

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

Application of San Diego Gas & Electric
Company (U 902 E) for Authority to Update Electric Rate
Design Effective on January 1, 2015

Application 14-01-____
(Filed January 31, 2014)

Application 14-01-____
Exhibit No.: (SDG&E-____)

**PREPARED DIRECT TESTIMONY OF
KENNETH E. SCHIERMEYER
CHAPTER 4
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**

**BEFORE THE PUBLIC UTILITIES COMMISSION
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January 31, 2014



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**PREPARED DIRECT TESTIMONY OF
KENNETH E. SCHIERMEYER
(CHAPTER 4)**

I. FORECAST OF ELECTRIC SALES

This chapter sets forth the estimated levels of total San Diego Gas & Electric Company (“SDG&E”) electric sales for the year 2015. The electric sales forecast is used as an input into the rate design process. This sales forecast is a product of SDG&E’s 2013-2024 Demand Forecasts, submitted to the California Energy Commission (“CEC”) by SDG&E on April 25, 2013, in support of the CEC’s 2013 Integrated Energy Policy Report (“IEPR”) process¹. The annual projection of total electric sales is 20,234 Gwhrs². Details are presented in Table 1 of this testimony, set forth below.

II. FORECASTING METHODOLOGY

SDG&E uses econometric and statistical techniques to develop forecasts of electric sales. In general, the forecasting models integrate input assumptions regarding demographics, economics, weather, energy prices, conservation measures, private supply and other measurable factors which affect electricity consumption. Major economic and demographic assumptions used in the forecasts, including population, housing activity, inflation, income and employment, were based on February 2013 information released from IHS Global Insight’s Regional Economic Service.

¹ Reporting requirements can be found on the CEC’s webpage “2013 Energy Policy Report Forms and Instructions” at: http://www.energy.ca.gov/2013_energypolicy/datacollection/

² The 2013 IEPR electric sales forecast was slightly modified to include corrections and updated assumptions that resulted in the Rate Design Window electric sales forecast that is 1% lower.

1 Electric sales models, by sector, were developed using monthly and quarterly historical
2 consumption data, from 1990 to 2012. A 30-year average of various weather concepts was
3 assumed for the forecast period. Forecasting equations were developed as follows:

4 1) Residential electric sales are a function of the number of customers, billing days, real
5 electric prices, real household income, home size, air-conditioning saturation, heating degree
6 days, cooling degree days, self-served load, conservation, energy efficiency impacts and
7 seasonal factors.

8 2) Non-residential electric sales are a function of the number of customers, billing days, real
9 electric prices, employment activity, air-conditioning saturation, heating degree days, cooling
10 degree days, self-served load, conservation, energy efficiency impacts and seasonal factors.

11
12 **TABLE 1: PROJECTED ELECTRIC SALES FOR THE YEAR 2015**

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<u>Sector:</u>	<u>Sales (Gwhrs)</u>
Residential	7,385
Commercial/Industrial	12,422
Agriculture	324
Street Lighting	104
Total	20,234

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15 This concludes my prepared direct testimony.
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III. WITNESS QUALIFICATIONS

My name is Kenneth E. Schiermeyer. My business address is 8306 Century Park Court, San Diego, California, 92123. I am employed by San Diego Gas & Electric Company (SDG&E) as the Electric Demand Forecasting Manager in the GRC and Revenue Requirements Department. My primary responsibilities include developing and coordinating forecasts of customer growth and electric energy usage.

I have held my current position since December 2013. Since 1999, I have been employed by SDG&E in various forecasting and analysis positions of increasing responsibility. From 1996 to 1999, I worked as a Computer Programmer and Project Manager for Directions in Research, Inc.

I received a Bachelor of Science degree in Economics from Truman State University in 1994 and obtained a Master of Arts degree in Economics from Western Illinois University in 1996.

I have previously submitted testimony before this Commission.