

Application: A.18-11-015

Exhibit No.: SDG&E-

Witness: _____

REBUTTAL TESTIMONY OF
DOUGLAS S. WHITE
CHAPTER 1
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



JANUARY 22, 2021

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**REBUTTAL TESTIMONY OF
DOUGLAS S. WHITE - CHAPTER 1**

I. INTRODUCTION

The purpose of my Rebuttal Testimony is to address the December 18, 2020 Prepared Direct Testimony of Mr. Michael Murray for Mission:data Coalition (“Mission:data”) and the December 18, 2020 Prepared Testimony of OhmConnect, Inc. (“OhmConnect”) sponsored by Mr. Brian Kooiman. Messrs. Murray and Kooiman’s respective testimony responds to my November 13, 2020 Updated Prepared Direct Testimony (Chapter 1) on behalf of San Diego Gas & Electric Company (“SDG&E”).

As set forth in the respective testimonies of Messrs. Murray and Kooiman, both Mission:data and OhmConnect make numerous recommendations regarding SDG&E’s proposed improvements to the click-through authorization process (“CTP”), which SDG&E disagrees with and strongly objects to. My testimony addresses the following contentions made in Mission:data and OhmConnect’s testimony:

- Mission:data and OhmConnect’s recommendation for a Service Level Agreement (“SLA”);
- Mission:data’s recommendation that the investor owned utilities (“IOUs”) should be prohibited from changing the customer-facing authorization experience without notification to stakeholders and Energy Division approval;
- Mission:data’s recommendation that two features of SDG&E’s proposal, totaling \$205,523 be funded by shareholders; and
- Mission:data’s recommendation that the IOUs should have a common, public-facing website to communicate CTP outages and maintenance announcements.

1 SDG&E’s failure to address any individual issue in this rebuttal testimony does not imply
2 agreement by SDG&E with any argument, position or proposal asserted by the intervenor
3 parties.

4 **II. MISSION:DATA AND OHMCONNECT’S RECOMMENDATIONS FOR A**
5 **SERVICE LEVEL AGREEMENT SHOULD BE REJECTED**

6 **A. A Service Level Agreement is Neither Necessary nor Appropriate**

7 As SDG&E most recently detailed in its response to the Revenue Quality Meter Data
8 (“RQMD”) working group meeting in November 2020, it is premature to agree to any SLA
9 without a set of previously discussed and mutually agreed upon guiding principles first being
10 established. It would be difficult if not impossible to fairly determine the nearly inexhaustible
11 number of technological or fiscal impacts that could arise within the timeframe of this
12 proceeding. If a reasonable and fact-based guiding set of principles were to be agreed upon, it
13 would only then be appropriate to estimate the costs of establishing, operating and maintaining
14 the SLA to determine if it was worth that effort and cost to ratepayers.

15 Previously, SDG&E has proposed that solutions – such as the one being posited here in
16 this misaligned effort to tie the issue to fixing missing data – must first be rational and derived
17 from logic. The Demand Response Providers (“DRPs”) have failed to demonstrate or
18 substantiate any specific issues with SDG&E’s CTP or how an SLA could solve this perceived
19 CTP issue. It is not apparent at this time how the proposal to impose an SLA would solve for
20 missing data or be flexible and resilient enough to keep pace with the ever changing landscape of
21 interdependent information technology systems (including errors that may occur on the DRPs’
22 systems). Also, the solutions must be reasonable in cost.

23 SDG&E is not sure how or even if such a set of principles could result in an SLA that
24 would be enforceable. As the DRPs understand, they rely today on the IOUs for this data. It

1 appears in hindsight now that it was not previously considered what would happen if IOUs
2 changed their systems, or had outages, or their meters stopped working. Yet, those events are
3 common with IT systems and the CPUC must approve expenditures to address such issues
4 because SDG&E is a regulated entity. As a policy matter, however, SDG&E notes that keeping
5 its meters and electric usage systems running is necessary first and foremost for its own revenue
6 collections, such as utility billing of its customers. All of the DRP's discussion around SLAs
7 seems to also ignore the fact that IOUs are already required to provide the necessary data to
8 DRPs in an accurate and timely manner, with liability for not delivering such, thus making the
9 use of SLAs unnecessary.¹ For these reasons, SDG&E rejects the idea of an SLA as it is not
10 necessary, nor is it feasible in the time period given to this proceeding, due to lacking any
11 agreement on guiding principles that would be reasonable for regulated utilities, or could be
12 enforceable.

13 **B. Mission:data and OhmConnect's Arguments for Such a Service Level**
14 **Agreement are Misplaced**

15 Mission:data and OhmConnect's assertion that SLAs are inherent in "a "competitive
16 market" are misplaced.² This notion is completely inaccurate, as the IOUs are not now and
17 should not in the future, be in the business of providing gold-plated IT support for privately held,
18 for-profit companies at the expense of ratepayers. No Commission decision has found that the
19 IOUs' systems must be on par with any other large industry or particular technology company in
20 a competitive market, especially when the DRPs are *not paying for such service* (and SDG&E is
21 not suggesting that they do). Indeed, the respective SLA (and SLA summaries) for the major

¹ Decision ("D.") 13-12-029, at page 16.

² Prepared Direct Testimony of Michel Murray for Mission:data Coalition ("Murray Testimony") at p. 7;
Prepared Testimony of OhmConnect ("OhmConnect Testimony") at p. 6.

1 cloud providers Microsoft, Oracle and Amazon which Mission:data cites to in its testimony make
2 it clear that *no SLA is provided for free services*.³ Thus, one of the key factors underlying an
3 SLA is the fact that the IT provider is agreeing to provide a certain level of service to another
4 entity in exchange for financial compensation. Here, however, the DRPs do not pay any type of
5 service fee for CTP that warrant the imposition of an SLA nor the corresponding penalties for
6 non-performance.

7 Moreover, neither Mission:data nor OhmConnect offer any rationale or justification for
8 the imposition of the type of SLA used by big tech companies on the IOUs. They fail to explain
9 why these types of SLAs (and the high-performance standards set forth therein) are appropriate
10 or applicable to electric service providers. If the utilities were ordered to meet SLAs as
11 suggested that were on par with competitive markets and large technology companies, the price
12 tag would most likely be enormous and provide extraordinary rate pressure. Agreeing to any
13 such construct would set a dangerous precedent by indicating it would then be acceptable for
14 such privately held companies such as Mission:data and OhmConnect to inappropriately re-
15 direct scarce ratepayer funding for their own benefit and bottom line. When DRPs chose to
16 participate under Electric Rule 32 and also in the CTP for authenticating and authorizing the data

³ See, e.g., <https://azure.microsoft.com/en-us/support/legal/summary/> (“No SLA is provided for Apps under either the Free or Shared tiers;” “No SLA is provided for the Free tier of Azure Active Directory;” “No SLA is provided for the Free tier of Azure Active Directory B2C;” “Advisor is a free service, therefore, it does not have a financially backed SLA;” “No SLA is provided for the Free tier of Azure Automation;” “Azure Policy is a free service, therefore, it does not have a financially backed SLA;” “Azure Container Registry is a free service, therefore does not have a financially backed SLA.”); <https://oracle.com/cloud/free/faq.html?source=:ow:o:p:nav.062520CloudBC> (“Oracle Cloud Free Tier does not include SLAs.”); <https://aws.amazon.com/compute/sla/> (“Service Credits are calculated as a percentage of the total charges paid by you (excluding one-time payments such as upfront payments made for Reserved Instances) for the individual Included Service in the affected AWS region for the monthly billing cycle in which the Unavailability occurred in accordance with the schedule below.... We will apply any Service Credits *only against future payments for the applicable Included Service otherwise due from you.*”) (emphasis added).

1 flow, it was incumbent upon them to understand the constructs and business of regulated utilities.
2 The utilities' role first and foremost is to provide safe and reliable electricity. Any other services
3 are secondary (and beyond) and must consider the value to ratepayers. The Commission must
4 keep all of this information in perspective, especially when so few DRPs are participating in CTP
5 and their DR performance in those markets is still being evaluated.

6 Lastly, Mr. Murray proposes that there should be financial penalties for IOUs not
7 meeting the SLA. He states, at page 11 of his testimony that general technology users are often
8 refunded users' fees if SLAs are not met.⁴ He also proposes, based on this assertion (which does
9 not apply in this instance for free service) that breaches of the SLA should result in "rescission of
10 the presumption of prudence associated with a percentage of the IOUs' total CTP funding for
11 which an IOU seeks cost recovery in the next rate case."⁵ Mr. Murray's arguments for such a
12 penalty structure must be rejected as there is no basis for it whatsoever. Mr. Murray is first
13 suggesting that IOUs meet an SLA standard that has not been warranted or agreed is necessary
14 and would be very expensive for ratepayers. Then he suggests that if SDG&E was to build a
15 CTP to meet that SLA but underperformed, that it should be further financially penalized on top
16 of that build cost in its General Rate Case. Should SDG&E be ordered to meet some SLA and be
17 financially penalized for not meeting it, SDG&E would need to consider the ultimate potential
18 disruption to its participation in offering Rule 32 with such increased risk to ratepayers.

⁴ Murray Testimony at p. 11.

⁵ *Id.*

1 **III. MISSION: DATA'S PROPOSAL THAT ENERGY DIVISION SHOULD REVIEW**
2 **CHANGES TO AND/OR APPROVE SDG&E'S CUSTOMER EXPERIENCE IN**
3 **THE CTP IS EXTRAORDINARY OVERREACH**

4 At page 13 of Mr. Murray's prepared testimony, he proposes that the Energy Division
5 should have continuous, ongoing oversight of the IOUs' customer experiences with each
6 respective IOUs' CTPs, and that any changes need to be approved by the Energy Division
7 ("ED").⁶ However, Mr. Murray fails to explain what specific value that actually would provide.
8 The ED, as far as SDG&E is aware, does not have any specific or qualified experience (or
9 supporting customer data) such that it would be in a position to determine what is feasible or
10 reasonable for a "good" customer experience. Nor does ED have any applicable experience to
11 opine on what specific changes may or may not improve the customer experience. ED, also as
12 far as SDG&E is aware, does not employ information technology experts who would be
13 qualified to determine from a technical perspective what alternatives might be feasible or
14 preferable to the IOUs' proposed changes to their pages.

15 Mr. Murray himself points to the specific Commission directives that require the IOUs to
16 reduce barriers and customer fatigue when using the CTP.⁷ Generally, when Commission
17 directives are given, the IOUs are given a fair opportunity to self-manage to be in compliance.
18 Usually, it is not the assumption of the Commission that the IOUs are going to set out in order to
19 intentionally deviate from its clear and known directives. SDG&E certainly has no intent to
20 violate its compliance directives on the CTP. Therefore, SDG&E would also state that requiring
21 ED to review and approve changes is an overreach of the most egregious kind; to require ED to
22 become proactive "micro-managers" of the IOUs' business when other protections already exist.

⁶ Murray Testimony at p. 13.

⁷ *Id.*

1 Moreover, Mission:data’s proposal for ED review and approval is also redundant. If any
2 customer or third party DRP has a valid complaint against SDG&E for any CTP changes it may
3 implement going forward, and is shown to be out of compliance, then SDG&E believes that
4 current processes for entertaining such complaints against the IOUs already exist at the
5 Commission.

6 In summary, Mr. Murray’s proposal is unreasonable, does not identify what value (if any)
7 would be added if such a process were instituted, especially when avenues already exist for
8 complaints, and the proposal creates responsibilities for ED that it is not staffed to handle. The
9 Commission should reject Mission:data’s proposal on these grounds.

10 **IV. MISSION:DATA'S RECOMMENDATION THAT TWO FEATURES OF**
11 **SDG&E'S PROPOSAL BE FUNDED BY SHAREHOLDERS IS NOT BASED ON**
12 **ANY REASONABLE FACT OR SOUND COMMISSION POLICY**

13 Mr. Murray, at page 17 of this testimony, states that certain functionality proposed by
14 SDG&E in its application should be funded by shareholders, punitively, because, in Mr.
15 Murray’s view, SDG&E should have already offered such functionality.⁸ Mr. Murray argues
16 that because the Green Button standard has certain functions, SDG&E should be using those
17 standards and is remiss in not providing them sooner.⁹ Mr. Murray states this even though his
18 footnote on the same page acknowledges that SDG&E does not use the Green Button Standard
19 exclusively for its CTP.¹⁰

20 First and foremost, it is important to note that SDG&E has not been required to use the
21 Green Button standard for its CTP or Rule 32 data transfer. SDG&E has been clear about what

⁸ Murray Testimony at p. 17.

⁹ *Id.* at p. 19.

¹⁰ *Id.* at p. 19, fn. 23.

1 functionality it has applied for authorization to offer, or not offer, at each step and in each of its
2 multiple applications and advice letters to support Rule 32. Mr. Murray offers no evidence to
3 support his claim that SDG&E is out of compliance and thus shareholders must bear a penalty.
4 He only makes broad statements that such certain functionality items are “expected.”¹¹

5 In any event, for the record, SDG&E has in fact implemented a test environment that is
6 used for bug fixes, authorized enhancements, and onboarding activities with DRPs.¹² Thus, it
7 appears that what Mission:data is actually suggesting is an *additional* test environment be
8 developed as new DRPs enroll. However, this new environment has not been previously
9 approved, and as such, there is no basis for claiming that SDG&E is somehow out of compliance
10 for not having offered it sooner.

11 Given all of the foregoing, SDG&E finds Mr. Murray’s proposal that shareholders pay
12 for this functionality incredulous and showing a clear lack of understanding of Commission
13 dealings. SDG&E has not been found to be in violation of any requirement or Commission
14 directive, such that its shareholders must be penalized. Nor should SDG&E shareholders assume
15 the risk that Mr. Murray believes he has identified; *i.e.*, that such functionality is “expected” and
16 SDG&E is somehow out of compliance. Should any such proposal be approved and if it resulted
17 in IOU shareholders taking on additional costs that were not originally conceived of or approved,
18 the potential disruption this could cause to the continuity of Rule 32 participation cannot be
19 understated. Accordingly, SDG&E finds the notion proposed by Mission:data outside of normal,
20 reasonable Commission ratemaking and as such, it should be rejected.

¹¹ *Id.* at p. 19.

¹² *See* Rebuttal Testimony of Tom Moses (Chapter 3) at pp. TM-9 to TM-10.

1 **V. MISSION:DATA’S RECOMMENDATION THAT THE IOUS DEVELOP A**
2 **WEBSITE TO COMMUNICATE CTP OUTAGES AND MAINTENANCE**
3 **ANNOUNCEMENTS IS NOT ENTIRELY USEFUL, COULD BE VERY**
4 **MISLEADING, AND HAS NOT BEEN JUSTIFIED**

5 At page 21 of this testimony, Mr. Murray proposes a common or joint customer facing
6 website to announce CTP outages and other maintenance activity.¹³ SDG&E agrees that timely,
7 effective communication between itself and its participating DRPs is important. However, Mr.
8 Murray’s proposal is misguided for several reasons.

9 First, as proposed, such a website would only cover a portion of the outages and therefore
10 would always be incomplete and potentially confusing as a result. Non-Click Through IOU
11 system outages would not be included, nor should they be, as it would be out of scope, although
12 those could have impact. Mission:data does not propose for the DRPs’ outages to be included,
13 which if omitted, could be confusing to customers who might be attempting to enroll during such
14 a DRP outage. At best, any such website would be providing only an incomplete picture or
15 status of the requisite systems at any given time. As additional concerns arise, would there be
16 any disclaimers allowed on such a site that explain that the outages or glitches a customer may
17 be experiencing are at the hands of the DRPs and not the IOUs? Mr. Murray’s testimony offers
18 nothing in this regard. Therefore, the proposal is not only incomplete but would be very
19 misleading to customers.

20 Second, the proposal lacks the merit needed to justify any such effort, time and cost. Mr.
21 Murray has not provided any evidence from any of Mission:data’s member organizations which
22 utilize the CTP that customers even inquire about outages or complain about outages in the first
23 place. Nor has Mr. Murray offered evidence that any such website, as proposed, provides any

¹³ Murray Testimony at p. 21.

1 value in other industries, for example. Mr. Murray makes no arguments for why funds should be
2 spent on this, what the financial impacts might be to the DRPs without such a website, and why
3 the ratepayers should fund such a site. The testimony as offered is lacking any substantive
4 support for its adoption.

5 For all these reasons, the Commission must reject Mr. Murray's proposal for a website to
6 track partial outages of CTP.

7 **VI. CONCLUSION**

8 This concludes my rebuttal testimony.

1 **VII. STATEMENT OF QUALIFICATIONS**

2 My name is Douglas S. White. I am employed by San Diego Gas & Electric. My business
3 address is 8326 Century Park Court, San Diego, CA 92123. I am the Customer Programs Policy
4 and Strategy Manager for SDG&E. My primary responsibilities include management of
5 regulatory strategy, proceeding participation, compliance filings, and policy development for all
6 customer program offerings.

7 Prior to SDG&E, I spent over a decade in-house with semi-regulated entities, including
8 wireless and telecommunications providers, developing policy. Additionally, I served as policy
9 advisor to the Speaker of the New Jersey General Assembly, Joseph Roberts, and managed the
10 chamber's utilities committee. I started my career in the Washington, DC, office of California
11 Governor Gray Davis.

12 In 2003, I graduated from the University of Massachusetts Amherst with a Bachelor of
13 Business Administration in Management. I also received a Master of Public Administration from
14 New York University in 2007, with an emphasis in public policy analysis.

15 I have not previously testified before the Commission.

LIST OF ACRONYMS

CTP	Click-Through Authorization Process
ED	Energy Division
IOU	Investor Owned Utility
RQMD	Revenue Quality Meter Data
SLA	Service Level Agreement
DRPs	Demand Response Providers
SDG&E	San Diego Gas & Electric Company