

Docket : A.10-12-005 / 006
Exhibit Number : DRA-18
Commissioner : Ferron
ALJ : Wong
Witness : Max Gomberg



**DIVISION OF RATEPAYER ADVOCATES
CALIFORNIA PUBLIC UTILITIES COMMISSION**

**Report on the Results of Operations
for
San Diego Gas & Electric Company
Southern California Gas Company
General Rate Case
Test Year 2012**

**SDG&E
Customer Services – Information
Operation & Maintenance Expenses
Capital Expenditures**

San Francisco, California
September 1, 2011

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	SUMMARY OF RECOMMENDATIONS.....	2
III.	DISCUSSION / ANALYSIS OF CUSTOMER ASSISTANCE	4
	A. Overview of SDG&E's Request	4
	B. DRA Recommendations	4
	1. NGAT	5
	2. Medical Baseline.....	5
	3. TEAM Collaborative.....	6
	C. Clean Energy Programs	6
	4. Sustainable Communities Program	6
IV.	DISCUSSION / ANALYSIS OF ELECTRIC CLEAN TRANSPORTATION	7
	A. Overview of SDG&E's Request	7
	B. Communication, Education & Outreach.....	8
	C. PEV Engineering Support Expenses	8
	D. Incremental Market Assessment & Planning Expenses	9
V.	DISCUSSION / ANALYSIS OF CUSTOMER COMMUNICATIONS AND RESEARCH SERVICES	9
	A. Overview of SDG&E Request.....	9
	B. DRA Approach	10
	1. Mass Communications	10
	2. Website Management.....	11
	3. Corporate Center Transfer.....	11
VI.	DISCUSSION / ANALYSIS OF RD&D	12
	A. Overview of SDG&E Request.....	12
	B. DRA Approach	12
VII.	DISCUSSION / ANALYSIS OF O&M SHARED SERVICES	13
	A. Overview of SDG&E Request.....	13
	B. DRA's Recommendation	13
VIII.	DISCUSSION / ANALYSIS OF CAPITAL EXPENDITURES	14
	A. Overview of SDG&E Request.....	14

B.DRA Approach	14
1. My Account Products and Services	15
2. My Account Mobile Services.....	16
3. My Account Additional Environment	16
4. Customer Contact and Notification System	17
5. Customer Relationship Management System Upgrade	18
6. Customer Energy Network – Phase 3.....	18
7. Energy Innovation Center	19

1

CUSTOMER SERVICES AND INFORMATION

2

I. INTRODUCTION

3

4

5

6

7

8

9

This exhibit presents the analyses and recommendations of the Division of Ratepayer Advocates (DRA) regarding San Diego Gas & Electric Company's (SDG&E) forecasts of Customer Services and Information (CS&I) expenses for Test Year (TY) 2012. CS&I comprises customer outreach and assistance, account management for large customers, research, design and development programs (RD&D), emerging technologies management and some ongoing Smart Meter-related O&M expenses.¹

10

11

12

SDG&E is seeking an increase of \$9,719,000 (59%) over 2009 expenses.

SDG&E's CS&I request also includes \$8.128 million in capital projects for 2012.

SDG&E's 2010-2012 CS&I capital budget totals \$25.484 million.

¹ Exh. SDG&E-15, Vol. I, Ch. B, p. 2.

1 **II. SUMMARY OF RECOMMENDATIONS**

2 The following summarizes DRA's recommendations:

- 3 • Disallow proposed Electric Clean Transportation expenses (\$2.23 million).
- 4 • Disallow the RD&D program (\$4.6 million).
- 5 • Disallow expenses targeted to customers with mobile devices (\$2.4
- 6 million).
- 7 • Disallow the vast majority of proposed capital budget (\$23.133 million).

8

9 Table 18-1 compares DRA's and SDG&E's TY2012 forecasts of CS&I

10 expenses:

11

12

13

Table 18-1
CS&I Expenses for TY 2012
(In Millions of 2009 Dollars)

Description (a)	DRA Recommended (b)	SDG&E Proposed ² (c)	Amount SDG&E>DRA (d=c-b)	Percentage SDG&E>DRA (e=d/b)
Non-Shared Expenses	\$14.171	\$24.732	\$10.561	74.5%
Shared Services	\$1.250	\$1.355	\$0.105	8.4%
Total	\$15.421	\$26.087	\$10.666	69.2%

14

15 SDG&E proposes a total TY 2012 increase in these expense accounts of
16 \$9.719 million. DRA recommends an adjustment of \$10.666 million, a decrease of
17 110 percent to SDG&E's requested increase of \$9.719 million.

18 Table 18-2 compares DRA's and SDG&E's 2010-2012 forecasts of CS&I
19 capital expenditures:

² Exh. SDG&E-15, Vol. I, Ch. D, p. 8.

1
2
3

Table 18-2
CS&I Capital Expenditures for 2010-2012
(In Millions of Nominal Dollars)

Description	DRA Recommended			SDG&E Proposed ³		
	2010	2011	2012	2010	2011	2012
My Account Accessibility			\$1.884			\$1.884
My Account Products and Services		\$1.083	\$1.181		\$1.083	\$1.181
My Account Mobile Services			\$1.363			\$1.363
Account Manager Enhancement – 1&2	\$332	\$135		\$332	\$135	
My Account Additional Environment		\$0			\$3.873	
Customer Contact and Notification System	\$0	\$0	\$0	\$885	\$1.327	\$737
CRM Upgrade		\$1.361	\$883		\$1.361	\$883
Customer Energy Network Phase 3		\$0	\$0		\$807	\$807
San Diego Energy & Environmental Center	\$0	\$0	\$0	\$2.791	\$4.762	\$1.273
Total				\$4.008	\$13.348	\$8.128

³ Exh. SDG&E-15, Vol. IV, Ch. B, p. 85.

1 **III. DISCUSSION / ANALYSIS OF CUSTOMER ASSISTANCE**

2 Customer Assistance serves customers with financial and medical
3 challenges, along with customers with limited English proficiency.

4 **A. Overview of SDG&E's Request**

5 SDG&E is requesting \$1.392 million for Customer Assistance in 2012.⁴ This
6 request is a \$625,000 increase over the five year average of \$767,000. The
7 incremental costs come from increased Natural Gas Appliance Testing (NGAT), the
8 Medical Baseline Customer Outreach program, and the TEAM Collaborative
9 program (which provides bill education to customers with limited English
10 proficiency). The majority of the proposed incremental costs, \$550,000 are non-
11 labor expenses.

12 **B. DRA Recommendations**

13 DRA recommends maintaining the five year average of \$767,000. As
14 described below, DRA disagrees with SDG&E's justifications for incremental costs.
15 In addition, SDG&E's 2010 recorded expenses were \$752,000, which are in keeping
16 with the five-year average.⁵

17 **Table 18-3**
18 **2005-2009 Recorded / 2012 Forecast**
19 **(in Thousands of 2009 Dollars)**

Description	2005	2006	2007	2008	2009	2012
Customer Assistance	\$726	\$873	\$556	\$629	\$1,058	\$1,392

20 Source: 2005-2009 data from Exh. SDG&E-15 workpapers, p. 5.

21

⁴ Exh. SDG&E-15, Vol. II, Ch. B, p. 10.

⁵ SDG&E 2010 Recorded Expense, April 11, 2011.

1 **1. NGAT**

2 SDG&E claims that its proposed \$275,000 incremental NGAT increase is due
3 to higher annual program goals and an increase in the cost per carbon monoxide
4 test.⁶ In a footnote to its testimony on NGAT, SDG&E notes that in 2009 SDG&E
5 filed an Advice Letter to track NGAT costs associated with D.08-11-031, but that the
6 Commission rejected that Advice Letter. In 2010 SDG&E filed a petition to modify
7 D.08-11-031 in order to “allow IOUs to track the unanticipated and unforeseeable
8 NGAT incurred costs, as a result of compliance with [D.08-11-031] ...”⁷ In D.10-12-
9 002, the Commission granted SDG&E’s request to track unanticipated NGAT costs
10 in a memorandum account. Should SDG&E’s NGAT costs from 2012-2014 exceed
11 the five-year average (and the amount spent in 2010), SDG&E will be able to track
12 those costs in the memorandum account. There is no reason why SDG&E’s higher
13 projected NGAT costs should be included in rates when SDG&E has a
14 memorandum account to track these costs. Although “SDG&E anticipates a higher
15 proportion of single family to multi-family homes to be treated in the next LIEE
16 program cycle (2012-2014),”⁸ there is no evidence to support that assumption.

17 **2. Medical Baseline**

18 SDG&E’s request consists of \$75,000 for an employee to raise awareness of
19 the Medical Baseline (MBL) program and \$200,000 for an outreach campaign.⁹
20 SDG&E claims that this outreach is necessary for it to achieve an internal target of a
21 30% increase in MBL enrollment and for compliance with D.08-11-031, which
22 requires 15% of LIEE enrollments to represent households with disabilities.¹⁰

23 In response to a DRA data request, SDG&E stated that it currently partners
24 with 15 community-based organizations (CBOs) in order to disseminate information

⁶ Exh. SDG&E-15, Vol. II, Ch. B, p. 12.

⁷ Id., p. 13.

⁸ Id., fn. 22.

⁹ Id., Ins. 12-19.

¹⁰ Id., p. 14.

1 about the MBL program.¹¹ If SDG&E is unable to meet its MBL goals through its
2 existing partnerships, the utility should seek out additional CBO partners and
3 leverage their knowledge and resources to raise enrollment. There is no need for
4 SDG&E to incur additional expenditures when CBOs, not SDG&E have the best on-
5 the-ground networks to reach out to MBL customers.

6 **3. TEAM Collaborative**

7 SDG&E's request is \$75,000 annually for a contract with Telecommunications
8 Education and Assistance in Multiple-languages (TEAM) collaborative for bill
9 education and outreach to customers with limited English proficiency.¹² DRA
10 recommends that funding should be recovered through the CARE program. Funding
11 TEAM through the CARE program will benefit low-income ratepayers by allowing for
12 greater oversight than would exist if TEAM were funded as a GRC O&M expense.
13 Moreover, low-income customers are not responsible for funding CARE programs
14 and will benefit from not having to pay extra to maintain the TEAM program.

15 **C. Clean Energy Programs**

16 SDG&E is requesting to increase spending on its clean energy programs
17 from \$994,000 to \$1.542 million, an increase of \$548,000 or 55%.¹³ Most of
18 SDG&E's request relates to the Sustainable Communities Program (SCP). The
19 SCP adds generation systems onto sustainably designed, energy efficient buildings.
20 DRA evaluates the SCP capital requests in Exhibit DRA-11. DRA recommends an
21 increase of \$305,000 for SDG&E clean energy programs, a difference of \$243,000.

22 **4. Sustainable Communities Program**

23 SDG&E is requesting \$484,000 in incremental O&M expenses for the SCP.¹⁴
24 SDG&E's request comprises:

¹¹ SDG&E response to DRA data request DRA-SDG&E-30-MZX, Q.3.

¹² Exh. SDG&E-15, Vol. II, Ch. B, p. 15.

¹³ Id., p. 23.

¹⁴ Id., p. 24.

- 1 - \$241,000 for 3.5 FTEs who were assigned to SCP in 2009.¹⁵
- 2 - \$70,000 for public education about SCP projects.
- 3 - \$173,000 for 2 FTEs to support the incremental capital budget increase.

4 DRA recommends that the Commission disallow the proposed \$243,000 for
5 public education and two additional staff. DRA's O&M recommendation is consistent
6 with its recommendation for the SCP capital budget described in Exhibit DRA-11.
7 SDG&E's testimony describes how the SCP has steadily gained in popularity. Since
8 potential SCP participants are discovering the program without outreach programs,
9 there is no need for ratepayers to fund public education about how SCP is
10 supporting model renewable generation and efficiency projects. In addition, as DRA
11 stated in Exhibit DRA-11, SCP's proposed capital budget should be partially funded
12 by commercial property owners. This SCP partnership would eliminate the need for
13 the two proposed program support FTEs.

14 **IV. DISCUSSION / ANALYSIS OF ELECTRIC CLEAN**
15 **TRANSPORTATION**

16 SDG&E's Electric Clean Transportation (ECT) program focuses on outreach
17 and education, rate development, system impact and market analysis for electric
18 vehicles.

19 **A. Overview of SDG&E's Request**

20 SDG&E is proposing to increase its 2009 budget of \$717,000 by \$2.23
21 million, an increase of 310%.¹⁶ SDG&E's request would augment outreach and
22 education programs for electric vehicle owners.

23 DRA opposes SDG&E's request for additional ECT funding. DRA
24 recommends maintaining the 2009 funding level of \$717,000.

¹⁵ SDG&E response to DRA data request DRA-SDG&E-21-MZX, Q.9.

¹⁶ Exh. SDG&E-15, Vol. II, Ch. B, p. 25.

1 **B. Communication, Education & Outreach**

2 SDG&E's request for communication, education and outreach is \$1.508
3 million.¹⁷ It includes new staff as well as the development and dissemination of
4 outreach materials. DRA opposes SDG&E's request on fundamental grounds.
5 Although significant state and federal rebate programs exist for plug-in electric
6 vehicle (PEV) owners, the cost of PEVs is over \$30,000.¹⁸ Both the PEV
7 manufacturers and consumers have a strong interest in ensuring that consumers
8 have the information they need when deciding to purchase and learning to operate a
9 PEV. As SDG&E acknowledged in a data response, significant information about
10 PEVs, PEV charging, best practices, etc. is available and SDG&E already makes
11 that information available via its website.¹⁹ SDG&E's role as an electric utility does
12 not include marketing products manufactured by other companies.

13 **C. PEV Engineering Support Expenses**

14 SDG&E is requesting \$446,000 for field outreach, and on-road and charger
15 infrastructure support.²⁰ Three new staff would provide technical and safety
16 information about charging facility installation and maintenance and engineering on-
17 road support for charging infrastructure development and deployment. SDG&E is
18 attempting to devote resources to areas that are adequately covered by other
19 businesses. Charging facilities come with operating instructions and consumers that
20 want extensive safety assurances will access that information from the internet.
21 Likewise, SDG&E is not the entity installing and maintaining on-road charging
22 infrastructure. If the entities responsible for development and deployment of on-road
23 charging infrastructure desire engineering support from SDG&E then they and not

¹⁷ Id., p. 29.

¹⁸ See <http://www.nissanusa.com/leaf-electric-car/index#/leaf-electric-car/estimator/index>,
and <http://www.chevrolet.com/volt/>, accessed July 18, 2011.

¹⁹ SDG&E response to DRA data request DRA-SDG&E-30-MZX, Q.7.

²⁰ Exh. SDG&E-15, Vol. II, Ch. B, p. 31.

1 SDG&E’s ratepayers should pay for that support. Thus, DRA recommends no
2 ratepayer funding for these proposed expenses.

3 **D. Incremental Market Assessment & Planning Expenses**

4 SDG&E proposes an additional \$275,000 for market assessment and
5 planning along with Smart Grid/Electric Distribution integration planning.²¹ As
6 discussed above, there are other market players with a vested interest in
7 assessment of the PEV market. SDG&E does not need additional staff to monitor
8 PEV market trends. Likewise, SDG&E does not need staff to validate
9 communications between charging stations and Smart Meters. It is the
10 manufacturers’ responsibility to ensure that their technologies are compatible with
11 the Smart Meters so that SDG&E can collect, analyze and act upon the data.

12 **V. DISCUSSION / ANALYSIS OF CUSTOMER COMMUNICATIONS**
13 **AND RESEARCH SERVICES**

14 Customer Communications & Research Services (CCR) is responsible for the
15 following four areas:

- 16 - Mass Communications
- 17 - Website Management
- 18 - Collateral Design and Production
- 19 - Customer Research²²

20 **A. Overview of SDG&E Request**

21 SDG&E is requesting an increase of \$3.397 million over the five year average
22 of \$4,922 million, an increase of 69%. SDG&E states that “Many of the incremental
23 cost are linked to the capital requests for expanded website functionality, social
24 media platforms and additional My Account upgrades ...”²³

²¹ Id., p. 32.

²² Exh. SDG&E-15, Vol. II, Ch. B, pp. 44-45.

²³ Id., p. 49.

1 **B. DRA Approach**

2 DRA supports ensuring that customers can access necessary information via
3 the internet and enabling customers to share concerns and feedback easily. DRA
4 does not support significant spending on social networking, mass media
5 communications, and unnecessary web functionality because they are not required
6 for SDG&E’s provision of safe and reliable service. In particular, DRA opposes
7 SDG&E spending on education and outreach relating to Smart Meters since a whole
8 industry is developing that will supply products and services to consumers who wish
9 to use their Smart Meters to reduce their electricity use. DRA’s detailed
10 recommendations are described below.

11 **1. Mass Communications**

12 SDG&E proposes spending \$1.708 million on safety communications, Smart
13 Meter outreach, and customer education. The safety communications will focus on
14 preparedness for natural disasters, the Smart Meter outreach will focus on energy
15 management opportunities and the additional customer education relates to use of
16 Smart Meters for decisions such as bill payment and other e-services.²⁴

17 DRA recommends disallowing SDG&E’s mass communications request,
18 except \$100,000 to send safety communications to non-English speaking
19 customers. SDG&E already has safety messaging and has not indicated that its
20 existing messaging is deficient. Thus, there is no need for expanding messaging
21 detail or messaging distribution. DRA supports the expenditure of \$100,000 to
22 translate existing English-only messaging into other languages.

23 SDG&E’s Smart Meter outreach request is unreasonable because other
24 businesses will provide customers with information on how to optimize Smart Meter
25 use. SDG&E can provide information about viewing interval consumption data, bill
26 payment, and e-service options on its website and customers that wish to access the
27 information can do so via the internet. Due to their controversial nature, Smart
28 Meters are receiving significant media attention. SDG&E has not shown any reason

²⁴ Id., pp. 50-51.

1 why customers need additional outreach in order to utilize their Smart Meters to the
2 extent they desire.

3 **2. Website Management**

4 SDG&E proposes to enhance its website to support social media, customer
5 notifications, customer research and design features such as graphics and
6 navigation. SDG&E's request is an incremental \$1.098 million, which includes 6
7 new FTEs.

8 DRA recommends the Commission allow an incremental \$288,000 to cover
9 beneficial website changes and customer notifications. DRA recommends
10 disallowing upgrades for social media, graphics, and navigation, and other additional
11 functionality. These upgrades are not essential to SDG&E's provision of safe and
12 reliable service. In particular, social media upgrades are beyond core customer
13 service provision because not all customers use social media and even those that
14 do utilize social media do not necessarily use it for obtaining information from and
15 communicating with their utility service providers.

16 **3. Corporate Center Transfer**

17 SDG&E is requesting an incremental \$495,000 to fill positions that were
18 retained by SCG. Sempra's 2010 reorganization created separate communications
19 teams for each utility. This decision is not justified, and to the extent it is justified,
20 seems based upon SDG&E's desire to create specialized communications related to
21 Smart Meters.²⁵ As DRA's testimony demonstrates, most of SDG&E's Smart
22 Meter-related communications are unreasonable. Therefore, SDG&E's need to
23 have a communications staff separate from SCG is not reasonable. If SDG&E had a
24 compelling rationale for creating a separate SDG&E communications team that
25 rationale should have been included in SDG&E's testimony. DRA recommends
26 disallowing SDG&E's corporate center transfer request.

²⁵ Exh. SDG&E-1, p. 8.

1 **VI. DISCUSSION / ANALYSIS OF RD&D**

2 **A. Overview of SDG&E Request**

3 SDG&E is requesting an incremental increase of \$3.251 million over its
4 \$1.526 million 2009 budget, a 213% increase. The new projects would cover
5 renewables, energy storage, Smart Grid technologies and integration and PEV
6 charging infrastructure.

7 **B. DRA Approach**

8 DRA recommends eliminating SDG&E's RD&D program. As SDG&E
9 acknowledges, there are multiple governmental and non-governmental entities
10 engaged in RD&D across the energy sector. Some of those RD&D projects will
11 come to fruition and benefit SDG&E and its customers. In order for SDG&E to be
12 aware of cutting edge technologies and remain connected to industry leaders DRA
13 supports ratepayer funding of SDG&E's participation in collaborative organizations
14 that share information and ideas. DRA does not, however, support a stand-alone
15 SDG&E RD&D program because SDG&E's role as an investor-owned utility does
16 not require its own RD&D funding.

17 SDG&E's role is to be a steward of its ratepayers by making prudent
18 investments in systems and operations. SDG&E does not need to be on the cutting
19 edge of RD&D because private industry and government research institutions
20 already fulfill that role.²⁶ Furthermore, Sempra's Emerging Technologies O&M
21 budget is forecast for \$1.22 million for TY 2012. The staff in that group is tasked
22 with keeping tabs on emerging technologies and making recommendations on
23 whether Sempra should adopt them. SDG&E should focus its ratepayer dollars on
24 providing safe and reliable service. California's electric ratepayers already pay a
25 premium for advanced technologies such as Smart Meters, Smart Grid, renewables,
26 and wide ranging energy efficiency programs. Ratepayers should not be asked to
27 underwrite utility RD&D investments on top of their current obligations. DRA

²⁶ The California Energy Commission's PIER program and US Department of Energy invest substantial sums in electric and gas RD&D.

1 recommends the Commission limit the ever growing expansion of SDG&E's costs by
2 limiting funding to core functions.

3 **Table 18-4**
4 **Comparison of DRA and SDG&E RD&D forecasts TY 2012**
5 **(in Thousands of 2009 Dollars)**

Description (a)	DRA Recommended (b)	SDG&E Proposed ²⁷ (c)	Amount SDG&E>DRA (d=c-b)	Percentage SDG&E>DRA (e=d/b)
RD&D	\$153	\$4,777	\$4624	3022%

6

7 **VII. DISCUSSION / ANALYSIS OF O&M SHARED SERVICES**

8 **A. Overview of SDG&E Request**

9 SDG&E's shared services encompass three areas plus expenses billed in
10 from SCG. The three program areas are:

- 11 - Bio Fuels Market Development
- 12 - Emerging Technology
- 13 - Environmental Affairs

14 SDG&E's shared services request is an incremental increase of \$129,000 from a
15 2009 budget of \$1.226 million, an increase of 10.5%.

16 **B. DRA's Recommendation**

17 DRA recommends eliminating the Bio Fuels Market Development budget. As
18 DRA's testimony evaluating SCG's Sustainable SoCal Biogas project demonstrates
19 (Exh. DRA-14), Sempra has not yet designed an equitable and cost-effective biogas
20 project. Since both SDG&E and SCG have staff dedicated to evaluating emerging
21 technologies, it would be inefficient to have additional resources devoted solely to
22 biogas market development. Once a cap and trade program is in place in California,
23 large methane producers (i.e., wastewater treatment plants and dairies) have a
24 regulatory directive (and financial incentive) to reduce methane emissions, they may
25 be inclined to fund biogas programs. When that occurs, Sempra's emerging

²⁷ Ex. SDG&E-13, Vol. I, Ch. D, p. 5.

1 technologies staff can work with those entities to develop jointly funded, cost-
2 effective biogas projects. In the meantime, Sempra ratepayers should not be
3 funding biogas development costs in addition to evaluation of other emerging
4 technologies.

5 **VIII. DISCUSSION / ANALYSIS OF CAPITAL EXPENDITURES**

6 **A. Overview of SDG&E Request**

7 SDG&E is requesting five separate capital projects to upgrade the My
8 Account portion of its website. SDG&E's request also includes a Customer Contact
9 and Notification System, an upgrade to the Customer Relationship Management
10 software, Phase 3 of the Customer Energy Network, and construction of the San
11 Diego Energy & Environmental Center. In sum, SDG&E proposes to vastly expand
12 information electronically available to customers and information customers receive
13 from SDG&E. SDG&E's capital request totals \$25.484 million between 2010 and
14 2012.

15 **B. DRA Approach**

16 DRA sees value in website upgrades that enhance accessibility for low-
17 income and marginalized populations. DRA also supports projects that enable
18 deployment of applications with clear and widespread benefits. DRA supports the
19 My Account Accessibility and Account Manager Enhancement 1 & 2 projects for
20 these reasons.

21 DRA does not support new projects aimed specifically at mobile device users,
22 projects that disseminate information customers can easily obtain elsewhere, or
23 projects aimed at facilitating third party access to Smart Meter data. These types of
24 projects are not reasonable because they do not provide ratepayers substantive
25 value for their dollars and do not directly relate to the provision of safe and reliable
26 service. DRA recommends disallowing the rest of SDG&E's proposed capital
27 projects for these reasons, and as further detailed below.

1
2
3

Table 18-5
CS&I Capital Expenditures for 2010-2012
(In Thousands of Nominal Dollars)

Description	DRA Recommended			SDG&E Proposed ²⁸		
	2010	2011	2012	2010	2011	2012
My Account Accessibility			\$1.884			\$1.884
My Account Products and Services		\$0	\$0		\$1.083	\$1.181
My Account Mobile Services			\$0			\$1.363
Account Manager Enhancement – 1&2	\$332	\$135		\$332	\$135	
My Account Additional Environment		\$0			\$3.873	
Customer Contact and Notification System	\$0	\$0	\$0	\$885	\$1.327	\$737
CRM Upgrade		\$0	\$0		\$1.361	\$883
Customer Energy Network Phase 3		\$0	\$0		\$807	\$807
San Diego Energy & Environmental Center	\$0	\$0	\$0	\$2.791	\$4.762	\$1.273
Total	\$332	\$135	\$1.884	\$4.008	\$13.348	\$8.128

4

1. My Account Products and Services

5

6

7

8

9

10

11

SDG&E justifies this \$2.264 million project by claiming that the current software vendor platforms that comprise the My Account portion of the website cause user confusion and navigational difficulties. SDG&E also states that “The new structure will also help optimize customer access to utility services by supporting the recommendation and selection of utility product and service offerings based on an online shopping experience.”²⁹

²⁸ Exh. SDG&E-15, Vol. IV, Ch. B, p. 85.

²⁹ *Id.*, p. 88.

1 SDG&E did not provide any examples of how the current My Account format
2 impedes customer navigation. Moreover, if the My Account platform were in such
3 disarray, it is unlikely that 35-40% of SDG&E customers would be My Account
4 users.³⁰ It is unreasonable for SDG&E to upgrade portions of its website simply
5 because they do not offer a purported state-of-the-art user interface. Furthermore,
6 SDG&E is an electric service provider, not an online retailer, and upgrades that
7 model an “online shopping experience” are far afield from SDG&E’s core function of
8 safe and reliable electric service provision.

9 **2. My Account Mobile Services**

10 This \$1.363 million project would cater to only mobile device users by making
11 activities available on SDG&E’s website such as viewing/paying bills,
12 balance/account statement information, and service order status and making them
13 more easily viewable via mobile devices. This project is unreasonable because
14 mobile users are one subset of customers, computers are widely accessible in
15 private residences and public facilities (e.g., Libraries), and there is no pressing
16 societal need for customers to have more easily viewable utility services through
17 their mobile devices. Many mobile device users have access to the internet through
18 their mobile device and can already access the information referenced above on
19 their mobile device. SDG&E’s proposed project would simply make the information
20 fit better on a mobile device screen.

21 **3. My Account Additional Environment**

22 This \$3.873 million project would support all of the other My Account
23 upgrades by providing quality assurance testing environments and building out
24 additional My Account software. Since the majority of the other My Account
25 upgrades are not needed, this project is also unnecessary. SDG&E’s My Account
26 platform does not need a major overhaul and SDG&E should not be allowed to
27 spend ratepayer dollars on an array of e-offerings.

³⁰ SDG&E response to DRA data request DRA-SDG&E-023-MZX, Q.5.

4. Customer Contact and Notification System

The idea behind this \$ 2.949 million project is giving customers the ability to receive “personalized automated communications through a combination of voice, text, and e-mail messages.”³¹ The “Preference Center” where customers will elect their communications preferences will also provide SDG&E with customer information it can use to develop “proactive and targeted outbound informational campaigns that are regularly deployed by customer programs to increase program participation.”³² This proposal appears to be a marketing ploy in the guise of a customer choice project.

This project because is beyond the scope of necessary customer communications, potentially duplicative of services that will be provided by third-party energy management companies, and appears to be a marketing tool. Customers currently have the choice of receiving a paper or an electronic bill. Customers who receive electronic bills receive notices via email when a new bill is available. Although some customers may wish to receive bill information via mobile device, their convenience should not be underwritten by ratepayers.

For other information, such as demand response events and usage change notifications, customers may soon be able to select a third-party service provider (or product) that will provide this information via a Smart Meter. Paying for SDG&E to provide this information would be duplicative, and would dampen the third-party services market. Other information such as outage updates and service confirmations should be available via the SDG&E website.

Finally, allowing more targeted marketing of informational campaigns is not sufficient justification to spend millions of ratepayer dollars. SDG&E already has the ability to gather information from customers through surveys and customer services interactions. SDG&E’s proposals seem premised on the idea the existing websites are obsolete technology that must make way for new and exciting mobile applications. It is worth noting that while technology can facilitate customer service,

³¹ Exh. SDG&E-15, Vol. IV, Ch. B, p. 89.

³² Id.

1 technology alone cannot substitute for good customer service. Ratepayers cannot
2 afford to pay for every new technology as soon as it hits the market. SDG&E's role
3 is to adopt technologies that have proven benefits and cost effectiveness through
4 others' efforts so that ratepayers may reap those benefits at a reasonable cost.

5 **5. Customer Relationship Management System** 6 **Upgrade**

7 This \$ 2.244 million project is a software upgrade that would "improve the
8 utilities' ability to segment and deploy customer information via email or other
9 electronic channels ... and increase the ability to track outbound communication
10 campaign effectiveness and efficiency ..." ³³ DRA objects to this project for the
11 same reasons cited above in opposition to other projects that improve SDG&E and
12 SCG's ability to track and deploy customer information. Both utilities already have
13 channels to collect information about different customer segments. SDG&E
14 provided no description of the ratepayer benefits of this project besides improved
15 customer awareness and response rates. SDG&E did not compare this project to
16 other methods for raising customer awareness of specific utility programs, nor
17 explain which programs are in need of greater customer participation. Furthermore,
18 SDG&E did not indicate that there are serious deficiencies with the current software.
19 Lacking compelling need and proper justification this project should be disallowed.

20 **6. Customer Energy Network – Phase 3**

21 This is a \$1.6 million SDG&E-specific project that would expand third party
22 access to residential and small commercial customer data. DRA recommends that
23 the Commission disallow this project for two reasons. First, the ratepayer benefits of
24 third party access are unsubstantiated. In September 2011, Google will discontinue
25 its PowerMeter program with SDG&E due to low customer usage. ³⁴ SDG&E should
26 not make further investments in third part access technology unless and until the

³³ Id., p. 90.

³⁴ See <http://googleblog.blogspot.com/2011/06/update-on-google-health-and-google.html>,
accessed July 25, 2011.

1 factors that govern customer engagement are well established and the appropriate
2 technologies are commercially available.

3 Second, given the potential for the third party energy management market,³⁵
4 the industry should pay SDG&E to develop platforms for third party access.
5 Otherwise, ratepayers are subsidizing an industry which has no guarantee of
6 success. SDG&E should treat all future third party access projects as contributed
7 plant and require Contributions in Aid of Construction from third parties to fund it.

8 **7. Energy Innovation Center (EIC)**

9 Of all the projects reviewed in this section the EIC is by far the biggest at \$8.8
10 million. SDG&E took Commission approval of a Demonstration Commercial Kitchen
11 and used it to justify the construction of an entire green technologies building. This
12 \$8.826 million LEED-certified³⁶ building would demonstrate energy efficiency, clean
13 transportation, renewable generation, and smart grid benefits.³⁷ DRA recommends
14 the EIC be disallowed for the following reasons.

15 First, although the EIC is intended to be a “showcase” project, the
16 technologies being showcased are already being “showcased” in the media, other
17 buildings, and in the competitive market. For example, the EIC would demonstrate
18 PEV charging, yet PEVs are already on the road in the San Diego area and being
19 heavily marketed by their manufacturers. People interested in owning a PEV can
20 find information about charging readily available on a variety of websites and at PEV
21 dealerships. Similarly, people interested in learning about LEED certification can
22 access online resources as well as see LEED-certified buildings in the greater San
23 Diego area.

24 Second, contrary to SDG&E’s implications, there is no Commission directive
25 to construct the EIC. As SDG&E notes, the Commission approved a budget for

³⁵ The nationwide interest in the CPUC’s Smart Grid Rulemaking R.08-12-009 is a testament to the level of private industry interest in customer energy management markets.

³⁶ LEED is a certification standard developed by the US Green Building Council. See <http://www.usgbc.org/DisplayPage.aspx?CategoryID=19>, accessed July 25, 2011.

³⁷ Exh. SDG&E-15, Vol. IV, Ch. B, p. 91.

1 SDG&E's Demonstration Kitchen project in D.09-09-047. SDG&E has a \$4.48
2 million O&M budget for the Demonstration Kitchen project that includes rent, labor,
3 and marketing. Through January 2011, SDG&E had spent only \$214,388.³⁸
4 SDG&E could have found a building in which to house the Demonstration Kitchen
5 and had sufficient funds from its Energy Efficiency portfolio to pay the rent. There
6 was no need for SDG&E to construct the EIC in order to house the Demonstration
7 Kitchen.

8 Third, SDG&E is a partner in the California Center for Sustainable Energy
9 Resource Center (CCSE), which has classroom space for giving energy efficiency
10 seminars and demonstrating energy efficiency products. SDG&E claims that the
11 CCSE does not have adequate classroom space and lacks a computer lab, requiring
12 classes to be held offsite.³⁹ Lack of space, however, does not equal justification to
13 build a new building. As SDG&E notes, it is able to find alternate venues to
14 disseminate energy efficiency information when the need arises. SDG&E is
15 fortunate to have funding since overcrowded public schools and other public
16 institutions do not have the ability to rent other classroom space when needed. In
17 addition, as noted above, the other technologies SDG&E wishes to showcase are
18 already available for public viewing in other locales.

19 SDG&E's justifications for an \$8.8 million capital investment do not stand up
20 to scrutiny. The Commission should disallow the EIC.

³⁸ SDG&E response to DRA data request DRA-SDG&E-36-MZX, Revised, Q.1, March 14, 2011.

³⁹ SDG&E response to DRA data request DRA-SDG&E-21-MZX, Q.22.