

Application of)
SAN DIEGO GAS & ELECTRIC COMPANY)
For Authority to Update)
Cost Allocation And Electric Rate Design)
(U 902-E))

Application No. 08-11-014
Exhibit No.: (SDGE-05) _____

**PREPARED SUPPLEMENTAL DIRECT TESTIMONY
OF ROBERT W. HANSEN
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**

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

JANUARY 30, 2009

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1 **PREPARED SUPPLEMENTAL DIRECT TESTIMONY**
2 **OF**
3 **ROBERT W. HANSEN**
4 **CHAPTER 1**

6 **I. OVERVIEW AND PURPOSE**

7 At the Pre-Hearing Conference (PHC) held on January 16, 2009, Administrative Law
8 Judge (ALJ) Douglas M. Long requested that SDG&E submit Supplemental Testimony to
9 provide further clarification on SDG&E’s “several tariff language revisions with respect to
10 conforming the tariff language to reflect the billing practice,” specifically, to address the
11 implications of the proposals with respect to the compliance of current billing practices with the
12 current tariff language. The purpose of my Supplemental Testimony is to provide further
13 clarification on SDG&E’s proposals. In particular, SDG&E notes that the proposed changes are
14 described as being made “for clarification and consistency with current billing practices.” This
15 statement, however, did not and does not imply, in any way, that SDG&E’s current billing
16 practices are not in compliance with SDG&E’s tariffs. Rather, the specific phrase and the
17 proposed changes in general are, as further discussed below, for the sole purpose of addressing
18 potential tariff language ambiguities and vagueness, and improving overall tariff readability.

19 **II. MISCELLANEOUS TARIFF CLEAN-UP PROPOSALS**

20 As presented in my Prepared Revised Direct testimony dated January 27, 2009, SDG&E’s
21 proposal included eight tariff clean-up items, identified as Tariff Clean-Up Items A through H.
22 Of these, five, specifically Items C through G, were tariff changes “proposed for clarification and
23 consistency with current billing practices.” As stated previously in my Prepared Revised Direct
24 Testimony, these proposed changes are to provide greater clarification and to more precisely

1 reflect Commission directives. None of the proposals result in changes to rates or revenue
2 requirements. These items are discussed in greater detail below.

3 **A. Minimum Bill Applicable to Residential**

4 As presented in my Prepared Revised Direct Testimony, SDG&E identified the following
5 change as “proposed for clarification and consistency with current billing practices.”

6 Present Language:

7 *“Rate components of the minimum charge, including charges*
8 *associated with Schedule EECC (Electric Energy Commodity*
9 *Cost), will be calculated based on average minimum bill usage.”*

10 Proposed Language:

11 *“The minimum bill is calculated as the minimum bill charge per*
12 *day times the number of days in the billing cycle. Rate components*
13 *under the minimum bill, including charges associated with*
14 *Schedule EECC (Electric Energy Commodity Cost), will be*
15 *calculated based on average minimum bill usage.”*

16 The proposed language does not present any change from current billing practices nor
17 does it deviate from the current tariff language. The proposed language simply provides further
18 information for the customer to better understand how a minimum bill is calculated.

19 **B. CPP-D Special Condition 3**

20 As presented in my Prepared Revised Direct Testimony, SDG&E identified the following
21 change as “proposed for clarification and consistency with current billing practices.”

22 Present Language:

23 *“Default Date: Effective May 1, 2008, customers, as described in*
24 *the Applicability section above, will transition to this schedule on*

1 *the first day following the regularly scheduled meter reading date*
2 *that falls on or after May 1, 2008. A customer receiving service*
3 *under Schedule EECC-CPP-VOL at the time this schedule*
4 *becomes effective shall default and be subject to the terms and*
5 *conditions set forth herein on the date its existing 12-month*
6 *commitment to Schedule EECC-CPP-VOL terminates. Customers*
7 *that would otherwise be subject to the default provisions of this*
8 *schedule, but for the absence of Appropriate Electric Metering,*
9 *shall commence receiving service under this schedule on the first*
10 *day following the regularly scheduled meter read date that occurs*
11 *at least 90 days following the installation of an Advanced Metering*
12 *Infrastructure (AMI) meter, unless the Utility and the customer*
13 *mutually agree to an earlier date.”*

14 **Proposed Language:**

15 *“Default Date: Effective May 1, 2008, customers, as described in*
16 *the Applicability section above, will transition to this schedule on*
17 *the first day following the regularly scheduled meter reading date*
18 *that falls on or after May 1, 2008. A customer receiving service*
19 *under Schedule EECC-CPP-VOL at the time this schedule*
20 *becomes effective shall default and be subject to the terms and*
21 *conditions set forth herein on the date its existing 12-month*
22 *commitment to Schedule EECC-CPP-VOL terminates. Customers*
23 *that would otherwise be subject to the default provisions of this*
24 *schedule, but for the absence of Appropriate Electric Metering,*
25 *shall commence receiving service under this schedule on the first*

1 *day following the regularly scheduled meter read date that occurs*
2 *at least 90 days following the installation of an Advanced Metering*
3 *Infrastructure (AMI) meter, unless the Utility and the customer*
4 *mutually agree to an earlier date. For the purpose of determining*
5 *the Default Date for a customer starting service under this*
6 *schedule on a date that is not a regularly scheduled meter reading*
7 *date, the customer’s Default Date shall be the first regularly*
8 *scheduled meter reading date following the date the customer*
9 *began receiving service under this schedule.”*

10 The proposed language does not present any change from current billing practices nor
11 does it deviate from the current tariff language. The proposed language simply provides further
12 information for the customer to eliminate potential ambiguity regarding the determination of the
13 Default Date.

14 **C. CPP-D Special Condition 15**

15 Special condition 15 in Schedule CPP-D describes procedures for waiving non-coincident
16 demand charge measurements on CPP event days. As presented in Revised Direct Testimony,
17 SDG&E identified the following change as “proposed for clarification and consistency with
18 current billing practices.”

19 Present Language:

20 *“15. Non-Coincident Demand Charge Waiver: As applicable, for*
21 *the initial Term of Service on this schedule, the maximum recorded*
22 *demand during non-CPP Event hours on a CPP event day will not*
23 *be considered for the purpose of determining and billing a non-*

1 *coincident demand charge. If the recorded maximum demand*
2 *occurs during CPP event hours on a CPP Event day, then it will*
3 *be used to calculate the monthly non-coincident demand charge..”*

4 Proposed Language:

5 *“15. Non-Coincident Demand Charge Waiver: As applicable, the*
6 *maximum recorded demand during non-CPP Event hours on a*
7 *CPP event day will not be considered for the purpose of*
8 *determining and billing a non-coincident demand charge. If the*
9 *recorded maximum demand occurs during CPP event hours on a*
10 *CPP Event day, then it will be used to calculate the monthly non-*
11 *coincident demand charge.”*

12 The inclusion of this provision in CPP-D originates in SDG&E’s initial proposal in its
13 2008 GRC Phase 2 (A.07-01-047). From the testimony of Joe Velasquez in GRC Phase 2:

14 *“Additionally, SDG&E proposes to retain the exi(s)ting provision*
15 *contained in its existing voluntary CPP and CPP-E programs which*
16 *permits SDG&E to disregard, for purposes of establishing a demand*
17 *charge, a customer’s maximum demand if it occurs on a CPP event*
18 *day during non-CPP event hours.” (SDG&E-11; JV-6)*

19 The existing provision under CPP-E (presented below) was limited to the first 12 months
20 on the rate. In developing the initial GRC Phase 2 proposal, SDG&E had preliminary
21 conversations with the City of San Diego regarding this matter. Based on those preliminary
22 conversations, the intent had been to eliminate the limited time period for this provision in
23 SDG&E’s initial 2008 GRC Phase 2 proposal. Further, the 2008 GRC Phase 2 Settlement, as
24 adopted by the Commission, specifically states that to the extent an issue is not addressed by the

1 Settlement, the original application language (i.e., the testimony of Joe Velasquez in this specific
2 instance) controls. SDG&E’s current proposal therefore corrects an inadvertent omission.

3 **D. CPP-E Special Condition 15**

4 Special condition 15 in Schedule CPP-E describes procedures for waiving non-coincident
5 demand charge measurements on CPP event days. As presented in my Prepared Revised Direct
6 Testimony, SDG&E identified the following change as “proposed for clarification and
7 consistency with current billing practices.”

8 Present Language:

9 *“15. Non-Coincident Demand Charge Waiver: As applicable, for*
10 *the initial Term of Service on this schedule, the maximum recorded*
11 *demand during non-CPP Event hours on a CPP event day will not*
12 *be considered for the purpose of determining and billing a non-*
13 *coincident demand charge. If the recorded maximum demand*
14 *occurs during CPP event hours on a CPP Event day, then it will*
15 *be used to calculate the monthly non-coincident demand charge..”*

16 Proposed Language:

17 *“15. Non-Coincident Demand Charge Waiver: As applicable, the*
18 *maximum recorded demand during non-CPP Event hours on a*
19 *CPP event day will not be considered for the purpose of*
20 *determining and billing a non-coincident demand charge. If the*
21 *recorded maximum demand occurs during CPP event hours on a*
22 *CPP Event day, then it will be used to calculate the monthly non-*
23 *coincident demand charge.”*

1 The Supplemental Testimony should note that the correct reference for this issue is under
2 Special Condition 3.e. and is stated as follows:

3 Present Language:

4 “3. Program Operation: ...
5 e. Maximum Demand Charge: For the first (12) months on the
6 CPP-E rate, the maximum recorded demand will only be
7 disregarded if the recorded maximum demand for the billing
8 period occurs during non CPP-E event hours on a CPP-E
9 Operational Day. If the recorded maximum demand occurs during
10 CPP-E event hours on a CPP-E Operational Day, then it will be
11 used to calculate the monthly maximum charge.”

12 Proposed Language:

13 “3. Program Operation: ...
14 e. Maximum Demand Charge: On the CPP-E rate, the maximum
15 recorded demand will only be disregarded if the recorded
16 maximum demand for the billing period occurs during non CPP-E
17 event hours on a CPP-E Operational Day. If the recorded
18 maximum demand occurs during CPP-E event hours on a CPP-E
19 Operational Day, then it will be used to calculate the monthly
20 maximum charge.”

21 The proposed change to the tariff language is for consistency with the
22 proposal for CPP-D as described previously in Section II.E

1 **E. . Schedule DR-SES Time Periods.**

2 As presented in my Prepared Revised Direct Testimony, SDG&E identified the following
3 change as “proposed for clarification and consistency with current billing practices.”

4 Present Language:

5 *“Time Periods. All time periods listed are applicable to actual*
6 *“clock” time....”*

7 Proposed Language:

8 *“Time Periods. All time periods listed are applicable to actual*
9 *“clock” time.... The time periods shown above will begin and end*
10 *one hour later for the period between the second Sunday in March*
11 *and the first Sunday in April, and for the period between the last*
12 *Sunday in October and the first Sunday in November.”*

13 The proposed language gives additional guidance on daylight savings time changes to
14 ensure consistent treatment with SDG&E’s other TOU rate options.

15 **III. SUMMARY AND RECOMMENDATIONS**

16 This Supplemental Testimony provides further clarification on several miscellaneous
17 tariff clean-up proposals presented in my Prepared Revised Testimony, dated January 27, 2009.
18 The miscellaneous tariff language changes described here are intended to promote consistency
19 and clarity should be adopted.

20 This concludes my testimony.