

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

Application of San Diego Gas & Electric
Company (U 902 E) for Approval of Real Time
Pricing Pilot Rate

Application No. 21-12-____
(Filed December 13, 2021)

**PREPARED DIRECT TESTIMONY OF
ERIC DALTON (CHAPTER 6)
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**

**BEFORE THE PUBLIC UTILITIES COMMISSION
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December 13, 2021



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1 **PREPARED DIRECT TESTIMONY OF**

2 **ERIC DALTON (CHAPTER 6)**

3 **I. OVERVIEW AND PURPOSE**

4 My prepared direct testimony describes San Diego Gas & Electric Company's (SDG&E)
5 cost recovery mechanism for the real-time pricing pilot (RTP Pilot or Pilot). SDG&E requests
6 authority to establish a new Real Time Pricing Balancing Account (RTPBA) to record revenues
7 and costs associated with the RTP Pilot, with the exception for consultant and facilitation costs
8 of up to \$150,000, which is to be tracked and recovered through SDG&E's existing Residential
9 Rate Reform Memorandum Account (RRMA), pursuant to Ordering Paragraph 6 of California
10 Public Utilities Commission (Commission or CPUC) issued Decision (D.) 21-07-010, and as
11 described in the testimony of Ray Utama (Chapter 3).

12 **II. COST RECOVERY**

13 SDG&E proposes a two-way, interest-bearing balancing account to record the authorized
14 revenue requirement and actual incremental costs associated with the RTP Pilot program.
15 SDG&E's incremental costs for this program may include capital-related costs (e.g., depreciation
16 expense, authorized return on investment, and taxes) and operations and maintenance (O&M)
17 costs associated with the program. SDG&E proposes to recover costs allocated to the CPUC
18 jurisdiction through distribution rates.

19 A two-way balancing account is reasonable because it allows the utility to track actual
20 costs to an amount authorized for recovery by the CPUC, thereby ensuring that ratepayers are
21 charged for actual costs and refunded any overcollections. In turn, the utility does not make or
22 lose money due to uncertainties in the scope of work.

23 The annual over or undercollection of the RTPBA balance will be addressed in SDG&E's
24 Tier 2 Advice Letter submission for its Annual Regulatory Account Balance Update, or other

1 applicable proceeding as directed by the Commission.¹ SDG&E proposes to utilize the RTPBA
2 until a time when the costs associated with the program described in this application are
3 incorporated into SDG&E’s base business and addressed in its GRC proceedings, at which time
4 SDG&E will propose to close the RTPBA.

5 This concludes my prepared direct testimony.

¹ D.21-07-010 at 56, directs SDG&E to “include a proposal for determining any overcollection or undercollection resulting from the Pilot Stage 2 as well as mechanisms for mitigating the risk of undercollection and overcollection.” SDG&E has proposed a two-way balancing account for determining any overcollection or undercollection resulting from both Stage 1 and Stage 2 of the Pilot. SDG&E notes, however, that it is best able to mitigate risk of over- and undercollection by accurate forecasting, which SDG&E has done to the best of its ability in this Application. In addition, SDG&E will true-up the balance through the Annual Regulatory Update Filing process. SDG&E will similarly use its best efforts to accurately forecast costs for Stage 2.

1 **III. STATEMENT OF QUALIFICATIONS**

2 My name is Eric Dalton. I am employed by SDG&E as the Regulatory Reporting and
3 Accounts Manager in the Controller’s Division. My business address is 8330 Century Park
4 Court, San Diego, California 92123. My current responsibilities include managing the process
5 for the development, implementation, analysis and accounting for regulatory balancing and
6 memorandum accounts. I assumed my current position in August 2014 as the Regulatory
7 Reporting Manager and assumed the Regulatory Accounts Manager position in July 2019.

8 I received a Bachelor of Science in Accounting in 1999 from the University of Kansas. I
9 am a Certified Public Accountant (“CPA”) licensed in the State of California since 2003.

10 I have been employed with SDG&E since 2006. In addition to my current position in
11 Regulatory Reporting & Accounts, I have held various other positions increasing in
12 responsibility since September 2006. I served as the Billable Project Supervisor in Plant
13 Accounting (January 2013 – August 2014), Bank Reconciliation Supervisor (July 2011 –
14 December 2012), and Financial Accounting Senior and Principal Accountant (September 2006 -
15 June 2011).

16 I have previously testified before this Commission.