

Company: San Diego Gas & Electric Company (U 902 M)
Proceeding: 2019 General Rate Case
Application: A.17-10-007/008 (cons.)
Exhibit: SDG&E-219

SDG&E

REBUTTAL TESTIMONY OF LISA C. DAVIDSON

(CUSTOMER SERVICES-INFORMATION AND TECHNOLOGIES)

JUNE 18, 2018

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



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1 **SDG&E REBUTTAL TESTIMONY OF LISA C. DAVIDSON**
2 **(CUSTOMER SERVICES-INFORMATION AND TECHNOLOGIES)**

3 **I. SUMMARY OF DIFFERENCES**

4 **TABLE LD-1**
5 **Comparison of SDG&E and Intervenors**
6 **TY 2019 Estimated Operating & Maintenance (O&M) Expenses**

TOTAL O&M - Constant 2016 (\$000)			
	Base Year 2016	Test Year 2019	Change
SDG&E	22,087	26,401	4,314
ORA	22,087	25,058	2,971
UCAN	22,087	24,701¹	2,614
NDC	22,087	22,236²	149
SBUA	22,087	22,283³	4,539

7
8 **TABLE LD-2**
9 **Comparison of SDG&E and Intervenors Estimated Capital IT Costs**

TOTAL CAPITAL – Constant 2016 (\$000)			
	2017	2018	2019
SDG&E	20,583	21,109	1,818

10 No parties objected to the business justification for San Diego Gas & Electric Company's
11 (SDG&E) proposed Customer Services - Information and Technologies (CSIN) IT capital costs.

¹ UCAN recommends that SDG&E's request for \$1.7 million in incremental funds for rate education and outreach be denied. May 14, 2018, Testimony of Brandon Charles on Behalf of the Utility Consumers' Action Network concerning San Diego Gas & Electric Company's 2019 General Rate Case Phase 1 application (UCAN (Charles)) at 77:6-7.

² NDC recommends that \$4.165 million be removed from SDG&E's request. May 14, 2018, Prepared Testimony of Faith Bautista on the 2019 General Rate Case Applications of San Diego Gas & Electric Company (U 902 M) and Southern California Gas Company (U 904 G) on Behalf of the National Diversity Council (Ex. NDC-01 (Bautista)) at 23:4-5.

³ SBUA proposes that the Commission authorize an additional \$225,000 above SDG&E's request for Business Services to be allocated for and conditioned on SDG&E hiring two full-time personnel to serve as customer service representatives specifically trained to handle questions specific to small commercial customers. May 13, 2018, Direct Testimony of Expert Michael Brown on behalf of Small Business Utility Advocates, Expert Report on Issues Affecting Small Businesses (Sempra GRC Phase I) (SBUA (Brown)) at 3.

1 **II. INTRODUCTION**

2 This rebuttal testimony regarding SDG&E’s request for CSIN addresses the following
3 testimony from other parties:

- 4 • The Office of Ratepayer Advocates (ORA), as submitted by Ms. Crystal
5 Yeh (Exhibit ORA-16), dated April 13, 2018.
- 6 • The Utility Consumer Action Network (UCAN), as submitted by Mr.
7 Brandon Charles, dated May 14, 2018.
- 8 • The National Diversity Council (NDC), as submitted by Ms. Faith
9 Bautista (Exhibit NDC-01), dated May 14, 2018.
- 10 • Small Business Utility Advocates (SBUA), as submitted by Mr. Michael
11 Brown and Ms. Lillian Rafii, dated May 14, 2018.

12 Please note that the fact that I may not have responded to every issue raised by others in
13 this rebuttal testimony does not mean or imply that SDG&E agrees with the proposal or
14 contention made by these or other parties. The forecasts contained in my direct testimony are
15 based on sound estimates of the funding needed to support SDG&E’s goal to provide customers
16 with CSIN services.

17 **A. ORA**

18 ORA issued its report on SDG&E Customer Services – Field; Office Operations; and
19 Information & Technologies April 13, 2018.⁴ The following is a summary of ORA’s positions
20 regarding CSIN only:

- 21 • ORA does not oppose SDG&E’s Test Year (TY) 2019 forecast for the
22 Business Services workgroup of \$4,813,000.
- 23 • ORA proposes to disallow portions of SDG&E’s TY 2019 forecast for the
24 following workgroups:
 - 25 ○ Residential Customer Service: SDG&E’s TY 2019 forecast is
26 \$6,267,000. ORA proposes \$6,131,000 be adopted for TY 2019,
27 or a recommended disallowance of \$136,000.

⁴ April 13, 2018, Testimony of Crystal Yeh on behalf of ORA, Report on the Results of Operations San Diego Gas & Electric Company, Southern California Gas Company Test Year 2019 General Rate Case, Customer Services-Field; Office Operations; and Information and Technology (Ex. ORA-16 (Yeh)).

- 1 ○ Marketing, Research & Analytics: SDG&E's TY 2019 forecast is
- 2 \$8,574,000. ORA proposes \$7,706,000 be adopted for TY 2019,
- 3 or a recommended disallowance of \$868,000.
- 4 ○ Customer Programs, Pricing and Other Office: SDG&E's TY
- 5 2019 forecast is \$6,405,000. ORA proposes \$6,065,000 be
- 6 adopted for TY 2019, or a recommended disallowance of
- 7 \$341,000.
- 8 • ORA does not oppose SDG&E's Shared Service request.
- 9 • ORA does not oppose SDG&E recovering all recorded costs in the Rate
- 10 Reform Memorandum Account (RRMA).
- 11 • ORA does not object to the recovery of recorded costs and closing the
- 12 Alternative Vehicle Fuel Memorandum Account (AFVMA), the Energy
- 13 Data Request Memorandum Account (EDRMA), and the AB 802
- 14 Commercial Benchmarking Memorandum Account.
- 15 • ORA does not oppose SDG&E's business rationale for its Information
- 16 Technology (IT) capital projects.

17 **B. UCAN**

18 UCAN submitted testimony on May 14, 2018.⁵ The following is a summary of UCAN's
19 position(s):

- 20 • UCAN recommends SDG&E's request for \$1,700,000 in incremental
- 21 funds for rate education be denied. All spending on Residential Rate
- 22 Reform marketing, education and outreach (ME&O) should be included in
- 23 the RRMA and considered a part of SDG&E's overall \$19.4M budget
- 24 authorization for that purpose.

25 **C. NDC**

26 NDC submitted testimony on May 14, 2018.⁶ The following is a summary of NDC's
27 position(s):

⁵ UCAN (Charles).

⁶ Ex. NDC-01 (Bautista).

- NDC proposes that SDG&E include Spanish communities in its proposed multicultural and language survey as well as discuss survey results with SoCalGas, NDC, and other minority serving organizations to better inform the proposed multicultural campaign.
- NDC proposes that previously unused funding for rate reform outreach should offset the Marketing, Research & Analytics budget request.

D. SBUA

SBUA submitted testimony on May 14, 2018.⁷ The following is a summary of SBUA’s position(s):

- SBUA proposes an additional \$225,000 be authorized in Business Services to hire two full-time employees to serve as customer service representatives specifically trained to service small business customers.
- SBUA proposes the Commission order SDG&E to affirmatively state it is in compliance with privacy laws.
- SBUA recommends the Commission require SDG&E to commit to fund at least 10 Full-Time-Equivalent’s (FTE) that are trained and specifically dedicated to supporting small businesses with customer service and outreach. In addition, the Commission should require SDG&E to create at least one department or organization specifically dedicated to shaping its company-wide interactions and policies to improve services for small business customers and to connect them with tools, resources, programs and integrated demand-side management (IDSM) offerings.

⁷ SBUA (Brown); May 14, 2018, Opening Testimony of Lillian Rafii on behalf of Small Business Utility Advocates (SBUA (Rafii)).

1 **III. REBUTTAL TO PARTIES' PROPOSALS**

2 **A. Non-Shared Services O&M**

3 **TABLE LD-3**
4 **Comparison of SDG&E and Intervenors TY 2019 Non-Shared Services O&M Expenses**

NON-SHARED O&M - Constant 2016 (\$000)			
	Base Year 2016	Test Year 2019	Change
SDG&E	21,744	26,058	4,314
ORA	21,744	24,715	2,971
UCAN	21,744	24,358	2,614
NDC	21,744	21,893	149
SBUA	21,744	26,283	4,539

5 **1. Disputed Cost**

6 **a. ORA**

7 ORA's recommendation for CSIN non-shared services O&M expenses is \$24.715 million
8 for TY 2019 compared to SDG&E's proposal of \$26.058 million. ORA states "ORA's
9 recommendation is consistent with historical levels and should be more than sufficient to meet
10 TY 2019 CS-IT expense needs."⁸ While ORA does not disagree with the majority of SDG&E's
11 proposed upward adjustments, ORA takes issue with SDG&E's forecast for the expansion of
12 Clean Transportation programs, Rate Education and Outreach and the proposed increase for
13 Customer Pricing Regulatory Compliance.

14 **Residential Customer Services - Expansion of Clean Transportation.**

15 SDG&E requested \$498,000 in labor above the BY 2016 for 4.7 FTEs to support the
16 expansion of Clean Transportation programs. ORA proposes that \$361,000 in labor above the
17 BY 2016 for 3.41 FTEs be approved instead.

18 ORA states the following:

19 While ORA does not object to the idea of these positions being filled by full time
20 staff rather than 2016's part time dedication to each position, ORA disagrees with
21 cost increases that will lead to a non-whole number of FTE's performing these
22 functions in 2019. Instead, ORA argues it is more reasonable to increase the

⁸ ORA-16 (Yeh) at 34:3-4.

1 FTEs such that 1 FTE (or the equivalent hours of 1 FTE) is in charge of each of
2 the five positions in Figure 10.⁹

3 **ORA's TY 2019 forecast methodology fails to incorporate the impact of Commission**
4 **decisions regarding Clean Transportation, which has resulted in employees**
5 **charging a portion of their time to projects funded through separate California**
6 **Public Utilities Commission (CPUC) proceedings.**

7 ORA's justification for reducing SDG&E's requested FTEs is its objection to a non-
8 whole number of FTEs performing clean transportation functions in TY 2019. This objection
9 fails to account for the fact that these FTEs may support both GRC funded and non-GRC funded
10 activities. For example, SDG&E received approval for the Power Your Drive project in
11 February 2016 in Decision (D.) 16-01-045. This Decision allows SDG&E to deploy and own
12 approximately 350 EV site installations, corresponding to approximately 3,500 EV charging
13 stations, during a sign-up period of approximately 3 years. Additionally, SDG&E received
14 approval for Priority Review Pilot projects in January 2018 in D.18-01-024, which support
15 efforts to meet the clean energy and transportation electrification goals of Senate Bill 350. This
16 has resulted in some of the same employees working on both GRC funded and non-GRC funded
17 activities. SDG&E anticipates that employees will continue to allocate time across these
18 different projects, and therefore it is reasonable to request fractional FTEs to be funded through
19 the GRC.

20 **SDG&E requires 4.7 incremental FTEs to support the expansion of clean**
21 **transportation.**

22 SDG&E requires 4.7 incremental FTEs to support the areas of Business Development,
23 Financial Analysis and Customer Engagement for Clean Transportation. These FTE's are
24 required to continue to work on current and future filings, such as SDG&E's January 2018
25 Application (A.18-01-012) for Approval of SB 350 Transportation Electrification Proposals
26 Regarding Medium and Heavy-Duty Electric Vehicles and a Vehicle-to-Grid Pilot, and future
27 filings related to Assembly Bills 1082 and 1083 to expand electric vehicle charging capabilities
28 at schools, state beaches and parks. The additional resources will be preparing position papers,
29 analytical studies, developing regulatory strategy, testimony, discovery responses and cost
30 benefit analyses for transportation electrification filings. In addition, these incremental resources

⁹ ORA-16 (Yeh) at 35:13-18.

1 will be assisting with monitoring of markets, legislative and regulatory environments, adoption
2 trends, and technological advances in Clean Transportation. ORA does not provide justification
3 for reducing SDG&E's requested FTEs other than its objection to approving fractional FTEs.
4 Therefore, SDG&E requests approval of the 4.7 FTEs to support continued expansion of clean
5 transportation programs that support the Governor of California's goal of 5 million zero emission
6 vehicles by 2030.

7 **Marketing, Research & Analytics - Rate Education and Outreach.**

8 As stated in my direct testimony, SDG&E requires \$1,700,000 in non-labor above the BY
9 2016 to educate customers about the changing landscape of energy pricing and new rate
10 options.¹⁰ ORA states the following:

11 SDG&E's requested \$1.700 million increase above 2016 levels would total a
12 spending level of \$2.006 million in 2019. . . . That represents not only an
13 unprecedented dollar increase over three years but also an unprecedented level of
14 spending for this function. ORA calculated an alternative forecast by taking a
15 four-year average of 2013-2016 recorded costs to develop a recommendation of
16 \$1.138 million for 2019. This is an increase of \$0.832 million over the BY 2016
17 level and should be more than sufficient to allow SDG&E to meet its needs for
18 this function.¹¹

19 **SDG&E disagrees with the use of a 2013-2016 four-year average to determine an**
20 **appropriate level of spending for TY 2019 rate education and outreach because 2016**
21 **was an anomaly.**

22 Required spending levels for ME&O efforts have fluctuated based on circumstances and
23 the pace and timing of the various rate reform decisions.¹² Table LD-4 appearing below
24 represents SDG&E's 2013-2016 non-labor costs related to rate education and outreach. As
25 shown in Table LD-4, 2016 non-labor spending on rate education and outreach was an anomaly
26 and therefore is not a useful benchmark. When incorporated into ORA's four-year average
27 calculation, it is skewing the result. As SDG&E has stated previously, overall rate reform has
28 progressed at a slower pace than originally anticipated. As a result, spending in 2016 was
29 unusually low because many of the communications anticipated for 2016 began in mid to late

¹⁰ October 6, 2017, Direct Testimony of Lisa C. Davidson, Ex. SDG&E-19 (Ex. SDG&E-19 (Davidson)) at 34.

¹¹ ORA-16 (Yeh) at 40:11-19.

¹² SDG&E's response to Data Request ORA-SDG&E-131-CY3, Question 6a, attached as Appendix C1.

1 2017 to better align with the slower schedule of rate reform. If 2016 is removed, the average
2 over the previous three years is \$1.4 million. Notwithstanding this fact, SDG&E believes that a
3 recorded cost averaging approach fails to take into account the pace and complexity of rate
4 reform, which is why we selected a base year forecast and developed a specific estimate of
5 incremental rate reform funding needs.

6 **TABLE LD-4**
7 **Recorded Annual Non-Labor Costs Related to Rate Education and Outreach**

Nominal (\$000)	2013	2014	2015	2016
Rate Education & Outreach	\$1,941	\$1,501	\$804	\$306

8 Furthermore, ORA’s statement that SDG&E’s request represents an “unprecedented level
9 of spending for this function” is dubious given that SDG&E spent \$1.9 million in 2013 and \$1.5
10 million in 2014. In 2013, significant bill increases initially affecting Tier 3 and 4 residential
11 customers required increased communications expenses to raise customer awareness of higher
12 electricity prices and to provide solutions to manage and mitigate energy bill impacts. Mass
13 communication tactics at that time included TV, radio, newspaper, digital advertising and
14 collateral. As rate reform progressed in 2014 and 2015, SDG&E’s communications efforts
15 continued to evolve to help educate and inform customers. Social media, videos, direct mail, and
16 bill newsletters were additional tactics used. In comparison to previous years, communications
17 expenses in BY 2016 were limited to a residential bill insert and radio traffic ads that reminded
18 customers of ongoing and pending rate reform changes. Specifically, SDG&E communicated a
19 rate reform timeline with key dates for the High Usage Charge (HUC) and the introduction of
20 time of use (TOU) pricing. It is now expected that ME&O efforts around rate education will
21 start to accelerate again and continue at a relatively brisk pace from 2018 through 2020.
22 SDG&E customers have experienced significant changes to electricity prices: tier collapse from
23 four tiers down to two tiers, reduction in tier differentials, changes to TOU pricing plans’ peak
24 periods, seasonal pricing changes, and introduction of a HUC that require ongoing
25 communication. Targeted and frequent customer communications will better prepare customers
26 for changes to rates and availability of rate options. In 2017, SDG&E spent \$1.2 million on rate
27 education and outreach, which demonstrates that communications spending is increasing as
28 planned.

1 **SDG&E requires \$1,700,000 in non-labor above the BY 2016 for rate education and**
2 **outreach for residential and business customers.**

3 Going forward, the \$1.7 million requested will provide incremental funding to
4 communicate ongoing rate changes, including TOU peak period changes (the change in the on-
5 peak period from 11am-6pm to 4pm-9pm), a variety of available pricing plan options, HUC
6 education for high use residential customers, and changes for Net Energy Metering (NEM)
7 customers. SDG&E has planned for coordinated communications and outreach activities to
8 increase awareness and support understanding amongst business and residential customers of
9 planned rate changes. Additionally, these activities will provide education and encourage
10 customer behavioral changes and leveraging technologies to better manage their energy bills.

11 Planned ME&O activities include direct communications (mail and email), brochures and
12 collateral, embedded bill messaging and bill inserts, website, social media, videos, outbound call
13 campaigns to at-risk/vulnerable and hard-to-reach customers, community presentations and
14 events with Community Based Organizations (CBOs), and partner materials.

15 SDG&E believes the amount of funding requested for rate education and outreach is
16 appropriate given the complexity and volume of rate changes that necessitate ongoing
17 communication to inform customers of the impacts, explain pricing plan options and ways to
18 manage their energy use.

19 **Customer Programs, Pricing and Other Office - Customer Pricing Regulatory**
20 **Compliance.**

21 SDG&E proposed \$332,000 in labor and \$9,000 in associated non-labor above the 2016
22 BY for Customer Pricing to support the increasing workload for that function. ORA states the
23 following:

24 SDG&E's work papers do not provide a quantitative basis to justify the need for
25 three new FTEs nor does SDG&E list specific "increasing legislative and
26 regulatory requirements." Because of this, it is more appropriate to analyze
27 historical levels of spending in this function.¹³

28 ORA recommends that the TY 2019 Customer Pricing Regulatory Compliance labor
29 costs remain the same as BY 2016 levels based on a three-year recorded average (2014-2016) of
30 FTEs.

¹³ ORA-16 (Yeh) at 42:14-17.

1 **SDG&E disagrees with ORA’s assessment because it relies on past staffing levels**
2 **alone, and without context, makes no reference to incremental activities and**
3 **additional regulatory proceedings.**

4 SDG&E requires additional FTEs to support an increase in the number and complexity of
5 regulatory proceedings. The case activity that the Customer Pricing area supports has
6 dramatically increased over the last six years with SDG&E seeing an approximate increase of
7 50% in the number of active cases as well as an approximate increase of 70% in advice letter
8 filings. Table LD-5 summarizes active proceedings opened between 2012-2017, which
9 Customer Pricing Regulatory Compliance supports, and substantiates the need for additional
10 resources to handle the increase in case load. A detailed non-exhaustive list is shown in
11 Appendix A.

12 **TABLE LD-5**
13 **2017 Active Proceedings by Year Opened & Type**

2017 Active Proceedings by Year Opened & Type		
	2012-2014	2015-2017
Applications	7	28
Investigations	1	0
Rulemakings	10	10
Total	18	38

14 Almost every proceeding and all proceedings with cost recovery or revenue requirements
15 that are submitted to the Commission require analysis, input, support, and in many cases,
16 oversight by the Customer Pricing group. The increase in regulatory caseload requires
17 significant support for rate analysis. Therefore, SDG&E requests that the Commission support
18 SDG&E’s proposal for an additional three FTEs and deny ORA’s proposal, which does not take
19 the increased workload into account.

20 In addition, the level of complexity and analysis required to support these proceedings
21 has increased. For example, SDG&E must develop rates and cost studies based on greater
22 segmentation than in the past to account for technologies like electric vehicles and solar.
23 SDG&E also includes comprehensive bill impact analysis for each rate design application that
24 requires significant resources to develop. In addition, SDG&E is required to conduct multiple
25 new studies for new customer classes created by various rate schedules and options (e.g.,

1 schools)¹⁴ that recover distribution, transmission and commodity costs.¹⁵ There is also a more
2 collaborative stakeholder process, where the utility leads multi-party efforts (e.g., workshops and
3 working group meetings) to explain new rate making requirements (e.g., implementation of
4 residential rate reform).

5 Furthermore, the fluctuation in the level of FTEs that ORA notes in its testimony is
6 largely due to normal attrition that required extensive work to backfill at the right level of
7 technical proficiency (lag time or duration between initial incumbent vacancy and start of new
8 hire). Fluctuation in the number of FTEs between 2015 and BY 2016, for instance, was due to
9 difficulty in recruiting talent for the specific skill set required in the Customer Pricing area.

10 SDG&E requests that the Commission approve SDG&E's proposal to support required
11 staffing levels to perform Customer Pricing Regulatory Compliance activities.

12 **b. UCAN – Rate Education & Outreach**

13 As stated in my direct testimony, SDG&E requested \$1.7 million in non-labor above the
14 BY 2016 to educate customers about the changing landscape of energy pricing and new rate
15 options.¹⁶

16 UCAN disputes this request and states the following:

17 UCAN recommends that SDG&E's request for \$1.7 million in incremental funds
18 for rate education and outreach be denied. All spending on Residential Rate
19 Reform ME&O should be included in the Rate Reform Memorandum Account
20 and considered a part of SDG&E's overall \$19.4 million budget authorization for
21 that purpose. Since no significant non-residential rate design changes are planned
22 for the 2017 GRC period, SDG&E's 2016 spending level of \$306,000 should be
23 more than adequate to cover all rate education needs that fall outside the
24 Residential Rate Reform ME&O.¹⁷

¹⁴ D.17-08-030, Ordering Paragraph (OP) 36.

¹⁵ *Id.*, OP 33-35.

¹⁶ Ex. SDG&E-19 (Davidson) at 34.

¹⁷ UCAN (Charles) at 77:6-13 (internal citations omitted).

1 **SDG&E’s GRC Rate Education and Outreach funding request is to educate**
2 **customers on topics beyond just residential rate reform, and therefore these**
3 **expenses cannot all be funded through the RRMA.**

4 As stated in response to UCAN’s Data Request, the \$1.7 million requested by SDG&E is
5 providing incremental funding to communicate rate-related changes to both residential and
6 business customers.¹⁸ While some of these changes are related to residential rate reform, there
7 are a number of other changes that impact business customers, including changes to TOU pricing
8 plans peak periods and seasonal pricing changes and solutions. In addition, there have been
9 changes to NEM customer pricing plan options and complex “grandfathering” rules adopted that
10 allow some customers to stay on tiered rates or keep the previous TOU periods depending on the
11 date they installed their solar energy system and various other factors. None of these
12 communications are covered by the RRMA. The RRMA is anticipated to cover incremental
13 costs of defaulting residential customers to TOU pricing plans in 2019 because the base level of
14 GRC O&M funding requested for TY 2019 will not be sufficient to fund these communications.
15 All other costs associated with residential rate ME&O will be funded through GRC O&M,
16 including general rate reform education, the annual CARE discount reduction, communications
17 on the HUC, the change in TOU periods, NEM customer education, and an early adopter
18 campaign planned for the second half of 2018 to encourage customers who are expected to
19 benefit from a TOU pricing plan to enroll in advance of the mass default in 2019.

20 UCAN also states that:

21 Tellingly, SDG&E states that it will only record to the Rate Reform
22 Memorandum Account its Rate Reform ME&O funding that is in excess of the
23 amount authorized through this proceeding. This seems to indicate that SDG&E
24 agrees that this [GRC] funding is not distinguishable from the Rate Reform
25 ME&O funding, but is rather an additional pot of money that could be used for
26 the same purpose.¹⁹

27

¹⁸ SDG&E’s response to Data Request UCAN-SDG&E-DR-04 Q1a, attached as Appendix C2.

¹⁹ UCAN (Charles) at 74:19-75:4 (internal citation omitted).

1 **SDG&E's TY 2019 GRC request for incremental rate education and outreach**
2 **funding is not duplicative of funding that will be recorded to the Rate Reform**
3 **Memorandum Account (RRMA).**

4 As stated above, SDG&E intends to use the GRC rate education and outreach budget to
5 communicate different messages to various impacted customer segments, separate from the
6 communications related to the default TOU transition for residential customers. Specifically,
7 GRC rate education efforts target over 300,000 residential and business customer segments with
8 communications that are not specific to the TOU default, including but not limited to:

- 9 • HUC (residential customers with high energy usage enrolled in tiered rates,
10 including those who opt out of default TOU)
 - 11 ○ Quarterly education campaigns to new high usage customers
 - 12 ○ Alerts and notifications
- 13 • NEM
 - 14 ○ Redesigned NEM customer experience, including updated welcome
15 information and website
 - 16 ○ NEM Grandfathering: communication and alerts to customers
17 transitioning to new on-peak hours of 4pm-9pm
 - 18 ○ NEM 2.0: communication with NEM Medical Baseline customers to
19 provide information on pricing plan choices
- 20 • Transition of on-peak TOU period from 11am-6pm to 4pm-9pm for business and
21 residential customers previously enrolled in TOU pricing plans
- 22 • Campaign to encourage residential customers who are expected to benefit from a
23 TOU pricing plan to enroll in advance of the mass default in 2019
- 24 • Ongoing rate reform education, e.g., California Alternate Rates for Energy
25 (CARE) discount reduction

26 By contrast, the communications expected to be funded through the RRMA target
27 750,000+ residential customers (minus exclusions, such as CARE/Family Electric Rate
28 Assistance (FERA) eligible in hot climate zones and Medical Baseline) starting in late 2018
29 through early 2020 who will be defaulting to a TOU pricing plan. Rate Reform ME&O efforts
30 planned for TOU default include:

- 31 • Communications 90, 60 and 30 days prior to TOU default

- 1 • Personalized pricing plan comparisons
- 2 • TOU welcome materials
- 3 • Seasonal (Summer/Winter) TOU pricing and tips
- 4 • End of bill protection communications starting February 2020, rolling through
- 5 April 2021
- 6 • Default TOU outreach and engagement
 - 7 ○ Energy Solution Partner Network
 - 8 ○ CARE non-benefitters
 - 9 ○ Outbound calls to extreme non-benefitters

10 SDG&E’s request for \$1.7 million in incremental funds for General Rate Case (GRC)
11 related rate education and outreach is appropriate and not duplicative, given that the funds are
12 being used for different messages to customers outside of default TOU rate reform ME&O, and
13 should be approved.

14 **\$306,000 is not sufficient to fund general rate education activities**

15 As shown in Table LD-4, above, BY 2016 was an anomaly. In prior years, SDG&E has
16 spent nearly \$2 million on rate education and outreach and expects to require this level of
17 funding going forward. As stated in response to UCAN’s Data Request, the \$1.7 million
18 requested by SDG&E is providing incremental funding to communicate rate-related changes to
19 both residential and business customers.²⁰ These communications have included a tier collapse
20 from four tiers down to two tiers, changes to TOU pricing plans peak periods, seasonal pricing
21 changes and solutions, and the introduction of the HUC. Due to the shift in the timing of overall
22 rate reform, many of these communications originally slated for BY 2016 began their
23 deployment in mid to late 2017. The \$1.7 million will continue to be used to communicate on-
24 going rate related changes including TOU peak period changes (the move from 11am 6pm on-
25 peak time period to 4pm 9pm) and the variety of pricing plan options, for both business and
26 residential customers, HUC for residential customers and NEM customer education. As stated in
27 response to UCAN’s Data Request, these funds will be used for communications and outreach
28 activities to create awareness and understanding with both business and residential customers

²⁰ SDG&E’s response to Data Request UCAN-SDG&E-DR-04 Q1a, attached as Appendix C2.

1 regarding the changes occurring with rates.²¹ Additionally, these activities will provide
2 education and encourage engagement to better manage and mitigate adverse bill impacts.
3 Activities will include direct communications (mail and email), educational brochures, on-bill
4 messaging/bill inserts, website, videos, outbound call campaigns to at-risk/vulnerable and hard-
5 to-reach customers, community presentations and events with Community Based Organizations
6 (CBO's), CBO partner materials and workshops.

7 SDG&E believes the amount of funding requested for rate education and outreach is
8 appropriate, given the complexity and volume of rate changes that necessitate ongoing
9 communication to customers concerning bill impacts, pricing plan options and ways to better
10 manage their energy use.

11 UCAN also states:

12 Incidentally, while SDG&E is required to track budgeted versus actual costs for
13 its ME&O plan and to provide explanations for any deviations above \$250,000, it
14 is not clear whether rate education and outreach funding awarded through this
15 GRC that is not included in the Rate Reform Memorandum Account would be
16 tagged as Rate Reform ME&O funding and subject to this same review, even
17 though the funding is clearly being requested for the purpose of Rate Reform
18 ME&O.²²

19 **UCAN is incorrect. SDG&E files quarterly Progress of Residential Rate Reform**
20 **(PRRR) reports that include information on all residential rate reform costs, both**
21 **GRC and memorandum account funded.**

22 UCAN also states:

23 Moreover, given that SDG&E collected \$2 million for Residential Rate Reform
24 ME&O in 2016 but only used \$300,000 and apparently gave the remaining \$1.7
25 million to shareholders, SDG&E's Residential Rate Reform ME&O budget
26 should be reduced by \$1.7 million to \$17.7 million. If this reduction is not
27 implemented, ratepayers will be forced to pay twice for the
28 same activity, with the first payment having gone to shareholders.²³

29 **UCAN's proposal to reduce SDG&E's Rate Reform ME&O budget lacks**
30 **foundation and should be rejected.**

²¹ SDG&E's response to Data Request UCAN- SDG&E-DR-04 Q1b, attached as Appendix C2.

²² UCAN (Charles) at 75:4-10 (internal citation omitted).

²³ UCAN (Charles) at 77:15-20 (internal citation omitted).

1 SDG&E’s rate reform ME&O plan and budget was approved by the Commission in
2 Resolution E-4910 and covers years 2017-2019.²⁴ Therefore, SDG&E’s BY 2016 rate reform
3 ME&O expenses have no relevance to the \$19.4 million budget approved in Resolution E-4910.

4 As explained above, required spending levels for ME&O efforts have fluctuated over the
5 past several years based on circumstances and the pace and timing of the various rate reform
6 decisions. As SDG&E has stated previously, overall rate reform has progressed at a slower pace
7 than originally anticipated. As a result, spending in BY 2016 was unusually low because many
8 of the communications anticipated for BY 2016 did not begin their deployment until mid to late
9 2017. Going forward, SDG&E will require an incremental \$1.7 million to fund the additional
10 rate ME&O activities described above.

11 Furthermore, if SDG&E spends less than the GRC-authorized amount for a certain
12 activity, that does not necessarily mean that the difference is “given to shareholders”. GRC-
13 authorized O&M budgets can also be reprioritized to fund other company activities unless they
14 are required to be tracked separately in a regulatory account and used for a specific purpose (e.g.,
15 tree trimming). For example, if SDG&E spent more than the GRC-authorized amount for an
16 activity, it would not be able to collect this additional amount from customers. Instead, SDG&E
17 would need to re-prioritize its budget and spend less in other areas to fund that activity.

18 In summary, SDG&E’s proposed TY 2019 forecast for rate education and outreach
19 includes activities beyond just residential rate reform that cannot all be covered in the RRMA.
20 We anticipate that the RRMA will cover the cost of communicating with residential customers
21 who will be defaulting to TOU rates in 2019, as well as the cost of the default and opt-in TOU
22 pilots. All other residential and business rate-related ME&O activities are ongoing and will need
23 to be covered in GRC O&M.

24 **c. NDC**

25 **Multicultural and Language Survey**

26 SDG&E is requesting \$115,000 for a Multicultural and Language survey. NDC supports
27 the request stating:

28 NDC supports this effort, and is encouraged to see an intentional focus on the
29 main Asian language communities in the utility’s service territory. NDC
30 recommends that the survey and campaign also target the Spanish language

²⁴ Res. E-4910 (February 8, 2018).

1 community, as they are the most dominant minority group in the region, and
2 should not be overlooked in efforts to better reach multicultural customers.
3 Further, it would be extremely beneficial for SDGE to share the results of their
4 multicultural survey with SoCalGas, NDC, and other organizations serving
5 minority communities in the area, so that greater input and insight can inform the
6 planned multicultural campaign.²⁵

7 SDG&E appreciates NDC's support for our proposal to gather insights to better
8 communicate with the multicultural audience. To clarify, languages and cultures mentioned as
9 part of SDG&E's testimony provided insights into our renewed focus but were not meant to be
10 exclusive of the Spanish language. In fact, SDG&E does include a Spanish language option in
11 the majority of our surveys. SDG&E therefore agrees with NDC's recommendation to include
12 Spanish-speaking customers as part of the multicultural survey and subsequent campaign
13 activities. In addition, we also agree to share the results of the survey with SoCalGas and other
14 interested parties as they become available. It is important to note that SoCalGas and SDG&E
15 have different service territories and characteristics, so the results for SDG&E may not be
16 perfectly applicable to SoCalGas and vice versa.

17 **Adjustments to Marketing, Research & Analytics Budget Calculations**

18 As stated in my direct testimony, SDG&E requires \$1.7 million in non-labor above the
19 BY 2016 to educate customers about the changing landscape of energy pricing and new rate
20 options.²⁶

21 NDC states the following:

22 Given that in 2016, SDGE was authorized to collect \$2 million but only spent
23 \$300,000 (15 percent), it appears that they have an excess balance of \$1.7 million
24 to put toward rate education and outreach, and their budget going forward should
25 be reduced by at least that amount. Additionally, as rate reform did not
26 significantly progress in 2017 and 2018, it seems likely that their forecast
27 amounts of \$1.5 million and \$1.7 million may not have been fully expended
28 either. This creates a potential overcollection of up to \$4.9 million not used for its
29 intended marketing purpose. In order to account for this, NDC recommends that
30 the Commission order SDGE to track in a separate account any unspent amounts

²⁵ NDC-01 (Bautista) at 21:15- 22:2.

²⁶ Ex. SDG&E-19 (Davidson) at 34.

1 of the 2016 authorized budget and future forecast adjustments for Rate Education
2 & Outreach.²⁷

3 NDC further states:

4 In the alternative, with the ongoing delay of rate reform implementation, it would
5 be reasonable to assume that, as in 2016, only 15 percent of the forecast
6 adjustment amount for Rate Education & Outreach was expended in 2017
7 (\$225,000) leaving \$1.275 million excess, and to assume that 30 percent will be
8 spent in 2018 (\$510,000) as marketing ramps up, leaving \$1.19 million excess.
9 This would leave an excess of \$4.165 million that should be removed from the
10 Marketing, Research & Analytics requested budget.²⁸

11 **NDC's assumption regarding 2017 and 2018 spending is inaccurate and not should**
12 **not be used to determine an appropriate level of spending for ongoing rate**
13 **education.**

14 As shown in Table LD-4, above, BY 2016 was an anomaly. In prior years, SDG&E has
15 spent nearly \$2 million on rate education and outreach and expects to require this level of
16 funding going forward. SDG&E spent \$1.2 million in 2017 and the remaining incremental
17 GRC-related ME&O efforts around rate education will continue to accelerate and continue at a
18 relatively brisk pace from 2018 through 2020. Therefore, NDC's assumption that \$4.165 million
19 in total will be unspent from 2016 through 2018 is inaccurate.

20 Going forward, the \$1.7 million requested will provide incremental funding to communicate
21 ongoing rate changes, including peak period changes, available pricing plan options, education
22 for high use residential customers, and changes for NEM customers. SDG&E has budgeted for
23 coordinated communications and outreach activities to drive awareness and inform both business
24 and residential customers of ongoing rate changes. These activities will provide education and
25 encourage engagement on choices these customers will have to help give them more control over
26 their bill.

27 **NDC's proposal to reduce SDG&E's Marketing, Research & Analytics TY 2019**
28 **budget lacks foundation and should be rejected.**

29 As SDG&E has stated above, overall rate reform has progressed at a slower pace than
30 originally anticipated. Consequently, required spending levels for ME&O efforts have fluctuated

²⁷ NDC-01 (Bautista) at 22:11-19.

²⁸ NDC-01 (Bautista) at 22:21- 23:5 (internal citation omitted).

1 over the past several years based on circumstances and the pace and timing of the various rate
2 reform decisions. As a result, spending in BY 2016 was unusually low because many of the
3 communications anticipated for BY 2016 did not begin their deployment until mid to late 2017.
4 Going forward, SDG&E will require an incremental \$1.7 million to fund the additional rate
5 education and outreach activities for both residential and business customers described above.

6 Furthermore, if SDG&E spends less than the GRC-authorized amount for a certain
7 activity, that does not necessarily mean that those funds are “overcollected” and available to
8 offset future expenses. GRC-authorized O&M budgets can also be reprioritized to fund other
9 company activities unless they are required to be tracked separately in a regulatory account and
10 used for a specific purpose (e.g., tree trimming). For example, if SDG&E spent more than the
11 GRC-authorized amount for an activity, it would not be able to collect this additional amount
12 from customers. Instead, SDG&E would need to re-prioritize its budget and spend less in other
13 areas to fund that activity.

14 For these reasons, NDC’s proposal to reduce SDG&E’s TY 2019 budget by \$4.165
15 million should be rejected.

16 **d. SBUA**

17 **Small Business Customer Service**

18 SBUA states the following:

19 SDG&E’s request for Total Operations & Maintenance cost for Customer Service
20 Operation is unreasonable because SDG&E has no specific plans for providing
21 competent customer service and phone support to small commercial customers.
22 SDG&E proposes to reduce its request for customer service for its business
23 customers, including small commercial customers.²⁹

24 SBUA also states the following:

25 Small commercial customers need and deserve at least two dedicated customer
26 service personnel at SDG&E who: 1.) are knowledgeable about small commercial
27 customer issues; 2.) who are trained on the small commercial rates at SDG&E,
28 can answer detailed questions by phone as needed for small commercial
29 customers, and is familiar with other small business programs such as energy
30 efficiency programs which would be applicable to small commercial customers.
31 Therefore, I recommend that the Commission require SDG&E to spend at least
32 \$225,000 of the utility requested Business Services budget to hire two full-time

²⁹ SBUA (Brown) at 5.

1 customer service account managers who are specifically trained and dedicated to
2 providing support to small commercial customers.

3 In the alternative, if Sempra or other parties oppose this allocation of the currently
4 requested budget, I request that the Commission approve an additional \$225,000
5 above SDG&E's current request for the "Business Services" under the Total
6 Operations & Maintenance cost for Customer Service Operation, to hire these two
7 full-time customer service account managers to support to small commercial
8 customers.³⁰

9 SBUA further states:

10 I recommend that the Commission require SDG&E and SoCalGas to each commit
11 to fund at least 10 full-time equivalent employees (FTE) that are trained and
12 specifically dedicated to supporting small businesses with customer service and
13 outreach. Of these 20 FTE at least two (one at SDG&E and one at SoCalGas)
14 should be senior level employees, such as account managers or supervisors. I
15 further recommend that the Commission require both SDG&E and SoCalGas to
16 create at least one department or organization that is specifically dedicated to
17 shaping Sempra's company-wide interactions and policies to improve services for
18 small business customers and to connect them with tools, resources, programs,
19 services and integrated demand side management (IDS³¹) offerings.

20 **SDG&E disagrees with SBUA's recommendation to hire new full-time employees**
21 **because SBUA's assertion that SDG&E lacks a plan for providing competent**
22 **customer service and phone support for small businesses is incorrect and lacking**
23 **foundation.**

24 SDG&E Customer Energy Specialists, Account Executives, Business Contact Center
25 Energy Specialists and Outreach Advisors all act as trusted energy advisors that deliver energy
26 expertise to small businesses. Funded through various CPUC proceedings, assistance is provided
27 on any number of energy-related topics such as bill and rate-related questions/concerns,
28 regulatory proceedings, energy efficiency and other demand side management opportunities, and
29 general service questions. SDG&E is adequately staffed and fully capable of providing
30 competent support for small businesses within the currently requested operating budget.

31 Specifically, for small and medium business customers, examples of FTE's trained to
32 provide customer support include but are not limited to:

³⁰ *Id.*

³¹ SBUA (Rafii) at 9.

- 1 • The Business Contact Center allows businesses to call and receive support from
2 agents specially trained on rates and topics applicable to small business
3 customers.
- 4 • Customer Energy Specialists respond to small commercial inquiries that are
5 directed to SDG&E's Customer Contact Center that typically require a site visit.
6 These employees, knowledgeable of all Energy Efficiency (EE) and Demand
7 Response (DR) programs, are competent and trained to address small business
8 customer needs and recommend energy saving solutions.
- 9 • Energy Savings Center representatives that are knowledgeable of all EE and DR
10 programs for small business customers. Customers can contact them directly or
11 can be transferred by an Energy Service Specialist (ESS).
- 12 • SDG&E Account Executives are trained to provide support to business customers
13 in the areas of rates, billing, infrastructure, energy efficiency, and most other
14 energy related topics. They participate in weekly, monthly, and quarterly training
15 sessions that cover topics including rates, regulations, billing, energy efficiency,
16 energy delivery, energy equipment characteristics, and effective communication.
17 These topics, combined with years of industry experience, provide the
18 foundational knowledge required to provide expert support to all customers,
19 regardless of industry, size, or rate classification. Account Executives provide
20 direct support to their assigned industry segment, which includes small business
21 customers, through direct phone calls, on-site presentations, and rate analysis.
- 22 • SDG&E has 6 Outreach Advisors trained, knowledgeable, and focused on
23 residential and business outreach to promote all program offerings including
24 tools, resources, pricing plans, programs and services. The Outreach Advisors
25 hold trainings and workshops on SDG&E's pricing plans and program offerings
26 with their network of over 250 Energy Solutions Partners which includes
27 Community Based Organizations, Business Associations and various Chambers
28 of Commerce. These partners then go back to their communities and share the
29 information via messaging in their newsletters, social media posts and in person

1 meetings throughout the year. Examples of this messaging can be found in
2 Appendix B.

- 3 • In addition to internal FTE's, SDG&E also works with contractors dedicated to
4 providing energy solutions to small and medium business customers. For
5 example, the Business Energy Solutions program funded through a non-GRC
6 CPUC proceeding delivers no-cost and low-cost energy efficiency retrofits
7 through installation contractors to reduce peak demand and increase energy
8 savings for small and medium business customers. Through these efforts, in
9 2017, there were nearly 2,000 program enrollments that resulted in total energy
10 savings of over 10 million kilowatt hours. SDG&E has also engaged outside
11 firms to assist in its outreach, marketing and education efforts targeted to small
12 businesses. For example, in December 2017, SDG&E began a small business
13 outreach campaign executed by a third-party vendor funded through a non-GRC
14 CPUC proceeding. The project involved a door-to-door and outbound phone
15 hybrid approach to outreach. The vendor educated SDG&E's small business
16 customers on their new TOU pricing plan, how it affects them, and how they can
17 save on their utility bill by moving forward with conservation, shifting the timing
18 of when they use energy, and the Business Energy Solutions program. The
19 vendor successfully educated 1,490 small business customers and, of those,
20 generated over 490 leads to the Business Energy Solutions program.

21 **Privacy Compliance**

22 SBUA states the following:

23 The Commission should order SDG&E to either: 1.) affirmatively state it believes
24 it is in compliance with Pub. Util. Code, § 8380; or 2.) seek a Commission order
25 to use the customer data in compliance with Pub. Util. Code, § 8380 for the
26 following proposed scopes of work: 1.) sharing information from its Smart Meter
27 Network with third parties; 2.) disclosure of customer usage information to third
28 party debt collection agencies; 3.) SDG&E's request for \$179,000 to create a new
29 enterprise-wide Customer Authorization functionality for managing Letters of
30 Authorization (LOA), that customers use to provide consent to SDG&E to share
31 their information with third parties.³²

³² SBUA (Brown) at 4.

1 **SDG&E applauds the SBUA’s attention to customer privacy in SDG&E’s GRC**
2 **filing. SDG&E takes customer privacy very seriously and appreciates the**
3 **opportunity to discuss its privacy practices.**

4 Fortunately, a Commission order is not required for SDG&E to comply with SBUA’s
5 request: SDG&E affirmatively states that it believes it is in compliance with California Pub.
6 Util. Code § 8380.³³

7 SDG&E agrees with the SBUA that “Electric and Natural Gas usage is a particularly
8 valuable commodity”³⁴ sought after by many commercial, governmental and academic third
9 parties and takes great steps to preserve the privacy of its customers, including:

- 10 • SDG&E’s Office of Customer Privacy (OCP), whose purpose is to provide
11 governance over activities that require customer privacy consideration. The OCP
12 uses the Generally Accepted Privacy Principles (GAPP) and Privacy by Design
13 (PbD) as the foundation for its privacy program, principles that include, and
14 extend beyond the rules specified in Pub. Util. Code § 8380, including data
15 minimization, purpose specification and making privacy the default setting.
- 16 • A company policy that aligns with Pub. Util. Code § 8380 by explicitly
17 prohibiting the sharing of customer data except under very specific circumstances,
18 which include:
 - 19 ○ With customer consent;
 - 20 ○ To the extent necessary for the recipient to perform core services on behalf
21 of the utility, or the implementation of DR or EE programs, as described
22 in Pub. Util. Code § 8380; or
 - 23 ○ If the company believes in good faith that the sharing is necessary to
24 comply with legal and regulatory requirements.
- 25 • An internal process, known as Privacy Green Light (PGL), that ensures
26 transactions involving the sharing of customer data with authorized third parties

³³ Section 8380 of the Public Utilities Code prohibits the sharing of customer energy consumption data by a publicly owned utility without customer consent except in specific circumstances, prohibits the selling of such data by the utility, and requires the use of reasonable security procedures to protect customer information held by a utility.

³⁴ SBUA (Brown) at 19.

1 comply with contractual, legal, information security and privacy-related
2 requirements, and are approved by relevant company stakeholders. A key
3 contractual requirement for third parties who enter into agreements with SDG&E
4 is that customer information be protected and that the data not be used for any
5 other purpose than what was specified in the contract. Finally, PGL uses
6 automation to remind internal employees and third parties alike when the time
7 comes to securely dispose of customer information and SDG&E obtains
8 certificates of destruction from third parties to affirm that such disposal has
9 occurred.

- 10 • A new external application, known as Consent to ShareSM (CtS), that provides an
11 easy online mechanism for customers to provide, manage and revoke their
12 consent forms (also known as Letters of Authorization (LOAs) or Customer
13 Information Service Requests (CISR) forms.)
- 14 • Periodic audits of SDG&E's privacy and security practices, conducted by an
15 independent third party and made public with every GRC filing, including the
16 current one.

17 SBUA states the following:

18 The third area of concern is that SDG&E is requesting \$179,000 to create a new
19 enterprise-wide Customer Authorization functionality for managing Letters of
20 Authorization (LOA), that customers use to provide consent to SDG&E to share
21 their information with third parties. This procedure is potentially meritorious and
22 could be useful, for example, to assist in the installation of a solar panel on an
23 existing house or business. However, the continuous authorization process also
24 can be utilized with debt collection efforts and the sharing of information with
25 third-party vendors. Therefore, I request that SDG&E certify that this LOA
26 system is in compliance with Pub. Util. Code, § 8380 during the period covered
27 by this GRC.³⁵

28 The Customer Authorization functionality the SBUA refers to, known as Consent to
29 ShareSM, is a tool provided to customers who wish to provide their consent to SDG&E to share
30 their data with third parties they have authorized to receive it. Consent is a key factor in Pub.
31 Util. Code § 8380 when determining whether a utility can share customer data with a third party.
32 This tool makes it easier for customers to provide and manage their consent, and for third parties

³⁵ SBUA (Brown) at 22.

1 to obtain such consent. Consent to Share, itself as an application, does not house customer
2 energy usage data and is not used to share customer data, and is therefore not within the scope of
3 Pub. Util. Code § 8380.

4 Please see the rebuttal testimony of Jerry D. Stewart on behalf of SDG&E for a
5 discussion of privacy compliance related to “Sharing information from its Smart Meter Network
6 with third parties” and “Disclosing customer usage information to third party debt collection
7 agencies.”³⁶

8 **B. Shared Services O&M**

9 **TABLE LD-6**
10 **Comparison of SDG&E and Intervenors Estimated Shared Services Costs**

SHARED O&M - Constant 2016 (\$000)			
	Base Year 2016	Test Year 2019	Change
SDG&E	343	343	0

11 No parties opposed SDG&E’s proposed Customer Service Information and Technologies
12 shared services O&M request.

13 **C. IT Capital**

14 **TABLE LD-7**
15 **Comparison of SDG&E and Intervenors Estimated Capital IT Costs**

TOTAL CAPITAL – Constant 2016 (\$000)			
	2017	2018	2019
SDG&E	20,583	21,109	1,818

16 No parties objected to the business justification for SDG&E’s proposed Customer Service
17 Information and Technologies IT capital costs.

18 **IV. CONCLUSION**

19 To summarize, for the reasons described above, the intervening parties (ORA, UCAN,
20 NDC and SBUA) have failed to show their proposals are valid or superior recommendations that
21 should be adopted by the Commission. Any reduction to SDG&E’s TY 2019 forecast for

³⁶ Ex. 218 June 18, 2018 Rebuttal Testimony of Jerry D. Stewart (Customer Services-Office Operations), Section III.

1 Customer Services Information & Technologies is unwarranted. Similarly, SBUA's
2 recommendation to increase SDG&E's TY 2019 forecast for Business Services is unnecessary
3 and should be rejected.

4 This concludes my prepared rebuttal testimony.

APPENDIX A

APPENDIX A

The following is a non-exhaustive list of active proceedings in 2017/2018, which Customer Programs and Pricing support.

Docket	Status	File Date	Applicant / Respondent	Description
A1204016	REOPENED	4/20/2012	SDG&E	Cost of Capital (petition)
A1208009	REOPENED	8/3/2012	SDG&E	Statewide Education and Outreach
A1303013	ACTIVE	3/19/2013	SDG&E	SONGS Cost Review
A1303014	ACTIVE	3/18/2013	SDG&E	SONGS Steam Generators
A1411003	REOPENED	11/14/2014	SDG&E	2016 GRC Phase 1 (Electric PBR petition)
A1411009	REOPENED	11/18/2014	SDG&E	Low Income Programs 2015 - 2017
A1412007	REOPENED	12/10/2014	SDG&E and Edison	SONGS Units 2 and 3 Cost Estimates
A1502006	ACTIVE	1/30/2015	SDG&E	SONGS Cost Review
A1504012	ACTIVE	4/13/2015	SDG&E	GRC Phase 2
A1509010	ACTIVE	9/25/2015	SDG&E	Wildfire Cost Recovery
A1509013	ACTIVE	9/30/2015	SDG&E and SoCalGas	Pipeline Safety & Reliability Project
A1603004	ACTIVE	3/1/2016	SDG&E and Edison	Nuclear Decommissioning Review
A1604018	ACTIVE	4/15/2016	SDG&E	2017 ERRR Requirement
A1607015	ACTIVE	7/25/2016	SDG&E, Edison and NRDC	Rehearing of Resolution E-4792 on NEM 2.0
A1609005	ACTIVE	9/2/2016	SDG&E and SoCalGas	PSEP Review
A1610018	ACTIVE	10/27/2016	SDG&E	Modify Resolution E-4783 on RAM
A1611005	ACTIVE	11/14/2016	SDG&E, Edison and PG&E	BioRAM Cost Allocation
A1612002	ACTIVE	12/1/2016	SDG&E and Edison	SONGS Marine Mitigation
A1701014	ACTIVE	1/17/2017	SDG&E	Energy Efficiency Business Plans
A1701019	ACTIVE	1/17/2017	SDG&E	Demand Response Programs
A1701020	ACTIVE	1/20/2017	SDG&E	SB 350 Electric Vehicle Proposals
A1702008	ACTIVE	2/24/2017	SDG&E	Economic Development Rates
A1703019	ACTIVE	3/30/2017	SDG&E	Unregulated Subsidiary
A1703021	ACTIVE	3/30/2017	SDG&E and SoCalGas	PSEP Forecast
A1704016	CLOSED	4/14/2017	SDG&E	2018 ERRR Requirement
A1704017	CLOSED	4/19/2017	SDG&E	Local Capacity RFO
A1704018	CLOSED	4/25/2017	SDG&E, Edison and PG&E	Portfolio Allocation Methodology
A1704027	ACTIVE	4/28/2017	SDG&E	CIS Replacement Program
A1705008	ACTIVE	5/5/2017	SDG&E	Mobile Home Park Program
A1705009	ACTIVE	5/1/2017	SDG&E	EPIC Program
A1705012	CLOSED	5/17/2017	SDG&E	ERRR Trigger
A1706006	ACTIVE	6/1/2017	SDG&E	2016 ERRR Review
A1709005	ACTIVE	9/13/2017	SDG&E	Port Application – Energy Management Plan
A1710007	ACTIVE	10/6/2017	SDG&E	SDG&E 2019 GRC Ph 1
A1712013	ACTIVE	12/20/2017	SDG&E	2018 Rate Design Window

Investigations:				
I1210013	ACTIVE	10/25/2012	SDG&E and Edison	SONGS
Rulemakings:				
R1707007	ACTIVE	7/13/2017	SDG&E	Rule 21, DER Interconnections OIR
R1706028	ACTIVE	6/29/2017	SDG&E	Pole Attachment and Access OIR
R1706026	ACTIVE	6/29/2017	SDG&E	PCIA Reform OIR
R1705010	ACTIVE	5/11/2017	SDG&E	Rule 20, Underground OIR
R1703009	ACTIVE	3/23/2017	SDG&E	Right of Way, CLEC Access OIR
R1602007	ACTIVE	2/11/2016	SDG&E	IRP OIR
R1503011	ACTIVE	3/26/2015	SDG&E	Energy Storage OIR
R1502020	ACTIVE	2/26/2015	SDG&E	RPS OIR (50%)
R1502012	ACTIVE	2/12/2015	SDG&E	DWR Revenue Requirement OIR
R1410003	ACTIVE	10/2/2014	SDG&E	Integrated DER OIR
R1408013	ACTIVE	8/14/2014	SDG&E	Distribution Resource Plan OIR
R1407002	ACTIVE	7/10/2014	SDG&E	NEM OIR
R1403002	ACTIVE	3/13/2014	SDG&E	Core Transport Agent OIR
R1312011	ACTIVE	12/19/2013	SDG&E	Energy-Water Nexus OIR
R1311007	ACTIVE	11/14/2013	SDG&E	Alternate Fuel Vehicle OIR
R1311006	ACTIVE	11/14/2013	SDG&E	GRC Risk Framework OIR
R1311005	ACTIVE	11/14/2013	SDG&E	Energy Efficiency OIR
R1309011	ACTIVE	9/19/2013	SDG&E	Demand Response OIR
R1206013	ACTIVE	6/21/2012	SDG&E	Residential Rate Reform OIR
R1512012	REOPENED	12/17/2015	SDG&E	Time-of-Use Periods OIR

APPENDIX B

APPENDIX B

EXAMPLES OF MESSAGING FROM OUR ENERGY SOLUTIONS BUSINESS PARTNERS:

NEWSLETTERS:



SDGE Small businesses can save energy through efficiency upgrades and simple behavioral adjustments – without sacrificing comfort. Start by scheduling a free energy audit that also offers free products for eligible businesses. Learn more [here](#).

Chapter 24 Byways

San Diego, California



Automotive Service Councils of California
Professionals in Automotive Service ~ Since 1940

ASCCA Chapter 24—PO Box 262100 San Diego, CA 92196

April 2018

How an energy audit can save your business money

Are you interested in getting a customized roadmap for energy-saving improvements? SDG&E's Business Energy Solutions (BES) Program offers small to mid-size business customers an onsite, no-cost energy audit with a report on potential savings. The report shows you areas your business can save energy, along with recommendations on energy efficiency upgrades. BES contractors install products at no cost; and products are offered at a discount or at no-cost. You will work with one contractor from start to finish. Learn more at sdge.com/BES. To find out if your business qualifies, complete this form.

Your business may qualify for valuable business rebates and incentives. For more information, visit sdge.com/bizrebates, call the Energy Savings Center at (800)644.6133, or email BusinessEnergySavings@sdge.com.

Eligible customers can apply for On-Bill Financing to cover the co-pay portion of energy efficiency projects. The loan is paid back through your SDG&E bill. For additional information, please refer to the questions below, or contact us at BusinessEnergySavings@SDGE.com, or by phone at (800) 644-6133.



ARNIE GARCÍA

Customer Outreach & Energy
Solution Advisor

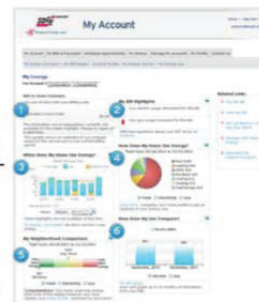
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Get a clear picture of your business's energy usage

SDG&E provides an online energy management tool that gives you a summary of your business's energy use. Log in to My Account and click on the My Energy Tab. You'll see an at-a-glance view of your energy information.

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- When Does My Business Use Energy? Monitor your energy use by the hour or day using these energy charts. If you're eligible to earn Reduce Your Use rewards, you can also see your personalized details if you click on My Energy Use Graphs.
- How Does My Business Use Energy? Provide information about your business energy use habits for more accurate analyses of how your business uses energy and what actions you can take to save energy.
- How Does My Use Compare? Look at your energy use compared to the same time period last year. Click on My Bill Details to view up to 13 past months of your bills.



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SDG&E's Business Energy Solutions program provides an on-site no-cost energy audit. Learn more at sdge.com/BES. #espsdge



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College Area Business District

April 10 at 7:30am · 🌐

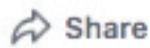
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Business Energy Solutions Program | San Diego Gas & Electric

Seamless, one-stop shop experience Patty Ungar DVM, CVA/Owner Kensington Veterinary Hospital needed a new HVAC System which would usually cause a big strain on profits. Little did she know...

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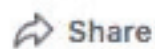
• Save energy and put those dollars saved back into your business. Through June 30, 2018, instant lighting rebates are available at your local distributors. For more information or to locate a distributor, call SDG&E's Energy Savings Center at 800.644.6133, email businessenergysavings@sdge.com, or visit SDGE.com/instantrebates. Peruse the SDG&E Lighting Product Catalog at sdge.com/MLcatalog. #espsdge



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Save Now and Save Later with Instant Lighting Rebates There's never been a better time for energy-efficient upgrades for your lighting: with advanced technology that can lower your bills over time, instant rebates make these...

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APPENDIX C-1

APPENDIX C1

**ORA DATA REQUEST
ORA-SDGE-131-CY3
SDG&E 2019 GRC – A.17-10-007
SDG&E RESPONSE
DATE RECEIVED: FEBRUARY 13, 2018
DATE RESPONDED: FEBRUARY XX, 2018**

Exhibit Reference: SDG&E-19

SDG&E Witness: Lisa Davidson

Subject: Customer Services-Information & Technologies

Please provide the following:

6. Referring to Ex. SDG&E-19, page LCD-34, lines 11-12, “I am requesting \$1,700,000 in non-labor above the BY 2016 to educate customers about the changing landscape of energy pricing and new rate options.”

a. Please provide a chart showing how much was spent on this function (Rate education and outreach) from years 2012-2017.

b. Please provide any cost studies used and calculations done to arrive at the \$1,700,000 figure.

SDG&E Response 06:

- a. The table below represents the Marketing, Research and Analytics department spend for 2013-2016 non-labor costs related to rate education and outreach. Prior to 2013, SDG&E did not separately track rate education and outreach costs. 2017 data will not be available until mid-March 2018.

Nominal (\$000)	2013	2014	2015	2016
Rate Education & Outreach	\$1,941	\$1,501	\$804	\$306

APPENDIX C-2

APPENDIX C2

UCAN DATA REQUEST
UCAN-SDG&E-DR-04
SDG&E 2019 GRC – A.17-10-007
SDG&E PUBLIC RESPONSE
DATE RECEIVED: MARCH 19, 2018
DATE RESPONDED: APRIL 3, 2018

The following questions relate to Ms. Davidson’s testimony (SDG&E-19)

1. SDG&E states “Funding to support new rate options and programs was approved in the TY 2016 GRC case D.16-06-054. However, due to various reasons, rate reform has progressed at a slower pace than anticipated and not all of the outlined planned activities were implemented in BY 2016 due to the change in the in timing. It is now expected that most marketing, education and outreach for the implementation of a new High Usage Charge (HUC) and transition to default TOU pricing plans will occur from 2017 to 2020.” (pp. LCD-34 – LCD-35) With respect to this statement:
 - a. Please explain why \$1.7 million in incremental Rate Education & Outreach funding (p. LCD-35, Table LD-16) is required to support activities that were approved in SDG&E’s prior GRC and did not occur due to the timing of rate reform.
 - b. Please describe the specific activities that SDG&E plans to undertake using its requested \$1.7 million in incremental Rate Education & Outreach funding.

SDG&E Response 1:

- a. The \$1.7 million is providing incremental funding to communicate rate related changes to both residential and business customers. These communications have included the tier collapse from 4 tiers down to 2 tiers, changes to Time of Use (TOU) pricing plans’ peak periods, seasonal pricing changes and solutions, and the introduction of the High Usage Charge (HUC). Due to the shift in timing, many of these communications slated in 2016 began their deployment in mid to late 2017. The \$1.7 million will continue to be used to communicate on-going rate related changes including TOU peak period changes (the move from 11am to 6pm on-peak time period to 4pm to 9pm) and the variety of pricing plan options, for both business and residential customers, HUC for residential customers and Net Energy Metering customer education.
- b. These funds will be used for communications and outreach activities to create awareness and understanding with both business and residential customers regarding the changes occurring with rates. Additionally, these activities will provide education and encourage engagement, on choices these customers will have, to give them better control over their bill. Activities will include direct communications (mail and email), educational brochures, on-bill messaging/bill inserts, website, videos, outbound call campaigns to at-risk/vulnerable and hard-to-reach customers, community presentations and events with Community Based Organizations (CBO’s), CBO partner materials and workshops.

**APPENDIX D
GLOSSARY OF TERMS**

Application	A.
Alternative Fuel Vehicle Memorandum Account	AFVMA
California Public Utilities Code	P.U. Code
California Alternate Rates for Energy	CARE
California Public Utilities Commission	CPUC
Community Based Organization	CBO
Consent to Share	CtS
Customer Information Service Requests	CISR
Customer Services - Information and Technologies	CSIN
Decision	D.
Demand Response	DR
Energy Data Request Memorandum Account	EDRMA
Energy Efficiency	EE
Energy Service Specialist	ESS
Family Electric Rate Assistance	FERA
Full-Time-Equivalent	FTE
General Rate Case	GRC
Generally Accepted Privacy Principles	GAPP
High Usage Charge	HUC
Integrated Demand-Side Management	IDSMD
Letters of Authorization	LOA
Marketing, Education and Outreach	ME&O
Net Energy Metering	NEM
Office of Customer Privacy	OCP
Office of Ratepayer Advocates	ORA
Operating & Maintenance	O&M
Privacy by Design	PbD
Privacy Green Light	PGL

Progress of Residential Rate Reform
Rate Reform Memorandum Account
San Diego Gas & Electric Company
Small Business Utility Advocates
Test Year
The National Diversity Council
The Utility Consumer Action Network
Time of Use

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TY
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UCAN
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