Application of SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E) For Authority To Update Marginal Costs, Cost Allocation, And Electric Rate Design.

Application 11-10-002 Exhibit No.: (SDG&E-208)

PREPARED REBUTTAL TESTIMONY OF

RICK GARDNER

CHAPTER 8

ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

JULY 17, 2012



TABLE OF CONTENTS

I.	INTRODUCTION	1
	USE OF R.08-11-005 PHASE 3 MAPS	
III.	SDG&E AGREES THAT EARLY CONSULTATION WITH LANDOWNERS IS IMPORTANT	
IV.	CONVERSIONS IN IRRIGATED OR CULTIVATED AREAS	

PREPARED REBUTTAL TESTIMONY OF RICK GARDNER (CHAPTER 8)

I. INTRODUCTION

The following rebuttal testimony relates to SDG&E's request for modifications to Electric Tariff Rule 20 and addresses the intervenor testimony submitted by Ms. Wendy Illingworth on behalf of the California Farm Bureau Federation (CFBF). As briefly discussed below, SDG&E largely agrees with CFBF's testimony on this issue.

II. USE OF R.08-11-005 PHASE 3 MAPS

SDG&E agrees to consider CFBF's request to use maps developed in Phase 3 of R.08-11-005 when they are finalized (CFBF/Illingworth at 11), but believes such consideration is premature and uncertain for purposes of this proceeding because no Phase 3 decision has been issued. As I stated in my direct testimony, SDG&E has developed a fire threat zone map that closely matches CALFIRE's¹ map, which identifies "very high" and "extreme" fire threat zones. This is consistent with the Commission's direction in D.09-08-029,² from which Ordering Paragraph 2 reads as follows:

Extreme and Very High Fire Threat Zones are defined by California Department of Forestry and Fire Protection's Fire and Resource Assessment Program (FRAP) Fire Threat Map. The FRAP Fire Threat Map is to be used to establish approximate boundaries for purposes of this rule. The boundaries of the map are to be broadly construed and utilities should use their own expertise and judgment to determine if local conditions require them to adjust the boundaries of the map.

The Commission's direction that "utilities should use their own expertise and judgment" allows SDG&E flexibility to consider and incorporate R.08-11-005 Phase 3 information to adjust its fire threat map as appropriate once a final decision is issued. SDG&E agrees to do so. SDG&E will certainly also comply with all aspects of a Phase 3 decision in R.08-11-005.

¹ CALFIRE is the California Department of Forestry and Fire Protection.

² D.09-08-029 at 22-24; *Id.* at 53, Ordering Paragraph 2.

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III. SDG&E AGREES THAT EARLY CONSULTATION WITH LANDOWNERS IS IMPORTANT

SDG&E agrees with CFBF's testimony that the landowners on whose property the overhead line in question is constructed are among the most impacted parties, and that projects can be invasive during construction. Ms. Illingworth states (at p. 11):

Because SDG&E has targeted rural areas, Farm Bureau is particularly concerned how the conversions identified would impact the landowners who are subjected to the easements for the infrastructure. The conversions may be invasive. SDG&E discusses its interest in engaging the community about how it will identify areas and address the impacts. Not included in the list of those who it will engage are the landowners. Although SDGE will be legally required to notify them at some point, as parties with a pivotal interest in the conversions, landowners should be at the top of the list of who is to be contacted and included in early discussions.

For all undergrounding projects on private property, SDG&E agrees to have early and direct contact and cooperation with the landowner, consistent with CFBF's testimony. It is not SDG&E's practice to engage in such projects without the involvement and cooperation of impacted landowners.

IV. CONVERSIONS IN IRRIGATED OR CULTIVATED AREAS

SDG&E also agrees with CFBF (at pp. 11-12) that cultivated, actively managed orchards pose less of a fire hazard than other areas in the backcountry of SDG&E's service territory, as stated in D. 09-08-029, Finding of Fact No. 19. SDG&E agrees with CFBF that this finding of fact with respect to vegetation management also should be accounted for when assessing undergrounding parameters for SDG&E's proposed Rule 20.

This concludes my prepared rebuttal testimony.