

**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 REBUTTAL TESTIMONY OF
CHRISTOPHER BENDER
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**

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

June 7, 2018



TABLE OF CONTENTS

I.	INTRODUCTION AND PURPOSE	1
II.	CUSTOMER RATE STATUS AT THE END OF THE DEFAULT TOU PILOT	1
III.	BILL PROTECTION.....	2
IV.	RE-ESTABLISHMENT OF CREDIT DEPOSITS AND ADDITIONAL FEES FOR CUSTOMERS DEFAULTED AND DISCONNECTED DURING SDG&E'S IDTM.....	3

1 **PREPARED REBUTTAL TESTIMONY OF**
2 **CHRISTOPHER BENDER**

3 **I. INTRODUCTION AND PURPOSE**

4 My Direct Testimony for San Diego Gas & Electric Company's ("SDG&E's") 2018
5 Residential Rate Design Window Application ("RDW Application"), submitted on December 20,
6 2017, focuses on the Implementation Plan for SDG&E's Mass Time-of-Use ("TOU") Default.

7 The purpose of this Rebuttal Testimony is to respond the intervenor testimony of The Office of
8 Ratepayer Advocates ("ORA") related to SDG&E's plan for the following:

- 9 • customer rate status at the end of the Default TOU Pilot;
- 10 • expanded bill protection; and
- 11 • re-establishment credit deposits and additional fees for customers defaulted and
12 disconnected during SDG&E's Initial Default TOU Migration ("IDTM").

13 **II. CUSTOMER RATE STATUS AT THE END OF THE DEFAULT TOU PILOT**

14 ORA recommends that "at the conclusion of the Default [TOU] Pilot, customers included
15 in the pilot should be placed on the approved TOU rate with the same TOU periods as their pilot
16 rate."¹

17 SDG&E agrees, and this was already part of its RDW Application. In the Mass TOU
18 Default Customer exclusionary status table,² SDG&E indicated that existing TOU customers
19 will be excluded from Mass TOU Default and kept on their same TOU pricing. To provide
20 additional clarification, existing TOU customers (including those from the Default TOU Pilot)
21 will be excluded from the Mass TOU Default process, and kept on their same TOU pricing plans

¹ ORA *Testimony on 2018 Residential Rate Design Window Phase 2A* (May 7, 2018) ("ORA Direct Testimony"), p. 2-1.

² *Prepared Direct Testimony of Christopher Bender on Behalf of San Diego Gas & Electric Company, Chapter 6* (December 20, 2018), p. CB-6.

1 (three-period Default TOU Pilot customers will be kept on TOU-DR-1, and two-period
2 customers will be kept on TOU-DR-2).

3 **III. BILL PROTECTION**

4 ORA recommends that the Commission should adopt PG&E's bill protection proposal
5 for all three IOUs and ensure consistent bill protection policies.³ Specifically, ORA recommends
6 that:

- 7 • SDG&E should extend bill protection to customers opting in to either DR-TOU-1
8 or DR-TOU-2 from schedule DR;⁴ and
- 9 • SDG&E should extend bill protection to those customers who transfer or start
10 new service in their service territory during the IDTM period.⁵

11 SDG&E evaluated its Mass TOU Default bill protection plan against its most recent data
12 gained from customer interactions and operational experiences from the on-going Default TOU
13 Pilot. SDG&E wants to offer a bill protection package that will promote fair treatment between
14 customers, reduce customer confusion and allow for simpler and consistent messaging (within
15 both SDG&E and statewide communications). SDG&E also wants a bill protection plan that is
16 easy for customer service agents to explain, operational staff to implement, and IT systems to
17 deliver. That said, considering ORA's concerns, SDG&E has decided to modify its original bill
18 protection plan such that bill protection is offered to customers on either the 3-period default
19 TOU rate or the 2-period opt-out TOU rate, as reflected in the following chart:

³ ORA Direct Testimony, p. 3-2.

⁴ *Id.*

⁵ *Id.*

**Table 1 - SDG&E Mass TOU Default Bill Protection Plan
by Customer Type, TOU Rate and Valid Start Date**

Customer Type	3-Period Default TOU Rate	2-Period Opt- In TOU Rate	Bill Protection Start Dates*
Existing, Defaulted	Yes	Yes	03/01/2019 to 04/30/2020
Existing, Early Opt-In	Yes	Yes	01/01/2019 to 12/31/2020
New (TOU turn-on)	Yes	Yes	03/01/2019 to 04/30/2020

*Bill protection will be offered to eligible customers for a maximum total of 12 consecutive months on either 3-Period Default TOU Rate or 2-Period Opt-In TOU Rate or a combination of the two.

IDTM is the period of time starting on the date the specific IOU begins migrating customers to default TOU and ending one year later.⁶ SDG&E’s IDTM starts March 1, 2019. However, because customers require 12-months of billing history to be defaulted, and because of communication timing and bill cycles, customers starting service in February 2019 will be defaulted in as late as April 2020. Accordingly, bill protection will be offered starting as late as April 30, 2020.

IV. RE-ESTABLISHMENT OF CREDIT DEPOSITS AND ADDITIONAL FEES FOR CUSTOMERS DEFAULTED AND DISCONNECTED DURING SDG&E’S IDTM

ORA recommends that SDG&E should waive any fees involved with disconnection and service re-establishment for all customers transitioned during IDTM.⁷

SDG&E disagrees with this recommendation for the following reasons:

- SDG&E has not observed that TOU pricing causes a noticeably higher rate of occurrence of these types of fees;
- customers may opt-out of TOU pricing at any time;

⁶ Decision 17-09-036, *Decision Adopting Findings Required Pursuant to Public Utilities Code § 745 for Implementing Residential Time-of-Use Rates* (September 28, 2017), p. 35.

⁷ ORA Direct Testimony, p. 2-1.

- 1 • SDG&E will offer bill protection for the first 12 consecutive months on TOU
2 pricing, and has expanded the offer to go above and beyond what is required from
3 a statutory basis provided by D.17-09-036;
- 4 • SDG&E excludes many customers from Mass TOU Default, including those
5 deemed vulnerable, such as Medical Baseline customers, California Alternate
6 Rates for Energy/Family Electric Rate Assistance-eligible customers in the hot
7 zones, customers requiring an in-person visit prior to disconnection, and
8 customers requesting third party notification prior to disconnection;
- 9 • SDG&E Mass TOU Default plan transitions significantly more benefiter first,
10 and then gradually rolls in non-benefiters (there are significantly less monthly
11 transitions during the summer months when pricing is higher versus the winter
12 months when pricing is lower);
- 13 • SDG&E proactively reaches out to the customers that may incur these fees (to
14 explain the situation and work with the customer on ways to avoid the fees); and
- 15 • SDG&E offers a Level-Pay-Plan (“LPP”) if a customer is likely to experience
16 significant month-to-month bill volatility.

17 For all these reasons, SDG&E believes ORA’s fee waiver proposal, although well-
18 intentioned, is unnecessary and unreasonable.

19 This concludes my Rebuttal Testimony.