

**AReM and DACC DATA REQUEST**  
**AReM and DACC Data Request SDGE-01**  
**SDG&E GRC Phase 2 APPLICATION – A.15-04-012**  
**SDG&E RESPONSE**  
**DATE RECEIVED: DECEMBER 16, 2015**  
**DATE RESPONDED: JANUARY 8, 2016**

**Background:** D.14-12-024, which was issued in R.13-09-011, adopted a “cost allocation principle” for the utilities’ (i) demand response (DR) programs and tariffs and (ii) tariffs for Critical Peak Pricing, Time-of-Use (TOU), Permanent Load Shifting (PLS), real time pricing (RTP), and peak time rebate (PTR), which are considered to be “Load-Modifying” DR resources (see Table 2, p. 21, D.14-03-026). D.14-12-024 ordered that programs or tariffs that are “only available to bundled customers” shall have the associated program’s costs “allocated solely to generation rates” (D.14-12-024, p. 48; see also Ordering Paragraph 8a, p. 87).

1. The link below provides a table prepared by the Energy Division, which lists SDG&E’s current tariffs and programs subject to the cost allocation principle adopted in D.14-12-024. For each SDG&E tariff or program identified in the spreadsheet, please provide:
  - a. Which tariffs or programs are applicable solely to bundled customers; and
  - b. Which tariffs or programs are applicable to all customers, including direct access customers, and to which customer groups they apply (*e.g.*, residential, small commercial, agricultural, medium-large commercial and industrial).

**SDG&E Response 01:**

SDG&E interprets the link provided below as referencing the “2016 Total IOU Demand Response program totals by Program and Local Area - Grossed up for T&D Losses” document.

- a. The following programs identified in the document are available solely to bundled customers:
  - Peak Time Rebate for Residential (Schedule PTR)
  - Critical Peak Pricing for M/L C&I (Schedule CPP-D)
  - Critical Peak Pricing for M/L Agricultural (Schedule CPP-D-AG)
- b. The following programs identified in the document are available to all customers:
  - Base Interruptible Program for all Commercial and Agricultural (Schedule BIP)
  - Capacity Bidding for all Commercial and Agricultural (Schedule CBP) includes Day-Ahead and Day-Of
  - Demand Bidding for all Commercial and Agricultural (Schedule DBP2); includes Day-Ahead and Day-Of
  - Small Customer Technology Deployment for Residential and Commercial (SCTD)
  - Summer Saver for Residential and Small Commercial

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2. Please list any additional SDG&E DR-related programs/tariffs or dynamic pricing tariffs that are not listed in the attached spreadsheet and specify the customers applicable to each such new tariff or program.

**SDG&E Response 02:**

Additional SDG&E DR programs/tariffs, not found in this document, that are available to only bundled customers are:

- Smart Pricing Program rate for Small Commercial (Schedule EECC-TOU-A-P)
- Smart Pricing Program rate for Residential (Schedule EECC-TOU-DR-P),
- Smart Pricing Program rate for Agricultural (Schedule EECC-TOU-PA-P).

Additional programs, not found in this document, that are available to all customers are:

- Optional Binding Mandatory Curtailment for all Commercial and Agricultural (Schedule OBMC)
- Scheduled Load Reduction Program for all Commercial and Agricultural (Schedule SLRP)
- Rolling Blackout Reduction Program for all Commercial and Agricultural (Schedule RBRP)
- Technical Incentive Program (TI), an enabling technology program for Commercial Customers when combined with a DR program, & open to all customers
- Permanent Load Shifting (PLS) for Commercial Customers

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3. For each SDG&E tariff or program identified in answer to Questions 1 and 2 above and applicable solely to bundled customers, please provide:
- a. The costs that SDG&E proposes to recover in A.15-04-012.
  - b. The specific rate element in which SDG&E proposes to recover the associated program costs (i.e., Generation, Transmission or Distribution).
  - c. Whether the tariff or program includes separate incentive payments to customers that are not included in the costs specified in answer to Question 3,a and for each such tariff or program, the estimated total costs of the incentives and the specific rate element in which SDG&E proposes to recover those costs (i.e., Generation, Transmission or Distribution).

**SDG&E Response 03:**

- a. As noted in the Testimony of Christopher Swartz (Chapter 2) on page CS-6, A.15-04-012 is a revenue neutral proceeding based on current effective rates at the time of filing (effective November 1, 2015).
- b. As noted in the Testimony of Christopher Swartz (Chapter 2) on page CS-7, SDG&E proposes no changes to the allocation of costs related to Demand Response programs at this time in this proceeding. As indicated in Footnote 9 of Mr. Swartz's testimony, SDG&E will address this issue in its demand response programs and budgets proposal for 2017, which will be filed on February 1, 2016 in R.13-09-011.
- c. As noted in the Testimony of Christopher Swartz (Chapter 2) on page CS-6, A.15-04-012 is a revenue neutral proceeding based on current effective rates at the time of filing (effective November 1, 2015).

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4. Please provide specific references to the workpapers and testimony demonstrating where SDG&E has complied with the cost allocation principle adopted in D.14-12-024.

**SDG&E Response 04:**

As identified in SDG&E-02 (Swartz Testimony-Chapter 2), SDG&E will address the “cost allocation guidance” provided in D.14-12-024 in the filing of its 2017 demand response program and budgets proposal.

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5. Footnote 9, p. CS-7 in SDGE-02 (Swartz Testimony) states that SDG&E will address the “cost allocation guidance” provided in D.14-12-024 in the filing of its 2017 demand response program application due on February 1, 2016. Please specify the DR-related programs and tariffs for which SDG&E intends to request cost recovery in the February 2016 filing that are in addition to the DR-related programs and tariffs, which have been included for cost recovery in A.15-04-012.

**SDG&E Response 05:**

SDG&E intends to address the “cost allocation guidance” for the programs and tariffs identified above in Q1 and Q2, as well as any new programs or tariffs presented in its 2017 demand response program and budget proposal due on February 1, 2016. Once SDG&E has filed its DR proposal, it will be able to provide a specific response through discovery propounded in that proceeding.

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6. In SDGE-02 (Swartz Testimony), p. CS-9, SDG&E provides two tables (CS-1 and CS-2) summarizing its Distribution Revenue Allocation proposals. Footnotes 11 and 13 to the tables state: “Excludes miscellaneous programs recovered through distribution rates, specifically CSI, SGIP, and Demand Response (“DR”) currently recovered in distribution rates.” Please explain how and why how DR is “currently recovered in distribution rates,” but not included in the distribution revenue allocation.

**SDG&E Response 06:**

While the costs of miscellaneous distribution programs defined as CSI, SGIP, and DR are recovered in distribution rates, these miscellaneous distribution programs are allocated differently than distribution revenue requirements.

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7. Similarly, Footnote 20, p. CF-20, SDGE-01 (Fang Testimony) states: “With the exception of California Solar Initiative (“CSI”), Self Generation Incentive Program (“SCIP”), and Demand Response (“DR”) program costs, which are included in the distribution rate, but are not incurred on the basis of providing distribution services.” Please explain how and why DR costs “included in the distribution rate” are “not incurred on the basis of providing distribution services.”

**SDG&E Response 07:**

As explained in SDG&E-06 (Saxe Testimony-Chapter 6), distribution costs represent the costs from the substation to the customer's meter. These costs reflect the distribution costs to provide customers with electric service (i.e., providing distribution services). Footnote 20 on page CF-12 of SDG&E-01 (Fang Testimony) is pointing out the cost of programs authorized by the California Public Utilities Commission and/or the California State Legislature (CSI, SGIP, and DR) that are included in distribution rates but are not associated with the distribution costs to directly provide electric services to customers.

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8. On p. CS-28 in SDGE-02 (Swartz Testimony), the CPP program is discussed. CPP is a program only applicable to bundled customers. Please provide specific references to the workpapers and testimony demonstrating that the full costs associated with the CPP program have been allocated to the Generation rate element.

**SDG&E Response 08:**

As identified in SDG&E-02 (Swartz Testimony-Chapter 2), SDG&E proposes no changes to the allocation of costs related to Demand Response programs at this time in this proceeding, but will address this in its February DR filing.

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9. On pp. CS-53 and CS-54, in SDGE-02 (Swartz Testimony), PTR incentives are discussed. PTR is a program only applicable to bundled customers. Please provide specific references to the workpapers and testimony demonstrating that the full costs associated with the PTR program have been allocated to the Generation rate element.

**SDG&E Response 09:**

As identified in SDG&E-02 (Swartz Testimony-Chapter 2), proposes no changes to the allocation of costs related to Demand Response programs at this time in this proceeding.

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10. Footnote 4 of Attachment B.2, Distribution Revenue Allocation, in SDGE-06 (Saxe Testimony) states that “the \$1,425,717,000 Distribution Revenue Requirement reflects the current distribution revenues being collected in rates effective November 1, 2015, excluding revenues that have separate allocation treatment such as Self Generation Incentive Program ("SGIP"), Demand Response ("DR"), and Customer Service Initiative ("CSI") costs.” Please provide documentation of the dollar amount of the DR portion of the Distribution Revenue Requirement that is being collected in rates effective November 1, 2015, but not included in the Distribution Revenue Requirement specified in Attachment B.2.

**SDG&E Response 10:**

The DR revenues collected in rates effective November 1, 2015 is \$21,642,381. The DR revenues included in the November 1, 2015 effective rates are presented in SDG&E Advice Letter 2664-E (Annual Electric Regulatory Account Update), approved by Energy Division via a disposition letter on December 12, 2014 and implemented in rates effective January 1, 2015.

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11. SDGE-06 (Saxe Testimony), on p. C-3, Attachment C, states that SDG&E is proposing to use DR allocation factors to allocate \$2 million in “2013 Adjusted-Recorded Customer Programs & Projects costs,” because the program costs are “mainly associated with demand response.”
- a. Please provide specific details on the program costs that were incurred and document their relationship to SDG&E’s DR programs.
  - b. Specify each program that is applicable solely to bundled customers.
  - c. Please specify the rate element in which SDG&E proposes to recover these program costs for such bundled-only programs (i.e., Generation, Transmission or Distribution).

**SDG&E Response 11:**

SDGE-06 (Saxe Testimony), on page C-3, Attachment C addresses the allocation of distribution related customer services costs to customer classes (residential, small commercial, medium/large commercial & industrial (M/L C&I), Agricultural, Lighting) as a component of the allocation of distribution costs to the customer classes and does not address the allocation of DR-related costs between bundled and DA customers.

- a. The electric distribution 2013-Adjusted Customer Programs & Projects costs of approximately \$2 million identified in Attachment C, page C-3, is from Exhibit SDG&E-36 of SDG&E’s TY 2016 GRC Phase 1 (A.14-10-003), as stated in footnote 2 on page C-1 of Attachment C. These 2013-Adjusted Customer Programs & Projects costs reflect the electric distribution portion of the costs identified in the SDG&E TY 2016 GRC Phase 1 (A.14-10-003) direct testimony of Brad Baugh, Exhibit SDG&E-14. Below is the link to Brad Baugh’s TY 2016 GRC Phase 1 testimony that provides the detail costs of this work group on pages BMB-102 through BMB-111, which include costs to administer demand response reliability programs mandated by the Commission.

[http://www.sdge.com/sites/default/files/regulatory/SDG%26E-14\\_B\\_Baugh\\_Testimony\\_0.pdf](http://www.sdge.com/sites/default/files/regulatory/SDG%26E-14_B_Baugh_Testimony_0.pdf)

- b. Please see responses to Q1 and Q2 for the applicability of each DR program.
- c. As identified in SDG&E-02 (Swartz Testimony-Chapter 2), SDG&E proposes no changes to the allocation of costs related to DR programs at this time in this proceeding. SDG&E will address this issue in its February DR filing.

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12. In D.12-12-004, the Commission determined that the costs associated with SDG&E's dynamic pricing tariffs for residential and small commercial customers were to be recovered from bundled customers through generation rates. Please provide specific references to the workpapers and testimony demonstrating where SDG&E has complied with D.12-12-004.

**SDG&E Response 12:**

The treatment of SPP cost recovery, pursuant to D. 12-12-004, is in the scope of SDG&E's GRC Phase 1, proceeding A.14-11-003. These revenues can be viewed in Appendix A (page CSF-A-1) of the direct testimony of witness Cynthia Fang.