

Company: San Diego Gas & Electric Company (U 902 E)
Proceeding: Real Time Pricing Pilot Rate
Application: A.21-12-006/A.21-12-008
Exhibit: SDG&E-XX

**PREPARED SUPPLEMENTAL DIRECT TESTIMONY OF
ERIC DALTON (CHAPTER 7)
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**

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

August 15, 2022



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1 **PREPARED SUPPLEMENTAL DIRECT TESTIMONY OF**

2 **ERIC DALTON (CHAPTER 7)**

3 **I. OVERVIEW AND PURPOSE**

4 My prepared supplemental direct testimony describes San Diego Gas & Electric
5 Company's (SDG&E) cost recovery mechanism for the real-time pricing pilot (RTP Pilot or
6 Pilot), and the Commodity Export Compensation Pilot program. SDG&E requests authority to
7 establish a new Real Time Pricing Balancing Account (RTPBA) to record revenues and costs
8 associated with both RTP Pilot programs and the Commodity Export Compensation Pilot
9 program, with the exception for consultant and facilitation costs of up to \$150,000, which is to
10 be tracked and recovered through SDG&E's existing Residential Rate Reform Memorandum
11 Account (RRMA), pursuant to Ordering Paragraph 6 of California Public Utilities Commission
12 (Commission or CPUC) issued Decision (D.) 21-07-010, and as described in the testimony of
13 Ray Utama (Chapter 4).

14 SDG&E is submitting this prepared supplemental direct testimony to address revisions to
15 SDG&E's consolidated Time Pricing Pilot Application and Commercial Electric Vehicle
16 Dynamic Rate Application (A.21-12-006 et al.), including recommendations by Energy
17 Division. Because the revisions are extensive and include both adding new testimony and
18 removing previously served testimony, SDG&E is withdrawing previously served testimony and
19 will rely solely on this prepared supplemental direct testimony as its direct testimony in this
20 proceeding.

21 **II. COST RECOVERY**

22 SDG&E proposes a two-way, interest-bearing balancing account to record the authorized
23 revenue requirement and actual incremental costs associated with both RTP Pilot programs and
24 Commodity Export Compensation Pilot program. SDG&E's incremental costs for these

1 programs may include capital-related costs (e.g., depreciation expense, authorized return on
2 investment, and taxes) and operations and maintenance (O&M) costs associated with the
3 programs. If either program is not approved, this account will only record those costs that are
4 associated with the approved program. SDG&E proposes to recover costs allocated to the CPUC
5 jurisdiction through distribution rates.

6 A two-way balancing account is reasonable because it allows the utility to track actual
7 costs to an amount authorized for recovery by the CPUC, thereby ensuring that ratepayers are
8 charged for actual costs and refunded any overcollections. In turn, the utility does not make or
9 lose money due to uncertainties in the scope of work.

10 The annual over or undercollection of the RTPBA balance will be addressed in SDG&E's
11 Tier 2 Advice Letter submission for its Annual Regulatory Account Balance Update, or other
12 applicable proceeding as directed by the Commission.¹ SDG&E proposes to utilize the RTPBA
13 until a time when the costs associated with the program described in this application are
14 incorporated into SDG&E's base business and addressed in its GRC proceedings, at which time
15 SDG&E will propose to close the RTPBA.

16 This concludes my prepared supplemental direct testimony.

¹ D.21-07-010 at 56, directs SDG&E to "include a proposal for determining any overcollection or undercollection resulting from the Pilot Stage 2 as well as mechanisms for mitigating the risk of undercollection and overcollection." SDG&E has proposed a two-way balancing account for determining any overcollection or undercollection resulting from both Stage 1 and Stage 2 of the Pilot. SDG&E notes, however, that it is best able to mitigate risk of over- and undercollection by accurate forecasting, which SDG&E has done to the best of its ability in this Application. In addition, SDG&E will true-up the balance through the Annual Regulatory Update Filing process. SDG&E will similarly use its best efforts to accurately forecast costs for Stage 2.

1 **III. STATEMENT OF QUALIFICATIONS**

2 My name is Eric Dalton. I am employed by SDG&E as the Regulatory Reporting and
3 Accounts Manager in the Controller’s Division. My business address is 8330 Century Park
4 Court, San Diego, California 92123. My current responsibilities include managing the process
5 for the development, implementation, analysis and accounting for regulatory balancing and
6 memorandum accounts. I assumed my current position in August 2014 as the Regulatory
7 Reporting Manager and assumed the Regulatory Accounts Manager position in July 2019.

8 I received a Bachelor of Science in Accounting in 1999 from the University of Kansas. I
9 am a Certified Public Accountant (“CPA”) licensed in the State of California since 2003.

10 I have been employed with SDG&E since 2006. In addition to my current position in
11 Regulatory Reporting & Accounts, I have held various other positions increasing in
12 responsibility since September 2006. I served as the Billable Project Supervisor in Plant
13 Accounting (January 2013 – August 2014), Bank Reconciliation Supervisor (July 2011 –
14 December 2012), and Financial Accounting Senior and Principal Accountant (September 2006 -
15 June 2011).

16 I have previously testified before this Commission.