Company: San Diego Gas & Electric Company (U 902 M)
Proceeding: 2016 General Rate Case
Application: A.14-11-____
Exhibit: SDG&E-31

SDG&E

DIRECT TESTIMONY OF KENNETH E. SCHIERMEYER

(ELECTRIC CUSTOMERS AND SALES)

November 2014

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

SDGE
A Sempra Energy utility®

TABLE OF CONTENTS

LIST OF APPENDICES

Doc #291893

1		**SDG&E DIRECT TESTIMONY OF KENNETH E. SCHIERMEYER**			

SDG&E DIRECT TESTIMONY OF KENNETH E. SCHIERMEYER

(ELECTRIC CUSTOMERS AND SALES)

I. FORECAST OF 2016 ELECTRIC CUSTOMERS

My testimony presents the forecast of electric customers for San Diego Gas & Electric Company's (SDG&E's) Test Year (TY) 2016 General Rate Case (GRC). The SDG&E gas customer forecast is discussed in the testimony of witness Ms. Rose-Marie Payan (see Exhibit SDG&E-32). Table KS-1 sets forth the estimated customer levels for SDG&E's electric customer classes.

TABLE KS-1:

AVERAGE ANNUAL ELECTRIC CUSTOMERS

Electric Customers	2013	2014	2015	2016	Average Annual % Change, 2013-2016)
Residential	1,249,227	1,257,698	1,270,654	1,286,981	1.0%
Small Commercial	122,602	123,111	123,754	124,362	0.5%
Med/Lg Com/Ind	24,042	24,262	24,576	24,875	1.1%
Agriculture	3,372	3,379	3,379	3,379	0.1%
Lighting	5,975	5,896	5,841	5,790	-1.0%
Total System	**1,405,218**	**1,414,346**	**1,428,204**	**1,445,387**	**0.9%**

II. CUSTOMER FORECAST METHODOLOGY

SDG&E develops electric customer forecasts using statistical models based on demographic data, economic data, seasonal patterns and other inputs that influence customer growth. Total customers are defined as total active meters. Economic and demographic data were based on February 2014 information released from IHS Global Insight's Regional Economic Service.[1]

The residential customer forecast was developed using an econometric model based on the service area's projected level of housing starts, population growth, seasonal factors and other inputs that influence customer growth. The residential forecast was based on quarterly historical data from 1994 through 2013.

The commercial/industrial customer forecast was developed using a statistical analysis based on growth in non-farm employment relative to the growth of commercial/industrial customers. The commercial/industrial forecast was based on quarterly historical data from 2009

---

[1] IHS Global Insight is an internationally recognized econometric forecasting firm. The firm's forecasts have been used in many regulatory proceedings.

Doc #291893

1 through 2013. The other customer classes were forecasted outside of the residential and

2 commercial/industrial models using an exponential trend approach. Detailed equations, methods

3 and data are shown in the workpapers corresponding to this exhibit.

4 **III.   FORECAST OF 2016 ELECTRIC SALES**

5   This section addresses the forecast of electric sales for SDG&E's TY 2016 GRC. Table

6 KS-2 sets forth the estimated sales for SDG&E's electric customers.

7   **TABLE KS-2:**

8   **TOTAL ANNUAL ELECTRIC SALES (gWh)**

Sector:	2016
Residential	7,681
Commercial/Industrial/Agriculture	12,241
Lighting	91
Total	**20,013**

10 **IV.   SALES FORECAST BACKGROUND**

11   SDG&E's sales forecast for the TY 2016 GRC was obtained from the adopted California

12 Energy Commission's (CEC) mid-demand forecast.[2] SDG&E made an additional adjustment to

13 the CEC's mid-demand forecast by accounting for the CEC's Additional Achievable Energy

14 Efficiency (AAEE).[3]

15 **V.   CONCLUSION**

16   This concludes my prepared direct testimony.

---

[2] California Energy Demand 2014-2024 Final Forecast, Volume 2: Electricity Demand by Utility
Planning Area, Publication Number CEC-200-2013-004-SF-V2, and Publication Date: December 2013.
See "SDG&E Form 1.1b Sales" available at http://www.energy.ca.gov/2013_energypolicy/documents/
demand-forecast_CMF/mid_case/ (Included in the file named "SDG&E_Mid.xls").
[3] Available at http://www.energy.ca.gov/2013_energypolicy/documents/demandforecast_CMF/Additional
_Achievable_Energy_Efficiency/AAEE Savings SDG&E Service Territory.xls (see "S3-Mid").

Doc #291893

VI.   WITNESS QUALIFICATIONS

My name is Kenneth E. Schiermeyer. My business address is 8306 Century Park Court, San Diego, California, 92123. I am employed by SDG&E as the Electric Demand Forecasting Manager in the Customer Pricing 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.

KES-3

GLOSSARY OF ACRONYMS

ACRONYM	DEFINITION
AAEE	Additional Achievable Energy Efficiency
CEC	California Energy Commission