1 BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA 2 3 Application of SAN DIEGO GAS & ELECTRIC) 4 COMPANY for Review of its Proactive De-Application No. 08-12-Energization Measures and Approval of Proposed) 5 **Tariff Revisions** (U 902-E) 6 7 8 9 10 11 12 **APPLICATION OF** SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) 13 14 15 16 17 18 LISA G. URICK 19 KEITH W. MELVILLE Attorneys for: 20 SAN DIEGO GAS & ELECTRIC 21 **COMPANY** 22 101 Ash Street Post Office Box 1831 23 San Diego, California 92112 (619) 699-5070 (Urick) 24 (619) 699-5039 (Melville) (619) 699-5027 facsimile 25

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December 22, 2008

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SAN DIEGO GAS & ELECTRIC)
COMPANY for Review of its Proactive De-)
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Tariff Revisions)
(U 902-E))
)

Application No. 08-12-___

APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E)

I.

INTRODUCTION

Pursuant to Public Utilities Code § 451 and Rule 2.1 of the California Public Utilities Commission ("CPUC" or "Commission") Rules of Practice and Procedure, San Diego Gas & Electric Company ("SDG&E") files this Application for Commission review of the proactive de-energization measures in SDG&E's Fire Preparedness Plan. Proactive de-energization, as discussed in this Application, refers to those situations where under certain extreme weather conditions and in limited high risk fire areas SDG&E will shut-off power to certain distribution and/or tie lines. SDG&E has already implemented the majority of its Fire Preparedness Plan, which includes various system modifications to help ensure reliable and safe system operations related to heightened fire risk situations. To provide adequate customer outreach and communications, as well as an opportunity for Commission review, however, SDG&E has not yet implemented the proactive de-energization portion of the Fire Preparedness Plan. SDG&E intends to implement that portion of the Fire Preparedness Plan by no later than September 1, 2009.

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As discussed in Section V below, SDG&E also seeks in this Application

Commission approval of changes to its Tariff Rule 14, which addresses responsibility for losses in the event there is an interruption of electricity delivery. The modifications to Tariff Rule 14 provide more detail regarding (1) the circumstances that could lead to an interruption and (2) the customer's responsibility for losses in the event of an interruption of electricity delivery. The changes also conform SDG&E's Tariff Rule 14 to Pacific Gas and Electric Company's (PG&E).

Due to the importance of fire preparedness and the limited nature of this Application, SDG&E requests that the Commission expeditiously complete its review of this Application and issue a final decision on this Application by no later than July 9, 2009. A proposed schedule and comprehensive showing regarding the topics summarized above are discussed in more detail below and in the testimony that is also being served on this day.

II.

EXECUTIVE SUMMARY

There are a number of significant changes in the conditions that are prevalent in Southern California and/or SDG&E's service territory that support implementation of proactive de-energization. For example, there have been near-drought conditions for the past eight to ten years, and the fire agencies have declared that the "fire season" has become a virtually year-round phenomenon. Cyclic climate change has also contributed to the circumstance where measures such as proactive de-energization are appropriate for SDG&E's service territory. Since the October 2007 fires, SDG&E has undertaken

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numerous additional steps to help ensure safe and reliable operations under a variety of high fire risk situations.

Along these lines, SDG&E petitioned last year for the Commission to undertake an Order Instituting Rulemaking (OIR) to determine the extent to which additional measures might be necessary for disaster preparedness related to operation of the electrical system.¹ Additionally, SDG&E has revised a number of its operating protocols and programs as part of its Fire Preparedness Plan, including a wood-to-steel pole replacement program and modification of its re-closer policy to limit or eliminate line reenergization after an outage, depending on fire weather conditions. A final portion of the Fire Preparedness Plan is proactive de-energization, where under certain limited circumstances of extremely high fire risk and for a limited period of time SDG&E will shut-off power to certain distribution and/or tie lines. In 2009, approximately 60,000² customers could be potentially impacted by proactive de-energization. If there is a deenergization event, however, it is expected that a much small number of customers would be impacted at a given time, as explained in the testimony of Mr. Yari. Past fires, high winds, and sustained drought conditions are increasingly common weather factors in the San Diego region, so SDG&E considers these operational revisions an important step in helping to protect against the dangers these conditions present. As the Commission is also aware, these conditions can cause damage to property and power lines, and helping

¹ See P.07-11-007, filed November 6, 2007, and subsequent filings. See also D.05-08-030. The Commission has since issued R.08-11-005 regarding safety of electric utility and communications infrastructure provider facilities.

² The 60,000 customer number is based on preliminary data which will be finalized in the first four months of 2009. In 2008, approximately 45,000 customers lived in or near the Highest Risk Fire Areas and would have been potentially impacted by proactive de-energization.

to ensure safety and reliability is a cornerstone of SDG&E's mission and Fire Preparedness Plan.

A. STATUS OF SDG&E's 2008 FIRE PREPAREDNESS PLAN

As noted above, SDG&E's Fire Preparedness Plan has numerous elements that are already being implemented today. Proactively shutting off power in high risk fire areas during extreme weather has been suspended, however, until September 1, 2009, to allow for additional community input, customer outreach, and review of this Application.

B. SDG&E IS STRENGTHENING POWER LINES

One aspect of SDG&E's Fire Preparedness Plan that is already being implemented is replacing certain wood poles with steel poles. These hardened facilities should be more resistant to damage in a wildfire and also should also reduce the time required to restore power after a large fire. Key wood to steel replacements underway are near Fallbrook, Ramona and Campo/Boulevard. SDG&E is also expanding ground and aerial inspections of power lines and poles. These inspections help SDG&E to prioritize and repair problems promptly for safety and reliability. To date, SDG&E has inspected more than 40,000 distribution poles and approximately 7,000 transmission poles.

C. SDG&E DISABLES AUTOMATIC SWITCHES UNDER RED FLAG WARNING

Under normal operating conditions, power lines have switches (known as re-closers) that are designed to automatically restore power after an outage occurs. For dry conditions that SDG&E calls the "Elevated Fire Condition," but without a Red Flag Warning being declared by the National Weather Service, the operation of re-closers will

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be limited in SDG&E's Highest Risk Fire Areas.³ Under the Fire Preparedness Plan, these re-closers are disabled in SDG&E's Wildland Fire Area⁴ when a Red Flag Warning is issued so that power will be restored only after visual inspections show it is safe.

Outages are typically caused by lightning, dust storms, accidents, and other contact with equipment. SDG&E also will stage crews in the backcountry during Red Flag Warnings.

Ramona and Mountain Empire along with other operation centers will be on high-alert during Red Flag Warnings. These actions should allow SDG&E to provide a quicker response to emergencies, such as those that are caused by fires.

D. SDG&E'S PROACTIVE SHUT-OFF OF POWER HAS BEEN SUSPENDED FOR THIS YEAR

SDG&E anticipates implementing the proactive de-energization portion of the Fire Preparedness Plan on September 1, 2009. A de-energization event would most likely occur during the months of September through December. These dates can vary, however, according to the weather and fire risk conditions as discussed in Mr. Yari's testimony. Customer communications and outreach before, during, and after an event are critical, and SDG&E has taken extensive steps in this area, as described in the testimony of Mr. Velasquez.

E. PROACTIVE DE-ENERGIZATION

Before SDG&E would implement proactive de-energization, five conditions must first be met:

³ Certain terms used in this Application, such as "Elevated Fire Condition," "Wildland Fire Area," and "Highest Risk Fire Areas" are defined and explained in the testimony.

⁴ The Wildland Fire Area includes all of the Highest Risk Fire Areas, but also goes beyond that territory, as discussed in the testimony of Mr. Yari.

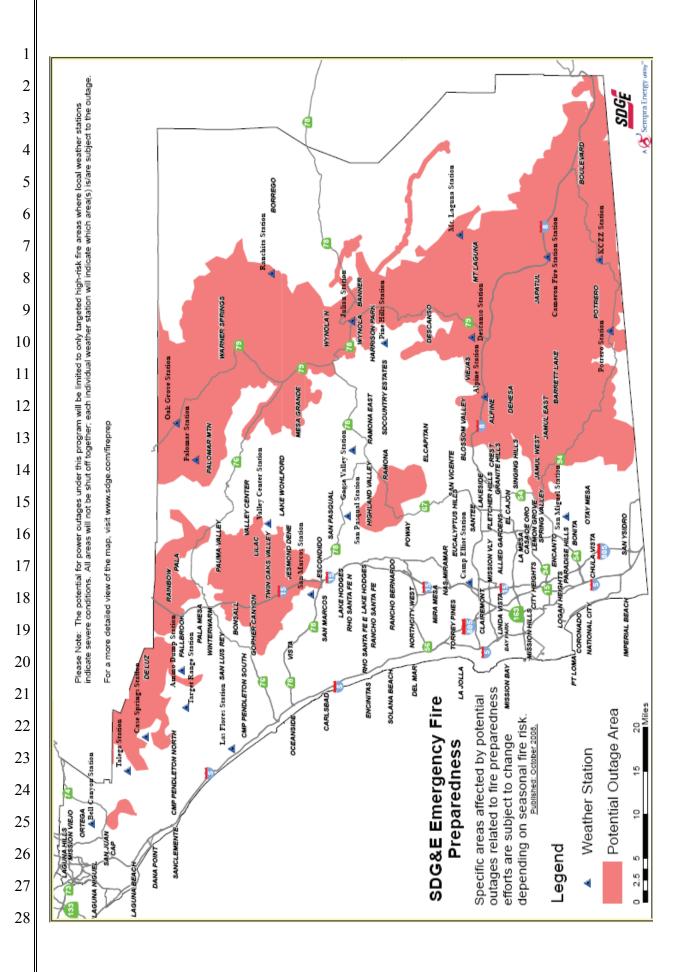
- 1. The moisture level in "non-living" materials (sticks, twigs and leaves) is less than 6% (per weather stations);
- 2. The moisture level in "living" plants and bushes is less than or equal to 75% (per Cal Fire);
- 3. The relative humidity (moisture in the air) is less than or equal to 20% (per weather stations);
- 4. The National Weather Service has called a Red Flag Warning; and
- 5. Localized wind speeds in an area are greater than or equal to 35 mph sustained or greater than or equal to 55 mph gusts when accompanied by sustained winds greater than or equal to 30 mph (per weather stations).

Under SDG&E's proactive de-energization procedure, not all potentially "at risk" areas would be affected at the same time. SDG&E's de-energization plan currently utilizes 15 weather stations tied to specific areas (see map that follows).

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As the Highest Risk Fire Areas change, weather stations and customers will be added or dropped out of the plan. SDG&E estimates that customers may experience power outages of approximately 12 to 72 hours. Customers can use SDG&E's new web page (www.SDGE.com/fireprep) to learn about and remain updated regarding SDG&E's Fire Preparedness Plan, including implementation of proactive de-energization measures. To do so, customers enter their addresses to determine whether they are in a Highest Risk Fire Area and to look up weather station(s) nearby. Customers will be able to monitor all five conditions that must be met for a de-energization to occur. If a power shut-off emergency is likely, SDG&E will ask Reverse 9-1-1 (Alert San Diego) to notify affected customers four - six hours in advance, and SDG&E will attempt to notify affected customers two hours in advance. If weather conditions improve, SDG&E will also so notify affected customers. If weather conditions do not improve and a power shut-off emergency is called, SDG&E/Red Cross will open nearby Care Centers, medically sensitive customers will be offered transportation, and special needs/low income customers may qualify for modest financial support. Customers can call 2-1-1, 1-800-411-7343, or check SDGE.com for more information.

SDG&E has undertaken an extensive communication and outreach effort regarding its Fire Preparedness Plan, including direct mail to potentially impacted customers, convening numerous customer meetings, participating in over 40 local community events and organization meetings, and extensive contact with Special Needs (low-income and medical baseline) and Essential customers. Additionally, SDG&E estimates that it would be contacting Essential and Special Needs customers as many as

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seven times throughout the various elements and stages of implementing the Fire Preparedness Plan.

III.

SUMMARY OF RELIEF REQUESTED AND SUPPORTING TESTIMONY

As noted above, SDG&E is already undertaking numerous efforts as part of its Fire Preparedness Plan to help ensure the safe and reliable operation of its electric system during high fire risk situations. For example, SDG&E has implemented a wood-to-steel pole conversion program, and it has also expanded aerial inspections of low-voltage and high-voltage lines.⁵ Hardening of the system will provide improved performance during severe conditions, such as Santa Ana wind events, and lessen the risk associated with keeping the circuits in service during these conditions. In addition, the hardened facilities should be more resistant to damage if a wildfire passes through the area, and the time required to restore power in these areas after a large fire should be reduced. SDG&E has also made changes in reprogramming or disabling the electrical switches (re-closers) that automatically try to restore power after an outage, depending on the weather and fire conditions.

On October 2, 2008, SDG&E announced that it would also turn off power proactively in the Highest Risk Fire Areas when the National Weather Service advises the conditions are ripe for fires, but only if all five weather triggers are met, and would not restore service until the lines have been inspected. To better inform customers of this change, however, and in response to a Commission letter inviting SDG&E to file this

⁵ As noted above, SDG&E has inspected more than 40,000 distribution poles and approximately 7,000 transmission poles. 9

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Application, on October 30, 2008, SDG&E announced the suspension until next year of its plan to shut-off power proactively during extreme weather conditions. Proactive deenergization is only one part of SDG&E's Fire Preparedness Plan targeted to increase community safety and reduce the likelihood of utility facilities being involved in wildfires. SDG&E is submitting this Application for Commission review of the proactive de-energization portion of SDG&E's Fire Preparedness Plan (in addition to seeking approval for proposed tariff changes). As further described in testimony also being served today, SDG&E is continuing to implement fire preparedness measures, including:

- 1. Replacing wood poles with steel poles, increasing the distance between the power line conductors, and using heavier wire on part of the transmission system in rural communities:
- 2. Expanding aerial and ground inspections of distribution and transmission lines;
- 3. During dry or windy weather in which a Red Flag Warning is declared, disabling electrical switches (re-closers) that are designed to restore the power automatically after an outage; and
- 4. Proactively staging operations personnel in backcountry areas for quicker response during extreme weather conditions.

The following prepared direct testimony of SDG&E's witnesses is also being served today:

Exh.#	SDG&E TESTIMONY TOPIC	WITNESS
SDGE-1	Prepared Direct Testimony – Policy	David L. Geier
SDGE-2	Prepared Direct Testimony – Engineering and Operations	Sohrab A. Yari
SDGE-3	Prepared Direct Testimony – Customer Issues	Joe Velasquez
SDGE-4	Prepared Direct Testimony – Special Needs and Low-Income Customer Issues	Greg Lawless

The prepared direct testimony of David L. Geier provides an overview of SDG&E's testimony and addresses the policy issues underlying the proactive deenergization portion of SDG&E's Fire Preparedness Plan. The prepared direct testimony

of SDG&E witness Sohrab A. Yari explains the engineering and operational aspects of SDG&E's Fire Preparedness Plan and proactive de-energization. The prepared direct testimony of SDG&E witness Joe Velasquez presents the customer notification and outreach issues of SDG&E's Fire Preparedness Plan, as well as a proposed, optional Back-up Generation Tariff, demand normalization tariff revisions, and proposed revisions to Tariff Rule 14. The prepared direct testimony of SDG&E witness Greg Lawless presents the customer notification and outreach issues with regard to special needs and low-income customers.

IV.

IMPLEMENTATION

SDG&E urges the Commission to resolve the issues raised in this Application no later than July 9, 2009. Because some of the details of the Fire Preparedness Plan will change as fire risk parameters change from year-to-year, SDG&E proposes filing an informational advice letter annually specifying the details of its resulting fire preparedness plan to be effective June 1 of that year.

V.

PROPOSED MODIFICATIONS TO TARIFF RULE 14

SDG&E also proposes modifications to its Tariff Rule 14 in this Application. SDG&E filed Advice Letter (AL) 2025-E on September 26, 2008, requesting to modify its Tariff Rule 14 to clarify and update the language regarding circumstances that may lead to an interruption of electricity delivery, including for situations to protect public safety, and the customer's responsibility for losses in the event of an interruption of electricity.

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Tariff Rule 14 (both existing and as proposed herein) requires SDG&E to exercise due diligence and care to deliver a continuous supply of electricity to its customers and indicates that the utility will not be liable for an interruption in service "caused by inevitable accident, act of God, fire, strikes, riots, war or any other cause not within its control." The current rule, which has not been updated for approximately 25 years, is not consistent with PG&E's Tariff Rule 14. To achieve tariff consistency, AL 2025-E requested SDG&E's Tariff Rule 14 track the language included in PG&E's Tariff Rule 14.

In its October 24, 2008 rejection of SDG&E's AL, the Commission directed SDG&E to file this request in an Application, and accordingly the proposed Tariff Rule 14 changes are included in Mr. Velasquez' testimony. This tariff rule modification is important for customers to understand more clearly those circumstances in which power may be unexpectedly unavailable, such as where SDG&E interrupts delivery of electricity to protect public safety or SDG&E's distribution system. As with current Tariff Rule 14, customers are responsible for losses that might result from an interruption of electricity delivery. As is also explained in Mr. Velasquez' and Mr. Lawless' testimony, to the extent electricity delivery is unavailable due to proactive deenergization, Essential, Special Needs, and Low-Income Customers have received extensive notice and information regarding how to prepare for these events.

Given that the Commission has already approved nearly identical Tariff Rule 14 changes for PG&E, approving the proposed changes for SDG&E should not be controversial. In addition, the proposed revisions to Tariff Rule 14 do not change the fundamental allocation of responsibility for loss that exists in current Tariff Rule 14, 12 #225091

which is the primary purpose of that tariff rule. The additional examples and language around the circumstances in which there may be an interruption of electricity delivery is useful to customers and provides much more detailed information than the existing Tariff Rule 14. SDG&E therefore urges the Commission to approve these proposed changes.

VI.

COMPLIANCE WITH SENATE BILL 960 RULES, INCLUDING PROPOSED SCHEDULE

In compliance with Rule 6(a)(1), which was adopted in response to Senate Bill 960, SDG&E is required to state "the proposed category for the proceeding, the need for hearing, the issues to be considered, and a proposed schedule." SDG&E proposes to categorize this Application as a quasi-legislative proceeding. SDG&E anticipates that hearings may be necessary. The principal issues to be considered are as follow:

- 1. The proactive de-energization portion of the Fire Preparedness Plan;
- 2. The proposed changes to Tariff Rule 14; and
- SDG&E's proposed tariff changes regarding Back-Up Generation and Demand Normalization.

SDG&E suggests the following proposed schedule:

December 22, 2008	Application filed
January, 2009	Prehearing Conference
Februrary, 2009	Intervenor Testimony served
March, 2009	Utility Rebuttal Testimony Served
April, 2009	Hearings if necessary

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May, 2009	Opening and Reply Briefs filed
June, 2009	Proposed Decision
July, 2009	Commission Decision issued
August, 2009	Final Tariffs filed

VII.

CORPORATE INFORMATION

SDG&E is a public utility corporation organized and existing under, and by virtue of, the laws of the State of California, and is engaged principally in the business of providing electric service in a portion of Orange County and electric and gas service in San Diego County.⁶ SDG&E's principal place of business is 8330 Century Park Court, San Diego, California 92123, and its mailing address is Post Office Box 1831, San Diego, California 92112.

All correspondence or communications regarding this Application should be addressed to:

Rebecca W. Giles Regulatory Case Administrator San Diego Gas & Electric Company 8316 Century Park Court, CP-32D San Diego, CA 92123 (858) 636-6876 RGiles@semprautilities.com

⁶ SDG&E is a corporation created under the laws of the State of California. A certified copy of the Restated Articles of Incorporation of San Diego Gas & Electric Company presently in effect and certified by the California Secretary of State, was filed with the Commission on December 4, 1997 in connection with SDG&E's Application 97-12-012 and is incorporated herein by reference.

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with a copy to:

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Kmelville@sempra.com

VIII.

STATUTORY AND OTHER AUTHORITY

This Application is made pursuant to Section 451 of the Public Utilities Code of the State of California, the Commission's Rules of Practice and Procedure, and prior decisions, orders and resolutions of this Commission.

IX.

NOTICE

SDG&E will within 10 days after this Application is filed with the Commission:

- 1. Mail a notice to cities and counties in SDG&E's service territory, stating in general terms the proposed operational and rule revisions. The notice will also state that a copy of this Application and related testimony will be furnished by SDG&E upon written request;
- 2. The notice will also state that a copy of this Application and related exhibits may be examined at the offices of the Commission and in such SDG&E offices as are specified in the notice.

SDG&E will also provide a similar notice to all customers affected by the proposed operational changes by including such notice with the regular bills transmitted to these customers, or by mailing notices in the United States Mail.

In addition, SDG&E will serve a copy of this Application and related exhibits on all persons designated in the Certificate of Service, which includes all parties to SDG&E's prior General Rate Case proceeding (A.06-12-009) and the Commission's Fire Preparedness OIR (R.08-11-005) service list.

X.

ADDITIONAL DOCUMENTATION

SDG&E's Prepared Direct Testimony as described above is being served on this day.

SDG&E is ready to proceed with its showing.

WHEREFORE, San Diego Gas & Electric Company respectfully requests that the Commission:

- 1. Review this Application;
- 2. Issue necessary tariff approvals by July 9, 2009;
- 3. Issue an Order authorizing SDG&E to make such changes to SDG&E's tariffs as are consistent with the relief requested herein; and

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2	4. Grant such other and further relief as the Commission finds to be just and reasonab	10
3	4. Grant such other and further relief as the Commission finds to be just and reasonab	ie.
4	Dated at San Diego, California this 22nd day of December, 2008.	
5		
6	Respectfully submitted,	
7	SAN DIEGO GAS & ELECTRIC COMPANY	r
8		
9	By: <u>/s/ LEE SCHAVRIEN</u> Lee Schavrien	
10	Senior Vice President - Regulatory & Finance	
11		
12	San Diego Gas & Electric Company	
13	By: /s/ KEITH W. MELVILLE	
14	LISA G. URICK	
15	KEITH W. MELVILLE Attorneys for	
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VERIFICATION

I, Lee Schavrien, am an officer of the applicant corporation herein, to wit: Senior Vice President - Regulatory & Finance – San Diego Gas & Electric Company, and am authorized to make this verification on its behalf. The content of this document is true, except as to matters that are stated on information and belief. As to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 22, 2008 at San Diego, California.

/s/ LEE SCHAVRIEN

Lee Schavrien Senior Vice President – Regulatory & Finance

CERTIFICATE OF SERVICE

I hereby certify that a copy of **APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E)** has been electronically mailed to each party of record of the service list in A.06-12-009 and R.08-11-005. Any party on the service list who has not provided an electronic mail address was served by placing copies in properly addressed and sealed envelopes and by depositing such envelopes in the United States Mail with first-class postage prepaid.

Executed this 22nd day of December, 2008 at San Diego, California.

/s/ LISA FUCCI-ORTIZ Lisa Fucci-Ortiz