

Application: A.26-02-001~~XXX~~  
Exhibit No.: SDGE-04-R  
Witness: Jeff DeTuri

**PREPARED REVISED TESTIMONY OF**  
**JEFF DeTURI**  
**ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**  
**CHAPTER 4 – CUSTOMER PROTECTION**

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



**~~FEBRUARY 2~~JUNE 1, 2026**

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**PREPARED REVISED TESTIMONY OF  
JEFF DeTURI  
CHAPTER 4 – CUSTOMER PROTECTION**

**I. OVERVIEW AND PURPOSE**

The purpose of my revised direct testimony is to provide proposed customer protection options for SDG&E’s dynamic pricing application pursuant to Ordering Paragraph (OP) 1 of Decision (D.) 25-08-049 (Guidance Decision). SDG&E submits this revised testimony pursuant to the April 30, 2026 Assigned Commissioner’s Scoping Memo and Ruling (Scoping Memo) permitting SDG&E to provide supplemental and/or revised testimony prior to intervenor testimony to account for changes resulting from implementation of a new Medium Commercial customer class on April 1, 2026, which requires a new DF rate proposal.<sup>1</sup> As an overall approach, SDG&E is proposing to implement price limits and price caps on the generation and distribution capacity charges.<sup>2</sup> Price limits will act to limit potential negative bill impacts resulting from a customer’s choice to participate in a proposed demand flexibility rate, while also having the benefit of relative ease of implementation, relative understandability, and adequate revenue collection, while preserving price signals to encourage load shifting.

The Decision has several guidelines around customer protection:<sup>3</sup>

- Conclusions of Law (COL) 25: It is reasonable to require Large Investor-Owned Utilities (IOUs) to provide customer protection options in their DF Rate Proposals for bill and revenue stability to enable wider adoption of hourly DF rates without creating large structural bill impacts for both participants and non-participants.

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<sup>1</sup> Scoping Memo at 4; see also D.25-08-049 at COL 1 (“It is reasonable to [ ] direct SDG&E to file a consolidated application for DF Rate Proposals to comply with the guidance in this decision for all customer classes . . .”).

<sup>2</sup> See Exhibit (Ex.) SDGE-02, Chapter 2, Rate Design – Commodity/Generation (Ex. SDGE-02, Commodity); Ex. SDGE-03, Chapter 3, Rate Design – Distribution and Transmission (Ex. SDG&E-02, Distribution and Transmission).

<sup>3</sup> See Guidance Decision, Conclusions of Law (COL) 24-30 at 143-144.

- 1 • COL 26: It is reasonable to require that the Large IOUs must include appropriate  
2 customer protection options that provide bill and revenue stability benefits for  
3 each customer class in their DF Rate Proposals.
  
- 4 • COL 28: It is reasonable to require that customer protection options in Large IOU  
5 DF Rate Proposals must:
  - 6 a. ensure stability of revenue recovery and minimize structural rate impacts;
  - 7 b. reduce the impact of non-coincident peak demand charges and flat  
8 volumetric charges on customer incentives to respond to dynamic prices;  
9 and
  - 10 c. protect customers against extended periods of high dynamic prices which  
11 cannot be mitigated by load shift.
  
- 12 • COL 29: It is reasonable to provide the Large IOUs with flexibility to design  
13 customer-class appropriate protection options in DF Rate Proposals and identify  
14 the following as viable approaches:
  - 15 a. two-part subscription tariffs, which may differ in design for different  
16 customer classes to account for differences in customer acceptance and  
17 load characteristics;
  - 18 b. an approach similar to VCE's price-adjustment, where the average of the  
19 dynamic price is adjusted with a scalar offset to recover the same revenues  
20 as a class-specific tariff;
  - 21 c. transactive pricing programs where forward transactions are offered no  
22 earlier than on a week-ahead basis to minimize potential forecasting risks,  
23 and offered to large customers that can plan and schedule their energy use;  
24 and
  - 25 d. bill limiters or bill protection, with clear demonstration of how cost shifts  
26 will be minimized and price incentives preserved.
  
- 27 • COL 30: It is reasonable to require that all Large IOU DF Rate Proposals include  
28 the following analysis for any proposed customer protection option:
  - 29 a. estimated customer bill impacts such as those generated by the Lawrence  
30 Berkeley National Laboratory (LBNL) subscription design tool developed  
31 as part of the Working Group process;
  - 32 b. rate and revenue impacts for both participants and non-participants;
  - 33 c. potential for cost shifting from participants to non-participants; and

1 d. whether incentives to respond to dynamic prices will be impacted, for  
2 example when a customer reaches their bill limit within a billing period.

3 My testimony is organized as follows:

- 4 • **Section I – Overview and Purpose**
- 5 • **Section II – Price Limits**
- 6 • **Section III – Analysis**
- 7 • **Section IV – Summary and Conclusion**
- 8 • **Section V – Witness Qualifications**

## 9 **II. PRICE LIMITS**

10 Price limits act in a similar fashion as bill limiters or bill protection. However, because  
11 they occur earlier in the billing process, at time of price ingestion, they are easier to implement  
12 into the billing system and for the billing system to perform its normal functions without any  
13 after-the-fact adjustments like those potentially required by a bill limit or a bill protection  
14 method. This proposal will require more limited billing system changes, and costs associated  
15 with those changes, than some of the other options mentioned in the Guidance Decision. As  
16 noted in COL 29(d), price limits will provide some customer protection while minimizing cost  
17 shifts and preserving price incentives. Additionally, price limits promote stability of revenue  
18 recovery while minimizing structural rate impacts. They also provide some protection against  
19 extended periods of high dynamic prices while maintaining incentive to load shift. SDG&E's  
20 rate design for customer protection has price limits on Marginal Energy Costs (MEC) pricing and  
21 inherent price limits from the Marginal Generation Capacity Costs (MGCC) and Marginal  
22 Distribution Capacity Costs (MDCC) that were not explicitly designed for customer protection  
23 but nevertheless act as price limits.

1           **A.     Marginal Energy Costs Price Limits**

2           SDG&E proposes to have a ceiling on MEC prices which is offset with a floor price to  
3 prevent cost shifting for customers under a dynamic pricing rate. SDG&E proposes to set the  
4 price ceiling at \$750/MWh and a floor price of \$0/MWh, before Distribution Loss Factors (DLF)  
5 or Equal Percentage of Marginal Cost (EPMC) are applied. Under this proposal, a customer on  
6 the dynamic pricing rate is not paying extremely high prices above \$750/MWh. However, to  
7 limit the potential for cost shifting from this ceiling, SDG&E is also proposing a \$0/MWh floor,  
8 limiting the potential cost benefit of negative prices in an effort to maintain revenue neutrality.

9           The price ceiling and floor are derived from an analysis of a ~~three~~ four year history of  
10 California Independent System Operator (CAISO) prices.<sup>4</sup> For years 2022-2024~~5~~, the sum of all  
11 negative prices almost perfectly offsets (zeroes out) the sum of all prices above \$750/MWh.  
12 Because SDG&E is seeking to avoid negative MEC pricing, the price of \$750/MWh seemed  
13 appropriate and would avoid cost shifting. To the extent that the amount of offset is not exact,  
14 SDG&E expects the remaining amount to be negligible. Additionally, a \$0/MWh price floor may  
15 avoid some level of customer confusion for customers not used to seeing negative price signals,  
16 while still encouraging appropriate load shifting. Furthermore, since the DLF and EPMC are  
17 applied to the MEC to account for losses and non-marginal costs, applying those factors to a  
18 negative rate would equate to crediting customers with non-marginal costs, which would be an  
19 unintentional and undesired consequence and cause cost shifting.

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<sup>4</sup> Due to the timing of this revised testimony, SDG&E updated its analysis to use 2025 data now that the full year of data is available.

1           **B.     Marginal Generation Capacity Costs Price Limits & Distribution Capacity**  
2           **Limits**

3           SDG&E’s proposal to use a Top 150 hours approach to the MGCC also acts as price  
4 limit, but is not being proposed as an additional customer protection.<sup>5</sup> SDG&E’s goal is to  
5 provide a balanced approach to the dynamic pricing and the Top 150 hour MGCC provides a  
6 good mix of price certainty, strong price incentives to shift, is less complex and easier for  
7 customers to calculate than other options, and provides important protection from price spikes.  
8 The Top 150 hours approach is a threshold metric that is either met and the MGCC is applied or  
9 it is not met and the MGCC is \$0. The advantage in terms of price limits is that regardless of  
10 load the MGCC is capped.

11           SDG&E’s choice of a Top 200 circuit hour approach to the distribution capacity hourly  
12 adders is also a price limit.<sup>6</sup> Similar to the MGCC methodology, the Top 200 hour approach is a  
13 threshold metric that is either met and the marginal distribution on-peak demand costs is applied,  
14 or it is not met and the marginal distribution on-peak demand costs is \$0. The advantage in  
15 terms of price limits is that regardless of load the marginal distribution on-peak demand costs is  
16 capped. The EPMC is applied to the marginal distribution on-peak demand costs and thus, the  
17 distribution capacity hourly adders design to recover the marginal distribution on-peak demand  
18 costs should be large enough to provide strong price incentives to shift load. By limiting it to the  
19 Top 200 circuit hours, marginal distribution on-peak demand costs are spread over fewer circuit  
20 hours in the year, therefore providing stronger price signals.

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<sup>5</sup> Ex. SDGE-02, Commodity, Section IV.C at 7.

<sup>6</sup> Ex. SDGE-03, Distribution and Transmission, Section II.C at 4.

1 **III. ANALYSIS**

2 SDG&E’s Proposed DF Rates, including its customer protections, is designed to limit any  
3 potential for cost shifting between participants and non-participants.<sup>7</sup> Like SDG&E’s other rates,  
4 SDG&E designed the Proposed DF Rates based on marginal costs, but the time granularity of the  
5 Proposed DF Rates—at an hourly level—is where DF rates are significantly different than other  
6 rates.

7 **A. Estimated Bill Impacts**

8 SDG&E’s workpapers demonstrate estimated bill impacts resulting from the customer  
9 protections of its Proposed DF Rates. One is based on existing non-DF rates as of the  
10 ~~10/1/2025~~04/01/2026 rate change, and the other is based on the Proposed DF Rates. The same  
11 assumptions and customer load was used by both so the only difference is the rate. The bill  
12 impacts for the Proposed DF Rates assume no load shifting.

13 The results of this comparison can be seen on the below table.

14 //

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<sup>7</sup> SDG&E is also proposing to enforce Rule 12 to prevent DF rates customers from changing their rate before a year has passed, which also prevents cost shifting.

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**Table JDT-1: Estimated Annual Bill Comparison in Dollars<sup>8</sup>**

<b>Class</b>	<b>Summer/ Winter</b>	<b>Current Rate</b>	<b>Proposed DF Rate</b>	<b>Difference</b>
<b>Res</b>				
	Winter	\$ 1,694	\$ 1,680	\$ (15)
	Summer	\$ 1,127	\$ 1,141	\$ 14
	<b>Total</b>	<b>\$ 2,821</b>	<b>\$ 2,820</b>	<b>\$ (1)</b>
<b>SmCom</b>				
	Winter	\$ 5,938	\$ 3,390	\$ (2,548)
	Summer	\$ 5,278	\$ 3,759	\$ (1,518)
	<b>Total</b>	<b>\$ 11,216</b>	<b>\$ 7,149</b>	<b>\$ (4,067)</b>
<b>M/L C&amp;I</b>				
	Winter	\$ 883,382	\$ 680,465	\$ (202,918)
	Summer	\$ 867,516	\$ 1,059,944	\$ 192,428
	<b>Total</b>	<b>\$ 1,750,899</b>	<b>\$ 1,740,408</b>	<b>\$ (10,490)</b>
<b>Ag</b>				
	Winter	\$ 9,794	\$ 9,943	\$ 149
	Summer	\$ 13,915	\$ 15,285	\$ 1,370
	<b>Total</b>	<b>\$ 23,709</b>	<b>\$ 25,229</b>	<b>\$ 1,519</b>

2

<b>Class</b>	<b>Summer/ Winter</b>	<b>Current Rate</b>	<b>Proposed DF Rate</b>	<b>Difference</b>
<b>Res</b>				
	Winter	\$ 1,266	\$ 1,188	\$ (78)
	Summer	\$ 1,067	\$ 1,274	\$ 208
	<b>Total</b>	<b>\$ 2,333</b>	<b>\$ 2,463</b>	<b>\$ 130</b>
<b>SmCom</b>				
	Winter	\$ 3,601	\$ 3,501	\$ (100)
	Summer	\$ 3,562	\$ 3,350	\$ (212)
	<b>Total</b>	<b>\$ 7,163</b>	<b>\$ 6,851</b>	<b>\$ (312)</b>
<b>M Com</b>				
	Winter	\$ 50,487	\$ 42,597	\$ (7,890)
	Summer	\$ 49,123	\$ 53,636	\$ 4,513
	<b>Total</b>	<b>\$ 99,611</b>	<b>\$ 96,233</b>	<b>\$ (3,378)</b>
<b>L C&amp;I</b>				
	Winter	\$ 1,182,242	\$ 1,083,635	\$ (98,607)
	Summer	\$ 1,070,371	\$ 1,129,185	\$ 58,814
	<b>Total</b>	<b>\$ 2,252,613</b>	<b>\$ 2,212,820</b>	<b>\$ (39,793)</b>
<b>Ag</b>				
	Winter	\$ 11,440	\$ 12,261	\$ 821
	Summer	\$ 15,943	\$ 16,416	\$ 474
	<b>Total</b>	<b>\$ 27,382</b>	<b>\$ 28,677</b>	<b>\$ 1,295</b>

3

<sup>8</sup> “Winter” represents the months January through May and November and December; “Summer” represents the months June through October. The average bill is based on the default rate for the customer class and a typical customer with average usage for the respective customer class.

Under the assumptions used, ~~the Small Commercial, Medium Commercial, and Large Commercial and Industrial customer classes~~ Every Proposed DF Rate, except for ~~agriculture~~, showed savings even without any load shifting. However, as compared to the relevant default rates, the Proposed DF Rates had more monthly bill volatility as shown in the below table:

**Table JDT-2: Monthly Estimated Bill Ranges**

<b>Class</b>	<b>Current Rate Monthly Range</b>	<b>Proposed DF Rate Monthly Range</b>
<del>Res</del>	<del>\$ 26</del>	<del>\$ 136</del>
SmCom	\$ 377	\$ 681
M/L C&I	\$ 57,036	\$ 300,144
Ag	\$ 1,791	\$ 3,761

<b>Class</b>	<b>Current Rate Monthly Range</b>	<b>Proposed DF Rate Monthly Range</b>
Res	\$ 117	\$ 243
SmCom	\$ 306	\$ 403
M Com	\$ 3,504	\$ 11,752
L C&I	\$ 57,706	\$ 164,910
Ag	\$ 2,027	\$ 3,255

The range for customer bills was calculated as the difference between the highest monthly bill and the lowest monthly bill by class using an median-average customer profile for each customer class. Table JDT-2 illustrates that the Proposed DF Rates are expected to be more volatile than default rates, even if customers on the Proposed DF Rates experience annual cost savings without shifting usage, which is expected given the variable nature of the marginal costs.

Additionally, SDG&E ran five scenarios to compare SDG&E’s proposed customer protection price cap and price floor. The five scenarios were based on adjusting the 2024 CAISO prices by (1) subtracting 10% from the price, (2) adding 10% to the price, (3) adding

1 20% to the price, (4) adding 100% to the price, and (5) no adjustment to the 2024 CAISO prices.  
2 For each scenario SDG&E ran the analysis with customer protections and without. Of these  
3 scenarios, only the 20% and 100% adder scenarios had the CAISO prices exceeding the price  
4 ceiling. The 20% higher scenario exceeded \$750/MWh once, while the 100% higher scenario  
5 exceeded it five times. In both instances, the price cap resulted in reduction in the range between  
6 the highest monthly bill and the lowest monthly bill over the year scenario as compared to no  
7 price cap. For those scenarios where the price ceiling was applied *and* those scenarios where it  
8 was not, the price floor of \$0/MWh led to less volatile bills (a reduction in the range between  
9 highest and lowest monthly bill). Thus, the ranges between the highest monthly bill and the  
10 lowest monthly bill were larger without the customer protection across all scenarios including  
11 the 2024 base prices that were not adjusted. Accordingly, SDG&E's proposed price cap and  
12 price floor effectively reduce variability in customer bills. The results of the scenario analysis  
13 are summarized in the below Table which shows the percentage decrease in the monthly bill  
14 ranges by class across all scenarios.

15

1 **Table JDT-3: Summary of Customer Protection Effectiveness**

<b>Class</b>	<b>% Decrease in Monthly Range</b>
<del>Res</del>	<del>1.6%</del>
SmCom	3.9%
M/L C&I	3.2%
Ag	2.4%

<b>Class</b>	<b>% Decrease in Monthly Range</b>
Res*	-2.5%
SmCom	-7.4%
M Com	-4.3%
L C&I	-6.7%
Ag	-3.4%

\* Residential usage is based on the top 75%, not the average usage to eliminate negative hourly loads.

2  
3  
4 Below is a table of ~~three~~ four years of CAISO prices for the SDG&E area and how often  
5 the customer protection would have been applied in hours.  
6

1 **Table JDT-4: CAISO Prices Customer Protection Count in Hours**

	CAISO Price > \$750/MHh	CAISO Price < \$0/MWh
2022	16	43
2023	3	263
2024	-	989

	CAISO Price > \$750/MHh	CAISO Price < \$0/MWh
2022	16	43
2023	3	263
2024	-	989
2025	-	748

4 **B. Rate and Revenue Impacts for Participants and Non-Participants**

5 As seen in the above Table 1, based on the assumptions used, an average customer small,  
6 medium and large commercial and industrial customers on the Proposed DF Rates in the Small  
7 Commercial, Medium Commercial, and Large Commercial & Industrial customer classes can  
8 expect to see an average annual cost savings even without load shifting. SDG&E expects the  
9 Proposed DF Rates to recover all revenue because they are based on marginal costs and then  
10 have an EPMC factor applied to ensure recovery of non-marginal costs, ensuring they are  
11 designed revenue neutral similar to non-DF Rates.

12 For the Proposed DF Rates the commodity, distribution and transmission will change but  
13 all other rate components will be equal to the otherwise applicable rate. For commodity, there  
14 will now be new MEC and MGCC. The MEC will vary based on the CAISO price and the load  
15 for the DLF calculation. The MGCC will depend on whether it is a top hour or not.

16 For distribution, the MDCC will now be based on which circuit cluster the customer is in  
17 and whether it is a top hour. For transmission, there will now be TOU base rates for the

1 Residential, Small Commercial and Agriculture customer classes. The Medium  
2 Commercial and Large Commercial & Industrial customer classes already have time based  
3 Non-Coincident and Demand Charges so those will be updated but remain structurally the same.

4 Non-participants will have no changes to their rates except for the incremental addition of  
5 the implementation costs as outlined in SDG&E's implementation testimony at Chapter 5.

#### 6 **IV. SUMMARY AND CONCLUSION**

7 SDG&E recommends that the Commission approve the proposed customer protection  
8 rate design for dynamic pricing customers, as described above. If this rate design is adopted, the  
9 MEC price ceiling and floor can be re-examined during subsequent GRC Phase 2 to ensure they  
10 remain at the appropriate levels.

11  
12 This concludes my prepared revised direct testimony.

1 **V. WITNESS QUALIFICATIONS**

2 My name is Jeff DeTuri. My business address is 8315 Century Park Court, San Diego,  
3 CA 92123. I am employed by SDG&E and my current title is Senior Supervisor - Rates in the  
4 Customer Pricing Department. My responsibilities include oversight of development of real-time  
5 pricing strategies and analysis needed for the development of electric rates. I joined SDG&E in  
6 August 2003 and have held various positions with increasing levels of responsibility within San  
7 Diego Gas & Electric. Prior to joining SDG&E, I worked as an accounting professional for  
8 various companies throughout San Diego County. I received a Bachelor of Accountancy degree  
9 and a Master of Business Administration from the University of San Diego.

10

11 I have previously testified before the California Public Utilities Commission.