



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

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_____)
In the Matter of the Application of San Diego Gas &)
Electric Company (U 902 E) for Approval of its)
Proposals for Dynamic Pricing and Recovery of)
Incremental Expenditures Required for)
Implementation.)
_____)

A.10-07-009
(Filed July 6, 2010)

**SAN DIEGO GAS & ELECTRIC COMPANY'S (U 902 E) MOTION FOR ADOPTION OF
JOINT PARTY SETTLEMENT AND MEMORANDUM OF UNDERSTANDING**

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June 20, 2011

#256098

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AND MEMORANDUM OF UNDERSTANDING**

I. INTRODUCTION

Pursuant to the Commission’s Rules of Practice and Procedure, Article 12, San Diego Gas & Electric Company (SDG&E) hereby moves the Commission to take the following actions:

- Adopt the Joint Party Settlement Agreement attached as Exhibit 1 to this Motion;
- Adopt the Memorandum of Understanding between SDG&E and Disability Rights Advocates (DisabRA) attached as Exhibit 2 (MOU); and
- Admit into evidence the prepared direct and prepared rebuttal testimony served on the parties and listed in Exhibit 3, attached hereto.

Further information regarding the Joint Party Settlement Agreement is set forth in Section I.A. below. The MOU between SDG&E and DisabRA is discussed in Section I.B, below. Section I.C of this Motion identifies the supporting documentation for the actions requested above.

A. JOINT PARTY SETTLEMENT AGREEMENT

The Joint Party Settlement Agreement (“Settlement”) has been reached by the following Settling Parties to this proceeding:

1. San Diego Gas & Electric (SDG&E)
2. Division of Ratepayer Advocates (DRA)
3. Utility Consumers’ Action Network (UCAN)
4. The Greenlining Institute (Greenlining)
5. California Farm Bureau Federation (CFBF)
6. California Small Business Roundtable (CSBRT)
7. California Small Business Association (CSBA)
8. City of San Diego

The Settling Parties have reached a comprehensive, full, and final agreement in all of the issues in this case, summarized as follows:

- Timing and Rate Structure
- Total Project Costs
- Bill Protection and Payment Arrangements
- Peak Time Rebate
- Time Of Day (TOD) Differentials
- Nomenclature
- Residential Tiers/TOD Presentment
- Future Costs and Cost Allocation
- Integration of Demand Response/Energy Efficiency for Customers
- Quarterly-/semi-annual meetings which include review of Outreach and Education Measures.

The Settling Parties agree that the Settlement reaches terms that are reasonable in light of the entire record, consistent with the law, and in the public interest, pursuant to Commission Rule 12.1.

B. MEMORANDUM OF UNDERSTANDING – SDG&E and DisabRA

Additionally, the MOU between SDG&E and DisabRA addresses all of the outreach, education, and communication issues between those two parties, as identified in the Scoping Memo.¹ DisabRA does not take issue with Commission adoption of the Settlement Agreement.² Likewise, the Settlement states that the Settling Parties do not take issue with Commission adoption of the MOU.³

C. SUPPORTING DOCUMENTATION

The following documents support this Motion:

Exhibit 1: Settlement Agreement

Exhibit 2: MOU between SDG&E and DisabRA

Exhibit 3: Exhibit List (previously served direct and rebuttal testimony)

Exhibit 4: DisabRA Declaration

The Settlement represents agreement of all but one of the parties submitting testimony in this proceeding [Energy Users Forum (EUF)], and two parties who participated without filing testimony [Alliance for Retail Energy Markets (AREM) and Federal Executive Agencies (FEA)]. It is SDG&E's understanding that these three non-settling parties share one similar Commission-policy-related issue, specifically, the issue of whether implementation costs should be recovered from Direct Access and Community Choice Aggregator customers.⁴

¹ P. 4, Item 4 and 4(a); p. 5.

² Exhibit 4, Declaration of Melissa Kasnitz (on behalf of DisabRA).

³ Exhibit 1. p. 6.

⁴ September 30, 2010, Assigned Commissioner's and ALJ's Scoping Memo and Ruling, Issue #2b.

II. PROCEDURAL HISTORY

SDG&E filed Application (A.) 10-07-009 on July 6, 2010, for authorization to implement dynamic pricing rates for its small nonresidential and residential customer classes, implement approved default Critical Peak Pricing to approximately 22,000 medium nonresidential customers, and to recover associated incremental expenditures. SDG&E filed its Application based on prior decisions which addressed dynamic pricing, including SDG&E's 2008 General Rate Case, Phase II (D.08-02-034), PG&E's Dynamic Pricing Decision (D.08-07-045), SDG&E's 2008 Rate Design Window (D.09-09-036) and PG&E's 2009 Peak Day Pricing Decision (D.10-02-032). SDG&E served testimonies in support of its Application on July 6, 2010. The Commission held a pre-hearing conference (PHC) in this proceeding on August 25, 2010, where parties were offered opportunity to discuss their issues. At the conclusion of the PHC, Administrative Law Judge (ALJ) Jessica Hecht urged parties to conduct settlement discussions.⁵ The Commission subsequently issued the Assigned Commissioner's and (ALJ's) Scoping Memo and Ruling on September 30, 2010 (the "Scoping Memo"). The Scoping Memo provided encouragement to parties regarding settlement, set a procedural schedule, and outlined the scope of issues to be addressed in this proceeding.

A notice of settlement was timely sent to all parties on the Commission's service list and the first settlement conference was convened in San Francisco on January 11, 2011. DRA, UCAN, Greenlining, CFBF, DisabRA, and EUF served testimonies on February 18, 2011. SDG&E served rebuttal testimonies on March 11, 2011. Several additional settlement conferences and communications involving all parties and several smaller group settlement negotiations took place to reach this Settlement.

The Scoping Memo originally set evidentiary hearings for March 14-18, 2011. On November 23, 2010, the Commission reset the dates for April 11-15, 2011. On June 14, 2011, the Commission

⁵ August 25, 2010, PHC Tr. p. 67, lines 13-24.

issued an Amended Scoping Memo and Ruling that reset the evidentiary hearing dates for June 22-24, 27-29. Upon hearing that the majority of parties were close to reaching settlement, the ALJ cancelled the first scheduled date of hearings.

Exhibit 1, the Settlement, was executed between the Settling Parties on June 20, 2011. This Settlement resolves all issues in this proceeding, legal and factual, between the Settling Parties.

III. ISSUES ADDRESSED IN THIS PROCEEDING

The Scoping Memo outlined the issues the Parties were to address in this proceeding:

1. Should the dynamic rate proposals made by SDG&E be adopted, either as proposed or with modifications?
 - a) What are the total costs of implementation of any dynamic rate proposal adopted in this proceeding?
 - b) What are the potential impacts of the proposed dynamic rates overall and on different classes of customers, and are those impacts reasonable?
 - c) What are the potential impacts of any alternative dynamic rates proposed in this proceeding overall and on different classes of customers, and are those impacts reasonable?
2. Should SDG&E's rate recovery proposal be adopted, either as proposed or with modifications?
 - a) How should any implementation costs approved in this proceeding be allocated for recovery among different customer classes?
 - b) Should any implementation costs approved in this proceeding be recovered from Direct Access or Community Choice Aggregator customers, and if so, how?
3. Should the proposals on outreach, education, and customer communication made in the SDG&E Application be adopted, either as proposed or with modifications?
4. Are additional activities or requirements necessary to ensure that all customers, including small business customers and those with disabilities, low incomes, or lacking proficiency in English, understand and can make educated choices about participation in any new dynamic pricing rates? If so,
 - a) What additional outreach, education, and communication proposals are appropriate and should be adopted?
 - b) What, if any, customer information access, timing, and other requirements are necessary to ensure understanding and informed decision-making by customers?

The Scoping Memo noted two additional issues not specifically addressed above. First, the Scoping Memo noted that parties could address “whether customers receiving medical baseline allowances[] are not adversely affected by dynamic rates . . . to the extent that it could affect the specific

rules or terms that should apply to any new dynamic rates adopted in this proceeding.” Second, the Scoping Memo noted that SDG&E was not required to provide a quantitative analysis of the net benefits of its proposal or a benefit-to-cost ratio of its proposal overall. However, a “general examination of the costs and potential benefits of the SDG&E proposal, and any alternative proposals,” was determined to be within the scope of the proceeding.⁶

IV. ADOPTION OF THE SETTLEMENT IS IN THE PUBLIC INTEREST

As more fully set forth in the Settlement, the Settlement fully complies with the Commission’s requirements that settlements be reasonable, consistent with the law, and in the public interest. The parties who participated in this proceeding represent a broad spectrum of customer interests. The issues raised by the Parties and the resolution of those issues in the Settlement reflect those interests and concerns. The Settling Parties made a number of concessions in order to reach the compromises agreed to in the Settlement, recognizing that a party’s filed position may not prevail in a litigated outcome. Parties vigorously argued their positions and reached appropriate compromise positions in light of the litigation risks. Parties who did not serve testimony in this proceeding were nonetheless active in settlement negotiations and contributed to the outcomes reached in the Settlement.

The Settlement reaches a fair and reasonable resolution to each and every issue in this case among the Settling Parties, and drastically minimizes the litigation resources otherwise necessary without settlement.

Nothing in the Settlement prejudices any Party or binds the Commission. Because the Settlement is comprehensive, it must be viewed in its entirety and is not severable.

⁶ Scoping Memo, pp. 4-6.

Exhibit 1

Joint Party Settlement Agreement

SETTLEMENT AGREEMENT

Pursuant to Article 12 of the Commission's Rules of Practice and Procedure, San Diego Gas & Electric Company (SDG&E), Division of Ratepayer Advocates (DRA), Utility Consumers' Action Network (UCAN), The Greenlining Institute (Greenlining), California Farm Bureau Federation (CFBF), California Small Business Roundtable (CSBRT), California Small Business Association (CSBA), and City of San Diego (collectively, the "Parties"), hereby enter into this Settlement Agreement (or "Settlement" or "Agreement") resolving all issues between the Parties, as described below, in the matter of the Application of San Diego Gas & Electric Company (U902E) for Approval of its Proposals for Dynamic Pricing and Recovery of Incremental Expenditures Required for Implementation (A.10-07-009) ("SDG&E's DPA").

I.

SETTLEMENT TERMS AND CONDITIONS

1. **General:** Unless otherwise specified below, all proposals in SDG&E's DPA and supporting testimony shall be adopted.
2. **Effective Date; Term of Agreement:**
 - A. The Effective Date of this Agreement is the date upon which the Commission approves the Settlement.
 - B. The Settlement Term shall extend from the Effective Date through the effective date of rates and programs that are established in this proceeding.
3. **Timing and Rate Structure:**
 - A. Recitals/Assumptions:
 - SDG&E's DPA states its intent to closely align SDG&E's rates with the Commission's previous policy statements and decisions regarding time-variant rates, including, *inter alia*, D.10-02-032 (PG&E's Peak Day Pricing Decision);
 - The Parties acknowledge that, at the time of signing this Agreement, there are two outstanding Petitions to Modify (PTMs) in D.10-02-032, the potential resolution of which may impact the timeline (effective dates) and rate structure (type of rates to be implemented) ordered in PG&E's Peak Day Pricing Decision;

- The Parties acknowledge the potential final resolution of the pending PTMs by the Commission may or may not occur prior to a final decision in this case, and that such final resolution, if it occurs, may affect certain parties' positions here;
- Notwithstanding the above-stated contingency, the Parties desire finality and to resolve all issues between the Parties here, by negotiated agreement, except as detailed below.

B. In consideration of the above recitals and by negotiated Agreement:

1. The agreed-upon terms stated herein represent negotiated settlement positions and should not be interpreted to represent any individual party's position or policy regarding any issues addressed herein.
2. SDG&E agrees to modify its proposed implementation schedule and rate structure for dynamic rates. Dynamic rates shall be implemented according to the following schedule:
 - Small Nonresidential (demand below 20kW):
 - SDG&E shall implement optional TimeOfDay (TOD) (also referred to as Time Of Use or TOU) pricing with no demand charge effective March 1, 2013, and optional PeakShift at Work (PSW) (also referred to as Critical Peak Pricing or CPP).
 - SDG&E shall implement default TimeOfDay pricing effective March 1, 2014.
 - The issue of the demand charge included with TimeOfDay pricing will be litigated in SDG&E's General Rate Case (GRC) Phase II.
 - The Parties may brief the issue of whether and when to implement mandatory TimeOfDay pricing under the circumstances as detailed in subsection 3.B.3, below. SDG&E may also propose mandatory TimeOfDay pricing and default PSW in its GRC Phase II application.
 - Residential:
 - SDG&E shall implement optional TimeOfDay pricing and optional PeakShift at Home (PSH) effective March 1, 2013.
 - Agricultural (Schedule PA):
 - In order to provide a more consistent transition to TimeOfDay and dynamic pricing for customers on Schedule PA that are less than 20 kW with those that are 20 kW and greater, it is agreed that all PA customers not taking service under dynamic pricing may take commodity service under the same otherwise applicable rate including the non-time variant, commodity schedule EECC for PA customers. With the exception of those PA customers who have already transitioned to Critical Peak Pricing-Default (CPP-D), implementation of dynamic pricing for all remaining Schedule PA customers will be coordinated to occur at the same time (*i.e.*, default CPP-D for those 20 kW and greater and optional PSW for those less than 20 kW). Treatment of Schedule PA

customers and their rates related to these issues will be further addressed in SDG&E's GRC Phase II proceeding.

3. Notwithstanding the agreed-upon terms for dynamic rates above, should the Commission issue a final decision on the pending PTMs in D.10-02-032 by December 31, 2011, settling parties may submit briefs for consideration by the Commission to determine the impact, if any, the resolution of the PTMs should have on the timeline (effective dates), rate structure (type of rates to be implemented), metrics, and costs (if there are material changes in scope) associated with implementing the new rate structure enumerated in this settlement agreement. Opening Briefs will be submitted no later than 30 days after the latter of these two dates: (1) the date of the Commission Order approving this Settlement, or (2) issuance of a final decision related to the PTMs in D.10-02-032. Reply briefs will be due 15 days after Opening Briefs.

4. Total Project Costs:

- A. Total O&M costs proposed in A.10-07-009 are reduced to \$50 million.
- B. Total Capital costs proposed in A.10-07-009 are reduced to \$43 million.
- C. SDG&E reserves the right to request additional O&M funding in future GRC Phase I filings with the Commission.
- D. Total costs are capped at approximately \$93 million. See table below for illustration:

	2010-2015 (in \$000)
Total Capital	\$43,000
Total O&M	\$50,000
Total	\$93,000

- E. The above costs cover SDG&E's intent to implement TOD rates as well as PSW/PSH rates as proposed in SDG&E's Application and testimony. SDG&E retains the flexibility to shift up to \$5 million between capital and O&M costs, while not exceeding the total cost cap of \$93 million. SDG&E will file an advice letter seeking approval of such a shift, if necessary.
- F. SDG&E will report its expenditures in its Dynamic Pricing Balancing Account (DPBA) semi-annually, and segregate the costs by TOD-related (where possible) PSW-related or PSH-related.
- G. SDG&E will report its accomplished load reduction annually and segregate the load reduction by TOD-related, PSW-related, or PSH-related. SDG&E may request cost recovery for such a study in a future GRC Phase I filing.

5. **Bill Protection:** All small nonresidential, residential and agricultural customers on TOD pricing will be extended bill protection compared to service on their previously applicable flat rate for a period of 12 months. In addition, any of these customers who opt-in or default to a rate that includes a Peak Shift at Work component will be extended bill protection compared to service on their previously applicable flat rate for 24 months.

- 6. Snap Credit:** For residential and small non-residential customers who are on a rate that includes a Peak Shift component, SDG&E will develop a “snap-credit” arrangement whereby those customers who experience an unusually high summer bill may have the option of deferring the high component of the bill over the next 3-6 months.
- 7. PTR:** Peak Time Rebate (PTR) levels for residential customers shall be addressed in SDG&E’s GRC Phase II proceeding.
- 8. TOD Differentials:** The time periods and differential for TOD rates will be addressed in SDG&E’s 2012 GRC Phase II proceeding.
- 9. Nomenclature:** SDG&E agrees to meet with interested parties in 2011 to solicit feedback on names/terms related to dynamic pricing rates, prior to the implementation of such rates.
- 10. Residential Tiers/TOD Presentment:** SDG&E will provide clear materials to residential customers opting into PSH and TOD rates. Such materials will explain the interface of tiered/TOD rates. Draft materials will be provided to UCAN, DRA, City of San Diego and Greenlining for feedback and review.
- 11. Future Costs and Allocation:** Post-2015 O&M costs related to dynamic pricing will be recovered through SDG&E’s next GRC. Cost allocation issues may be re-examined in SDG&E’s Phase II proceeding.
- 12. Demand Response/Energy Efficiency:** SDG&E agrees to incorporate its demand response and energy efficiency programs into its dynamic rate plans. It will do this by ensuring that all non-residential customers will be offered all available and applicable demand response and energy efficiency programs in marketing materials and contact with SDG&E representatives. These integrated marketing offerings will include, but not be limited to, SDG&E’s Summer Saver A/C direct load control cycling programs, load control devices, such as low-cost programmable communicating thermostats, incentives and rebates for energy saving equipment, lighting, refrigeration and HVAC, on-bill financing, building envelope measures, and other demand-side resources, such as seminars, training, and onsite consultations. SDG&E will bundle these offerings with its dynamic rate plans to serve as an enhanced incentive for customers to subscribe to and utilize dynamic rates. In doing so, SDG&E will make a special effort to provide low-income customers with subsidized load control devices or programs that would allow such customers to avail themselves of these rate programs without requiring out-of-pocket investments.
- 13. Outreach/Education:**
 - The Parties commit in good faith to actively pursue these activities, following an appropriate timeline, in accordance with the implementation of the timing and rate structure adopted as part of this Agreement.
 - SDG&E agrees to initially meet quarterly with interested parties and CPUC staff to discuss outreach efforts related to A.10-07-009. Such meetings will include project

updates and feedback from parties. The first of such meetings will be held no later than April 1 of 2012, with subsequent meetings approximately every six months beginning April of 2013, until one year following implementation of the rates proposed in A.10-07-009.

- The Parties agree that metrics are important in determining which outreach and education efforts are effective in preparing customers for TOD and dynamic pricing. Parties shall collaborate in quarterly meetings to determine the appropriate level of metrics being proposed in Attachment A. SDG&E will provide a report on these metrics as part of its regular Rate Design Window filing or other proceeding as determined by parties. A statistically representative sample of customers will be surveyed to measure the outlined metrics as applicable. Metrics data will be public information.
- SDG&E will work with the California Small Business Association, California Small Business Roundtable, Greenlining and other small business organizations to educate small business customers about their rate options, TOD, PSW and the availability of demand reduction and energy efficiency programs that can help small businesses reduce electricity usage.
- SDG&E will work with the California Farm Bureau Federation to help agricultural customers evaluate potentially better rate options.
- SDG&E will develop and include shadow billing message information provided in Spanish in its service territory for those customers who have indicated such a preference. SDG&E will provide samples of such information and solicit feedback in its quarterly/semi-annual meetings with interested parties. SDG&E may propose additional languages, as warranted, in its GRC Phase I Application.
- SDG&E commits to implement an in-language (English, Spanish, and Vietnamese) education, outreach, and complaint resolution program for time variant pricing and home/business energy management matters, which will be provided by SDG&E's existing network of community partners. SDG&E commits to training Community Based Organizations (CBOs) for outreach on the topics of rate options, consumption, energy management and peak-shaving activities, and other energy efficient programs that will enable customers to be successful on time variant rates. SDG&E will work closely with CBOs to develop the engagement materials and tools that will be the most useful to the constituencies that the CBOs serve.
- The parties agree that defaulting some types of small non-residential customers to a PSW rate would be contrary to public health and safety (for example, facilities serving as emergency cooling centers during high heat emergencies, community clinics, senior centers, libraries, and public safety facilities such as fire stations and police stations). In good faith consultation with interested parties in a workshop meeting, SDG&E will develop reasonable criteria and procedure for exempting such small non-residential customers from defaulting to the PSW rate.

- SDG&E commits to tracking the number and type of call center requests for in-language assistance. SDG&E shall report these numbers in its quarterly and semi-annual meetings with interested parties.
- The Parties do not take issue with the Commission's adoption of the April 7, 2011 Memorandum of Understanding between SDG&E and Disability Rights Advocates.

II.

ADDITIONAL TERMS AND CONDITIONS

1. The Public Interest:

The Parties agree jointly by executing and submitting this Settlement Agreement that the relief requested herein is just, fair and reasonable, and in the public interest.

2. Non-Precedential Effect:

This Agreement is not intended by the Parties to be precedent for any future proceeding. The Parties have assented to the terms of this Agreement only for the purpose of arriving at the settlement embodied herein. The Agreement does not establish any precedent on the litigated issues in the case.

3. Indivisibility:

This Agreement embodies compromises of the Parties' positions. No individual term of this Agreement is assented to by any of the Parties, except in consideration of the other Joint Parties' assents to all other terms. Thus, the Agreement is indivisible and each part is interdependent on each and all other parts. Any party may withdraw from this Agreement if the Commission modifies, deletes from, or adds to the disposition of the matters stipulated herein. The Parties agree to negotiate in good faith with regard to any Commission-ordered changes in order to restore the balance of benefits and burdens, and to exercise the right to withdraw only if such negotiations are unsuccessful.

The Parties acknowledge that the positions expressed in the Agreement were reached after consideration of all positions advanced in the prepared testimony of SDG&E and the other interested parties, as well as proposals offered during the settlement negotiations. The Parties acknowledge their support for Commission approval and subsequent implementation of all the provisions of this Agreement.

Dated this 20th day of June, 2011.

SAN DIEGO GAS & ELECTRIC COMPANY

By: /s/ Caroline A. Winn
Caroline A. Winn, Vice President – Customer Services

DIVISION OF RATEPAYER ADVOCATES

By: /s/ Joseph P. Como
Joseph P. Como, Acting Director

UTILITY CONSUMERS' ACTION NETWORK

By: /s/ Michael Shames
Michael Shames, Executive Director

THE GREENLINING INSTITUTE

By: /s/ Samuel Kang
Samuel Kang, General Counsel

CALIFORNIA FARM BUREAU FEDERATION

By: /s/ Karen Norene Mills
Karen Norene Mills, Attorney

CALIFORNIA SMALL BUSINESS ROUNDTABLE and
CALIFORNIA SMALL BUSINESS ASSOCIATION

By: /s/ Carl K. Oshiro
Carl K. Oshiro, Counselor at Law

CITY OF SAN DIEGO

By: /s/ Fredrick M. Ortlieb
Fredrick M. Ortlieb, Attorney

ATTACHMENT A

CUSTOMER OUTREACH AND EDUCATION METRICS¹

Objective	Proposed Metrics
Awareness	Customers are aware of their rate options and understand key differences
	Customers understand that (i) the price for electricity is higher during the weekdays and lower at night or weekend; (ii) the price for electricity is higher on the hottest days of the year; and (iii) the new rate options will better reflect the costs of electricity
	Customers understand that reducing load on peak days can offset the need for new power plants
	Customers are aware that SDG&E will be introducing new tools and services that can help them manage their energy use and understand their new rate options as well as how to best leverage existing programs
Consideration	Customers understand how their bill would be impacted by their energy usage and the new rate options
	Customers felt they had enough time and information to make an informed decision
Engagement	Customers subscribe for My Account and use the on-line tool/resources
	Customers understand segment/end-use-specific options to manage their electricity use on Reduce Your Use days or have identified their own ways.
	Customers seek advice from SDG&E (e.g., Call Center, Account Executives) or other sources
	Customers receive an onsite consultation from an SDG&E representative
Adoption	Customers believe SDG&E's information and tools were helpful in making an informed decision
	Customers enrolled (opted-in) in new rate options
	Reasons customers provide for opting out
	Customers participating in offered programs or services
On-Going Support	Customers were satisfied with the overall customer experience
	Customers knew that a Reduce Your Use day was coming and were aware of how to reduce their usage
	Customers contacting SDG&E with rates-related escalated complaints
	Customers believe SDG&E is responsive in addressing rates-related questions or concerns
	Customers believe SDG&E's ongoing information, tools and services are helpful

¹ Metrics may be modified, removed or added upon the completion of SDG&E's Dynamic Pricing marketing and tactical communication plans. Proposed timelines, target values, justification for target values, and reporting dates will be reviewed and discussed during semi-annual meetings.

Exhibit 2

Memorandum of Understanding between SDG&E and Disability Rights Advocates

MEMORANDUM OF UNDERSTANDING

San Diego Gas & Electric Company (“SDG&E” or “the Utility”) and Disability Rights Advocates (“DisabRA”) (collectively, the “Parties”), enter into this Memorandum of Understanding (“MOU” or “Agreement”) resolving all matters at issue between the Parties, arising, now and hereafter, in the matter of the Application of San Diego Gas & Electric Company (U902E) for Approval of its Proposals for Dynamic Pricing and Recovery of Incremental Expenditures Required for Implementation (A.10-07-009).

RECITALS

WHEREAS the Application of SDG&E for Approval of its Proposals for Dynamic Pricing and Recovery of Incremental Expenditures Required for Implementation (A.10-07-009) recognizes the need and provides for comprehensive outreach and education initiatives for small nonresidential and residential customers;

WHEREAS the Customer Outreach and Communication Plan must be designed to address the needs of all people, including people with disabilities;

WHEREAS DisabRA has raised certain issues and suggestions in A.10-07-009 regarding ways the needs of people with disabilities may be addressed in both general and targeted outreach and education solutions;

WHEREAS SDG&E and DisabRA desire to resolve the issues raised by DisabRA without further litigation in the pending proceeding.

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AGREEMENT

THEREFORE, in consideration of the above Recitals and for good cause, the Parties hereby agree as follows:

I. DEFINITIONS

A. Alternative Format

For a person with a Vision Disability, Alternative Formats include various methods of presenting materials that are generally provided in standard print. Alternative Formats include large print (minimum 14 point, sans serif font), Braille, electronic format and/or audio. For a person with a Hearing/Speech Disability, Alternative Formats include use of relay calls and/or TTY devices for telecommunications, and captions and/or sign language incorporated into visual presentations.

B. Community Based Organization or CBO

Community Based Organizations are non-profit organizations within SDG&E's service territory that work with particular communities to provide services. The disability-oriented CBOs with which SDG&E already has an established relationship include: Deaf Community Services of San Diego, San Diego Center for the Blind, Aging and Independent Services, San Diego Regional Center, Access to Independence San Diego, California Council of the Blind (San Diego Chapter), National Federation of the Blind (North San Diego Chapter), Red Cross of San Diego, Disability Rights California (San Diego Regional Office), Elder Help of San Diego, Southern Caregiver Resource Center, United Cerebral Palsy of San Diego, CA Department of Rehabilitation (San Diego District Office), Toward Maximum Independence, Inc., ARC – San Diego Chapter, Californians for Disability Rights (San Diego Chapter),

Employment and Community Options, San Diego Deaf Mental Health Services, San Diego Autism Society, Burn Institute, National Alliance on Mental Illness, Mental Health Systems.

C. CPUC or Commission

The Public Utilities Commission of the State of California

D. Customer Outreach and Communication Plan

The comprehensive outreach and education initiatives to be developed and implemented by SDG&E to inform its residential customers of any dynamic pricing program adopted through the Commission process regarding the pending Application in A.10-07-009.

E. Hearing/Speech Disability

With respect to an individual, any limitation of a person's ability to hear and/or speak that would cause the person to meet the definition set forth in 42 U.S.C. §12102(2)(a) and/or Cal. Gov't Code § 12926(k).

F. Parties

Disability Rights Advocates and San Diego Gas & Electric Company (SDG&E).

G. Targeted Research

Targeted Research consists of strategies for obtaining feedback specifically from within the community of people with Vision Disabilities and Hearing/Speech Disabilities or from agencies that represent these communities, and incorporating feedback from these segments of the population or from these agencies into the Customer Outreach and Communication Plan. Targeted Research may include focus groups, structured interviews, or other comparable methods of seeking feedback.

H. Vision Disability

With respect to an individual, any limitation of a person's ability to see that would cause the person to meet the definition set forth in 42 U.S.C. § 12102(2)(a) and/or Cal. Gov't Code § 12926(k).

II. TERMS

A. Effect of Agreement

In consideration of the mutual obligations, covenants and conditions contained herein, the Parties agree to the terms of this Agreement. The Parties, by signing this Agreement, acknowledge that they pledge support for Commission approval and subsequent implementation of all the provisions of this Agreement. The Parties agree to perform diligently and in good faith all actions required or implied hereunder. No Party will contest in this proceeding or in any other forum, or in any manner before this Commission, the recommendations contained in this Agreement. The Parties agree that the stated provisions of Commission Rule 12.6 (governing settlement negotiation "Confidentiality and Inadmissibility") apply to and bind the Parties with respect to any and all negotiations regarding and resulting in this Agreement.

B. Entire Agreement

This MOU embodies the entire understanding and agreement of the Parties with respect to the matters described, and it supersedes prior oral or written agreements or understandings among the Parties with respect to those matters.

C. No Precedential Value

The Parties agree that this MOU should not constitute precedent regarding any principle or issue in this proceeding or in any future proceeding.

D. Reasonableness

The Parties agree that this MOU is reasonable and in the public interest.

E. Construction

The Parties agree this MOU shall not be construed against any Party because that Party or its counsel or advocate drafted the provision. This MOU shall be governed by and construed in accordance with California law. Each provision of this MOU shall be interpreted in such a manner as to be valid and enforceable under California law, but if any provision hereof shall be or become prohibited or invalid under any applicable law, that provision shall be ineffective only to the extent of such prohibition or invalidity, without thereby invalidating the remainder of that provision or any other provision hereof.

F. Modification of Agreement

This MOU may be amended or changed only by a written agreement signed by the Parties.

G. Term of Agreement

This MOU is effective upon Commission approval of a final decision in A.10-07-009 adopting a dynamic pricing program for residential customers, through completion of the Customer Outreach and Communication Plan (the "Settlement Term").

H. Integrated Agreement

The Parties intend the MOU to be interpreted and treated as a unified, integrated Agreement. In the event the Commission rejects or modifies the MOU, the Parties reserve their rights to terminate or renegotiate this MOU.

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I. Captions

Captions are included for reference only, and are not intended to affect the meaning of the contents or the scope of this MOU.

J. Compromise of Disputed Claims

The Parties agree that this Agreement represents a compromise of their respective positions. It does not represent the Parties' endorsement of, or agreement with, any or all of the positions of the other parties.

K. Regulatory Approval

The Parties shall use their best efforts to obtain Commission approval of this Agreement. The Parties shall jointly request that the Commission adopt this Agreement in its entirety and without modification as reasonable in light of the record, consistent with law, and in the public interest.

III. DISABILITY OUTREACH AND ACCESSIBLE COMMUNICATION

SDG&E will conduct targeted outreach to the disability community and ensure that its Customer Outreach and Communication Plan provides outreach and educational information in ways that are accessible to customers with disabilities, including Vision and Hearing/Speech Disabilities. In order to do so, SDG&E will take the following actions:

A. Consultant

SDG&E will retain an SDG&E territory-based consultant, mutually agreed to by SDG&E and DisabRA, with expenditures capped at either \$20,000 or 80 hours (whichever threshold is met first) to assist in developing effective communication strategies to reach the disability community including through Targeted Research and to provide ongoing support in modifying and implementing appropriate educational and communication efforts. The consultant will maintain this role through the development and implementation process for

any adopted proposal involving residential dynamic pricing or until the expenditure cap is reached. Unless the consultant thinks that a targeted mailing would be inappropriate, the consultant's efforts will include developing a targeted mailing to be sent to all medical baseline customers discussing the way in which any adopted residential pricing program might interact with the needs of medical baseline customers.

B. Preferred Methods of Communication

1. For all SDG&E customers who have previously indicated a preferred format for receiving written material that is generally provided in standard print from SDG&E, including customers on the medical baseline program and other identified customers with disabilities, SDG&E will provide all printed educational and outreach material regarding its residential dynamic pricing program in the customer's preferred format.
2. SDG&E will provide copies of standard print materials regarding its residential dynamic pricing program in Alternative Formats to any customer on request.
3. SDG&E will maintain the capability to respond to customer calls to its customer service center regarding its residential dynamic pricing program using TTY and/or relay services.

In witness whereof, intending to be legally bound, the Settling Parties hereto have duly executed this Agreement on behalf of the parties they represent.

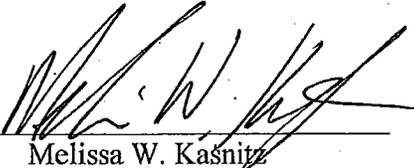
San Diego Gas & Electric Company

By: 
Caroline Winn

Title: Vice President - Customer Services

Date: 4/7/11

Disability Rights Advocates

By: 
Melissa W. Kasnitz

Title: Managing Attorney
Managing Attorney

Date: 4/7/11

Exhibit 3

List of Prepared Direct and Prepared Rebuttal Testimony to be Admitted Into The Record

EXHIBIT LIST
SDG&E Dynamic Pricing - A.10-07-009 – Prepared Testimony

Exhibit No.	Description of Exhibit	Date
	SDG&E Application	July 6, 2011
	SDG&E Prepared Direct Testimony of Joseph S. Velasquez Chapter 1	July 6, 2011
	SDG&E Prepared Direct Testimony of Glen C. Breed Chapter 2	July 6, 2011
	SDG&E Prepared Direct Testimony of William G. Saxe Chapter 3	July 6, 2011
	SDG&E Prepared Direct Testimony of Robert W. Hansen Chapter 4	July 6, 2011
	SDG&E Prepared Direct Testimony of Daniel J. Shulman Chapter 5	July 6, 2011
	SDG&E Prepared Direct Testimony of Frederick W. Myers Chapter 6	July 6, 2011
	SDG&E Prepared Direct Testimony of Yvonne M. Le Mieux Chapter 7	July 6, 2011
	SDG&E Rebuttal Testimony of Joseph S. Velasquez Chapter 1	March 11, 2011
	SDG&E Rebuttal Testimony of Dana Golan Chapter 2	March 11, 2011
	SDG&E Rebuttal Testimony of Glen C. Breed Chapter 3	March 11, 2011
	SDG&E Rebuttal Testimony of William G. Saxe Chapter 4	March 11, 2011
	SDG&E Rebuttal Testimony of Robert W. Hansen Chapter 5	March 11, 2011
	SDG&E Rebuttal Testimony of Daniel J. Shulman Chapter 6	March 11, 2011
	SDG&E Rebuttal Testimony of Shirley Amrany Chapter 7	March 11, 2011
	DRA Chapter 1 Lee-Whei Tan	February 18, 2011
	DRA Chapter 2 Dexter Khoury	February 18, 2011
	DRA Chapter 3 Cherie Chan	February 18, 2011
	DRA Chapter 4 Louis Irwin	February 18, 2011
	DRA Chapter 5 Dale Pennington / Eric Nelson	February 18, 2011
	DRA Chapter 6 Louis Irwin	February 18, 2011
	DRA Chapter 7 Lee-Whei Tan	February 18, 2011
	CFBF Testimony Wendy L. Illingworth	February 18, 2011

EXHIBIT LIST
SDG&E Dynamic Pricing - A.10-07-009 – Prepared Testimony

	EUF Prepared Testimony of Carolyn M. Kehrein	February 18, 2011
	Disability Rights Advocates Testimony of Dmitri Belser, Center For Accessible Technology	February 18, 2011
	UCAN Prepared Testimony of William B. Marcus JBS	February 18, 2011
	UCAN Testimony of Steven C. McClary JBS	February 18, 2011
	UCAN Prepared Testimony of Michael Shames	February 18, 2011
	UCAN Prepared Testimony of Dr. Peter Andersen JBS	February 18, 2011
	GREENLINING Prepared Testimony of Samuel Kang	February 18, 2011

Exhibit 4

DisabRA Declaration

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

In the Matter of the Application of San Diego Gas & Electric Company (U 902 E) for Approval of its Proposals for Dynamic Pricing and Recovery of Incremental Expenditures Required for Implementation.)	
)	A.10-07-009
)	(Filed July 6, 2010)
)	
)	

DECLARATION OF MELISSA W. KASNITZ

I, Melissa W. Kasnitz, do declare as follows:

1. I am the Senior Supervising Staff Attorney for Disability Rights Advocates. I am personally familiar with the facts and representations in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or belief.

2. Disability Rights Advocates first became involved with SDG&E's Dynamic Pricing Application (A.10-07-009) proceedings on August 9, 2010, when it filed a protest with the California Public Utilities Commission in that matter.

3. Disability Rights Advocates has actively participated in the A.10-07-009 proceedings since that time, and it has actively participated in settlement discussions.

4. Disability Rights Advocates does not take issue with the joint party settlement reached in A.10-07-009.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this 20th day of June, 2011, at Berkeley California.

/s/ Melissa W. Kasnitz

Melissa W. Kasnitz
Senior Supervising Staff Attorney
Disability Rights Advocates

CERTIFICATE OF SERVICE

I hereby certify that a copy of **SAN DIEGO GAS & ELECTRIC COMPANY'S (U 902 E) MOTION FOR ADOPTION OF JOINT PARTY SETTLEMENT AND MEMORANDUM OF UNDERSTANDING** on each party named in the official service list for proceeding A. 10-07-009 by electronic service, and by U.S. Mail to those parties who have not provided an electronic address.

Copies were also sent via Federal Express to the assigned Administrative Law Judges and Commissioner.

Executed this 20th day of June, 2011 at San Diego, California.

 /s/ Jenny Norin

Jenny Norin