

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

In the Matter of the Application of San Diego Gas & Electric Company (U 902 E) for Approval of its Proposals for Dynamic Pricing and Recovery of Incremental Expenditures Required for Implementation.

Application 10-07-009  
(Filed July 6, 2010)

Application of San Diego Gas & Electric Company (U 902 E) for Authority to Update Marginal Costs, Cost Allocation, and Electric Rate Design

Application 19-03-002  
(Filed March 4, 2019)

**PARTIAL RESPONSE OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E) TO  
THE ADMINISTRATIVE LAW JUDGE'S NOVEMBER 1, 2019 RULING DIRECTING  
SAN DIEGO GAS & ELECTRIC COMPANY TO FILE / SERVE SUPPLEMENTAL  
INFORMATION**

Laura M. Earl  
*Counsel for*  
**SAN DIEGO GAS & ELECTRIC COMPANY**

8330 Century Park Court, CP32D  
San Diego, CA 92123  
Telephone: (858) 654-1541  
Facsimile: (619) 699-5027  
Email: [learl@semprautilities.com](mailto:learl@semprautilities.com)

November 18, 2019

## TABLE OF CONTENTS

I.	INTRODUCTION .....	1
II.	DISCUSSION.....	2
A.	SDG&E Response to Section 2 of the November 1 Ruling (Essential Use Model).....	2
1.	SDG&E Already is an Active Participant in PG&E and SCE’s Stakeholder Process and Will Continue to Remain Actively Involved. ....	2
2.	SDG&E’s Timeline for Completing Development of its Essential Use Model is Contingent on Several Factors. ....	3
B.	SDG&E Response to Section 3 of the November 1 Ruling (PFM of D.12-12-004).....	4
1.	SDG&E Clarifications to Table JR-8 of the August 30, 2019 Supplemental Testimony of Jeni Reynolds.....	5
2.	Excel Document.....	5
III.	CONCLUSION.....	6

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

In the Matter of the Application of San Diego Gas & Electric Company (U 902 E) for Approval of its Proposals for Dynamic Pricing and Recovery of Incremental Expenditures Required for Implementation.

Application 10-07-009  
(Filed July 6, 2010)

Application of San Diego Gas & Electric Company (U 902 E) for Authority to Update Marginal Costs, Cost Allocation, and Electric Rate Design

Application 19-03-002  
(Filed March 4, 2019)

**PARTIAL RESPONSE OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E) TO  
THE ADMINISTRATIVE LAW JUDGE’S NOVEMBER 1, 2019 RULING DIRECTING  
SAN DIEGO GAS & ELECTRIC COMPANY TO FILE / SERVE SUPPLEMENTAL  
INFORMATION**

**I. INTRODUCTION**

Pursuant to the Rules of Practice and Procedure of the California Public Utilities Commission (“CPUC” or “Commission”) and Ordering Paragraph 2 of Administrative Law Judge (“ALJ”) Kao’s November 1, 2019 Ruling Directing San Diego Gas & Electric Company [“SDG&E”] to File/Serve Supplemental Information (“November 1 Ruling”), SDG&E respectfully submits this Partial Response to the November 1 Ruling. In Section II.A of this pleading, SDG&E provides the supplemental information the ALJ requested in Section 2 of the November 1 Ruling regarding the essential use model. In Section II.B of this pleading, SDG&E provides the supplemental information the ALJ requested in Section 3 of the November 1 Ruling regarding SDG&E’s Petition for Modification (“PFM”) of Decision (“D.”) 12-12-004. SDG&E will be

submitting the supplemental information the ALJ requested in Section 1 of the November 1 Ruling regarding updated workpapers/testimony to reflect the adopted revenue requirement in D.19-09-051 (SDG&E's 2019 General Rate Case ("GRC") decision) on January 15, 2020, consistent with the ALJ's November 13, 2019 Email Ruling Granting Request for Partial Extension and Providing Further Direction for Updated Testimony, Workpapers.

## **II. DISCUSSION**

### **A. SDG&E Response to Section 2 of the November 1 Ruling (Essential Use Model)**

Section 2 of the November 1 Ruling "directs SDG&E to participate in PG&E [Pacific Gas and Electric Company] and SCE's [Southern California Edison Company] stakeholder process for developing a model of what constitutes essential use for its residential customers, and to develop such a model consistent with the specific directions provided to PG&E in D.18-08-013." Section 2 of the November 1 Ruling also directs SDG&E to "file and serve a document that details SDG&E's timeline for completing developing its essential use model." SDG&E's response is set forth below.

#### **1. SDG&E Already is an Active Participant in PG&E and SCE's Stakeholder Process and Will Continue to Remain Actively Involved.**

SDG&E is proactively participating with PG&E and SCE in the design of the electric essential use study and model. To date, two public meetings<sup>1</sup> have occurred with parties to PG&E and SCE's GRC Phase 2 proceedings as well as parties to Rulemaking ("R.") 18-07-006.

SDG&E participated in both of these meetings. In these meetings, the three Investor Owned Utilities ("IOUs") stated a desire to jointly coordinate and conduct a statewide electric essential

---

<sup>1</sup> These meetings took place on August 28, and September 6, 2019.

use study and model to better ensure consistency on how essential use is assessed in the service territories of the three IOUs.

**2. SDG&E’s Timeline for Completing Development of its Essential Use Model is Contingent on Several Factors.**

SDG&E’s timeline for completing development of its essential use model is dependent on several activities and decisions. Some of the activities discussed in the public meetings include, but may not be limited to:

- Completing the 2019 Residential Appliance Saturation Survey (“RASS”);<sup>2</sup>
- Conducting further public meetings to receive stakeholder feedback prior to finalizing study design; and
- Receiving Commission approval of:
  - An IOU proposal for a Joint IOU study, which would include the determination of the regulatory venue for review and approval of the Joint IOU study;
  - An IOU proposal for direct award of further research needed beyond content in 2019 RASS; and
  - A Joint IOU proposed study plan, budget, and cost recovery plan.

In both D.18-08-013 and D.18-11-027, the Commission recognized the critical role that the 2019 RASS would play in the development of an essential use study. Ordering Paragraph 14 of D.18-08-013 states that the essential use study: “...must be developed using research, both existing (information sources such as the [RASS] and Experian data) and new direct customer surveys, to collect information on household size (in terms of both square footage and number of residents), building features (age, construction materials, insulation, etc.), and appliances (efficiency and usage) in order to better evaluate the essential electricity needs of PG&E’s residential

---

<sup>2</sup> See Ordering Paragraph (“OP”) 14 of D.18-08-013 and OP 14 of D.18-11-027 with references to the information sources such as the RASS. The 2019 RASS is expected to be completed in March 2020.

customers.”<sup>3</sup> SDG&E believes that its essential use study also should be based on the same foundation and therefore the timeline for completion of an essential use study will be dependent upon completion of the 2019 RASS.

As discussed in the public meetings, the IOUs have recommended that the essential use studies be conducted jointly by the three IOUs and consolidated into a separate proceeding such as the Affordability Proceeding (R.18-07-006). This is likely the most expeditious way to coordinate stakeholder and IOU activities and resolve issues that may arise. A separate proceeding will relieve stakeholders from participating in three separate proceedings,<sup>4</sup> and allow all parties the opportunity to more easily participate in a consistent statewide electric essential use study and model. Consolidation may also facilitate IOU coordination of a statewide electric essential use study and model.

The three IOUs are working on these activities, but a more precise timeline will require resolution of the issues discussed above.

**B. SDG&E Response to Section 3 of the November 1 Ruling (PFM of D.12-12-004)**

Section 3 of the November 1 Ruling directs SDG&E to “file and serve a document confirming whether the data in Tables JR-7 and JR-8 of its August 30, 2019 supplemental testimony include all complaints from small non-residential customers. . .” Section 3 of the November 1 Ruling further specifies that “If Tables JR-7 and JR-8 are only a subset of all complaints from

---

<sup>3</sup> D.18-08-013 at 179. Comparable language can also be found in OP 14 of D.18-11-027 for SCE’s essential use study. “The SCE study plan must consider a model that uses research, both existing (information sources such as the Residential Appliance Saturation Survey and Experian data) and new direct customer surveys, to collect information on household size (in terms of both square footage and number of residents), building features (age, construction materials, insulation, etc.), and appliances (efficiency and usage) in order to better evaluate the essential electricity needs of SCE’s residential customers.”

<sup>4</sup> The Commission has directed essential use studies in SDG&E’s GRC Phase II, PG&E’s GRC Phase II, and SCE’s Rate Design Window.

non-residential customers . . . SDG&E shall serve an Excel document that provides the number of all complaints from small non-residential customers, by month and climate zone, since November 2015; SDG&E shall provide this information separately for CARE [California Alternate Rates for Energy] customers and for all other small non-residential customers.” SDG&E’s response is set forth below.

**1. SDG&E Clarifications to Table JR-8 of the August 30, 2019 Supplemental Testimony of Jeni Reynolds.**

Previously submitted Table JR-7 included a summary of all high bill calls (not complaints) from non-residential customers. Therefore, no revisions or updates to Table JR-7 are included in this response.

In reviewing SDG&E’s prior development of Table JR-8, SDG&E identified that the results presented include more than just non-residential high bill complaints. Table JR-8 results also included non-residential customer *comments*, which may or may not be related to high bill situations. The differences in Table JR-8 results, when customer comments are excluded, are not substantive since only a handful of instances were identified where customer *comments* were inadvertently included. Nonetheless, previously submitted Table JR-8 should now be superseded by the tables included in this response.

**2. Excel Document.**

SDG&E has developed an Excel file, which is being served concurrently with this pleading. The results are from SDG&E’s Customer Resolution Tracking System (“CRTS”). The tables are formatted consistent with SDG&E’s prior Table JR-8 and show complaints for each of

the summer months of July through October; for 2016, 2017 and 2018.<sup>5</sup> Results are shown by Climate Zone and with non-residential CARE complaints separately identified.

The tables differ as follows:

- Table JR-8A: All Complaints for All Non-Residential Customers
- Table JR-8B: All Complaints for Small Non-Residential Customers
- Table JR-8C: High Bill Complaints for All Non-Residential Customers
- Table JR-8B: High Bill Complaints for Small Non-Residential Customers

### III. CONCLUSION

In conclusion, SDG&E respectfully submits this partial response to the ALJ's November 1 Ruling.

Respectfully submitted,

/s/ Laura M. Earl

Laura M. Earl

*Counsel for*

**SAN DIEGO GAS & ELECTRIC COMPANY**

8330 Century Park Court, CP32D

San Diego, CA 92123

Telephone: 858/654-1541

Facsimile: 619/699-5027

Email: [learl@semprautilities.com](mailto:learl@semprautilities.com)

November 18, 2019

---

<sup>5</sup> Although the November 1 Ruling directs SDG&E to provide data from November 2015, the first summer month evaluated in this analysis is July 2016, which is consistent with Table JR-8.