rule 16: Sheets 9 and 10 (Utility Responsibility), please see the response to 1.g above. Per SDG&E Tariff Rule 16.E.3.c, "Any payments or contribution of facilities by Applicant are taxable Contributions in Aid of Construction (CIAC)...".

1.i. With respect to SDG&E Tariff Rule 16: Sheets 10 and 11 (Allowances and Payments by Applicant), the allowances are granted against the cost of the extension. Any monies due from the Applicant, in excess of the granted allowance, are considered CIAC without regard to who performs the work, as stated in response Questions 1.g. and 1.h. above.

1.j. With respect to SDG&E Tariff Rule 16: Sheets 11, 12, and 13 (Existing Service Facilities), please see the responses to Questions 1.g. through 1.i. above. All contributions are CIAC.