

Application of San Diego Gas & Electric Company (U902M) for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2012.

A.10-12-005  
(Filed December 15, 2010)

Application of Southern California Gas Company (U904G) for authority to update its gas revenue requirement and base rates effective on January 1, 2012.

A.10-12-006  
(Filed December 15, 2010)

Application: A.10-12-005  
Exhibit No.: SDG&E-253/SCG-243

**PREPARED REBUTTAL TESTIMONY OF  
KENNETH M. TRAVIS PHD  
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY AND  
SOUTHERN CALIFORNIA GAS COMPANY**

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

**OCTOBER 2011**



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1                                   **PREPARED REBUTTAL TESTIMONY OF**  
2                                   **KENNETH M. TRAVIS, PHD**  
3                   **ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY AND SOUTHERN**  
4                                   **CALIFORNIA GAS COMPANY**

6 **I. INTRODUCTION**

7           The following rebuttal testimony addresses the intervener testimony dated September 22,  
8 2011 of:

- 9           • Len Canty, Jorge Corralejo, and Faith Bautista on behalf of the National Asian  
10           American Coalition, Latino Business Chamber of Greater Los Angeles, and Blace  
11           Economic Council, (“Joint Parties”)

12           Although this intervenor testimony mentions only San Diego Gas & Electric Company  
13 (“SDG&E”) by name in the survey it reports upon (Exh. JP-1, pp 20-21 and Exh. JP-2), I am  
14 sponsoring rebuttal on behalf of both SDG&E and Southern California Gas Company  
15 (“SoCalGas”).<sup>1</sup> My rebuttal testimony is organized as follows:

17           Section I – INTRODUCTION

18           Section II – A CRITICAL EVALUATION OF JOINT PARTIES’ SURVEY

19           Section III - SUMMARY AND CONCLUSION

20 **II. A CRITICAL EVALUATION OF JOINT PARTIES’ SURVEY**

21           Travis Research Associates, Inc. has been asked to comment on the Joint Parties’ Survey  
22 Results of 190 Rate Payers (“JPSR”) from the point of view of how well it reflects good  
23 practices in contemporary survey research. This document summarizes our evaluation.  
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<sup>1</sup> The Joint Party testimony references the “Sempra rate increase” and addresses “ratepayers in general” which could be interpreted to include SoCalGas as well as SDG&E. Exh. JP-1, p. 6.

1           **A.       Failure to Meet Council of American Survey Research Organizations**  
2           **Standards**

3           The JPSR clearly fails to meet the “Code of Standards and Ethics for Survey Research”  
4 set forth by the Council of American Survey Research Organizations (CASRO). The CASRO  
5 guidelines inform much of this critique of the JPSR. CASRO specifically requires that reports  
6 prepared for public release should at a minimum provide the following:

- 7           1.       The name of the organization for which the study was conducted and the name of  
8                   the organization conducting it.
- 9           2.       The purpose of the study, including the specific objectives.
- 10          3.       The dates on or between which the data collection was done.
- 11          4.       A definition of the universe that the survey is intended to represent and a  
12               description of the population that was actually sampled.
- 13          5.       A description of the sample design, including the method of selecting  
14               respondents, the method of data collection, the number of attempts to complete a  
15               survey, respondent eligibility or screening criteria, and other pertinent  
16               information.
- 17          6.       A description of the results of the sample implementation including  
18               (a) the total number of potential respondents contacted,  
19               (b) the number not reached,  
20               (c) the number of refusals,  
21               (d) the number of terminations,  
22               (e) the number of non-eligibles,  
23               (f) the number of completed surveys.
- 24          7.       The basis for any specific “completion rate” percentages should be fully  
25               documented and described.

- 1 8. The questionnaire or exact wording of the questions used, including any  
2 interviewer directions and visual exhibits.

3  
4 The two-page JPSR document fails to meet all but the last of these CASRO requirements  
5 and meets that one only partially.

6  
7 **B. Surveys Intended for Public Release**

8 Good practices in contemporary public opinion research call for surveys intended for public  
9 release to :

- 10  
11 1. Collect information through the use of a structured and standardized questionnaire  
12  
13 2. Pose that questionnaire to a sample drawn from a population such that its results  
14 are projectable to that population within a specified level of accuracy.

15  
16 There are several factors that collectively determine the extent to which these objectives are met.

17 They reinforce and build upon the earlier-noted CASRO standards:

- 18  
19 ■ How clearly the population of interest is identified  
20  
21 ■ The approximate size of the population in question  
22  
23 ■ The size of the sample employed and the concomitant error tolerance to be  
24 expected given that size  
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26 ■ The extent to which the sample of respondents is drawn randomly  
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28 ■ The response rate, i.e., the proportion of respondents who participated in the  
29 survey out of all those approached to do so

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The JPSR document addresses none of these issues.

**C. Questionnaire Bias**

The overarching concern in all survey research, but particularly that conducted for public release, is the potential for bias. While bias can never be eliminated entirely, the quality of a research effort is largely a function of the steps taken to minimize it.

A major contributor to biased survey results is often the questionnaire employed. Biased questions are frequently asked in surveys taken by groups and organizations seeking to advance a particular agenda. That certainly seems to be the case in this instance as the questions are clearly worded to encourage survey participants to respond in a certain way. A few of the more egregious violations of good questionnaire design practices in the JPSR include the following:

- There is no attempt whatsoever to provide respondents with a choice among balanced alternatives
- All but one of the six questions (Q6) begins with a purported statement of fact for which no evidence or countervailing position is offered
- To the extent that the statements have any basis in reality, they are nevertheless provided totally out of context.

All six questions in the JPSR survey exhibit severe bias. Question 1 clearly illustrates this point.

*Q.1 “Do you favor large rate increases during a time when more than 10% of San Diego residences are unemployed and so many small businesses cannot meet their payrolls?”*

Pertinent related questions to the above that are left unasked and unanswered include the following:

- 1
- 2     ▪    What constitutes a “large rate increase?”
- 3         ✓    In terms of a percentage?
- 4         ✓    In terms of dollars?
- 5
- 6     ▪    Where is the evidence that “more than 10% of San Diego residents are
- 7         unemployed?”
- 8
- 9     ▪    What evidence is there that “so many small businesses cannot meet their
- 10        payrolls?”
- 11
- 12    ▪    Under what circumstances would a rate increase, either large or small, be
- 13        considered justifiable on the part of the consumer?
- 14
- 15    ▪    What is the justification that SDG&E has given for its requested rate increase?
- 16
- 17    ▪    Do utility customers *ever* favor rate increases under *any* circumstances?
- 18

19   Clearly, the responses desired, not only to Question 1, but to all six survey questions, are  
20   decidedly unfavorable to SDG&E, its management and its policies. Indeed, the entire JPSR  
21   document fails to meet even the most basic tenets of impartial and objective survey research.

22

23   **III.   SUMMARY AND CONCLUSION**

24         The Commission should reject, for any and all purposes, the use of results of the survey  
25   discussed above, as it is neither impartial nor objective.

26         This concludes my prepared rebuttal testimony.

1 **IV. WITNESS QUALIFICATIONS**

2 My name is Kenneth M. Travis, Ph.D. and I am presently Founder and President of Travis  
3 Research Associates, Inc. My prior positions have included the following: President, Plog  
4 Research, Inc.; Executive Vice President, BASICO, Division of ASI Market Research;  
5 Senior Research Associate, Planning Research Corporation. My education and teaching credentials  
6 as well as my professional affiliations are described below.

7 My experience includes General Research, Focus Group Research, Consumer Research, and  
8 Community Involvement:

9 **General Research Experience.** Director of hundreds of major local, state, and national surveys on  
10 a variety of psychological, sociological, political, and market research topics. Has developed and  
11 employed psychographic scales for understanding and predicting behavior. Utilized multivariate  
12 analyses in the solution of complex behavioral problems. Consultant for nationwide interviewer  
13 selection including development of interviewer-training programs emphasizing in-depth, semi-  
14 structured techniques. Prime responsibility for exploratory opinion research preceding  
15 questionnaire construction. Developed methodology for reducing questionnaire item bias through  
16 non-directive pilot studies. Constructed techniques for programming unstructured questionnaire  
17 responses. Other responsibilities include designing statistical sampling techniques, questionnaire  
18 construction, data analysis, and report generation. Heavy emphasis on quantitative methods and  
19 experimental design.

20 **Focus Group Research.** Recognized leader in the field of focus group research. Developed and  
21 utilized broad spectrum of techniques for eliciting information from respondents participating in  
22 focus groups. Literally hundreds of focus groups conducted on diverse topics for clients in both  
23 government and industry.

24 **Consumer Research.** Has comprehensive experience in the evaluation and consumer testing of  
25 new and existing products and services to provide accurate assessments of strengths and



1 weaknesses. Research experience in this area ranges from studies involving new product concept  
2 evaluation, blind product testing, competitive product testing, package design research, package and  
3 product compatibility testing, pricing studies, product line evaluations, and product image studies.

4 **Community Involvement.** Heavily experienced in directing community involvement programs on  
5 major public works planning projects. Developed innovative means for involving citizens and  
6 community groups in the planning procedure. Experience also includes the management of  
7 community attitude and opinion surveys as part of a comprehensive community involvement  
8 program.

9 **TEACHING**

10 Associate Professor at Pepperdine University

11 **EDUCATION**

12 Claremont Graduate School, M.A., and Ph.D., Experimental Social Psychology

13 B.A. in Psychology from California State University at Northridge.

14 **AFFILIATIONS**

15 American Psychological Association

16 American Marketing Association

17 Southern California Marketing Association

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