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Exhibit No.: SDGE-7
Witnesses: Josue Mondragon; Jeff DeTuri

**PREPARED DIRECT TESTIMONY OF
JOSUE MONDRAGON AND JEFF DETURI
REGARDING RECORD YEAR 2025 PUBLIC SAFETY POWER
SHUTOFF UNREALIZED SALES AND REVENUE CALCULATIONS
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**

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



JUNE 1, 2026

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1 **PREPARED DIRECT TESTIMONY OF JOSUE MONDRAGON AND JEFF DETURI**
2 **REGARDING RECORD YEAR 2025 PUBLIC SAFETY POWER SHUTOFF**
3 **UNREALIZED SALES AND REVENUE CALCULATIONS ON BEHALF OF SDG&E**

4 **I. INTRODUCTION**

5 This testimony presents San Diego Gas & Electric Company’s (“SDG&E”) calculation of
6 unrealized volumetric sales and unrealized revenue resulting from Public Safety Power Shutoff
7 (“PSPS”) events in 2025 for purposes of determining the PSPS ratemaking remedy set forth in
8 Decision (“D.”) 21-06-014 and using the methodology set forth in D.23-06-054. This testimony
9 is sponsored by SDG&E witnesses Josue Mondragon (Sections II-III) and Jeff DeTuri (Section
10 IV) and is organized as follows:

- 11 • **Section II** – Summarizes the Commission’s decision establishing the PSPS
12 ratemaking remedy and the Commission’s directives on the methodology to be used
13 by the investor-owned utilities (“IOUs”) to calculate unrealized sales and unrealized
14 revenues for purposes of determining the PSPS ratemaking remedy. This section
15 also provides a description of SDG&E’s PSPS Program.
- 16 • **Section III** – Identifies the PSPS events that occurred in SDG&E’s service territory
17 in 2025 and presents SDG&E’s calculation of unrealized volumetric sales for
18 purposes of determining the PSPS ratemaking remedy.
- 19 • **Section IV** - Presents SDG&E’s calculation of unrealized revenues for purposes of
20 determining the PSPS ratemaking remedy.

21 **II. BACKGROUND**

22 **A. Commission Decisions Establishing the PSPS Ratemaking Remedy**

23 On November 13, 2019, the Commission initiated its *Order Instituting Investigation on*
24 *the Commission’s Own Motion on the Late 2019 Public Safety Power Shutoff Events* (“PSPS

1 OII”)¹ to determine whether California’s electric investor-owned utilities complied with
2 applicable laws, rules, and regulations when they initiated the PSPS events in 2019.

3 On June 7, 2021, the Commission issued D.21-06-014 in the PSPS OII (“PSPS OII
4 Decision”).² The PSPS OII Decision found that the utilities did not reasonably comply with the
5 critical guideline to identify, evaluate, weigh, and report public risks for the late 2019 PSPS
6 events.³ Accordingly, the Commission determined a “ratemaking remedy” that would apply
7 prospectively from the effective date of the PSPS OII Decision. Specifically, the Commission
8 stated:

9 ...we find that a ratemaking remedy, in the form of a future downward rate
10 adjustment for customers with the amount of the downward adjustment tied to the
11 duration and scope of any future PSPS events will serve to address the Commission’s
12 concerns discussed above and recognize the undue harms caused to customers by
13 overly broad PSPS events. To minimize the complexity of this ratemaking remedy,
14 this downward rate adjustment will not apply retroactively but, instead, apply
15 starting on the effective date of this decision.⁴

16 The PSPS OII Decision directs that the IOUs shall include the estimated unrealized
17 volumetric sales and unrealized revenue resulting from future PSPS in their respective Energy
18 Resource Recovery Account (“ERRA”) proceedings, addressing the years in which the PSPS
19 events occurred.⁵ The PSPS OII Decision also directs that the IOUs forgo collection in rates of
20 unrealized sales and unrealized revenues until the utility demonstrates improvements in
21 identifying, evaluating, weighing, and reporting public harm when determining whether to
22 initiate a PSPS event.⁶ The PSPS OII Decision directed SDGE, Pacific Gas and Electric

1 Investigation (“I.”) 19-11-013.

2 D.21-06-014.

3 D.21-06-014 at 56.

4 *Id.* at 60.

5 *Id.* at Ordering Paragraph (OP) 1.

6 *Id.*

1 Company (“PG&E”), and Southern California Edison Company (“SCE”) to agree on a
2 methodology to be used to calculate the estimated unrealized volumetric sales and revenues and
3 present it for the Commission’s consideration in the ERRA proceeding.⁷

4 On July 3, 2023, the Commission issued D.23-06-054, which adopted the methodology
5 for calculating unrealized sales and revenues during PSPS events.⁸ D.23-06-054 states that the
6 unrealized revenues resulting from a PSPS event “shall be calculated by multiplying the
7 unrealized volumetric electric sales by the electric rate.”⁹ D.23-06-054 provides a detailed
8 description as to how the utilities are to calculate both the unrealized volumetric electric sales as
9 well as the electric rate that should be used. Sections III and IV below address how SDG&E has
10 applied the Commission’s methodology in its calculations.

11 **B. SDG&E’S Public Safety Power Shutoff Program**

12 SDG&E is obligated to operate its system safely and takes this obligation very seriously.
13 As part of this obligation, SDG&E de-energizes circuits to protect public safety when weather
14 and other conditions pose a heightened risk or potential of wildfire ignitions. The Commission
15 has acknowledged that “SDG&E has statutory authority under Pub. Util. Code § 399.2(a) and §
16 451 to shut off power in emergency situations when necessary to protect public safety, including
17 the situation where strong Santa Ana winds exceed the design basis for SDG&E’s overhead
18 power-line facilities and threaten to topple energized power lines onto tinder dry brush.”¹⁰

⁷ *Id.*

⁸ D.23-06-054.

⁹ *Id.* at OP 1.

¹⁰ D.12-04-024, at Conclusions of Law 1. This decision applied only to SDG&E and established requirements for reasonableness, notification, mitigation, and reporting for SDG&E’s de-energization events.

1 Further, the Commission recognized that “de-energizing electric facilities during dangerous
2 conditions can save lives and property and can prevent wildfires.”¹¹

3 During extreme weather, SDG&E may employ the use of PSPS to try to prevent its
4 electric system from becoming the source of an ignition which may result in a wildfire.
5 SDG&E’s Community Wildfire Safety Program applies a host of precautionary measures to help
6 reduce the threat of wildfire in its communities.

7 A PSPS is a measure of last resort and is based on a combination of factors.¹² SDG&E
8 uses a number of tools to monitor the extent and duration of weather events and the condition of
9 available fuels across its service territory. The company also has field personnel who observe
10 environmental conditions such as lying debris or other threats to power lines. SDG&E assesses
11 each situation for potential impacts to electric infrastructure and surrounding communities,
12 allowing it to reduce the potential of fire from its electric system by operating it at various levels
13 of caution. The decision and action to turn off power is based on a combination of factors,
14 including high winds (including Red Flag warnings), low humidity, dry vegetation (that could
15 serve as fuel), fire threat (to electric infrastructure), on-the-ground observations, and public
16 safety risk. If a PSPS is needed due to extreme conditions, customers can expect early warning
17 notification, ongoing updates, safety inspections and ultimately power restoration.¹³

¹¹ Resolution (“Res.”) ESRB-8 (July 12, 2018), at 1. This resolution extended the de-energization reasonableness, public notifications, mitigation, and reporting requirements established in D.12-04-024 to all electric IOUs and also added new requirements.

¹² In December 2018, the Commission opened a rulemaking proceeding to examine de-energization policies and guidelines adopted in D.12-04-024 and Res. ESRB-8 (see Rulemaking (R.) 18-12-005, Order Instituting Rulemaking to Examine Electric Utility De-Energization of Power Lines in Dangerous Conditions (issued December 19, 2018) (referred to herein as “PSPS Rulemaking”).

¹³ More information about PSPS events and SDG&E’s Community Wildfire Safety Program can be found at <https://www.sdge.com/our-commitment-wildfire-safety>

1 **III. CALCULATION OF UNREALIZED SALES DUE TO RY 2025 PSPS EVENTS**

2 **A. Summary of PSPS Events in 2025**

3 SDG&E activated two PSPS events in 2025, the first January 7th through January 16th, and
4 the second event on January 20th through January 24th. Table I below displays the number of
5 affected customers for each event by rate class.

6 *Table I*
SDG&E's Summary of 2025 Impacted Customers per Post PSPS Event Reports

Event Day(s)	Residential	Small Commercial	Medium & Large Commercial	Agriculture	Streetlighting	Customers Impacted
January 7-16, 2025	12,432	1,766	136	699	4	15,037
January 20-24, 2025	22,379	3,161	243	1,083	5	26,871

7 Table II Displayed the unrealized sales calculated for each PSPS event by rate class.
8

9 *Table II*
SDG&E PSPS Unrealized Sales (kWh) for 2025 PSPS Events by Customer Class

Event Day(s)	Residential	Small Commercial	Medium & Large Commercial	Agriculture	Streetlighting	Total
January 7-16, 2025	314,653	91,360	111,573	143,421	138	661,145
January 20-24, 2025	424,162	99,983	103,024	37,431	435	665,034

10 Information on SDG&E's PSPS events can be found in SDG&E's Post-PSPS Event
11 Reports.¹⁴

12 **IV. CALCULATION OF UNREALIZED REVENUES DUE TO RY 2025 PSPS EVENTS**

13 D.23.06-054 directs the IOUs to calculate the electric rate as follows:

14 The electric rate that shall be used to calculate a utility's unrealized revenues shall
15 consist of all rate components that are under the jurisdiction of the California Public
16 Utilities Commission and are charged based on volumetric sales, except rate

¹⁴ As required by Res. ESRB-8 and D.19-05-042 and archived at <https://www.sdge.com/wildfire-safety/pmps-more-info>

1 components that do not recover any revenue shortfalls or variances resulting from
 2 PSPS events and rate components that provide a credit to ratepayers during the PSPS
 3 event. Pacific Gas and Electric Company, Southern California Edison Company, and
 4 San Diego Gas & Electric Company shall include all applicable rate components in
 5 the electric rate based on the utility's rate structure at the time the PSPS event was
 6 initiated.¹⁵

7 SDG&E quantified the revenue impact for each customer class by multiplying the results
 8 from the unrealized sales volumes to the applicable energy rates. SDG&E also included lost PCIA
 9 revenue for both bundled and unbundled customers in the calculation of unrealized revenue. Tables
 10 III-V below shows the rates that were used to perform the calculation and the resulting unrealized
 11 sales revenues in total and for each distinct event. The total of all unrealized revenues associated
 12 with 2025 PSPS events is \$199,754.

13 *Table III*
 14 *SDG&E's Calculation of Unrealized Revenues by Customer Class in Total*
Unrealized Revenues Calculation^{1,2}

	Unrealized Sales	Dist ³	PPP	ND	CTC	LGC	TRAC	PCIA ⁴	Total Unrealized Revenues ⁵
	kWh	(\$)							(\$)
Residential	738,815	\$93,010	\$12,220	\$52	\$399	\$18,589	\$1,101	\$13,274	\$138,644
Small Commercial	191,343	\$25,136	\$3,245	\$13	\$99	\$3,368	\$0	\$4,508	\$36,369
Medium/Large Commercial & Industrial	214,597	\$887	\$3,843	\$15	\$103	\$3,858	\$0	\$5,853	\$14,559
Agriculture	180,852	\$3,440	\$3,216	\$13	\$54	\$1,857	\$0	\$1,474	\$10,054
Streetlighting	573	\$106	\$0	\$0	\$0	\$10	\$0	\$12	\$127
System	1,326,179	\$122,579	\$22,524	\$93	\$656	\$27,682	\$1,101	\$25,120	\$199,754

¹ Based on rates approved in SDG&E Advice Letter 4582-E and 4582-E-A for rates effective January 1, 2025; Calculations

² Electric Rate components: Distribution (Dist), Public Purpose Programs (PPP), Nuclear Decommissioning (ND), Competition Transition Charges (CTC), Local Generation Charge (LGC), Total Rate Adjustment Component (TRAC),

³ Distribution rate is prorated based on the revenue calculated from energy only rates to remove demand, monthly

⁴ PCIA includes both bundled and unbundled revenues

⁵ Totals may not sum due to rounding.

¹⁵ D.23-06-054, at OP 1(b).

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Table IV
SDG&E's Calculation of Unrealized Revenues by Customer Class For January 7-16, 2025
Unrealized Revenues Calculation^{1,2}

	Unrealized Sales	Dist ³	PPP	ND	CTC	LGC	TRAC	PCIA ⁴	Total Unrealized Revenues ⁵
	kWh	(\$)							(\$)
Residential	314,653	\$39,612	\$5,204	\$22	\$170	\$7,917	\$469	\$5,627	\$59,021
Small Commercial	91,360	\$12,002	\$1,549	\$6	\$48	\$1,608	\$0	\$2,044	\$17,257
Medium/Large Commercial & Industrial	111,573	\$461	\$1,998	\$8	\$54	\$2,006	\$0	\$2,668	\$7,194
Agriculture	143,421	\$2,728	\$2,550	\$10	\$43	\$1,473	\$0	\$1,157	\$7,961
Streetlighting	138	\$26	\$0	\$0	\$0	\$2	\$0	\$3	\$31
System	661,145	\$54,828	\$11,302	\$46	\$314	\$13,006	\$469	\$11,499	\$91,464

¹ Based on rates approved in SDG&E Advice Letter 4582-E and 4582-E-A for rates effective January 1, 2025; Calculations are based on the class average rate, except for PCIA which applies the PCIA vintage rate to the respective unrealized sales' vintage.

² Electric Rate components: Distribution (Dist), Public Purpose Programs (PPP), Nuclear Decommissioning (ND), Competition Transition Charges (CTC), Local Generation Charge (LGC), Total Rate Adjustment Component (TRAC), Power Charge Indifference

³ Distribution rate is prorated based on the revenue calculated from energy only rates to remove demand, monthly service fees, and other fixed charges not impacted during PSPS events.

⁴ PCIA includes both bundled and unbundled revenues

⁵ Totals may not sum due to rounding.

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Table V
SDG&E's Calculation of Unrealized Revenues by Customer Class For January 20-24, 2025
Unrealized Revenues Calculation^{1,2}

	Unrealized Sales	Dist ³	PPP	ND	CTC	LGC	TRAC	PCIA ⁴	Total Unrealized Revenues ⁵
	kWh	(\$)							(\$)
Residential	424,162	\$53,398	\$7,016	\$30	\$229	\$10,672	\$632	\$7,647	\$79,624
Small Commercial	99,983	\$13,134	\$1,696	\$7	\$52	\$1,760	\$0	\$2,463	\$19,112
Medium/Large Commercial & Industrial	103,024	\$426	\$1,845	\$7	\$49	\$1,852	\$0	\$3,184	\$7,364
Agriculture	37,431	\$712	\$666	\$3	\$11	\$384	\$0	\$317	\$2,093
Streetlighting	435	\$80	\$0	\$0	\$0	\$7	\$0	\$9	\$97
System	665,034	\$67,751	\$11,222	\$47	\$342	\$14,676	\$632	\$13,621	\$108,290

¹ Based on rates approved in SDG&E Advice Letter 4582-E and 4582-E-A for rates effective January 1, 2025; Calculations are based on the class average rate, except for PCIA which applies the PCIA vintage rate to the respective unrealized sales' vintage.

² Electric Rate components: Distribution (Dist), Public Purpose Programs (PPP), Nuclear Decommissioning (ND), Competition Transition Charges (CTC), Local Generation Charge (LGC), Total Rate Adjustment Component (TRAC), Power Charge Indifference

³ Distribution rate is prorated based on the revenue calculated from energy only rates to remove demand, monthly service fees, and other fixed charges not impacted during PSPS events.

⁴ PCIA includes both bundled and unbundled revenues

⁵ Totals may not sum due to rounding.

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1 **V. CONCLUSION**

2 This concludes SDG&E's prepared direct testimony on Record Year 2025 PPS

3 unrealized sales and revenues.

1 **VI. WITNESS QUALIFICATIONS**

2 **A. Witness Qualifications of Josue Mondragon**

3 My name is Josue Mondragon. My business address is 8330 Century Park Court, San
4 Diego, California 92123. I am employed by San Diego Gas & Electric Company as the Electric
5 Load Research Senior Supervisor within the Customer Pricing Department. My primary
6 responsibility is the study and research of customer electric energy usage. I have held my
7 current position since 2020. Prior to this, I have held various roles of increasing responsibilities
8 in the Load Research area since 2003.

9 I have previously testified before the California Public Utilities Commission.

10 **B. Witness Qualifications of Jeff DeTuri**

11 My name is Jeff DeTuri. My business address is 8315 Century Park Court, San Diego, CA
12 92123. I am employed by SDG&E and my current title is Senior Supervisor - Rates in the
13 Customer Pricing Department. My responsibilities include oversight of development of real-time
14 pricing strategies and analysis needed for the development of electric rates. I joined SDG&E in
15 August 2003 and have held various positions with increasing levels of responsibility within San
16 Diego Gas & Electric. Prior to joining SDG&E, I worked as an accounting professional for various
17 companies throughout San Diego County. I received a Bachelor of Accountancy degree and a
18 Master of Business Administration from the University of San Diego.

19 I have previously testified before the California Public Utilities Commission.