

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

Application of Pacific Gas and Electric Company for Approval of its Residential Rate Design Window Proposals, including to Implement a Residential Default Time-Of-Use Rate along with a Menu of Residential Rate Options, followed by addition of a Fixed Charge Component to Residential Rates (U39E)

Application 17-12-011

And Related Matters.

Application 17-12-012
Application 17-12-013

Exhibit No. SDG&E-____

**PREPARED PHASE 2B TESTIMONY OF
TODD CAHILL
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**

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

August 17, 2018



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1 Currently, the only CCA in SDG&E’s service territory is Solana Energy Alliance
2 (“SEA”), and those customers are not currently planned for participation in Mass TOU Default.
3 SDG&E worked closely with SEA in its transition to CCA. As part of the transition, SDG&E
4 made system enhancements to its core CIS to meet the required billing and online requirements
5 for CCA service in SDG&E’s service territory. The modifications to SDG&E’s CIS did not
6 include a capability for residential default TOU billing by a CCA.

7 Per CPUC Resolution E-4907, “the CCA Implementation Plan and Statement of Intent
8 must be submitted to the Commission on or before January 1[, 2019] in order to serve load in the
9 following year.”² Therefore, the only other CCAs that may be impacted by SDG&E’s Mass
10 TOU Default will be those filing implementation plans by January 1, 2019. These CCAs would
11 potentially become active in 2020, at the earliest.

12 In light of these facts, SDG&E proposes to implement Mass TOU Default for SEA and
13 any other active CCA within SDG&E’s service territory upon implementation of its new CIS.
14 This approach is cost-effective and ensures a smooth transition to mass default TOU for CCA
15 customers.

16 **III. WHETHER SDG&E SHOULD DEVELOP A RATE COMPARISON TOOL IN**
17 **LIGHT OF EMERGING CCA PROGRAMS**

18 A rate comparison tool is an important part of the customer experience, whether or not
19 that customer is part of a CCA. For its rate comparison tool, SDG&E plans to use SDG&E
20 bundled rates as a “proxy” for the rates offered by CCAs. To effectively accomplish this goal,
21 each CCA needs to offer rates that are structurally similar to SDG&E’s menu of rate options.
22 This will allow a CCA customer to use SDG&E’s rate comparison tool as a “proxy” for the
23 similar CCA rates. It is anticipated that the resulting cost difference between SDG&E rates

² Resolution E-4907, Registration Process for Community Choice Aggregators, February 9, 2018.

1 would be similar to the cost difference between the structurally-similar CCA rates. This type of
2 rate comparison tool is being implemented for SEA in October 2018. Thus, customers enrolled
3 in a CCA will have the ability to perform a rate comparison and enroll in a different rate.

4 SDG&E’s approach aligns with that of Pacific Gas and Electric Company’s (“PG&E”).
5 Indeed, after noticing small differences in annual rate comparisons between PG&E bundled rates
6 and the CCA-specific rates, “PG&E recommends using the PG&E bundled rate as a proxy for
7 CCA rates.”³

8 SDG&E’s approach is also similar to that of Southern California Edison Company
9 (“SCE”), which indicated that:

10 [F]or CCAs that mimic SCE’s rates or offer similar generation rates, one
11 option is for the CCAs to use SCE’s bundled rate analysis and modeling as
12 a proxy for its own. This option may be equally viable for CCAs whose
13 rate structures mimic SCE’s, but who offer different rate factors that are
14 equally different across TOU periods. For these customers, while the
15 modeling results may not reflect the exact dollar amount, the rate
16 recommendation provided by the rate comparison will be the same.⁴

17 **IV. WHETHER THE COSTS OF A RATE COMPARISON TOOL FOR CCAS**
18 **SHOULD BE ALLOCATED TO GENERATION OR DISTRIBUTION RATES**

19 If it is determined that additional costs are incurred, above and beyond any costs
20 currently anticipated to develop a rate comparison tool for CCA customers, those costs should be
21 recovered through distribution rates. This will insure that the benefitting customers (i.e., the
22 CCA customers who utilize the rate comparison tool) pay for the associated costs.

³ Pacific Gas & Electric Company Rate Design Window 2018, Prepared Testimony, Volume 1, December 20, 2017, page 5-11.

⁴ Testimony of Southern California Edison Company Regarding Implementation of Residential Default Time-of-Use Rates, December 21, 2017, page 41.

1 **V. WHETHER THE IOUS' ME&O PROPOSALS FOR CCA CUSTOMERS, AS**
2 **MODIFIED OR IMPACTED BY THE ROLL-OUT OF DEFAULT TOU TO CCA**
3 **CUSTOMERS, ARE REASONABLE**

4 As noted above, SEA customers will be excluded from SDG&E's Mass TOU Default;
5 however such customers may be exposed to the broader mass awareness campaign. SDG&E
6 plans to work with SEA on the best approach to communicate to customers the fact they will not
7 be defaulted, but will have additional options. Since 2020 is the earliest dated for the next
8 potential CCA in SDG&E's service territory, the timing would coincide with the near ending of
9 Mass TOU Default. At that time, similar to how it has worked with SEA, SDG&E will
10 coordinate with future CCAs to ensure that their customers are aware that TOU pricing plans
11 will be available as options and could be included in future joint rate comparisons.

12 This concludes my Direct Testimony.

1 **VI. STATEMENT OF QUALIFICATIONS**

2 My name is Todd Cahill and my business address is 8306 Century Park Court, San
3 Diego, California 92123. I am the Director of Business Services for San Diego Gas and Electric
4 (“SDG&E”). My primary responsibilities include all customer service-related activities and
5 relationships with SDG&E’s business customers and community. I began work at SDG&E in
6 2002 as a Regulatory Analyst and have held positions of increasing responsibility.

7 In 1998, I graduated from Brigham Young University with a Bachelor of Arts in Political
8 Science. I also received an MBA from San Diego State University in 2012.

9 I have previously submitted testimony before the California Public Utilities Commission.