

CALSLA DATA REQUEST
CALSLA-SDG&E-DR-05
SDG&E SECOND AMENDED GRC Phase 2 APPLICATION – A.15-04-012
SDG&E RESPONSE
DATE RECEIVED: JUNE 03, 2016
DATE RESPONDED: JUNE 20, 2016

- 1) Please provide the schedule A-TC marginal distribution customer cost based on the NCO method.

SDG&E Response:

The attached workpaper (CAL-SLA DR-05 Q1.xlsx) provides the Schedule A-TC marginal distribution customer cost (\$/customer-year) based on the NCO Method of \$107.12 for < 5 kW customers and \$129.32 for ≥ 5 kW customers.

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- 2) In SDG&E’s response to CALSLA’s Data Request #2, Q1, SDG&E states that the streetlight rate model workpapers “already reflect streetlighting **rates** based upon the 2016 TY sales presented in the Direct Testimony of Ken Schiermeyer (Chapter 4).” CALSLA requests that SDG&E update the streetlight rate model to reflect the Chapter 4 streetlight **sales**. CALSLA is aware that the streetlight model already reflects streetlight **rates** based on 2016 TY sales. SDG&E’s current streetlight model shows streetlight sales as 93,545,263 kwh; SDG&E’s consolidated model shows streetlight sales as 92,202,654 kwh. Please update the streetlight model **sales** to reflect 2016 TY sales of 92,202,654 kwh.

SDG&E Response:

The lighting cost studies used to derive the distribution rates in the “Lighting Model 2016 GRC P2 – Dec 1 2015 Filing – Year 1 – Revised”, “Lighting Model 2016 GRC P2 – Dec 1 2015 Filing – Year 2 – Revised”, and “Lighting Model 2016 GRC P2 – Dec 1 2015 Filing – Year 3 – Revised” are based upon the number of lamps in service as of December 2014 for each lamp type. The number of lamps is used on Column E of the “Lighting MC” tab to derive the sales displayed in Column F for all lighting rate schedules except LS-3 and OL-2. Sales are used to derive the revenues for LS-3 and OL-2 only as these are metered, and the remaining lighting distribution rates are developed off of the number of lamps. By adjusting the sales, this will impact the revenues for LS-3 and OL-2, as well as the EPMC multiplier for all streetlights.

In response to this question, SDG&E has attached three lighting models, “Lighting Model 2016 GRC P2 - Dec 1 2015 Filing - Year 1 - Revised 02022016_CAL SLA DR-05.xlsx”, “Lighting Model 2016 GRC P2 - Dec 1 2015 Filing - Year 2 - Revised 02022016_CAL SLA DR-05.xlsx” and “Lighting Model 2016 GRC P2 - Dec 1 2015 Filing - Year 3 - Revised 02022016_CAL SLA DR-05.xlsx”, where the sales reflected in Column F of the “Lighting MC” tab reflect a total of 92,202,654 kWh. To reflect this change, SDG&E applied a Determinant Scaler of 0.98564748947168 found in cell V7, which scaled the kWh determinants in Column F of the “Lighting MC” tab. This impacted the revenues for LS-3 and OL-2, which then shifted the EPMC multiplier (cell M334), which gets applied to all rates.

SDG&E has added a new tab in the files labeled “PROPOSED RATES CAL SLA DR-05”, to show the total rates for each lamp using the previous kWh of 93,545,263 (Column I) compared to the sales of 92,202,654 (Column K). The net impact is that 26 rates increased by \$0.01 in year 1, 35 rates increased by \$0.01 in year 2, and 32 rates increased by \$0.01 in year 3.

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- 3) SDG&E's streetlight rate model summary tab indicates year 1 class-wide revenues of \$20,184,634. SDG&E's consolidated rate model indicates year 1 streetlight class-wide adjusted revenues of \$20,300,032. What is SDG&E's proposed year 1 streetlight class revenue? Which rate model (consolidated or streetlight rate model) is correct?

SDG&E Response:

The Year 1 class-wide revenues presented in the "CONFIDENTIAL Consolidated Model GRC P2 - Revised Workpapers" file on the "Class Avg Rev Adj - Year 1" tab reflect revenues based upon the 2016TY sales.

The Year 1 class-wide revenues presented in the "Lighting Model 2016 GRC P2 – Dec 1 2015 Filing – Year 1 – Revised" model reflect the non-distribution (Transmission, Public Purpose Programs, Nuclear Decommissioning, CTC, Local Generation Charge, Reliability Services, TRAC, Department of Water Resources Credit, Department of Water Resources Bond Charge and Commodity) revenues based upon 2016TY sales. The distribution revenues, except for LS-3 and OL-2 as discussed in response to question 2 above, are based upon the number lamps and reflect the lighting cost studies, which are then adjusted by the EPMC multiplier for each lamp's Distribution Demand and Customer Marginal costs, included in the "Lighting Model 2016 GRC P2 – Dec 1 2015 Filing – Year 1 – Revised" model.

Both models are correct in that the Consolidated Model presents the revenues based upon the 2016TY sales (kWh), while the Lighting model presents the revenues based upon the number of 2016TY sales for the non-distribution components and the number of lamps and lighting cost studies for the distribution component. The proposed rates presented in the Direct Testimony of Christopher Swartz, Attachments D, F and G are based upon the rates calculated in the "Lighting Model 2016 GRC P2 – Dec 1 2015 Filing – Year 1 – Revised", so if CAL-SLA is trying to match these up, then revenues in the "Lighting Model 2016 GRC P2 – Dec 1 2015 Filing – Year 1 – Revised" would be appropriate.

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- 4) In SDG&E's response to CALSLA's Data Request #2, Q2, SDG&E states that the marginal customer cost per non-series streetlight lamp is \$16.25 and notes the amount is derived in the file "Chap 6 Dist Rev Alloc (C)".
- a. Please identify the tab and cell in the file "Chap 6 Dist Rev Alloc (C)" where the streetlight marginal customer cost of \$16.25 per lamp is calculated.
 - b. Please provide workpapers for the calculation of series streetlight marginal customer costs.

SDG&E Response:

- a. In responding to this data request, SDG&E discovered that a linking error in its 2016 GRC Phase 2 Lighting Model failed to update the marginal distribution customer cost for non-series lighting in its February 2016 filing and instead, continued to use the marginal distribution customer cost for non-series lighting from SDG&E's April 2015 filing. The marginal customer cost per non-series streetlight lamp from the April 2015 filing was \$16.25 per year. The updated marginal customer cost per non-series streetlight lamp filed on February 2016, is \$16.91 per year, as shown in "Dist Class EPMC Rates & Rev" tab of the file "Chap 6 Dist Rev Alloc (C).xls" filed February 2016 (i.e., \$1.41 customer/month multiplied by 12 months).

The impact to rates as a result of this linking error was limited to the streetlighting class. The rates for all other customers were not impacted by this linking error. The result of the correction is an increase to the distribution energy rates for Schedules OL-2 and LS-3 and a decrease to the distribution rate per lamp of the majority of other streetlighting schedules. The average impact is less than a 0.5% change in rates (\$0.02 cents per unmetered lamp, \$0.00124 per kWh for Schedule OL-2 and \$0.00061 per kWh for Schedule LS-3). While this error did not impact revenue allocations, there was an increase in the calculated rate revenues for the streetlighting class of \$417.05 in Year 1, an increase of \$496.50 in Year 2 and an increase of \$2,209.54 in Year 3 for the class.

SDG&E has recalculated and provided the updated streetlight rate and bill impacts for the Attachments associated with the Direct Testimony of Christopher Swartz (Chapter 2). In addition, SDG&E has included a comparison in the Attachments of the changes in bill impacts for each lamp, metered rate (OL-2 and LS-3) and pole. The updated Attachments are as follows:

- Attachment D - Proposed Rates for Year 1 Refile_Revised CAL SLA DR-05 Q4.xlsx
- Attachment E-1 - Illustrative Bill Impacts for Year 1_Revised CAL SLA DR-05 Q4.xlsx
- Attachment E-2 - Illustrative Bill Impacts for Year 1_Revised_CAL SLA DR-05 Q4_Compare.xlsx

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- Attachment F - Proposed Rates for Year 2 Refile_Revised CAL SLA DR-05 Q4.xlsx
 - Attachment G-1 - Illustrative Bill Impacts for Year 2_Revised CAL SLA DR-05 Q4.xlsx
 - Attachment G-2 - Illustrative Bill Impacts for Year 2_Revised_CAL SLA DR-05 Q4_Compare.xlsx
 - Attachment H - Proposed Rates for Year 3 Refile_Revised CAL SLA DR-05 Q4.xlsx
 - Attachment I-1 - Illustrative Bill Impacts for Year 3_Revised CAL SLA DR-05 Q4.xlsx
 - Attachment I-2 - Illustrative Bill Impacts for Year 3_Revised_CAL SLA DR-05 Q4_Compare.xlsx
 - Attachment O - Illustrative Bill Impacts - Cumulative Changes CAL SLA DR-05 Q4.xlsx
 - Lighting Model 2016 GRC P2 - Dec 1 2015 Filing - Year 1 - Revised CAL SLA DR-05 Q4.xlsx
 - Lighting Model 2016 GRC P2 - Dec 1 2015 Filing - Year 2 - Revised CAL SLA DR-05 Q4.xlsx
 - Lighting Model 2016 GRC P2 - Dec 1 2015 Filing - Year 3 - Revised CAL SLA DR-05 Q4.xlsx
- b. The workpapers for the calculation of series streetlight marginal customer costs are the “2016 Series Lighting Costs.xlsx” file provided in response to CAL-SLA DR-04 and the previously provided Lighting Model, in the “Demand&Customer MC” tab.