

ORA DATA REQUEST
ORA Data Request, ORA-SDGE- 011
A.17-12-013
(SDG&E 2018 Residential Rate Design Window)
Phase IIB
Date Received: August 29, 2018
Date Submitted: September 20, 2018

SUBJECT: TOU BILL COMPARISON

Background:

Commission Decision (D.) 12-12-036 adopted a Code of Conduct providing guidance for utility interactions with community choice aggregators (CCA). Code of Conduct #3.a states:

The electrical corporation and CCA(s) shall share equally the costs of the design, preparation, and distribution of the notice to customers, as well as the design and preparation of the detailed tariff comparison to be posted on their Web sites. Each entity will be responsible for its own costs for posting the detailed tariff comparison in its Web site.

Further, Code of Conduct #3.b states that the “Commission’s Public Advisor’s office must review and approve the wording of the comparison before it is distributed to customers...”

Focus: Cost Responsibility

Question 1:

How does SDG&E interpret the significance of Code of Conduct #3 in this proceeding? Please indicate how SDG&E’s proposal for TOU bill comparisons will ensure that Code is upheld. Please reference and respond to both subsections of Code of Conduct 3.a and 3.b.

SDG&E Response to Question 1:

Rule #3 of the CCA Code of Conduct pertains to the Joint Rate Comparison (“JRC”) of average tariffs and an annual mailer, prepared jointly by SDG&E and CCAs within its service territory. Pursuant to Rule #3, CCA customers are notified of the JRC via an annual mailer (comparison notice) and it will be available on both the CCA and SDG&E websites.¹ Accordingly, the bill comparison required under Rule #3 of the CCA Code of Conduct is separate and distinct from the online bill comparison tools that are additionally being planned for the mass transition to default TOU rates, which is the main subject of this proceeding.

¹ SDG&E and Solana Energy Alliance jointly submitted a proposed JRC to the CPUC’s Public Advisor’s Office on August 3, 2018 and are awaiting approval. Once approved, SDG&E’s posting of the JRC can be found at the following link: <https://www.sdge.com/customer-choice/community-choice-aggregation/joint-rate-comparison>

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The bill comparison tools that SDG&E will use for its transition to default TOU rates will be implemented through its MyAccount website for customers transitioned to default TOU rates beginning in March 2019. As explained in the Prepared Phase 2B Testimony of Todd Cahill (at page 2, lines s1-15), the only CCA in SDG&E's service territory is Solana Energy Alliance ("SEA"), and those customers are not currently planned for participation in the transition to default TOU rates. SDG&E proposes to implement default TOU rates for SEA and any other active CCAs within SDG&E's service territory upon implementation of its new Customer Information System ("CIS"), which will be in 2021.

3.a - Consistent with the Code of Conduct, costs of the comparison notice (annual mailer) distributed to all customers within the CCA boundaries are equally shared between the CCA and SDG&E. SDG&E and the CCA are responsible for its own costs associated with posting the comparison to its website.

3.b – Consistent with the Code of Conduct, SDG&E and the CCA will collectively obtain approval from the Commission's Public Advisor's office prior to posting.

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Question 2:

For the current proceeding, what does SDG&E believe is the CCA cost responsibility for TOU rate comparisons as it relates to Code of Conduct #3?

SDG&E Response to Question 2:

As described in SDG&E's response to Question 1, JRC rate comparison costs (including any future JRCs that include TOU rate comparisons) are not the subject of the current proceeding. The costs of the JRC and the annual mailer (comparison notice) are equally shared between SDG&E and the CCA in compliance with 3.a of the Code of Conduct.

The current proceeding describes on-line bill comparison tools that SDG&E will use for its transition to default TOU rates implemented through its MyAccount website for customers transitioned to default TOU rates beginning in March 2019.

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Question 3:

In the August 17, 2018 testimony of Todd Cahill; SDG&E discusses its TOU coordination with an emerging CCA, Solana Energy Alliance.¹ Further it states that the only other potential CCAs in its territory to be affected by the TOU mass default would have to file an implementation plan by January 1, 2019.²

- a) Which CCAs, including potential CCAs, has SDG&E been in communication with regarding the default TOU roll-out?
- b) Does SDG&E expect any CCAs to file an implementation plan by January 1, 2019? If so, which?
- c) Please describe in detail the content of the discussions SDG&E has had with CCAs or potential CCAs. Please provide any relevant supporting material such as meeting agenda, notes, email conversations, presentations, etc.
- d) Of the CCAs SDG&E has been in communication with, which are in agreement with SDG&E's proposal to use its TOU rates to approximate a CCA TOU bill?
- e) For the CCAs that SDG&E has been in contact with, what has been their position on offering bill protection for TOU rates?
- f) What obligation does SDG&E have to incorporate actual CCA rates into its rate comparison model? Please cite to authorizing Commission Decisions or statute.

¹ Prepared Phase 2b Testimony of Todd Cahill; A. 17-12-011 August 17, 2018, p. 3, line 1.

² Ibid, p. 4, lines 9 – 11.

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SDG&E Response to Question 3:

- a) SDG&E has not had communication with Solana Energy Alliance (“SEA”) or any potential CCAs regarding the default TOU roll-out. As noted in the Prepared Phase 2B Testimony of Todd Cahill (at page 2, lines s1-15):

Currently, the only CCA in SDG&E’s service territory is Solana Energy Alliance (“SEA”), and those customers are not currently planned for participation in Mass TOU Default. SDG&E worked closely with SEA in its transition to CCA. As part of the transition, SDG&E made system enhancements to its core CIS to meet the required billing and online requirements for CCA service in SDG&E’s service territory. The modifications to SDG&E’s CIS did not include a capability for residential default TOU billing by a CCA.

Per CPUC Resolution E-4907, “the CCA Implementation Plan and Statement of Intent must be submitted to the Commission on or before January 1[, 2019] in order to serve load in the following year.”² Therefore, the only other CCAs that may be impacted by SDG&E’s Mass TOU Default will be those filing implementation plans by January 1, 2019. These CCAs would potentially become active in 2020 at the earliest.

In light of these facts, SDG&E proposes to implement Mass TOU Default for SEA and any other active CCA within SDG&E’s service territory upon implementation of its new CIS. This approach is cost-effective and ensures a smooth transition to mass default TOU for CCA customers.

- b) The status of any CCAs filing an implementation plan by January 1, 2019 is unknown.
- c) See response to 3b.
- d) N/A
- e) N/A

Other than the obligations under the CCA Code of Conduct to work jointly with CCA’s to provide a Joint Rate Comparison (posted on SDG&E/CCA’s website) and an annual mailer (comparison notice), SDG&E has no requirement to provide an online rate comparison tool utilizing actual CCA rates.

² Resolution E-4907, Registration Process for Community Choice Aggregators, February 9, 2018.

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Question 4:

As the number of CCAs and rates proliferate, what are the future implications for cost responsibility for TOU and/or other alternate CCA rate comparisons?

SDG&E Response to Question 4:

As additional CCAs come on-line, SDG&E will continue to work with CCAs in complying with the joint rate comparison costs outlined in the Code of Conduct #3. Furthermore, costs associated with JRC's and annual mailers will continue to be shared jointly by SDG&E and its CCA's.

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Question 5:

Focusing solely on #3 of the Code of Conduct, what does SDG&E believe to be the minimum and maximum of CCA financial responsibility for TOU rate comparisons? If costs or cost responsibility cannot be approximated, please describe the cost categories which would influence this.

SDG&E Response to Question 5:

The costs of the JRC and annual mailer (comparison notice) are equally shared between SDG&E and the CCA in compliance with 3.a of the Code of Conduct. Minimums and maximums of CCA financial responsibility for TOU rate comparisons are not predefined and cannot be reasonably estimated in advance. SDG&E would need further information on the size and scope of each CCA and the types and number of comparisons needed. In addition, variables impacting the cost would include materials, graphics, and physical size of the mailer.

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Question 6:

SDG&E states that for additional costs incurred, “above and beyond any costs currently anticipated to develop a rate comparison tool for CCA customers, those cost should be recovered through distribution rates.”³

- a. What types of activities would constitute additional costs?
- b. What are the current costs SDG&E will incur for TOU rate comparison tools and what activities do these costs already include?

³ Ibid, p. 3, lines 19 – 21.

SDG&E Response to Question 6:

- a) The response to question 1 of this data request explains the difference between the JRC and annual mailer required by the Code of Conduct, and the focus in this proceeding and testimony on MyAccount functionality. The latter, MyAccount functionality, relates to development of an online comparison tool utilizing SDG&E’s MyAccount that is part of the scope of SDG&E’s new Customer Information System (CIS) that is expected to go live in 2021.
- b) Current costs SDG&E will incur for TOU rate comparison tools and the activities these costs include have not been evaluated.

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Question 7:

Focusing solely on CCA customer contributions to ME&O, describe the rate comparison services that a CCA should expect without making further financial contributions?

SDG&E Response to Question 7:

The JRC and annual mailer (in which the CCA and SDG&E share costs jointly) is posted on SDG&E's website with no cost to a CCA. Any additional ME&O related to a CCA's rates is at the discretion and cost of the CCA.

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Focus: Bill Comparisons

Question 8:

Under rule #3 of the Code of Conduct, will SDG&E provide the Commission's Public Advisor's Office with default TOU bill comparisons to be approved?

SDG&E Response to Question 8:

SDG&E and the CCA jointly seek approval from the Commission's Public Advisor's office prior to customer distribution under rule #3.b in compliance with the Code of Conduct.

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Focus: Bill Comparisons

Question 9:

Regarding notifying CCA customers for TOU/Tiered bill comparisons:

- a) How will CCA customers be notified of TOU bill comparisons?
- b) Will CCA customers need to access SDG&E's website in order to compare their different rate options?
- c) If the answer to 8.b above is yes, how will customers be directed to SDG&E's website?
- d) Will SDG&E allow a CCA to provide SDG&E's rate comparison tools on that CCA's website?
- e) Have any CCAs indicated they would like SDG&E's TOU rate comparison on their own website?
- f) In the absence of SDG&E's TOU rate comparison on a CCA website, does SDG&E expect the CCA to inform customers that in order to compare their generation rate structure options (tiered or TOU), they must go to SDG&E's website and use SDG&E's bill comparison tools?
- g) How will CCA customers be informed that the TOU bill comparisons and tools on the SDG&E website are all approximations? If available, please provide examples of how these tools inform customers of these approximations.

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SDG&E Response to Question 9:

- a) SDG&E will work in collaboration with the CCA and coordinate the customer outreach of TOU comparisons in compliance with rule #3 of the Code of Conduct for SDG&E and CCA joint rate comparisons.
- b) No. The Joint Rate Comparison (“JRC”) that is created pursuant to rule #3 of the Code of Conduct will be available on both SDG&E’s website and the CCA’s website. Accordingly, CCA customers will not “need” to access SDG&E’s website.
- c) N/A
- d) The MyAccount online rate comparison tools (separate from the required JRC and annual mailer) is only available through SDG&E’s website.
- e) No.
- f) No. As explained above, the JRC will be available on both SDG&E and the CCA’s website.
- g) The JRC, which is a table illustrating both SDG&E and CCA rates, is not an approximation and includes actual rates. SDG&E’s MyAccount online tool, available to all customers, will use SDG&E’s bundled generation/delivery rates and will include a disclaimer similar to the following:

Sample disclaimer:

The cost and savings estimates displayed are based on currently approved SDG&E bundled generation & delivery prices (rates) and your past 12 months of electricity use. These estimates do not take into consideration Community Choice Aggregation (CCA) prices and actual costs will be different. Dollar values are based on individual electric meters. If SDG&E prices change or if your electricity use changes, cost & savings estimates will be different. If you are interested in comparing your SDG&E and CCA pricing plan options, use the joint rate comparison.