

Application of SAN DIEGO GAS & ELECTRIC  
COMPANY (U 902 E) For Authority To  
Update Marginal Costs, Cost Allocation,  
And Electric Rate Design.

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Application: 15-04-012  
Exhibit No.: SDG&E - 24

**SAN DIEGO GAS & ELECTRIC COMPANY  
REVISED COMPARISON EXHIBIT**

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

**December 12, 2016**



**Revenue Allocation Settlement - Position Comparison - SDG&E GRC Phase 2 (A.15-04-012)**

Issue / Party	Party's Position Based On		
	SDG&E Direct	SDG&E Rebuttal Position	Settlement Position
<b>Distribution Based Revenues</b>			
SDG&E	Distribution revenue allocations by customer class updated to reflect proposed distribution cost studies based on the Rental Method to calculate marginal customer costs and the NERA Regression Method to calculate marginal demand costs.	Distribution revenue allocations updated to reflect adjustments to marginal customer and demand cost studies, updates to Effective Demand Factors, and updates to 2016 forecasted number of customers and non-coincident demand determinants.	SDG&E's rebuttal position for distribution demand costs and a 50%/50% average of SDG&E's rental calculation and SDG&E's NCO calculation for marginal customers costs, adjusted to allow for illustrative class average UDC rates to increase by no more than 2.45% above the system average UDC rate each year. Settlement is for the resulting revenue allocations, not the method used to derive allocation factors.
ORA	Distribution revenue allocations updated to reflect adjustments to the marginal customer and demand cost studies, including the use of the NCO Method to calculate the marginal customer costs.	N/A	See Above
UCAN	Distribution revenue allocations updated to reflect adjustments to the marginal customer and demand cost studies, including significant changes to the residential and large C/I Effective Demand Factors. Offered information on costs under both rental and NCO methods. Proposed caps.	N/A	See Above
TURN (not a settling party but not opposed to settlement)	Same as UCAN except to specifically recommend using the NCO method for marginal customer costs	N/A	N/A
Farm Bureau	Supports SDG&E's marginal customer and demand cost proposals for the purpose of developing distribution revenue allocations.	N/A	See Above
FEA	Supports SDG&E's marginal customer and demand cost proposals. Argues against ORA's marginal customer costs calculation based on the NCO Method and ORA's adjustment to the distribution loads used in the marginal demand cost calculation.	N/A	See Above
CALSLA	Supports the use of the NCO Method in the calculation of marginal distribution customer costs for the purpose of developing distribution revenue allocations.	N/A	See Above

**Revenue Allocation Settlement - Position Comparison - SDG&E GRC Phase 2 (A.15-04-012)**

Issue / Party	Party's Position Based On		
	SDG&E Direct	SDG&E Rebuttal Position	Settlement Position
<b>Commodity</b>			
SDG&E	Commodity revenue allocations by customer class updated to reflect SDG&E's commodity cost studies.	Same position w/ updates to reflect updated sales forecast and updated TOU proposal.	50%/50% average of SDG&E's position and UCAN's calculation of commodity revenue allocation presented in its direct testimony (updated or Sales presented in SDG&E's rebuttal), adjusted to allow for illustrative class average Total rates to increase by no more than 1.40% above the change in the system average Total rate each year. Settlement is for the resulting revenue allocations, not the method used to derive allocation factors.
ORA	Commodity revenue allocations by customer class updated to reflect ORA's commodity cost studies.	N/A	See Above
UCAN	Commodity revenue allocations by customer class updated to reflect UCAN's commodity cost studies.	N/A	See Above
Farm Bureau	Support SDG&E's marginal cost study based on CFBF's TOU proposal for the purpose of revenue allocation	N/A	See Above
<b>California Solar Initiative (CSI)</b>			
SDG&E	No change to allocations proposed	Updated to reflect movement of PA-T-1 from the M/L C&I class to the Agricultural class	Adopts SDG&E's Rebuttal - note that current reflect Schedule PA-T-1 in the M/L C&I Class, while Rebuttal allocations reflect Schedule PA-T-1 in the Agricultural Class.
ORA	Equal cents per kWh allocator (with exemption for CARE customers)	N/A	See Above
FEA	Disagrees with both SDG&E and ORA's proposals.	N/A	See Above
<b>Self-Generation Incentive Program (SGIP)</b>			
SDG&E	No change to allocations proposed	Updated to reflect movement of PA-T-1 from the M/L C&I class to the Agricultural class	Adopts ORA's Direct, updated for sales presented in SDG&E's Rebuttal - note that current reflect Schedule PA-T-1 in the M/L C&I Class, while Rebuttal allocations reflect Schedule PA-T-1 in the Agricultural Class.
ORA	Equal cents per kWh allocator	N/A	See Above
FEA	Disagrees with both SDG&E and ORA's proposals.	N/A	See Above

**Revenue Allocation Settlement - Position Comparison - SDG&E GRC Phase 2 (A.15-04-012)**

Issue / Party	Party's Position Based On		
	SDG&E Direct	SDG&E Rebuttal Position	Settlement Position
<b>Public Purpose Programs - Energy Efficiency (EE)</b>			
SDG&E	Factors allocating to customer classes updated to reflect forecasted EE program spend	No change to methodology, updated for more current data	Adopts SDG&E rebuttal position
<b>Public Purpose Programs-Electric Program Investment Charge (EPIC)</b>			
SDG&E	Factors allocating to customer classes updated to reflect sales by customer class	No change to methodology, updated for more current sales	Adopts SDG&E rebuttal position
<b>Public Purpose Programs -California Alternative Rates for Energy (CARE)</b>			
SDG&E	Factors allocation to customer classes updated to reflect non-lighting, non-CARE sales by customer class	No change to methodology, updated for more current sales	Adopts SDG&E rebuttal position
<b>Public Purpose Programs - Energy Savings Assistance Program (ESAP)</b>			
SDG&E	Factors allocation to customer classes updated to reflect non-lighting sales by customer class	No change to methodology, updated for more current sales	Adopts SDG&E rebuttal position
<b>Competition Transition Charge (CTC)</b>			
SDG&E	Factors allocating to customer classes updated to reflect more recent top 100 load data	Updated for more current data	Adopts SDG&E rebuttal position
<b>Local Generation Charge (LGC)</b>			
SDG&E	Factors allocation to customer classes updated to reflect TO4 Cycle 2 filing	Factors allocation to customer classes updated to reflect TO4 Cycle 3 filing	Adopts SDG&E rebuttal position
<b>Capping of Revenue Allocations</b>			
SDG&E	No capping proposed	Opposes capping. Continues to support 3-year transition to cost based rates.	Allocation factors for rate components were evaluated using caps to illustrative rates: UDC - 2.45% above system average UDC increase; Total - 1.4% above system average total rate increase
ORA	Cap of 1.5% increase above the system average rate increase	N/A	See Above
UCAN	Agree with ORA's cap of 1.5% increase above the system average rate increase	N/A	See Above
Farm Bureau	Cap of 3% increase above the system average rate increase	N/A	See Above
CALSLA	Supports ORA's 1.5% cap over system average increase.	N/A	See Above

**Schools Discount Settlement - Position Comparison - SDG&E GRC Phase 2 (A.15-04-012)**

Issue / Party	Party's Position Based On		
	SDG&E Direct	SDG&E Rebuttal Position	Settlement Position
<b>Line Item Discount</b>			
SDG&E	N/A	10% line item discount for schools accounts, effective until implementation of SDG&E's 2019 GRC Phase 2.	SDG&E to provide 12.5% line item discount on the monthly electric bills of all accounts (both school sites and administrative facilities, including the San Diego County Office of Education) in SDG&E's service territory through December 31, 2019.
SDPS	Requests development of schools' rate program to provide mitigation for past rate increases and rate certainty <i>into the future</i>	Special rates program, plus SDG&E's line item discount should be increased from 10% to 20%.	See Above
UCAN	N/A	N/A	Opposes schools discount. If approved, discount should be borne by M/L C&I customers only.
Farm Bureau	N/A	N/A	Shares UCAN position
TURN	N/A	N/A	Shares UCAN position
<b>Indifference Payments</b>			
SDG&E	N/A	N/A	SDG&E to provide a separate line item fixed indifference payment to the above mentioned accounts which are identified as negatively impacted. The impact will be determined through bill impact analysis, and will be converted to a fixed monthly payment to be provided through December 31, 2019.
Schools	N/A	N/A	See Above
UCAN	N/A	N/A	Opposes schools discount. If approved, discount should be borne by M/L C&I customers only.
Farm Bureau	N/A	N/A	Shares UCAN position
TURN	N/A	N/A	Shares UCAN position

**Schools Discount Settlement - Position Comparison - SDG&E GRC Phase 2 (A.15-04-012)**

Issue / Party	Party's Position Based On		
	SDG&E Direct	SDG&E Rebuttal Position	Settlement Position
<b>TOU Grandfathering for Solar Schools</b>			
SDG&E	N/A	Outdated TOU periods, through grandfathering or otherwise, fail to provide customers with TOU rates that accurately reflect their cost-of-service, and therefore do not incent low-cost behaviors.	In the event that a grandfathering settlement is reached in this proceeding, negatively impacted solar schools will elect to receive either (1) the fixed indifference payment or (2) the grandfathering provisions under the TOU settlement. Accounts electing to receive the grandfathering treatment will forego the fixed indifference payment. If the final decision(s) in this proceeding include grandfathering provisions outside of a TOU settlement, the fixed indifference payment would no longer be available to negatively impacted solar schools, but would still be available to negatively impacted non-solar schools accounts.
SDPS	Existing solar projects should be grandfathered into current TOU periods.	Supports grandfathering current TOU periods for 20 years for existing solar customers.	See Above

**Joint Testimony 1 - SDG&E/FEA - Position Comparison - SDG&E GRC Phase 2 (A.15-04-012)**

Issue / Party	Party's Position Based On		
	SDG&E Direct	SDG&E Rebuttal Position	Joint Testimony
<b>Secondary Substation and Primary Substation Service Rates</b>			
SDG&E	Increase MSF of 20% per year with offsetting decrease to distribution demand. For substation customers that pay a higher MSF and no distribution demand charges, this means a 60% increase to MSF over a 3 year period with no compensating offset through distribution demand charges.	Agree with FEA's proposal to charge Substation customers the regular MSF	The MSF for Secondary Substation and Primary Substation customers would increase 3% per year for the term of this GRC Phase 2 - over a three-year period, this would be a total increase to MSF of 9%
FEA	Opposes SDG&E's proposal. Proposes reduction to the MSF for substation customers to set it equal to the MSF applicable to regular primary and secondary customers; and proposes Non-coincident demand charge of \$3 per kW equal to the rounded Equal Percentage Marginal Cost (EPMC) value of substation demand costs.	N/A	See Above

**Joint Testimony 2 - SDG&E/CFBF - Position Comparison - SDG&E GRC Phase 2 (A.15-04-012)**

Issue / Party	Party's Position Based On		
	SDG&E Direct	SDG&E Rebuttal Position	Joint Testimony
<b>Schedule TOU-PA Rate Design</b>			
SDG&E	Monthly service fees (MSFs) will increase by 20% annually for three years; For TOU-PA customers ≥20kW, introduce a NCD charge to recover distribution costs in Year 2 of \$1.49 per NCD/kW which will reduce the distribution energy rates, with the NCD charge increasing in Year 3 to \$2.89 per NCD/kW.	Maintains original proposal, updated w/ more recent data	MSF: Base monthly charges, referred to as the Basic Service Fee in the TOU-PA tariff, will increase by 20% only once on January 1, 2018. The 20% increase excludes the MSF adders that are used to collect the non-coincident demand revenue requirement for TOU-PA customers ≥20 kW. In place of SDG&E's proposed NCD charges, demand-variant MSF adders will be applied, consistent with the approach used for small commercial customers.
Farm Bureau	Opposes SDG&E's proposal. (1) MSF should not change. If a change is implemented, it should be delayed until at least Year 2. (2) For NCD, consideration of adding a NCD charge for ≥20kW customers should be deferred until SDG&E's next GRC Phase 2. If the NCD charge is considered, it should contain a super off-peak exemption.	N/A	See Above
<b>Schedule TOU-PA TOU Periods</b>			
SDG&E	Proposed TOU periods for on-peak, off-peak and super off-peak for all customers and rate schedules.	Agrees to provide optional 2-period TOU rate for small commercial and small agricultural customers, but with on-peak every day from 4pm-9pm and off-peak every day from 12am-4pm and 9pm-12am.	Customers may remain on the existing schedule with current TOU periods through March 1, 2019, unless they opt in to optional schedules with revised TOU periods. All customers on Schedule TOU-PA may be subject to revised TOU periods in 2022. Option A: 2 periods (default) w/ On-peak: 4pm-9pm weekdays, Off-peak: 9pm-4pm weekdays, all hours weekends and holidays, and TOU differentials consistent with current TOU differentials. Option B: 3 periods (optional)w/ On-peak: 4pm-9pm all days, Off-peak: 9pm-12am and 6am-4pm weekdays, 9pm-12am and 2pm-4pm weekends and holidays, and Super-off-peak: 12am-6am weekdays; 12am-2pm weekend/holidays. TOU rate differentials consistent with SDG&E's Year 3 TOU-PA on/off peak differentials. Summer season is June-October.
Farm Bureau	New TOU periods should be implemented on an opt-in basis for TOU-PA customers until at least 2021 (that is, existing customers to remain on current TOU periods and new customers to be defaulted onto the new TOU periods) and the optional new TOU periods should be structured as: On-Peak of 4pm-9pm weekdays, Off-Peak of 9pm-4pm weekdays; all day weekends and holidays	N/A	See Above



**Joint Testimony 3 - SDG&E/FEA/SEIA/City SD - Position Comparison - SDG&E GRC Phase 2 (A.15-04-012)**

Issue / Party	Party's Position Based On		
	SDG&E Direct	SDG&E Rebuttal Position	Joint Testimony
<b>M/L C&amp;I Distribution Cost Recovery</b>			
SDG&E	For M/L C&I, increase percentage of recovery of distribution costs through NCD charges and reduce recovery through on-peak demand charges from current 65%/35% NCD/peak, to 75%/25% in Year 2, 85%/15% in Year 3.	Same as direct, with updated data.	Increase percentage of recovery through NCD and reduce recovery through on-peak demand charge to 70%/30% NCD/peak for the term of this GRC Phase 2. SDG&E will conduct 2 Studies: (1) examine the appropriate allocation of distribution costs between NCD and system peak demand charges; and (2) examine the appropriate allocation of transmission costs between NCD and system peak demand charges to be filed before the FERC.
FEA	Supports SDG&E's proposal	N/A	See Above
SEIA	Opposes SDG&E's proposal. Proposed a reduction of NCD recovery to 61%.	N/A	See Above
City SD	Opposes SDG&E's proposal. Proposes reduction/elimination for NCD and recommends allocation of substation costs based on seasonal peak demand	Supports SEIA's proposal	See Above

Joint Testimony 4 - SDG&E/ORA/CALSLA/City SD - Position Comparison - SDG&E GRC Phase 2 (A.15-04-012)

Issue / Party	Party's Position Based On		
	SDG&E Direct	SDG&E Rebuttal	Joint Testimony
<b>Small Commercial MSF</b>			
SDG&E	Transition to an increase of 100% from current by Year 3. 0-5 kW: Current \$7/month, Year 1 - \$9.33/month, Year 2 - \$11.67/month, Year 3- \$14/month. 5-20 kW: Current -\$12/month, Year 1 - \$16/month, Year 2 - \$20/month, Year 3- \$24/month. 20-50 kW: Current \$20/month, Year 1 - \$26.67/month, Year 2 - \$33.33/month, Year 3- \$40/month. >50 kW: Current \$50/month, Year 1 - \$66.67/month, Year 2 - \$83.33/month, Year 3- \$100/month	Same as direct, with updated data.	For Res, no issues with SDG&E's proposal for the introduction of optional EV rate with \$16 MSF; For TOU-A, MSF increases as follows: • 0-5 kW: 2017 - \$8/month, 2018 -9/month, 2019- \$10/month • 5-20 kW: \$16/month • 20-50 kW: \$30/month • >50 kW: \$75/month. These small commercial customer charge levels are non-precedential.
ORA	No change to current levels	N/A	See Above
City SD	N/A	N/A	See Above
CALSLA	Supports ORA's proposal	N/A	See Above
SEIA	Supports ORA's proposal	N/A	N/A
<b>TOU Commodity Differentials</b>			
SDG&E	Increase Summer On-Peak to Summer Super Off-Peak differentials to a ratio of 3.88 as compared with the current 1.81 ratio.	Same as direct, with updated data.	If SDG&E's Rebuttal TOU Period proposal is adopted for Small Commercial, Schedule TOU-A would have two options. Under Option A, the Summer On-Peak to Super Off-Peak Ratio would be 1.81. Under Option B, the differential would be consistent with SDG&E's Year 3 ratio, which is 3.88.
ORA	Reduced differential to 1.35.	N/A	See Above
<b>CPP Adder</b>			
SDG&E	Maintain current percentage of capacity recovery (58%).	Same as direct, with updated data.	Fixed at current level of \$1.17 for term of this GRC Phase 2.
ORA	Reduced to \$1.03.	N/A	See Above
<b>New Small Commercial Rate Design</b>			
SDG&E	<b>Greater Fixed Charge Option:</b> Propose to recover 100% of distribution costs, customer costs and distribution demand through the existing demand differentiated customer charge that is part of the standard rate option for this class and includes a compensating decrease in energy rates. <b>Schedule A-TOU is reopened</b> as a transitional rate for customers 20-40 kW with change to have cost-based MSF and nominal demand charge.	Introduces new Two-period TOU rate option w/ On-Peak: 4pm-9pm all days, Off-Peak: 12am-4pm; 9pm-12am all days.	<b>Adopts SDG&amp;E's A-TOU proposal;</b> Modifies greater fixed charge option to include only 50% of total distribution costs, including customer costs and distribution demand, through the demand differentiated customer charge, with remainder recovered through energy rates; Schedule A-TC remains in small commercial class w/ current rate design, A-TC MSF would increase as follows: • 0-5 kW: 2017 - \$8/month, 2018- \$9/month, 2019- \$10/month 5 • > 5 kW: \$16/month. <b>In event SDG&amp;E's TOU proposals in this proceeding are approved,</b> adopts a default two-period TOU structure and optional 3 period TOU structure.
ORA	Opposes SDG&E's Schedule A-TOU proposal. Opposes SDG&E's 3 TOU period proposal for small commercial.	N/A	See Above
City SD	Propose to move Schedule A-TC to a separate class	N/A	See Above
CALSLA	Propose to move Schedule A-TC to a separate class	N/A	See Above
<b>Seasonal Definition for Residential / Small Commercial</b>			
SDG&E	May through October	June through October	June through October
ORA	July through October	N/A	See Above

Other Contested Issues - Position Comparison - SDG&E GRC Phase 2 (A.1)

Issue	SDG&E	SDG&E Rebuttal	FEA	SDPS	CFBF	ORA	CMV	CALSEIA	CALSLA	SEIA	TURN	CSD	UCAN	Water	SDAP
<b>TOU Period Definition</b>	3 period w/ 4-9 PM on-peak	Maintains SDG&E's Direct Proposal except with May as a winter month.			SDG&E's on-peak, extended super-off peak	2 period, all weekend is off-peak. 4-month summer from July-October		TOU periods should not shift as much as SDG&E proposes		Seasonal differences, weekends and weekdays the same, summer peak 2-7pm				TOU Periods shouldn't change, 6-9pm will be especially difficult for water agencies	
<b>TOU Period Certainty</b>		Should strive for periods to last 5 years, but should maintain flexibility		New TOU periods should remain in place for 10 years		TOU periods should remain for 2 GRC Cycles									
<b>Consistent TOU Periods (for all classes)</b>	Believes a single, foundational set of TOU periods is needed, with options	Same as Direct				Recommends separate TOU periods for TOU-A-P and TOU-A		Proposes TOU periods that differ by class / solar specific				Proposes TOU periods that differ by class, with a "solar friendly" option for non-residential customers			
<b>TOU Grandfathering</b>		Opposes TOU grandfathering		Proposes grandfathering for schools with renewable generation	Existing NEM customers should be allowed to remain on current TOU until NEM transition period is over			Proposes grandfathering for 10-15 years		Proposes 3 year grandfathering plus 3 year transition period for D-GR, and a transition period for Residential NEM		Proposes grandfathering		Existing solar projects should be grandfathered into current TOU periods, and there should be a transition for others	
<b>Sales Forecast (Future Updates)</b>	Requests ability to update annually in a T2 AL, incorporate into 1/1 Consolidated Filing.	Concerns with recommendations to update through ERRA			Sales forecast for each year of the GRC cycle should be adopted in this proceeding.	Recommends updates through ERRA, not Advice Letters									
<b>Small Commercial TOU Periods</b>	Proposes move towards cost-based on-off peak differentials	Same as Direct, updated										Recommends 4-9pm on peak period for small Ag customers, with remaining hours being semi-peak			
<b>City of Mission Viejo's Streetlighting Rate Design</b>		No objection to CALSLA / City MV fee exemption for older streetlights to move to LS-1B					Street lights older than 15 years should be exempt from paying a fee to migrate from the LS-1C to LS-1B tariff.		Street lights older than 15 years should be exempt from paying a fee to migrate from the LS-1C to LS-1B tariff.						
<b>Updated Streetlighting Rates</b>	Updated Rates	Same as Direct, updated							Lighting marginal customer access costs should be collected consistent with the 2012 GRC methodology based on the rated wattage of the lamps.						
<b>Dimmable Streetlighting Rate</b>	Proposed dimmable rate in supplemental testimony								Opposes SDG&E's proposal. Proposes a lower implementation cost. Provides an alternative rate structure.			SDG&E should be required to justify its proposed costs.			
<b>Streetlighting Ancillary Device Rate</b>	Proposed ancillary rate in supplemental testimony	Maintains SDG&E's Direct Proposal							Opposes SDG&E's proposal. Proposes MSF of \$3.18 per month.			Recommends removing collection of Distribution costs until a cost of service study can be done.			
<b>De-Link DG-R from AL-TOU</b>		Disagrees with de-linking proposal										DG-R should be de-linked from AL-TOU, and no changes made to DG-R.			
<b>PA-T-1 Peak Demand Options</b>	Proposes to eliminate 4 options in favor of one Peak Period	Same as Direct										Reject SDG&E's proposal to eliminate, SDG&E should meet with customers to discuss, or eliminate unused options.			