

Application of San Diego Gas & Electric
Company (U-902-E) For Authority To Update
Marginal Costs, Cost Allocation, And Electric
Rate Design

Application: 23-01-008
Exhibit No.: _____

CHAPTER 2

REVISED PREPARED DIRECT TESTIMONY OF

RAY C. UTAMA

ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY

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

September 29, 2023



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1 **REVISED PREPARED DIRECT TESTIMONY OF**
2 **RAY C. UTAMA**
3 **(CHAPTER 2)**

4 **I. OVERVIEW AND PURPOSE**

5 On January 17, 2023, San Diego Gas & Electric Company (SDG&E) filed its Application for
6 Authority to Update Marginal Costs, Cost Allocation, and Electric Rate Design (Application).¹
7 SDG&E is submitting this revised prepared direct testimony pursuant to the June 23, 2023
8 Administrative Law Judge Assigned Commissioner's Ruling to file revised testimony with approved
9 2023 sales forecast, and August 2, 2023 Ruling to modify the procedural schedule. The purpose of
10 my revised prepared direct testimony is to present ~~San Diego Gas & Electric Company's~~
11 ~~(SDG&E)~~E's proposed methodology for revenue allocations reflecting (a) the current effective sales
12 forecast;² and (b) updated customer class designations to accommodate SDG&E's proposed addition
13 of a Medium Commercial customer class as presented in the revised prepared direct testimony of
14 SDG&E witness ~~Adam Pieree~~Samantha Pate (Chapter 1-). Importantly, any reference to the
15 "current" or "current effective" sales forecast, unless specified otherwise, reflect the 2023 sales
16 forecast per D.22-12-042, and rates effective as of January 1, 2023, pursuant to Advice Letter (AL)
17 4129-E.

18 **II. REVENUE ALLOCATIONS**

19 Revenue allocation is the assignment of authorized revenue requirements to customer classes.
20 SDG&E currently has five customer classes for the determination of revenue allocations and is
21 proposing to create a new customer class for Medium Commercial. The revised prepared direct

¹ See A.23-01-008.

² ~~Due to the proximity of this filing to the adoption of an updated sales forecast, any references to the "current" or "current effective" sales forecast, unless specified otherwise, reflect the sales forecast as of June 1, 2022, pursuant to Advice Letter (AL) 4004 E.~~

1 testimony of SDG&E witness Hannah Campi (Chapter 3) discusses the rate design of the Medium
2 Commercial customer class in more detail. The six proposed customer classes are as follows:

- 3 1. Residential;
- 4 2. Small Commercial;
- 5 3. Medium Commercial;
- 6 4. Large Commercial and Industrial (C&I);
- 7 5. Agricultural; and
- 8 6. Street Lighting.

9 As stated in the revised prepared direct testimony of SDG&E witness PatePieree (Chapter 1),
10 SDG&E is proposing to continue to use the System Average Percentage Change (SAPC)
11 methodology for its revenue allocations during the General Rate Case (GRC) cycle covered in this
12 application to help support rate and bill stability for all customer classes. Additionally, SDG&E is
13 proposing to establish Medium Commercial customer class revenue allocations when this GRC
14 Phase 2 application is implemented, which will adjust the Large C&I and Small Commercial
15 customer class revenue allocations one time.

16 As for the Public Purpose Program (PPP) rate component, SDG&E is proposing updated
17 revenue allocations for the Energy Efficiency (EE) subcomponent only. For all other PPP
18 components, SDG&E is proposing to continue the current methodologies adopted in Decision (D.)
19 21-07-010 in SDG&E's Test Year (TY) 2019 GRC Phase 2.³ As most of the components are
20 dependent upon the California Public Utilities Commission (Commission) adopted sales forecasts,
21 when a new sales forecast is adopted, SDG&E will update the PPP rates via the implementation
22 advice letter. By updating the electric PPP rates with the latest authorized sales forecast and latest
23 PPP revenue requirements, the current methodology reflects the most up-to-date conditions and most

³ See D.21-07-010 pages 21-22.

1 equitable to minimize potential cost shift between the customer classes. Additionally, to
2 accommodate the addition of the Medium Commercial customer class, SDG&E is presenting
3 illustrative revenue allocations and rates for all other PPP components.

4 The proposed and illustrative revenue allocations for Distribution, Demand Response,
5 Commodity, Competition Transition Charges (CTC), Local Generation Charge (LGC), and PPP are
6 discussed in more detail below.

7 **A. SAPC Rate Components**

8 The proposed SAPC methodology would apply to revenue allocations for the Distribution,
9 Demand Response, Commodity, CTC, and LGC rate components when SDG&E implements annual
10 sales forecasts that are adopted in its Electric Procurement Revenue Requirement (ERRA) Forecast
11 Proceeding. Updates to the revenue allocations of SAPC rate components are to accommodate the
12 proposed Medium Commercial customer class as discussed in the revised prepared direct testimony
13 of SDG&E witnesses PatePieree (Chapter 1) and Campi (Chapter 3). Because SDG&E is proposing
14 to use the SAPC methodology for sales forecast implementations for the duration of this four-year
15 GRC cycle, the revenue allocations for the proposed Medium Commercial class are developed based
16 on the percentage of migrated sales from the current Small Commercial and Medium/Large (M/L)
17 C&I customer classes.⁴ This ensures that all customer classes will see the same percent increase
18 from future sales forecast implementations.

19 Figure RU-1 displays the cost-based revenue allocations from SDG&E's distribution,
20 commodity, and CTC cost studies, as discussed in the revised prepared direct testimony of SDG&E
21 witnesses William G. Saxe (Chapter 4) and Jeff DeTuri (Chapter 5), as well as the cost-based
22 revenue allocation for LGC, which is derived from SDG&E's current Transmission Owner (TO)

⁴ Migrated system net sales to developed distribution, demand response and LGC rate components; migrated bundled sales for commodity rate component; and migrated delivered sales for CTC rate component.

proceeding.⁵ Illustrative proposed revenue allocations presented in Figure RU-1 are developed based on current effective sales forecast⁶ and actual revenue allocations will change annually using the proposed SAPC methodology and sales forecasts adopted in future ERRA forecast proceedings. Proposed allocations compared to allocations effective as of ~~June~~January 1, 2022~~2023~~, are presented in each rate component section below. As shown in each figures RU-2 to RU-6, SDG&E's proposal is intended to promote rate and bill stability for customers.

Figure RU-1: Cost-Based and Illustrative Proposed Revenue Allocations

| Customer Class | Distribution | | Commodity | | CTC | | LGC | |
|-------------------|---------------------------|--------------------------------------|---------------------------|--------------------------------------|---------------------------|--------------------------------------|---------------------------|--------------------------------------|
| | Cost-Based Allocation (%) | Illustrative Proposed Allocation (%) | Cost-Based Allocation (%) | Illustrative Proposed Allocation (%) | Cost-Based Allocation (%) | Illustrative Proposed Allocation (%) | Cost-Based Allocation (%) | Illustrative Proposed Allocation (%) |
| Residential | 53.2% | 42.5% | 54.8% | 49.9% | 63.9% | 38.7% | 43.4% | 39.9% |
| Small Commercial | 12.4% | 13.9% | 10.5% | 10.8% | 11.9% | 10.6% | 10.8% | 9.5% |
| Medium Commercial | 13.1% | 13.1% | 12.1% | 17.2% | 12.2% | 15.1% | N/A ¹ | 14.9% |
| Large C&I | 19.9% | 28.5% | 21.3% | 19.1% | 10.4% | 34.4% | 44.4% | 34.4% |
| Agricultural | 1.4% | 1.4% | 0.9% | 2.4% | 1.5% | 1.1% | 1.0% | 1.0% |
| Street Lighting | 0.1% | 0.7% | 0.4% | 0.5% | 0.1% | 0.0% | 0.3% | 0.4% |
| System | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

¹ Cost-based allocation derived from current effective TO proceeding, which does not include the Medium Commercial customer class proposed in this application.

| Customer Class | Distribution | | Commodity | | CTC | | LGC | |
|-------------------|---------------------------|--------------------------------------|---------------------------|--------------------------------------|---------------------------|--------------------------------------|---------------------------|--------------------------------------|
| | Cost-Based Allocation (%) | Illustrative Proposed Allocation (%) | Cost-Based Allocation (%) | Illustrative Proposed Allocation (%) | Cost-Based Allocation (%) | Illustrative Proposed Allocation (%) | Cost-Based Allocation (%) | Illustrative Proposed Allocation (%) |
| Residential | 53.1% | 45.7% | 54.8% | 53.8% | 63.9% | 41.5% | 44.9% | 43.1% |
| Small Commercial | 12.3% | 12.6% | 10.5% | 9.3% | 11.9% | 9.8% | 10.9% | 8.6% |
| Medium Commercial | 13.0% | 12.1% | 12.1% | 14.8% | 12.2% | 14.0% | N/A ¹ | 13.6% |
| Large C&I | 19.8% | 27.5% | 21.3% | 20.3% | 10.4% | 33.6% | 42.9% | 33.3% |
| Agricultural | 1.6% | 1.4% | 0.9% | 1.5% | 1.5% | 1.1% | 1.0% | 1.0% |
| Street Lighting | 0.1% | 0.7% | 0.4% | 0.4% | 0.1% | 0.0% | 0.3% | 0.4% |
| System | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

¹ Cost-based allocation derived from current effective TO proceeding, which does not include the Medium Commercial customer class proposed in this application.

⁵ ~~On July 29, 2021, SDG&E submitted to FERC filing, Docket Number ER21-2540ER23-542-000.~~

⁶ ~~2022 electric sales forecast approved in D.22-03-003, and effective as of June 1, 2022, pursuant to AL 4004-E.~~

1. Distribution

Illustrative distribution revenue allocation factors presented in Figure RU-2 are displayed based on current effective sales forecast.⁷ Actual revenue allocations will be developed using the proposed SAPC methodology and sales forecasts adopted in future ERRA forecast proceedings.

Figure RU-2: Illustrative Distribution Revenue Allocation⁸

| Customer Class | 6/1/22 Effective (%) | Illustrative Proposed Allocation (%) | Percentage Change (%) |
|-------------------|----------------------|--------------------------------------|-----------------------|
| Residential | 42.5% | 42.5% | 0.0% |
| Small Commercial | 15.6% | 13.9% | -11.1% |
| Medium Commercial | N/A | 13.1% | N/A |
| Large C&I | 39.8% | 28.5% | -28.5% |
| Agricultural | 1.4% | 1.4% | 0.0% |
| Street Lighting | 0.7% | 0.7% | 0.0% |
| System | 100.0% | 100.0% | 0.0% |

| Customer Class | 1/1/23 Effective (%) | Illustrative Proposed Allocation (%) | Percentage Change (%) |
|-------------------|----------------------|--------------------------------------|-----------------------|
| Residential | 45.7% | 45.7% | 0.0% |
| Small Commercial | 14.6% | 12.6% | -13.8% |
| Medium Commercial | N/A | 12.1% | N/A |
| Large C&I | 37.6% | 27.5% | -26.9% |
| Agricultural | 1.4% | 1.4% | 0.0% |
| Street Lighting | 0.7% | 0.7% | 0.0% |
| System | 100.0% | 100.0% | 0.0% |

2. Demand Response

Illustrative demand response revenue allocation factors presented in Figure RU-3 are developed based on current effective sales forecast.⁹ Actual revenue allocations will be developed using the proposed SAPC methodology and sales forecasts adopted in future ERRA forecast proceedings.

⁷ ~~2022 electric sales forecast approved in D.22-03-003, and effective as of June 1, 2022, pursuant to AL 4004-E.~~

⁸ Excludes miscellaneous revenues recovered through distribution rates, including Vehicle-Grid Integration, Medium Duty/Heavy Duty, and DG-R undercollection costs. No rate design changes are being requested for these revenues.

⁹ ~~2022 electric sales forecast approved in D.22-03-003, and effective as of June 1, 2022, pursuant to AL 4004-E.~~

Figure RU-3: Illustrative Demand Response Revenue Allocation

| Customer Class | 6/1/22 Effective (%) | Illustrative Proposed Allocation (%) | Percentage Change (%) |
|-----------------------|-----------------------------|---|------------------------------|
| Residential | 39.7% | 39.7% | 0.0% |
| Small Commercial | 11.2% | 10.0% | -11.1% |
| Medium Commercial | N/A | 14.6% | N/A |
| Large C&I | 46.8% | 33.5% | -28.5% |
| Agricultural | 1.7% | 1.7% | 0.0% |
| Street Lighting | 0.6% | 0.6% | 0.0% |
| System | 100.0% | 100.0% | 0.0% |

| Customer Class | 1/1/23 Effective (%) | Illustrative Proposed Allocation (%) | Percentage Change (%) |
|-----------------------|-----------------------------|---|------------------------------|
| Residential | 42.8% | 42.8% | 0.0% |
| Small Commercial | 10.5% | 9.1% | -13.8% |
| Medium Commercial | N/A | 13.4% | N/A |
| Large C&I | 44.4% | 32.4% | -26.9% |
| Agricultural | 1.7% | 1.7% | 0.0% |
| Street Lighting | 0.5% | 0.5% | 0.0% |
| System | 100.0% | 100.0% | 0.0% |

3. Commodity

Illustrative commodity revenue allocation factors presented in Figure RU-4 are developed based on current effective sales forecast.⁴⁰ Actual revenue allocations will be developed using the proposed SAPC methodology and sales forecasts adopted in future ERRA forecast proceedings.

⁴⁰ ~~2022 electric sales forecast approved in D.22-03-003, and effective as of June 1, 2022, pursuant to AL 4004 E.~~

Figure RU-4: Illustrative Commodity Revenue Allocation¹¹

| Customer Class | 6/1/22 Effective (%) | Illustrative Proposed Allocation (%) | Percentage Change (%) |
|-----------------------|-----------------------------|---|------------------------------|
| Residential | 49.9% | 49.9% | 0.0% |
| Small Commercial | 11.8% | 10.8% | -8.5% |
| Medium Commercial | N/A | 17.2% | N/A |
| Large C&I | 35.4% | 19.1% | -45.9% |
| Agricultural | 2.4% | 2.4% | 0.0% |
| Street Lighting | 0.5% | 0.5% | 0.0% |
| System | 100.0% | 100.0% | 0.0% |

| Customer Class | 1/1/23 Effective (%) | Illustrative Proposed Allocation (%) | Percentage Change (%) |
|-----------------------|-----------------------------|---|------------------------------|
| Residential | 53.8% | 53.8% | 0.0% |
| Small Commercial | 10.9% | 9.3% | -14.9% |
| Medium Commercial | N/A | 14.8% | N/A |
| Large C&I | 33.5% | 20.3% | -39.3% |
| Agricultural | 1.5% | 1.5% | 0.0% |
| Street Lighting | 0.4% | 0.4% | 0.0% |
| System | 100.0% | 100.0% | 0.0% |

4. Ongoing Competition Transition Charges

Illustrative CTC revenue allocation factors presented in Figure RU-5 are developed based on current effective sales forecast.¹² Actual revenue allocations will be developed using the proposed SAPC methodology and sales forecasts adopted in future ERRA forecast proceedings.

¹¹ Excludes miscellaneous revenues recovered through commodity rates, including Critical Peak Pricing, Dynamic Peak Pricing and DG-R under/overcollections which are allocated 100% to the respective class.

¹² ~~2022 electric sales forecast approved in D.22-03-003, and effective as of June 1, 2022, pursuant to AL 4004 E.~~

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Figure RU-5: Illustrative CTC Revenue Allocation

| Customer Class | 6/1/22 Effective (%) | Illustrative Proposed Allocation (%) | Percentage Change (%) |
|-----------------------|-----------------------------|---|------------------------------|
| Residential | 38.7% | 38.7% | 0.0% |
| Small Commercial | 12.0% | 10.6% | -11.0% |
| Medium Commercial | N/A | 15.1% | N/A |
| Large C&I | 48.2% | 34.4% | -28.6% |
| Agricultural | 1.1% | 1.1% | 0.0% |
| Street Lighting | 0.0% | 0.0% | 0.0% |
| System | 100.0% | 100.0% | 0.0% |

2

| Customer Class | 1/1/23 Effective (%) | Illustrative Proposed Allocation (%) | Percentage Change (%) |
|-----------------------|-----------------------------|---|------------------------------|
| Residential | 41.5% | 41.5% | 0.0% |
| Small Commercial | 11.3% | 9.8% | -13.8% |
| Medium Commercial | N/A | 14.0% | N/A |
| Large C&I | 46.0% | 33.6% | -27.1% |
| Agricultural | 1.1% | 1.1% | 0.0% |
| Street Lighting | 0.0% | 0.0% | 0.0% |
| System | 100.0% | 100.0% | 0.0% |

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5. Local Generation Charge

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The Commission authorized SDG&E to establish an LGC to recover new generation costs on a non-bypassable basis from all customers, consistent with the requirements of the Cost Allocation Mechanism (CAM) set forth in Rulemaking 06-02-013 and D.06-07-029. Illustrative LGC revenue allocation factors presented in Figure RU-6 are developed based on current effective sales forecast.¹³ Actual revenue allocations will be developed using the proposed SAPC methodology and sales forecasts adopted in future ERRR forecast proceedings.

¹³ ~~2022 electric sales forecast approved in D.22-03-003, and effective as of June 1, 2022, pursuant to AL 4004 E.~~

Figure RU-6: Illustrative LGC Revenue Allocation

| Customer Class | 6/1/22 Effective (%) | Illustrative Proposed Allocation (%) | Percentage Change (%) |
|-----------------------|-----------------------------|---|------------------------------|
| Residential | 39.9% | 39.9% | 0.0% |
| Small Commercial | 10.7% | 9.5% | -11.1% |
| Medium Commercial | N/A | 14.9% | N/A |
| Large C&I | 48.1% | 34.4% | -28.5% |
| Agricultural | 1.0% | 1.0% | 0.0% |
| Street Lighting | 0.4% | 0.4% | 0.0% |
| System | 100.0% | 100.0% | 0.0% |

| Customer Class | 1/1/23 Effective (%) | Illustrative Proposed Allocation (%) | Percentage Change (%) |
|-----------------------|-----------------------------|---|------------------------------|
| Residential | 43.1% | 43.1% | 0.0% |
| Small Commercial | 10.0% | 8.6% | -13.8% |
| Medium Commercial | N/A | 13.6% | N/A |
| Large C&I | 45.6% | 33.3% | -26.9% |
| Agricultural | 1.0% | 1.0% | 0.0% |
| Street Lighting | 0.4% | 0.4% | 0.0% |
| System | 100.0% | 100.0% | 0.0% |

B. Public Purpose Program

PPP consists of: (1) Low Income Programs, specifically California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA), Food Bank Discount and Energy Savings Assistance Programs (ESAP); (2) EE, (3) Electric Program Investment Charge (EPIC), (4) Self-Generation Program (SGIP), (5) Tree Mortality Non-Bypassable Charge (TMNBC), (6) San Diego Unified Port District (SDUPD), (7) Residential Uncollectible Balancing Account (RUBA), (8) Flex Alert Balancing Account (FABA), (9) School Energy Efficiency Stimulus Program Balancing Account (SEESPBA), (10) Economic Development Rate Balancing Account (EDRBA), ~~and~~ (11) Wildfire and Natural Disaster Resiliency Rebuild (WNDRR), (12) Disadvantaged Communities Green Tariff Balancing Account (DACGTBA), and (13) Community Solar Green Tariff Balancing

1 Account (CSGTBA).¹⁴ As part of this application, SDG&E is proposing updates to revenue
2 allocations for the EE component only, to reflect more current program spending. For all other PPP
3 components, SDG&E is proposing to continue the current methodologies adopted in D.21-07-010.¹⁵
4 When a new sales forecast has been adopted by the Commission, SDG&E will update the PPP rates
5 via the implementation advice letter.

6 The proposed and illustrative revenue allocations for various PPP rate components are
7 discussed in more detail below.

8 1. Energy Efficiency

9 EE allocations are based on the forecasted EE program spending by customer class, as
10 approved in D.05-09-043, with the current allocations based on 2019 forecast program spending per
11 D.21-07-010. SDG&E proposes to update EE allocations to reflect 2022 forecasted EE program
12 spending, consistent with the current allocation methodology for EE. ~~At this time, SDG&E's most~~
13 ~~current forecasted EE program spending is associated with the 2022 program year.~~¹⁶ Forecasted
14 spending specifically associated with individual customer classes was allocated as such using the
15 existing EE allocations as a reference. Unspecified "Commercial" spending was split
16 proportionately between the Small Commercial and Large C&I classes using the current EE
17 allocations. The EE allocation for the proposed Medium Commercial class is developed based on
18 percentage of migrated system delivered sales from the Small Commercial and M/L C&I customer
19 classes. All remaining spending, which currently is not assigned to a specific class, was allocated
20 based on the subtotals for all customer classes. Figure RU-7 presents: 1) the proposed updated
21 allocations based on this methodology, and 2) illustrative EE rates developed based on current

¹⁴ SGIP and California Solar Initiative (CSI) were moved from the distribution rate component to the PPP rate component pursuant to D.17-08-030. CSI is excluded from PPP calculation as the funding is zero pursuant to D.15-01-027 and AL 2792, effective October 26, 2015.

¹⁵ See D.21-07-010 pages 21-22.

¹⁶ On February 15, 2022, the Commission gave notice that SDG&E's 2022-2023 Energy Efficiency funding filed in AL 3887-E-A/3035-G-A, was approved and effective January 1, 2022.

effective sales forecast.¹⁷ Actual EE rates will be developed using sales forecasts adopted in future
ERRA forecast proceedings.

Figure RU-7: Proposed Energy Efficiency Revenue Allocation and Illustrative Rates

| Customer Class | 6/1/22 Effective (%) | Proposed Allocation (%) | Percentage Change (%) | 6/1/22 Effective Rate (\$/kWh) | Illustrative Proposed Rate (\$/kWh) | Percentage Change (%) |
|-------------------|----------------------|-------------------------|-----------------------|--------------------------------|-------------------------------------|-----------------------|
| Residential | 25.8% | 20.4% | -20.9% | 0.00137 | 0.00109 | -20.4% |
| Small Commercial | 15.5% | 14.6% | -5.5% | 0.00249 | 0.00277 | 11.2% |
| Medium Commercial | N/A | 19.1% | N/A | N/A | 0.00233 | N/A |
| Large C&I | 56.8% | 43.1% | -24.2% | 0.00209 | 0.00229 | 9.7% |
| Agricultural | 1.8% | 2.8% | 51.6% | 0.00196 | 0.00296 | 51.0% |
| Street Lighting | 0.0% | 0.0% | -76.4% | 0.00001 | 0.00000 | -75.0% |
| System | 100.0% | 100.0% | 0.0% | 0.00187 | 0.00192 | 2.5% |

| Customer Class | 1/1/23 Effective (%) | Proposed Allocation (%) | Percentage Change (%) | 1/1/23 Effective Rate (\$/kWh) | Illustrative Proposed Rate (\$/kWh) | Percentage Change (%) |
|-------------------|----------------------|-------------------------|-----------------------|--------------------------------|-------------------------------------|-----------------------|
| Residential | 25.8% | 20.4% | -20.9% | 0.00422 | 0.00334 | -20.9% |
| Small Commercial | 15.5% | 14.2% | -8.5% | 0.00904 | 0.00960 | 6.2% |
| Medium Commercial | N/A | 18.6% | N/A | N/A | 0.00805 | N/A |
| Large C&I | 56.8% | 44.0% | -22.6% | 0.00741 | 0.00787 | 6.2% |
| Agricultural | 1.8% | 2.8% | 51.6% | 0.00625 | 0.00948 | 51.6% |
| Street Lighting | 0.0% | 0.0% | -76.4% | 0.00003 | 0.00001 | -76.4% |
| System | 100.0% | 100.0% | 0.0% | 0.00630 | 0.00630 | 0.0% |

2. Other PPP Components

To accommodate SDG&E's proposed Medium Commercial customer class, SDG&E is presenting illustrative revenue allocations and rates for all other PPP components. The illustrative allocations and rates are developed based on current PPP revenue requirements and updated with the current effective 20222023 sales forecast to reflect the proposed Medium Commercial customer class.¹⁸ Actual revenue allocations will be developed whenever a new sales forecast is adopted by the Commission.

¹⁷ 20222023 electric sales forecast approved in per D.22-03-00312-042, and rates effective as of JuneJanuary 1, 20222023, pursuant to AL 40044129-E.

¹⁸ Reflects the PPP revenue requirement effective January 1, 20222023, pursuant to AL 38494129-E; and electric sales forecast approved in D.22-03-00312-042, and effective JuneJanuary 1, 20222023, pursuant to AL 40044129-E.

1 Figure RU-8 below shows the illustrative revenue allocation of the various PPP components.
 2 Figure RU-9 below provides illustrative rates for the components of PPP that reflect the proposed
 3 and illustrative updates to the PPP allocations.

4 **Figure RU-8: Illustrative Revenue Allocations for Other PPP Components**

| Customer Class | Illustrative Allocation | | | | | | | | | | |
|-----------------|---------------------------|---------------|---------------|--------------------------|---------------|---------------|---------------|--------------------------|-----------------------------|---------------|---------------------------|
| | CARE/ Food Bank (%) | ESAP (%) | EPIC (%) | SGIP ¹ (%) | TMNB (%) | SDUPD (%) | RUBA (%) | FABA ² (%) | SEESPBA ² (%) | EDRBA (%) | WNDRR ³ (%) |
| Residential | 31.0% | 36.0% | 35.9% | 27.6% | 46.1% | 35.9% | 31.0% | 20.4% | 20.4% | 35.9% | 100.0% |
| Small Comm. | 11.0% | 10.2% | 10.1% | 3.8% | 9.6% | 10.1% | 11.0% | 14.6% | 14.6% | 10.1% | 0.0% |
| Medium Comm. | 17.0% | 15.8% | 15.7% | 7.6% | 15.0% | 15.7% | 17.0% | 19.1% | 19.1% | 15.7% | 0.0% |
| Large C&I | 39.1% | 36.2% | 36.1% | 58.4% | 28.2% | 36.1% | 39.1% | 43.1% | 43.1% | 36.1% | 0.0% |
| Agricultural | 1.9% | 1.8% | 1.8% | 2.5% | 1.0% | 1.8% | 1.9% | 2.8% | 2.8% | 1.8% | 0.0% |
| Street Lighting | 0.0% | 0.0% | 0.4% | 0.0% | 0.0% | 0.4% | 0.0% | 0.0% | 0.0% | 0.4% | 0.0% |
| System | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

¹ Per Resolution E-4926, SGIP's allocation to reflect actual benefits resulting from disbursement of program incentives over the previous 3 years

² Pursuant to AL 3741-E and AL 3679-E, allocations based on EE

³ Pursuant to D.21-11-002, WNDRR is recovered from residential customer class only

| Customer Class | Illustrative Allocation | | | | | |
|-----------------|---------------------------|---------------|---------------|--------------------------|---------------|---------------|
| | CARE/ Food Bank (%) | ESAP (%) | EPIC (%) | SGIP ¹ (%) | TMNB (%) | SDUPD (%) |
| Residential | 33.4% | 38.8% | 38.6% | 43.8% | 46.2% | 38.6% |
| Small Comm. | 10.2% | 9.4% | 9.3% | 0.4% | 9.7% | 9.3% |
| Medium Comm. | 15.9% | 14.7% | 14.6% | 6.6% | 15.0% | 14.6% |
| Large C&I | 38.5% | 35.4% | 35.2% | 47.8% | 28.1% | 35.2% |
| Agricultural | 2.0% | 1.8% | 1.8% | 1.5% | 1.0% | 1.8% |
| Street Lighting | 0.0% | 0.0% | 0.4% | 0.0% | 0.0% | 0.4% |
| System | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

| Customer Class | Illustrative Allocation | | | | | |
|-----------------|-------------------------|--------------------------|-----------------------------|---------------|---------------------------|---------------------------|
| | RUBA (%) | FABA ² (%) | SEESPBA ² (%) | EDRBA (%) | DACGTBA /CSGTBA (%) | WNDRR ³ (%) |
| Residential | 33.4% | 20.4% | 20.4% | 38.6% | 38.6% | 100.0% |
| Small Comm. | 10.2% | 14.2% | 14.2% | 9.3% | 9.3% | 0.0% |
| Medium Comm. | 15.9% | 18.6% | 18.6% | 14.6% | 14.6% | 0.0% |
| Large C&I | 38.5% | 44.0% | 44.0% | 35.2% | 35.2% | 0.0% |
| Agricultural | 2.0% | 2.8% | 2.8% | 1.8% | 1.8% | 0.0% |
| Street Lighting | 0.0% | 0.0% | 0.0% | 0.4% | 0.4% | 0.0% |
| System | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

¹ Per Resolution E-4926, SGIP's allocation to reflect actual benefits resulting from disbursement of program incentives over the previous 3 years

² Pursuant to AL 3741-E and AL 3679-E, allocations based on EE

³ Pursuant to D.21-11-002, WNDRR is recovered from residential customer class only

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Figure RU-9: Illustrative PPP Rates Based on Change in Allocations

| Customer Class | Unit | Illustrative Rate | | | | | | | | | | | | | Total PPP |
|---------------------|--------|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | CARE | Food Bank | ESAP | EE | EPIC | SGIP | TMNB | SDUPD | RUBA | FABA | SEESPBA | EDRBA | WNDRR | |
| Residential | \$/kWh | 0.01086 | 0.00000 | 0.00023 | 0.00109 | 0.00047 | 0.00084 | 0.00164 | 0.00008 | 0.00019 | 0.00007 | 0.00194 | 0.00003 | 0.00090 | 0.01835 |
| Sm. Comm. | \$/kWh | 0.01086 | 0.00000 | 0.00023 | 0.00277 | 0.00047 | 0.00041 | 0.00121 | 0.00008 | 0.00019 | 0.00019 | 0.00493 | 0.00003 | 0.00000 | 0.02138 |
| Med. Comm. | \$/kWh | 0.01086 | 0.00000 | 0.00023 | 0.00233 | 0.00047 | 0.00053 | 0.00122 | 0.00008 | 0.00019 | 0.00016 | 0.00414 | 0.00003 | 0.00000 | 0.02023 |
| Large C&I | | | | | | | | | | | | | | | |
| Energy ¹ | \$/kWh | 0.01086 | 0.00000 | 0.00023 | 0.00229 | 0.00047 | 0.00184 | 0.00100 | 0.00008 | 0.00019 | 0.00016 | 0.00407 | 0.00003 | 0.00000 | 0.02121 |
| NCD ² | \$/kW | | | | | | 0.73 | | | | | | | | 0.73 |
| Energy ² | \$/kWh | 0.01086 | 0.00000 | 0.00023 | 0.00229 | 0.00047 | 0.00000 | 0.00100 | 0.00008 | 0.00019 | 0.00016 | 0.00407 | 0.00003 | 0.00000 | 0.01938 |
| Agricultural | \$/kWh | 0.01086 | 0.00000 | 0.00023 | 0.00296 | 0.00047 | 0.00152 | 0.00073 | 0.00008 | 0.00019 | 0.00020 | 0.00526 | 0.00003 | 0.00000 | 0.02253 |
| Street Lighting | \$/kWh | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00047 | 0.00004 | 0.00004 | 0.00008 | 0.00000 | 0.00000 | 0.00000 | 0.00003 | 0.00000 | 0.00067 |
| System | | 0.01086 | 0.00000 | 0.00023 | 0.00192 | 0.00047 | 0.00109 | 0.00127 | 0.00008 | 0.00019 | 0.00013 | 0.00341 | 0.00003 | 0.00032 | 0.02001 |

¹ Applicable to schedules AL-TOU, AL-TOU2 Secondary and Primary only; Schedules DG-R, VGI all voltage levels

² Applicable to schedules AL-TOU, AL-TOU2 Substation and Transmission only; Schedule A6-TOU all voltage levels

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| Customer Class | Unit | Illustrative Rate | | | | | | | |
|---------------------|--------|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| | | CARE | Food Bank | ESAP | EE | EPIC | SGIP | TMNB | SDUPD |
| Residential | \$/kWh | 0.01590 | 0.00000 | 0.00079 | 0.00334 | 0.00087 | 0.00122 | 0.00125 | (0.00005) |
| Sm. Comm. | \$/kWh | 0.01590 | 0.00000 | 0.00079 | 0.00960 | 0.00087 | 0.00004 | 0.00108 | (0.00005) |
| Medium Comm. | \$/kWh | 0.01590 | 0.00000 | 0.00079 | 0.00805 | 0.00087 | 0.00049 | 0.00107 | (0.00005) |
| Large C&I | | | | | | | | | |
| Energy ¹ | \$/kWh | 0.01590 | 0.00000 | 0.00079 | 0.00787 | 0.00087 | 0.00150 | 0.00083 | (0.00005) |
| NCD ² | \$/kW | | | | | | 0.60 | | |
| Energy ² | \$/kWh | 0.01590 | 0.00000 | 0.00079 | 0.00787 | 0.00087 | 0.00000 | 0.00083 | (0.00005) |
| Agricultural | \$/kWh | 0.01590 | 0.00000 | 0.00079 | 0.00948 | 0.00087 | 0.00088 | 0.00059 | (0.00005) |
| Street Lighting | \$/kWh | 0.00000 | 0.00000 | 0.00000 | 0.00001 | 0.00087 | 0.00001 | 0.00004 | (0.00005) |
| System | | 0.01590 | 0.00000 | 0.00079 | 0.00630 | 0.00087 | 0.00108 | 0.00104 | (0.00005) |

| Customer Class | Unit | Illustrative Rate | | | | | | Total PPP |
|---------------------|--------|-------------------|----------------|----------------|----------------|-----------------|----------------|----------------|
| | | RUBA | FABA | SEESPBA | EDRBA | DACGTBA /CSGTBA | WNDRR | |
| Residential | \$/kWh | 0.00039 | 0.00011 | 0.00054 | 0.00002 | 0.00003 | 0.00004 | 0.02331 |
| Sm. Comm. | \$/kWh | 0.00039 | 0.00031 | 0.00154 | 0.00002 | 0.00003 | 0.00000 | 0.02823 |
| Medium Comm. | \$/kWh | 0.00039 | 0.00026 | 0.00129 | 0.00002 | 0.00003 | 0.00000 | 0.02711 |
| Large C&I | | | | | | | | |
| Energy ¹ | \$/kWh | 0.00039 | 0.00025 | 0.00126 | 0.00002 | 0.00003 | 0.00000 | 0.02772 |
| NCD ² | \$/kW | | | | | | | 0.60 |
| Energy ² | \$/kWh | 0.00039 | 0.00025 | 0.00126 | 0.00002 | 0.00003 | 0.00000 | 0.02621 |
| Agricultural | \$/kWh | 0.00039 | 0.00031 | 0.00152 | 0.00002 | 0.00003 | 0.00000 | 0.02846 |
| Street Lighting | \$/kWh | 0.00000 | 0.00000 | 0.00000 | 0.00002 | 0.00003 | 0.00000 | 0.00088 |
| System | | 0.00039 | 0.00020 | 0.00101 | 0.00002 | 0.00003 | 0.00002 | 0.02593 |

¹ Applicable to schedules AL-TOU, AL-TOU2 Secondary and Primary only; Schedules DG-R, VGI all voltage levels

² Applicable to schedules AL-TOU, AL-TOU2 Substation and Transmission only; Schedule A6-TOU all voltage levels

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4 Figure RU-10 and Figure RU-11 below summarize the ~~6/1/22~~ 6/1/23 effective, proposed, and

5 illustrative revenue allocation treatments of the different rate components.

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Figure RU-10: Summary of SAPC Rate Component Treatment

| Rate Components | 6/1/22 Effective | Proposal |
|-----------------|--|---|
| Distribution | System Average Percentage Change (SAPC) | Continue the SAPC methodology with updates to accommodate the proposed Medium Commercial customer class |
| Demand Response | | |
| Commodity | | |
| CTC | | |
| LGC | | |

| Rate Components | 1/1/23 Effective | Proposal |
|-----------------|---|---|
| Distribution | System Average Percentage Change (SAPC) | Continue the SAPC methodology with updates to accommodate the proposed Medium Commercial customer class |
| Demand Response | | |
| Commodity | | |
| CTC | | |
| LGC | | |

Figure RU-11: Summary of PPP Rate Component Treatment

| PPP Rate Components | 6/1/22 Effective | Proposal | Illustrative Rev. Allocation ¹ |
|---|---|--------------------------------|--|
| EE, FABA, SEESPBA | 2019 forecast program spending | 2022 forecast program spending | Updated with 2022 forecast program spending and to reflect new Medium Commercial class |
| Low Income Programs (CARE/FERA/Food Bank/ESAP/RUBA) | Equal cent per kWh based on sales with appropriate exemptions, and the revenue allocations will be updated whenever the Commission adopts new sales | No change | Updated with 2022 sales and to reflect new Medium Commercial class |
| EPIC, SDUPD, EDRBA | Equal cent per kWh based on sales, and the revenue allocations will be updated whenever the Commission adopts new sales | No change | Updated with 2022 sales and to reflect new Medium Commercial class |
| SGIP | Updated on a rolling basis annually to reflect the actual benefits resulting from disbursement of program incentives over the previous three years | No change | Updated to reflect new Medium Commercial class |
| TMNB | 12-month coincident peak (12-CP) demand used for Cost Allocation Methodology (CAM), updated annually to reflect changes in the 12-CP | No change | Updated to reflect new Medium Commercial class |
| WNDRR | Recovered from residential customer class only, pursuant to D.21-11-002 | No change | No change |

¹ Illustrative revenue allocation to accommodate the proposed Medium Commercial customer class

| PPP Rate Components | 1/1/23 Effective | Proposal | Illustrative Rev. Allocation ¹ |
|---|---|--------------------------------|--|
| EE, FABA, SEESPBA | 2019 forecast program spending | 2022 forecast program spending | Updated with 2022 forecast program spending and to reflect new Medium Commercial class |
| Low Income Programs (CARE/FERA/Food Bank/ESAP/RUBA) | Equal cent per kWh based on sales with appropriate exemptions, and the revenue allocations will be updated whenever the Commission adopts new sales | No change | Updated with 2023 sales and to reflect new Medium Commercial class |
| EPIC, SDUPD, EDRBA | Equal cent per kWh based on sales, and the revenue allocations will be updated whenever the Commission adopts new sales | No change | Updated with 2023 sales and to reflect new Medium Commercial class |
| SGIP | Updated on a rolling basis annually to reflect the actual benefits resulting from disbursement of program incentives over the previous three years | No change | Updated to reflect new Medium Commercial class |
| TMNB | 12-month coincident peak (12-CP) demand used for Cost Allocation Methodology (CAM), updated annually to reflect changes in the 12-CP | No change | Updated to reflect new Medium Commercial class |
| WNDRR | Recovered from residential customer class only, pursuant to D.21-11-002 | No change | No change |

¹ Illustrative revenue allocation to accommodate the proposed Medium Commercial customer class

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This concludes my revised prepared direct testimony.

1 **III. WITNESS QUALIFICATIONS**

2 My name is Ray Utama and I am a Rate Strategy Project Manager II in the Customer Pricing
3 department for SDG&E. My business address is 8330 Century Park Court, San Diego, California
4 92123. I have held this position for approximately ~~one and a half~~two years and have held various
5 positions with increasing levels of responsibility within the Sempra Energy family of companies for
6 approximately ~~ten~~eleven years. In my current position, my primary responsibilities include various
7 aspects of electric rate design.

8 I received a Bachelor of Science degree in Accountancy, with a minor in Economics, from
9 the San Diego State University in 2010. I am a Certified Public Accountant, ~~(inactive)~~, licensed in
10 the state of California. I have previously submitted testimony before the California Public Utilities
11 Commission and the Federal Energy Regulatory Commission.