FEA 7-1

With regard to the rebuttal testimony of SDG&E witness Morien at page 11, lines 2 and 3, wherein SDG&E asserts that its smallest-sized substation is 12 MW, please confirm that SDG&E’s 2018 FERC Form 1 shows at pages 426 and 427 that SDG&E has 14 substations with a high-side voltage of 69,000 volts that have KVA ratings of between 5 MVA and 10 MVA.

**SDGE& Response:**

The FERC FORM 1 data identifies the cost of substations SDG&E has installed, which does reflect the cost of substations smaller than 12 MW that were installed many years ago. Per review of 2018 FERC Form 1 pages 426 and 427, there are 12 substations with a high-side voltage of 69 kV and KVA ratings between 5 MVA and 10 MVA. However, the smallest substations installed by SDG&E when the substation rate design was first developed in the 1990s was 12 MW, which is why the substation rate design assumes that the smallest sized substation installed by SDG&E would be 12 MW. Today, the smallest-sized substation SDG&E would install would be a bank of four 28 MVA substations or a substation of 112 MVA.

A 4-bank substation is a typical substation for SDG&E.  4x28 MVA = 112 MVA

FEA 7-2

Please confirm that SDG&E’s Rule 1 definition of “Distance Adjustment Fee” is based on the cost to access the nearest 69 kV or higher line.

**SDGE& Response:**

As defined in SDG&E’s Electric Rule 1, the “Distance Adjustment Fee” is:

The charge for wire cost and line losses associated with the distance calculated from the nearest transmission level line (69kV or higher) to the Customer Service Point for customers who have completed a Request for Service at Secondary/Primary Substation Level Rates, Form 106-3859. The Distance Adjustment Fee for customers taking Secondary Substation or Primary Substation Level Rates shall apply only to the customer’s measured distance in excess of 100 feet. For customers taking service under the provisions of Special Condition 16 of Schedule AL-TOU and Special Condition 15 of AL-TOU-DER, the Distance Adjustment Fee shall apply to the customer’s entire measured distance between each of the meters involved using normal utility position to determine that distance.

SDG&E’s Electric Rule 1 can be found online here: <http://regarchive.sdge.com/tm2/pdf/ELEC_ELEC-RULES_ERULE1.pdf>

FEA 7-3

For AL-TOU customers and A6-TOU customers separately, please provide for each customer taking secondary substation service and each customer taking primary substation service, the maximum kW demand each month for a recent, or forecasted, 12-month period. (Please identify by a number or a letter, not by name.)

**SDGE& Response:** Please see the embedded public workbook below. Confidential data has been redacted.



FEA 7-4

At pages GRM-11 and GRM-12 of the rebuttal testimony, witness Morien points out several disagreements with billing determinants used by FEA to calculate revenue responsibility. With regard to that testimony:

1. Please list the billing determinants used by FEA for Schedule AL-TOU (and where used) and the comparable set of billing determinants that SDG&E asserts should have been used in the referenced calculations.

**SDGE& Response:**

Within FEA’s workpapers, “Sch MEB 4 pg 1”, “Sch MEB 4 pg 2”, “Sch MEB 5 pg 1”, and “Sch MEB 5 pg 2” tabs link to revenue calculations on the “Distrib Class EPMC Workp” tab. These schedules show the “Revenue Requirement” for Schedules AL-TOU and A6-TOU, as calculated by FEA, which is compared to SDG&E’s “Proposed Revenue” for these schedules.

The majority of revenues calculated on the “Distrib Class EPMC Workp” tab are calculated using current effective system net determinants, instead of the proposed sales forecast determinants. Because FEA is calculating a “Revenue Requirement” using current effective system net billing determinants instead of the 3 different sets of forecasted proposed billing determinants for different rate components, FEA is not comparing apples to apples.

Additionally, FEA used only billing determinants for Schedule AL-TOU in its comparison of “Revenue Requirement” and “Proposed Revenue,” but excluded the Expanded California Alternate Rates for Energy (E-LI) billing determinants for Schedule AL-TOU. SDG&E provided both non-E-LI and E-LI billing determinants for Schedule AL-TOU in FEA Data Request #3. It is necessary to include these billing determinants in FEA’s calculations.

SDG&E provided the correct billing determinants by rate component in FEA Data Request #3 confidential Excel file responses. Please refer to the specific rate component tabs in the Excel files provided in that data request. All revenues using these billing determinants are included in these files.

2. SDG&E states that FEA did not use consistent sales forecast billing determinants for AL-TOU and A6-TOU. Please list the billing determinants that SDG&E claims FEA used (and where used), as well as the comparable billing determinants that SDG&E asserts should have been used.

**SDGE& Response:**

Please see response to question 7-4(1).

3. SDG&E asserts that FEA is using system net determinants, including non-bypassable charges for NEM customers, and that FEA should have been using different sets of determinants. Please list the determinants that you assert FEA is using (and where used), and the comparable determinants that SDG&E contends should have been used.

**SDGE& Response:**

Within FEA’s workpapers, “Sch MEB 4 pg 1” and “Sch MEB 4 pg 2” tabs link to revenue calculations on the “Distrib Class EPMC Workp” tab. The majority of revenues calculated on the “Distrib Class EPMC Workp” tab are calculated using current effective system net determinants, instead of the proposed sales forecast determinants.

SDG&E provided the correct billing determinants by rate component in FEA Data Request #3 confidential excel file responses. Please refer to the specific rate component tabs in the excel files provided in that data request. All revenues using these billing determinants are included in these files.

SDG&E uses “System Delivered” billing determinants for net energy metering 2.0 non-bypassable charges, which are: Nuclear Decommissioning (ND), Competition Transition Charge (CTC), Public Purpose Programs (PPP), and Department of Water Resources – Bond Charge (DWR-BC) rate components. SDG&E uses “System Bundled” billing determinants for its bundled customer rate components, which are: commodity (EECC), under/over-collections related to commodity, and the Department of Water Resources Credit (DWR Credit). Revenues for all other rate components are calculated using “System Net” determinants, excluding the greenhouse gas credit (GHG), which is set using determinants from another proceeding.

4. Please quantify the difference in AL-TOU and A6-TOU revenue responsibility if SDG&E’s determinants were used for the calculations rather than those actually used by FEA.

**SDGE& Response:**

SDG&E objects to this request to the extent that it seeks analysis that has not been performed, information that is equally available to FEA, and/or information that would be unduly burdensome to produce. Without waiving this objection, SDG&E responds as follows: SDG&E provided revenues by each rate component using the appropriate billing determinants in FEA Data Request #3, which FEA can use to compare to its calculated revenues.

FEA 7-5

With respect to page BAM-9 of the rebuttal testimony of witness Montoya, a statement is made on lines 10 and 11 that SDG&E had installed 800 MW of LMS100 CTs that began operation in 2017 and 2018: (1) Please confirm that the 2018 FERC Form 1 at pages 402 and 403 shows gas turbines installed in 2002, 2005 and, 2009 and none in other years. (2) Please explain why the combustion turbines referenced on BAM-9 are not shown in the FERC Form 1 for 2018 if they began operation in 2017 and 2018. (3) Please identify each such installation by name, location, nameplate rating, net qualifying capacity, date of commercial operation, installed cost, annual fixed and variable revenue requirement, and when and how such costs were incorporated in retail rates.

**SDGE& Response:**

1) Yes, confirming that the 2018 FERC Form 1 at pages 402 and 403 show gas turbines installed in 2002, 2005, and 2009 and none in other years.

2) The combustion turbines referenced on BAM-9 are not shown on pages 402 and 403 of the 2018 FERC Form 1 because they are not Utility Owned Generation (UOG). They are shown on pages 326-327 because they are SDG&E contracts and not UOG.

3) Please see the table below. These costs have been included in annual ERRA Forecast filings for years 2017-present. These revenue requirements are recovered in the Local Generation Balancing Account (LGBA) and they receive Cost Allocation Mechanism (CAM) treatment, meaning these revenue requirements are recovered from all customers in SDG&E’s service territory: Bundled, DA and CCA. Installed costs are not included as they are not provided by the contract counter-party.

**The Annual Rev Req column is confidential and has been redacted in accordance with D.06-06-066.**

