Proceeding No.: A.15-04-
Exhibit No.:
Witness: Yvonne M. Le Mieux

PREPARED DIRECT TESTIMONY OF

YVONNE M. LE MIEUX

ON BEHALF OF

SAN DIEGO GAS & ELECTRIC COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

April 15, 2015

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PREPARED DIRECT TESTIMONY OF

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I. OVERVIEW AND PURPOSE

The purpose of my testimony is to present San Diego Gas & Electric Company's ("SDG&E") rate recovery proposals for the procurement activities addressed in the Application of SDG&E for Approval of its 2016 Electric Procurement Revenue Requirement Forecasts and GHG-Related Forecasts ("Application"), and specifically:

(1) to present the rate and bill impacts associated with the cost recovery of SDG&E's 2016 forecast of its Energy Resource Recovery Account ("ERRA") (including Greenhouse Gas ("GHG") costs), Ongoing Competition Transition Charge ("CTC"), Local Generation ("LG") procurement revenue requirements, its San Onofre Nuclear Generating Station ("SONGS") Unit 1 Offsite Spent Fuel Storage revenue requirement, and the 2016 GHG allowance revenue return, which is discussed further in Section IV;

(2) to propose rates for non-bypassable charges, including:

(a) the 2016 Power Charge Indifference Adjustment ("PCIA") component of the cost responsibility surcharge ("CRS") applicable to departing load customers;

(b) the Local Generation Charge ("LGC") applicable to all benefiting customers; and

(3) to present the methodology for the GHG allowance revenue return allocations,

including:

(a) identifying the 2016 forecasted GHG allowance revenue return allocation amounts (including the residential California Climate Credit ("CCC")),[1] and

(b) supporting the 2016 forecasted GHG Revenue Returned to Eligible Customers and California Climate Credit information set forth in Templates D-1 "Annual Allowance Revenue Receipts and Customer Returns" and D-4 "Costs and Revenues by Rate Schedule"[2] of Attachment G to the Application.

For the reasons explained below, my testimony requests that the California Public Utilities Commission ("Commission") grant the following relief to SDG&E in this proceeding:

- adopt SDG&E's proposed vintage 2016 PCIA rates, as will be provided in SDG&E's expected November 2015 update to this Application;
- adopt SDG&E's proposed 2016 LGC rates, as indicated in Attachment A to this testimony;
- adopt SDG&E's forecasted 2016 GHG allowance revenue return amount of $29.799 million for emission-intensive and trade-exposed ("EITE") entities, qualifying small businesses, and residential customers, to be distributed as set forth in Template D-1 (see Attachment G to the Application); and

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[1] The "California Climate Credit" was previously referred to as the "climate dividend." Pursuant to D.14-01-012, the Energy Division issued a letter on January 27, 2014 notifying the electric utilities that "California Climate Credit" will be used as the name for the on-bill credit of GHG allowance revenue that small business and households will receive as directed by D.12-12-033 and subsequent implementing decisions.

[2] *See* SDG&E's GHG Revenue and Reconciliation Application Form, dated April 15, 2015.

- adopt SDG&E’s proposed 2016 semi-annual residential California Climate Credit of $11.50.

My testimony is organized as follows:

- **Section II – 2016 ERRA, CTC, LG, SONGS and GHG Rate Changes**: presents the rate changes associated with the 2016 forecasted ERRA, CTC, LG, SONGS Unit 1 Offsite Spent Fuel Storage, and GHG allowance revenue return;
- **Section III – Non-Bypassable Charges**

  A. PCIA applicable to departing load customers:

     1. provides background on the non-bypassable PCIA component of the CRS;
     2. presents the Indifference Amount methodology including:

        a) the methodology for the vintage 2016 Market Price Benchmarks (“MPB”);

        b) the methodology for the vintage 2016 Indifference Amounts and resulting PCIAs;

  B. LGC applicable to bundled, direct access (“DA”) and community choice aggregation (“CCA”) customers:

     1. provides background on the LGC;
     2. presents the methodology for the 2016 LGC;
- **Section IV – Greenhouse Gas Allowance Revenue Return Allocations**

  A. Background on Cap-and-Trade program emission allowances;

  B. Presents the methodology for the GHG allowance revenue return allocations, including:

1. the methodology to determine the net amount of GHG allowance revenues available for return;
2. the methodology to determine how the net amount of GHG allowance revenue will be returned to:
    a) EITE;
    b) Small Businesses;
    c) Residential Customers Volumetric Return;
    d) Residential California Climate Credit; and

C. Describes the cost and revenues by rate schedule for DA customers;

- **Section V – Summary:** summarizes the items for which SDG&E is requesting Commission approval; and
- **Section VI – Qualifications**: presents my qualifications.

II. 2016 ERRA, CTC, LG, SONGS, AND GHG RATE CHANGES

SDG&E's 2016 ERRA, CTC, LG and SONGS revenue requirement forecasts,[3] as set forth in the direct testimony of SDG&E witness Jenny Phan, are shown in Lines 1 – 4 of Table 1. SDG&E's 2016 forecasted GHG allowance revenues available for return, as described in detail in Section IV, are shown in Lines 5 – 6 of Table 1.

The CPUC has historically approved SDG&E's request for recovery of SONGS Unit 1 Offsite Spent Fuel Storage Costs in SDG&E's General Rate Case ("GRC"); however, SDG&E would like to seek to recover these costs within the ERRA Forecast filings, to mirror how Southern California Edison ("SCE") approaches these same costs. Currently, SDG&E is requesting the

[3] The revenue requirement figures in my testimony include franchise fees and uncollectible expenses ("FF&U").

2016 forecast of $1.077 million in its 2016 GRC Phase 1 Application (A.14-11-003).[4] If the SONGS Unit 1 Offsite Spent Fuel Storage Costs are approved in this Application, SDG&E will withdraw the request for these costs from its 2016 GRC Phase 1 Application.

In accordance with Section 2.5 of the Amended Joint Investor-Owned Utility Cap-and-Trade Greenhouse Gas Revenue Allocation Return Implementation Plan approved in D.13-12-003, any variance between the forecast of GHG costs incorporated into rates and actual GHG costs incurred will be captured as part of the larger ERRA true-up process. SDG&E will true-up total ERRA balances either through its Annual Regulatory Account Update advice letter filing (pursuant to D.09-04-021) or through the ERRA Trigger Mechanism (pursuant to D.07-05-008). Therefore, the GHG costs, which are included in the total ERRA costs, do not include prior year reconciliation.

GHG revenue requirements currently effective in rates[5] reflect the 2014 authorized revenue requirements approved in D.13-12-041. Due to the timing in receiving approval of D.15-03-019,[6] as modified by D.15-04-005, the 2015 GHG revenue requirements for both costs and allowance revenues returns have not yet been implemented into rates.[7] Additionally, pursuant to OP 6 of D.13-12-041, the 2014 authorized GHG revenue requirements were amortized over the remaining months of 2014 (nine months) (as presented in Table 1). Therefore, the rate impact below

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[4] See A.14-11-003, Exhibit SDG&E-12-R, *Revised SDG&E Direct Testimony of Michael L. De Marco* filed March 2015.

[5] Effective 2/1/15 per AL 2695-E.

[6] Per OP 4 of D.15-03-019, as modified by D.15-04-005, SDG&E was ordered to file a Tier 1 Advice Letter within 30 days of the effective date of the Decision to implement the revenue return and associated rate changes.

[7] Per OP 16 of D.14-10-033, in the event that a utility's forecast GHG revenue return is not adopted by December 31, the utility shall continue to return GHG Allowance revenue using the prior year's forecast until such time as a new revenue return is adopted.

compares the 2016 proposed revenue requirements to currently effective revenue requirements in rates.

Table 1 - ERRA, CTC, LG, SONGS and GHG Revenue Requirements Included in Rates ($000)

Line	Description	Currently Effective 2/1/15 Revenue Requirement[1,2]	2016 Revenue Requirement		Change from Current
1	ERRA[3]	$ 1,350,454	$ 1,317,869		$ (32,585)
2	CTC	$ 15,983	$ 19,614		$ 3,630
3	LG	$ 6,949	$ 7,127		$ 178
4	SONGS Unit 1 Offsite Spent Fuel Storage	$ 1,100	$ 1,077		$ (23)
5	GHG Allowance Revenue Return[4]	$ (75,863)	$ (28,513)		$ 47,350
6	GHG CCC	$ (88,739)	$ (30,043)		$ 58,696
7	Total[5]	$ 1,209,885	$ 1,287,131		$ 77,246

[1] Effective 2/1/15 per Advice Letter ("AL") 2695-E.

[2] The GHG costs, GHG allowance revenue returns and GHG CCC include 50% of the forecast revenue requirements from 2013 and 100% of the forecasted revenue requirements from 2014. Additionally, the 2014 authorized revenue requirements were amortized over a nine-month period. Due to the timing in receiving approval of D.15-03-019, as modified by D.15-04-005, 2015 authorized GHG costs, allowance revenue returns and CCC have not yet been implemented in rates.

[3] Includes GHG costs.

[4] EITE allowance revenue return is not included in rates.

[5] Sums may not equal due to rounding.

The net $77.246 million increase from the current revenue requirements implemented in rates to the proposed 2016 revenue requirements would increase the system average rate by 0.342 cents per kWh or 1.64 % (0.28% without the Semi-Annual, Residential California Climate Credit). Included as Attachment C to the Application is a table summarizing the illustrative rate changes by customer class.

III. NON-BYPASSABLE CHARGES

My testimony supports the rate proposals associated with two non-bypassable charges[8] authorized by the Commission: (1) the PCIA applicable to departing load customers to preserve bundled customer indifference and (2) the LGC applicable to all benefiting customers including bundled, DA and CCA customers, for resources determined to be needed for local reliability purposes.

A. Power Charge Indifference Adjustment

1. Background

In D.06-07-030, as modified by D.07-01-030, the Commission established authority for the PCIA component of the CRS to preserve bundled customer indifference and ensure departing load customers pay their share of the cost responsibility associated with the above-market costs, or indifference amount, of the utilities' total procurement resource portfolio.[9]

In D.08-09-012, the Commission continued to refine the indifference amount methodology to ensure bundled customer indifference by introducing the requirement to vintage departing load customers, based on their departure date, when determining the customers' cost responsibility for the total portfolio of resources. Assigning customers to a vintage ensured that departing load customers pay their fair share of above-market costs associated with the specific vintage portfolio of resources that were acquired to serve them prior to their departure from bundled load service in order to preserve bundled customer indifference. After departure from

[8] Non-bypassable charges are charges that specific customers are required to pay.

[9] In D.07-01-025, the Commission adopted the PCIA methodology for CCA customers.

bundled service, the departing load customers are not required to pay for above-market costs associated with utility procurement commitments after that load departs.

D.11-12-018 adopted further reform to the indifference amount methodology in recognition of regulatory and industry changes that impacted energy procurement practices. Changes to the MPB methodology, used to determine the market value of electricity, included the addition of a renewable portfolio standards adder ("RPS adder") to more accurately reflect the market value of renewable resources and a revised resource adequacy capacity adder ("CAP adder") which results in vintage MPBs. The vintage portfolio of resources calculation was revised to better reflect time-of-use load variations and also removed load-related costs incurred by the California Independent System Operator ("CAISO") that are then charged to the utilities.

My testimony takes into account these various decisions and directives of the Commission.

2. Indifference Amount Methodology

Under Commission rules, departing customers are responsible for their fair share of above-market costs, or indifference amount, incurred by the utility on behalf of those customers when electric generation costs exceed the current market price, or market price benchmark. To maintain bundled customer indifference to the departure of SDG&E's customers to non-utility service, SDG&E calculates the indifference amount to determine the cost responsibility for DA, CCA and other departing load, specifically:

Indifference Amount = CTC + PCIA

a) 2016 Market Price Benchmark Methodology

The above-market costs for both the CTC and PCIA are determined using a MPB, a calculated proxy, which represents the market value of electricity. This methodology is consistent with Commission directives, specifically D.11-12-018 and Resolution E-4475. The Energy

Division provides the utilities with input factors for the MPB's Utility Retained Generation green ("URGgreen") component of the RPS adder and the CAP adder for the current forecast year. In calculating the above-market costs for the CTC, SDG&E used a MPB of $55.07/MWh which is based on the 2015 Energy Division input factors since the 2016 input factors are not available. Once the updated 2016 Energy Division input is available, SDG&E will amend this Application to reflect the revised 2016 MPB for calculating the CTC and present the 2016 MPBs associated with each vintage for calculating PCIA rates for each of the vintages.[10]

b) 2016 Indifference Amount and PCIA Methodology

In this Application, SDG&E is proposing to update the currently effective vintage PCIA rates and to calculate the vintage 2016 PCIA rates to account for customers' departing load in the second half of 2016. With respect to this 2016 ERRA proceeding, SDG&E's portfolio of resources to calculate the vintage 2016 indifference amounts and the resulting 2016 PCIAs will include applicable costs from SDG&E's forecasted 2016 ERRA and CTC revenue requirements, authorized 2016 Department of Water Resources ("DWR") costs allocated to SDG&E, and SDG&E's authorized 2016 Non-Fuel Generation Balancing Account ("NGBA") revenue requirement. However, since the 2016 DWR and NGBA revenue requirements as well as the vintage 2016 MPBs are not currently available,[11] it is not possible at this time to provide the vintage 2016 PCIA rates. Once the information is available, SDG&E will provide its vintage 2016 PCIA rates applicable to DA and CCA customers.[12]

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[10] The Energy Division has historically provided the input factors annually in November.

[11] The vintage 2016 MPBs are described above in Section III.A.2.a. As noted in footnote 12, SDG&E expects to supplement this testimony in November 2015 once that information is available.

[12] Although there is no CCA load on SDG&E's system, SDG&E is required to provide PCIA rates for potential CCA customers.

c) Advice Letter 2676-E

On November 26, 2014, SDG&E filed AL 2676-E to revise PCIA rates pursuant to OP 3.e of D.14-11-040, which approved the San Onofre Nuclear Generating Station ("SONGS") Amended and Restated Settlement Agreement ("SONGS Settlement"). Specifically, this decision addresses SDG&E's implementation of the DA Customer Ratemaking Consensus Protocol for SONGS Outages and Retirement ("Consensus Protocol") approved in D.14-05-022. Pursuant to section 4.10 of the SONGS Settlement and in compliance with D.14-11-040, SDG&E is authorized to recover "net SONGS costs," which are a ratemaking surcharge from previous periods. The "net SONGS costs" were therefore included in the PCIA rates presented in AL 2676-E. On December 16, 2014, the Alliance for Retail Energy Markets / Direct Access Customer Coalition ("AReM / DACC") protested the advice letter with the position that "the net SONGS costs conceptually represent replacement power costs, which are short-term in nature and thus not to be included in PCIA." On December 23, 2014, the Energy Division suspended AL 2676-E stating that a Commission Resolution may be required to dispose of the advice letter.

In AL 2676-E, SDG&E identified $121.9 million in "net SONGS costs" that should be included in PCIA rates. However, since AL 2676-E was suspended and the "net SONGS costs" are thus not being collected in the PCIA rates, SDG&E will track the potential shortfall until this matter is resolved. If the Commission authorizes SDG&E to include the "net SONGS costs" in PCIA rates, SDG&E will amend this Application to account for the shortfall that occurred due to the delay in implementation.

B. Local Generation Charge

1. Background

In D.13-03-029, the Commission authorized SDG&E to implement the LGC rate component, which is designed to recover new generation costs for local reliability that are deemed to be subject to the Cost Allocation Mechanism ("CAM") policy adopted in D.06-07-029 and D.11-05-005, as a per kilowatt hour non-bypassable charge from all benefiting customers.[13]

2. 2016 LGC Methodology

As discussed in Ms. Phan's testimony, SDG&E forecasts a 2016 LG revenue requirement of $7.127 million for its approved new generation resources. SDG&E intends to recover the costs through the LGC consistent with the Commission's CAM policy. The revenue requirement will be allocated among all customer classes based on the 12-month coincident peak ("12 CP") demand methodology and then the customer class allocated revenues will be divided by the authorized sales by customer class. The proposed resulting per kilowatt hour rates by customer class to be charged to all benefiting customers through the LGC rate component are presented in Attachment A of my testimony.

IV. GREENHOUSE GAS ALLOWANCE REVENUE RETURN ALLOCATIONS

A. Background

On January 1, 2012[14], California's Air Resource Board's ("ARB") approved cap-and-trade program was implemented to achieve California's GHG emissions reduction targets. This market-based regulation sets a cap on GHG emissions and allows firms to accomplish the GHG reduction goals at minimum costs. Some facilities subject to the cap are allocated GHG emission allowances which can be traded or used directly for compliance. These facilities have the option of either reducing their own GHG emissions or purchasing GHG emission allowances at an ARB allowance

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[13] Includes all bundled service, DA and CCA customers.

[14] On June 29, 2011, the ARB announced that the enforceable compliance obligation for the cap-and-trade program would be delayed until 2013.

auction from others who have made GHG emissions cuts beyond their obligations; however, the total GHG emissions must remain below the cap. Investor-owned utilities ("IOUs"), such as SDG&E, are allocated free GHG allowances on behalf of their customers and are required to consign their GHG allowances into the allowance auctions.

On March 24, 2011, in response to the new cap-and-trade requirements for electric utilities, the Commission opened the GHG Order Instituting Rulemaking ("R.") 11-03-012 ("GHG OIR") to address the use of GHG allowance revenues that electric utilities may receive. In accordance with OP 3 of D.12-12-033, the utilities were directed to allocate the revenues to all customers in the applicable customer groups set forth in the decision inclusive of DA and CCA customers.

B. 2016 GHG Allowance Revenue Return Allocation Methodology

Pursuant to OP 1 of D.12-12-033, the Commission directed the utilities to distribute GHG allowance revenues to customers using a hierarchy (see Table 2 below) after first setting aside appropriate amounts for customer outreach and education activities and administrative activities. Furthermore, under California Public Utilities Code Section 748.5(c), the Commission may allocate up to 15% of the revenues received by an electrical corporation from its sales of allocated GHG allowances to specific clean energy and energy efficiency projects that are not funded by another source and are already approved by the Commission.

Table 2 – GHG Allowance Revenue Return Allocation Hierarchy

Hierarchy	Description
1	Emission-intensive and trade-exposed entities
2	Offset cap-and-trade program rate impacts for small business
3	Neutralize cap-and-trade program rate impacts for residential customers
4	Climate Dividend for residential customers

Template D-1, "Annual Allowance Revenue Receipts and Customer Returns,"[15] sets forth SDG&E's calculation of the proposed 2016 GHG allowance revenue return including: (1) forecasted allowance revenues; (2) forecasted expenses; and (3) forecast revenue returns for each customer class, in addition to the comparison of the 2014 "recorded" vs actual balances of the GHG Revenue Balancing Account ("GHGRBA"), the GHG Customer Outreach and Education Memorandum Account ("GHGCOEMA"), and the GHG Administrative Costs Memorandum Account ("GHGACMA"), which are discussed in the direct testimony of Jenny Phan. The following sections (IV.B.1 and IV.B.2) describe the inputs that are used for calculating the 2016 GHG allowance revenue return allocation.

1. 2016 GHG Allowance Revenue Return Calculation

For 2016, SDG&E forecasts the GHG allowance revenue return as follows:

Table 3 - 2016 Net GHG Revenues Available for Return

Line	Description	Amount ($000)	Reference
1	2016 Forecasted GHG Allowance Revenues[1]	$ (86,236)	BAM-22, Line 19; Template D-1, Lines 6-7
2	Less Forecasted Expenses:		
3	Outreach and Education Activities	$ 140	RJ-2, Line 15
4	Administration Activities[2]	$ 48	RJ-2, Lines 16-17
5	Prior Year Revenue Reconciliation	$ 26,206	Template D-1, Line 4
6	2016 Forecasted Net GHG Revenues Available for Return	$ (59,842)	

[1] Includes allowance revenue of $85,210,507 (Direct testimony of Ben A. Montoya at BAM-22, line 19), less interest of $14,846 (Template D-1, line 6), plus franchise fees & uncollectibles ("FF&U") of $1,039,882 (Template D-1, line 7).

[2] Includes $25,000 for SDG&E bill inserts, $10,000 for SDG&E emails, and $12,500 for ongoing administrative costs.

[15] See Attachment G to the Application.

2. 2016 Forecasted Net GHG Revenues Available for Return Allocation

In accordance with the GHG allocation methodology adopted in D.12-12-033, as shown in Table 2 above, SDG&E's GHG allowance revenue return will be allocated to ratepayers, including DA and CCA[16] customers, using the following hierarchy:

Table 4 - 2016 Forecasted Net GHG Revenues Available for Return Allocation

Line	Description	Amount ($000)
1	Emission-Intensive and Trade-Exposed Entities	$ 1,286
2	Small Businesses	$ 4,882
3	Residential Customers Volumetric Return	$ 23,630
4	Residential California Climate Credit	$ 30,043
5	2016 Forecasted Net GHG Revenues Available for Return[1]	$ 59,842

[1] Total may not sum due to rounding.

a) Emission-Intensive and Trade-Exposed Entities ("EITE")

Facilities identified as EITE currently are more formally referred to as Industrial Covered Entities that qualify for Industry Assistance in the ARB cap-and-trade Regulation; but the EITEs may be expanded for purposes of revenue return. Using the Energy Division's allocation methodology put forth in D.14-12-037, as outlined in the Direct Testimony of Benjamin A. Montoya, the forecasted amount of revenue return set aside for EITE customers in 2016 is $1.271 million.[17] Including FF&U, the forecasted amount of revenue return set aside for EITE customers in 2016 is $1.286 million. Bundled, DA and CCA customers identified as EITE will receive an annual fixed-amount on-bill credit based on Commission calculations.

[16] SDG&E currently does not have CCA customers.

[17] Amount does not include FF&U.

b) Small Businesses

Small businesses are defined as non-residential customers on a general service or agricultural tariff with monthly demand not exceeding 20 kilowatts ("kW") for more than three months in a twelve-month period. Small businesses entitled to receive revenue return bill credits, as defined above, will include customers in SDG&E's Small Commercial, Medium and Large Commercial and Industrial, and Agricultural customer classes. Bundled, DA and CCA small business customers will receive the volumetric return in dollars per kilowatt hour ("kWh"). To meet the OP 1 of D.12-12-033, which directs the utilities to offset the rate impacts of the cap-and-trade program in the electricity rates of small businesses, the credit rate is volumetrically-calculated based on the amount of GHG-related costs that are allocated to the defined bundled small business customers, differentiated by customer class. The same credit rate that is applied to bundled customers, differentiated by customer class, will apply to DA and CCA customers to ensure they receive their share of GHG allowance revenues. Monthly, the revenue return bill credit, referred to as the California Climate Credit, will appear as a separate line-item on the customers' bills.

In D.12-12-033, as modified by D.13-12-002, the Commission directed the utilities to apply industry factors to the small business return so that the transition assistance level declines more smoothly in order to avoid discrete and large changes, which can be problematic for small business customers from year to year. As a result, SDG&E applied the 2016 small business factor of 90%, as set forth in Table 2 of Appendix 2 of D.13-12-002, to the revenues allocated to small business customers.

Because there are potential variances between forecasted and actual GHG costs, the Commission directed the utilities to adjust the cost-based volumetric returns to small business customers based on the reconciliation of GHG costs. The forecasted return to small business customers in 2016, including the adjustment for GHG cost true-up and the small business industry factor, is $4.882 million.

c) Residential Customers Volumetric Return

The revenue return to residential customers is designed to neutralize the rate impacts of cap-and-trade program costs embedded in rates. As a result of Assembly Bill ("AB") 1X[18] and Senate Bill ("SB") 695,[19] residential Tier 1 and 2 customers were protected from rate increases, while Tier 3 and 4 customers essentially subsidize the increased costs. The Commission recognized that the current residential tiered rate structure disproportionately assigns costs to the upper tiers (Tier 3 and 4); therefore, utilities are authorized to use GHG allowance revenue to offset all GHG costs in the non-CARE upper-tier residential rates. Eligible non-CARE residential customers will receive GHG revenue return through a volumetrically-calculated rate adjustment. This same volumetric rate adjustment to non-CARE Tier 3 and 4 rates will apply to DA and CCA customers.

As set forth in the Direct Testimony of Benjamin A. Montoya, SDG&E forecasts GHG cap-and-trade program costs of approximately $52.156 million for 2016,[20] of which residential customers are allocated 45.7%, based on SDG&E's currently authorized commodity allocation factors. In addition, the utilities are directed to adjust the cost-based volumetric returns to

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[18] In 2001, in response to the California energy crisis, the Legislature passed AB 1X which froze Tier 1 and 2 rates.

[19] SB 695 limited increases to Tier 1 and 2 rates for both California Alternative Rates for Energy ("CARE") and non-CARE customers. SB 695 limitations related to CARE tiered rates expired December, 31, 2013.

[20] Amount does not include FF&U.

residential customers using prior years' reconciled GHG costs from Template D-2,[21] which is ($1.166 million).[22] The resulting forecasted volumetric return for bundled, DA, and CCA residential customers 2016, including the adjustment for the GHG cost true-up, is $23.630 million.

d) Residential California Climate Credit ("CCC")

The remaining GHG allowance revenues available for return will be allocated to all residential customers on an equal cents-per-residential-account basis, which will be credited to customers semi-annually as an on-bill credit, also known as the California Climate Credit. The forecasted 2016 CCC is approximately $30.043 million.

V. SUMMARY AND RELIEF REQUESTED

Consistent with the rate recovery proposed in my testimony, SDG&E requests the following relief in the Commission's forthcoming decision in this proceeding:

- adopt SDG&E's proposed vintage 2016 PCIA rates, as will be provided in SDG&E's expected November 2015 update to this Application;
- adopt SDG&E's proposed 2016 LGC rates, as indicated in Attachment A to this testimony;
- adopt SDG&E's forecasted 2016 GHG allowance revenue return amount of $29.799 million, for EITE entities, qualifying small businesses, and residential customers, to be distributed as set forth in Template D-1; and
- adopt SDG&E's proposed 2016 semi-annual California Climate Credit of $11.50.

This concludes my prepared direct testimony.

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[21] *See* SDG&E's GHG Revenue and Reconciliation Application Form dated April 15, 2015 at Template D-2.

[22] Amount does not include FF&U.

VI. QUALIFICATIONS

My name is Yvonne M. Le Mieux. I am employed by SDG&E as an Electric Rates Manager in the Electric Rates section of the Customer Pricing Department. My business address is 8330 Century Park Court, San Diego, California, 92123.

I graduated from the San Diego State University in 2003 with a Bachelor of Science degree in Business Administration with Distinction in Accounting. I have been a Certified Public Accountant, licensed in the state of California, since 2005. I have held the Certified Internal Auditor designation since 2006 and the Chartered Global Management Accountant designation since 2012.

I have been employed with SDG&E and Sempra Energy since 2003. In addition to my current position in Electric Rates, I have held various positions with increasing responsibility including a senior regulatory accounts advisor position in the Financial Analysis Department, a senior auditor position in the Audit Services Department under the Financial and Operational discipline and a staff accountant position in the Sempra Energy Global Accounting Department at Sempra Energy's corporate offices. In my current position, my responsibilities include implementing electric rate changes and analytical support for cost recovery and rate design.

I have previously submitted testimony and testified before the Commission.

SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
2016 ERRA Forecast

Attachment A

LGC - LOCAL GENERATION CHARGE

	Proposed LGC Rate ($/kWhr)
Residential	0.00037
Small Commercial	0.00040
Med&Lg C&I	0.00031
Agriculture	0.00040
Lighting	0.00024
System Total	0.00034