BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E) For Authority To Update Electric Rate Design Effective on January 1, 2020 Application 19-07-XXX

PREPARED DIRECT TESTIMONY OF JENNY PHAN

ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

JULY 3, 2019



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PREPARED DIRECT TESTIMONY OF JENNY PHAN

I. INTRODUCTION

The purpose of my prepared direct testimony is to propose two cost recovery mechanisms for San Diego Gas & Electric Company's ("SDG&E") new Electric Vehicle High Power ("EV-HP") charging rate. Specifically, I am proposing approval of two balancing accounts: one to record the (1) EV-HP subscription charge discount and (2) interim existing rate discount and another to record the authorized revenue requirement and operating and maintenance costs associated with manually billing the interim existing rate discount. I am also proposing that each balancing account (described in greater detail below) be a two-way balancing account, which is fair to SDG&E's ratepayers and shareholders because ratepayers would only pay for actual costs incurred and would be refunded any overcollections.

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COST RECOVERY

A.

II.

EV-HP Incentive Balancing Account ("EVHPIBA")

SDG&E proposes to offer an incentive to reduce the cost of the EV-HP subscription charge. This incentive is a discount on the subscription charge, which will decline over ten years and will make the cost of charging more competitive and incentivize electric vehicle ("EV") adoption. However, SDG&E is currently planning to replace its Customer Information System ("CIS"), as authorized in Decision ("D.") 18-08-008, and this replacement process will require a one-year freeze period where no changes can be made to its legacy CIS. Until the CIS replacement is completed and stabilized, SDG&E proposes to offer a discount on the interim existing rate demand charge.

To recover the costs associated with both the (1) EV-HP subscription charge discount and
(2) interim existing rate discount, SDG&E requests authority to establish the EVHPIBA, a two-

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way balancing account to record revenue and costs associated with the EV-HP subscription
charge discount and interim existing rate demand charge discount, as described in the prepared
direct testimony of Brittany Applestein Syz. SDG&E proposes to recover the incentives through
Public Purpose Programs ("PPP") rates, with the justification that transportation electrification
provides environmental and air quality benefits to all ratepayers.

SDG&E is proposing that the disposition of the EVHPIBA be addressed in SDG&E's Annual Electric PPP Update filing. This filing is filed as a Tier 2 advice letter (effective upon California Public Utilities Commission ("CPUC") staff approval).

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EV Implementation Balancing Account ("EVIBA")

As noted above, to bridge the gap between when the EV-HP rate is approved and the implementation of the EV-HP rate in early 2021 (upon SDG&E's CIS replacement completion), SDG&E proposes to offer to direct current fast charging ("DCFC") and medium-duty and heavyduty ("MD/HD") EV customers a line-item discount on their existing general service rate until the new CIS is in place and the EV-HP rate can be fully implemented. Implementing this discount will require manual bill calculations. Costs to manually bill these customers include but are not limited to labor to manually administer the bill discount.

To recover the costs associated with implementing the existing rate discount, SDG&E requests authority to establish the EVIBA, a two-way balancing account to record the authorized revenue requirement and operating and maintenance costs associated with the manual billing described above. The revenue requirement associated with this manual billing is forecasted to be \$1.1 million. Details of the revenue requirement are presented in the prepared direct testimony of Woo-Jin Shim. SDG&E proposes to recover these costs from all electric customer classes through distribution rates.

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SDG&E is proposing that the disposition of the EVIBA be addressed in SDG&E'sAnnual Electric Regulatory Update filing once the implementation is completed. This filing isfiled as a Tier 2 advice letter (effective upon CPUC staff approval).

This concludes my prepared direct testimony.

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III.

STATEMENT OF QUALIFICATIONS

My name is Jenny Phan. I am employed by SDG&E, as the Principal Regulatory Accounts Advisor in the Regulatory Accounts Department. My business address is 8330 Century Park Court, San Diego, California 92123. My current responsibilities include the development, implementation, and analysis of regulatory balancing and memorandum accounts. I assumed my current position in November 2014.

I graduated from the University of Quebec in Montreal in 1996 with a Bachelor of Science degree in Accounting. I have been a Chartered Professional Accountant from Canada since 2001.

I have been employed by SDG&E and Sempra Energy since April 2005. In addition to
my current role in Regulatory Accounts, I have held various positions with increasing
responsibility including a Senior Accountant II position in the Accounting Operations
department at SDG&E and a Senior Trust Accountant position in the Compensation and Benefits
department at Sempra Energy. Prior to joining SDG&E and Sempra Energy, I worked for large
companies in Canada preparing monthly and annual financial statements, regulatory reports and
accounting analysis.

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I have previously submitted testimony before the California Public Utilities Commission.