

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

Application No. 10-12-____
Exhibit No.: (SCG-41)

**PREPARED DIRECT TESTIMONY OF
ANDREW E. STEINBERG
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY**

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

DECEMBER 2010



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1 **PREPARED DIRECT TESTIMONY**
2 **OF ANDREW E. STEINBERG**
3 **ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY**
4 **(COMPLIANCE)**
5

6 **I. PURPOSE AND SUMMARY**

7 The California Public Utilities Commission (“CPUC” or “Commission”) Rate Case Plan
8 (“RCP”) governs filing dates, revision dates, and time schedules for the major investor-owned
9 utility General Rate Case (“GRC”) proceeding. Revised pursuant to Order Instituting
10 Rulemaking R.87-11-012, and most recently updated by Decision (“D.”) 07-07-004, the RCP
11 also contains an explanation of filing requirements, such as the supporting documentation needed
12 for the application, testimony, and exhibits. The purpose of this testimony is to demonstrate for
13 the Test Year 2012 (“TY2012”) GRC Application that Southern California Gas Company
14 (“SoCalGas”) has complied with the specific RCP obligation to provide “All studies and
15 information required to be submitted in the rate case by the Commission in prior rate decisions
16 and subsequent policy statements or decisions.”¹

17 My testimony is organized as follows:

- 18 • Section II explains the scope of this testimony, and the process used to determine the
19 compliance items and status as of the time just prior to the submission of the GRC Notice
20 of Intent (“NOI”), in July 2010;
- 21 • Section III provides information regarding the obligations and / or commitments of
22 SoCalGas.

23 **II. SCOPE AND PROCESS**

24 This testimony presents a list of the GRC compliance items that the Commission has either
25 ordered SoCalGas to perform or that have been agreed to by SoCalGas in settlement, as adopted
26 by the Commission. The primary GRC compliance items are found in the Commission’s
27 Ordering Paragraphs in its decision adopting the Test Year 2008 GRC Settlement Agreements
28 entered into by SoCalGas and San Diego Gas & Electric Company (“SDG&E”). See D.08-07-

¹ Appendix to D.07-07-004, p. A-32, Item 7A re: “Standard Requirement List of Documentation Supporting an NOI.”

1 046, as modified by D.09-06-052 (hereinafter, “TY2008 GRC Decision”). In addition, I
2 conducted a review of earlier rate case decisions: D.97-07-054 on Performance Based
3 Ratemaking (“1997 PBR”), and D.04-12-015 on the Cost of Service (“2004 COS”). I also
4 conducted a review of other Commission decisions and currently ongoing regulatory proceedings
5 since the August 2006 submittal of the SoCalGas NOI to file its Test Year 2008 GRC, for
6 potential compliance items requiring the submission of studies or information in this GRC.

7 Based on the review process described above, this testimony provides a list of compliance items,
8 and provides the following information: the source of the requirement / obligation, a description
9 of the nature of the item, the actions performed, and the status of each compliance item.

10 **III. COMPLIANCE ITEMS**

11 The following list of SoCalGas compliance items was developed according to the review
12 described in Section II. The items are organized according to the following categories (in
13 sequential order): General, Gas Procurement, Customer Services and Information,
14 Administrative and General, Results of Operation and Other Revenue-related, and Post-Test
15 Year and Performance Incentives.

16 **A. General**

17 1. File Advice Letter (“AL”) to implement Test Year outcome.

- 18 • Source: TY2008 GRC Decision, Ordering Paragraph 15.
- 19 • Requirement: Within 10 days from the effective date of the decision, file a Tier 1 AL
20 with revised tariff sheets to implement (i) the revenue requirement authorized by this
21 Order, and (ii) all settlements authorized by this Order. The revised tariff sheets shall
22 (a) become effective within 45 days of the date of this Order, subject to a finding of
23 compliance by the Commission’s Energy Division, (b) comply with General Order
24 (“GO”) 96-B, and (c) apply to service rendered on or after their effective date.

25 Balances recorded in the GRC Revenue Requirements Memorandum Account (“GRC
26 RRMA”) from January 1, 2008 until the effective date of new tariffs required by this
27 Order shall be amortized in rates over a one year period beginning January 1, 2009.

- 28 • Action Performed: SoCalGas submitted AL 3890 (Establishment and Modification of
29 Regulatory Accounts and Performance Based Ratemaking Mechanism) and 3891
30 (Test Year 2008 GRC Implementation filing) on August 11, 2008 in compliance with

1 the TY2008 GRC Decision. SoCalGas also submitted AL 3900 (Modifications of
2 Performance Incentive Mechanisms), pursuant to the extension in time granted by
3 letter from the Energy Division to comply with Ordering Paragraphs 17 and 18, on
4 September 8, 2008, again in compliance with the TY2008 GRC Decision.
5 Furthermore, SoCalGas filed AL 3910 on October 15, 2008 to amortize the balance
6 of the GRC RRMA over a one-year period beginning January 1, 2009. The AL was
7 approved and the GRC RRMA was included in the subsequent SoCalGas AL 3940
8 filed on December 29, 2008 to consolidate all year-end revenue and rate changes, and
9 enact such changes in rates beginning January 1, 2009.

- 10 • Status: Completed.

11 2. File next GRC for 2012 Test Year.

- 12 • Source: TY2008 GRC Decision, pp. 3 and 40, and Finding of Fact 33.
- 13 • Requirement: The decision requires SoCalGas to file a rate case for TY2012.
- 14 • Action Performed: SoCalGas filed its NOI on August 6, 2010, consistent with the
15 timing identified in the Commission’s adopted RCP per D.93-07-030, that would be
16 sufficient for a Test Year 2012 GRC Application.
- 17 • Status: Completed with the acceptance of the SoCalGas GRC Application filing.

18 3. File TY2012 GRC by cost center and include 5 years of historical data in the new format.

- 19 • Source: TY2008 GRC Decision, pp. 9-11, and Ordering Paragraph 22.
- 20 • Requirement: SoCalGas shall file the next GRC using the then-current “cost center”
21 system of internal accounting and control rather than convert and allocate the data to
22 approximate the Federal Energy Regulatory Commission’s Uniform System of
23 Accounts. The decision also requires that five years of data should be included in
24 the new format for the next (TY2012 GRC) proceeding.
- 25 • Action Performed: SoCalGas submits its TY2012 GRC forecasts for Operations &
26 Maintenance (“O&M”) expenses based the company organization of cost centers.
27 For purposes of the GRC presentation, in certain instances witnesses discuss cost
28 centers (either Non-Shared or Shared Services) in groups reflecting broad activities
29 (i.e., similar cost drivers within a functional area). Five years of historical cost data
30 consistent with the organization of cost centers is provided to the Division of

1 Ratepayer Advocates (“DRA”) in response to the proceeding Master Data Request
2 (“MDR”), and is available to all parties upon request.

- 3 • Status: Completed.

4 4. File single GRC Application if desired for both SoCalGas and SDG&E.

- 5 • Source: TY2008 GRC Decision, pp. 3, 11 – 12, and Ordering Paragraph 21.
- 6 • Option: SoCalGas and SDG&E may file a single application for the next GRC, with
7 separate revenue requirements for both companies, in order to reduce duplication of
8 testimony and expedite the proceeding. SoCalGas and SDG&E may also choose to
9 file separate applications.
- 10 • Action Performed: SoCalGas and SDG&E chose to file separate Applications, but as
11 in previous instances, will file a motion with the Commission asking to consolidate
12 the Applications pursuant to Rule 7.4.
- 13 • Status: Request for consolidation forthcoming.

14 5. The Commission adopts the SoCalGas, DRA and TURN settlement, including the details
15 described in the agreement, and also the comparison exhibit.

- 16 • Source: TY2008 GRC Decision, p. 18.
- 17 • Requirement: Implement and enact provisions of the settlement.
- 18 • Action Performed: Various (see descriptions of certain requirements herein).
- 19 • Status: Ongoing.

20 **B. Gas Procurement**

21 1. Reflect gas procurement consolidation savings consistent with SoCalGas testimony in
22 A.06-08-026.

- 23 • Source: SoCalGas Test Year 2008 Settlement Agreement (hereinafter, “TY2008
24 Settlement Agreement”), p. 6, Joint Settlement Comparison Exhibit (“JSCE”),²
25 Chapter 3B5-5, p. 63, and Exhibit SCG-278 in A.06-12-010.
- 26 • Requirement: Increase in SoCalGas revenue requirement associated with FERC
27 Account 807.5 of \$0.356 million (not including the associated labor overheads or
28 escalation) to add three new employees to handle additional workload, resulting in
29 \$3.246 million for the account.

² Exhibit SCG-302, submitted into the record in the Test Year 2008 GRC proceeding (A.06-12-009 & 010).

- 1 • Action Performed: Filed AL 3891 (TY2008 GRC Implementation). Pursuant to the
2 approved Settlement Agreement, the SoCalGas Results of Operations (“RO”) Model
3 was increased by \$0.356 million for FERC Account 807.5, resulting in \$3.246
4 million funding associated with that account. Implementation of the authorized 2008
5 revenue requirement thus fulfills the Settlement Agreement provision. The AL was
6 approved by the Energy Division by letter on October 6, 2008.
- 7 • Status: Completed.

8 **C. Customer Services and Information**

9 1. Moratorium on branch office closures.

- 10 • Source: TY2008 GRC Decision, p. 20 and Ordering Paragraph 11.
- 11 • Requirement: There is a moratorium imposed on SoCalGas precluding any further
12 branch office closures. SoCalGas may bring an application at any time to propose a
13 comprehensive solution to the problem of business office closures, or defer any
14 further action to the next GRC.
- 15 • Action Performed: There were no branch office closures. SoCalGas has not
16 proposed any closures in separate applications since the conclusion of the 2008
17 GRC, or in the present GRC.
- 18 • Status: Ongoing.

19 2. Moratorium on new contracts with Authorized Payment Locations (“APLs”) offering 20 payday lending services.

- 21 • Source: TY2008 GRC Decision, p. 21.
- 22 • Requirement: There is a moratorium imposed on SoCalGas precluding any new
23 APLs within “payday lenders.” SoCalGas may bring an application at any time to
24 propose a comprehensive solution to the problem of payment locations, or defer any
25 further action to the next GRC.
- 26 • Action Performed: There were no new contracts with APLs that offer payday loan
27 services.
- 28 • Status: Ongoing.

29 3. Detailed justification for proposed public affairs and outreach expense.

- 30 • Source: TY2008 GRC Decision, p. 75, and Ordering Paragraph 28.

- 1 • Requirement: In the TY2008 GRC, DRA requested a reduction to the A&G External
2 Relations – Community Relations Shared Services cost center 2200-2072, relating to
3 certain public affairs costs believed to be directed to corporate image enhancement
4 rather than service / value to ratepayers.³ DRA also requested a reduction to the
5 Corporate Center External Affairs – Community Affairs department, under the
6 presumption the costs were duplicative of costs proposed in the aforementioned
7 Shared Services cost centers.⁴ The TY2008 GRC Decision did not adopt the
8 disallowance, but ordered SoCalGas to provide additional detail for the noted
9 activities in testimony and workpapers with its request for ratepayer funding in the
10 next GRC.
- 11 • Action Performed: Information regarding the External Relations departments is
12 provided in the testimony of the External Affairs & Legal witness Cheryl A.
13 Shepherd (see Exhibit SCG-23). The workpapers to the testimony contain
14 documentation of outreach efforts for educational and other purposes to evidence the
15 specific service / value to ratepayers.
- 16 • Status: Completed.

17 4. Tariff language changes to reflect service commitments of the settlement with the Pest
18 Control Operators of California (“PCOC”).

- 19 • Source: TY2008 GRC Decision, p. 79.
- 20 • Requirement: We require SoCalGas to file appropriate tariff language to clearly
21 reflect the service commitment by the Applicants to PCOC.
- 22 • Action Performed: Filed AL 3890 (Establishment and Modification of Regulatory
23 Accounts and Performance Based Ratemaking Mechanism) on August 11, 2008 in
24 compliance with the TY2008 GRC Decision. SoCalGas modified Rule 9,
25 Discontinuance of Service, for changes in its shut-off procedures. The changes
26 primarily relate to the scheduling of gas shut-off services and continued interaction
27 with the PCOC on a regular basis to address and resolve its service issues.
28 SoCalGas also agreed to offer access to “Web Portal” services, which was developed
29 and then presented on June 9, 2010 to PCOC Leadership. Testing is expected to be

³ See TY2008 Exhibit DRA-18, the testimony of Ms. Donna-Fay Bower, page 18-13 in A.06-12-009 / 010.

⁴ See TY2008 Exhibit DRA-19, the testimony of Ms. Donna-Fay Bower, page 19-38 in A.06-12-009 / 010.

1 conducted in August 2010. Upon the conclusion of the testing process, the Web
2 Portal will be made available to the general fumigation public.

- 3 • Status: Completed (tariff changes) / Ongoing (Web Portal).

4 5. Implement provisions of Memorandum of Understanding (“MOU”) with Disability
5 Rights Advocates (“DisabRA”).

- 6 • Source: SDG&E and SoCalGas and DisabRA MOU, pp. 1 – 11.
- 7 • Requirement: Perform activities as agreed in MOU pertaining to Branch Offices and
8 APLs, utility websites, and pedestrian rights of way. The specific activities are
9 addressed in kind below pursuant to the MOU status reports, up to the report dated
10 April 1, 2010.
- 11 • Action Performed:
 - 12 a. Survey of each branch office by December 31, 2007 (Sections 3.1 / 3.2) – All
13 SoCalGas Branch Offices were surveyed and reported on regarding accessibility
14 and compliance with Applicable Law by December 31, 2007. The report
15 classified branch offices according to the categories identified in the MOU.
 - 16 b. Survey of transaction-related elements in APLs by March 31, 2008 (Section 3.3)
17 – Site surveys for all APLs were completed by March 31, 2008 and reported to
18 DisabRA.
 - 19 c. Remediation work performed on "Category 1" branch offices by June 30, 2009
20 (Section 3.4) – All Category 1 Utility-Owned Branch Offices that were identified
21 in the consultant report were made compliant with Applicable Law with work
22 completed in December 2008.
 - 23 d. Planning and remediation work for one "Category 2" branch office each calendar
24 quarter beginning January 31, 2008 with work to be completed within 1 year of
25 receiving necessary permits (Section 3.5) – Four Category 2 Utility-Owned
26 Branch Offices that were identified in the consultant report were made compliant
27 with Applicable Law within one year of receiving a construction permit for that
28 office. The remaining two Category 2 Utility-Owned branch offices are
29 scheduled to undergo remediation work according to the submitted plan.
 - 30 e. Plan for all branch office sites to be brought up to code by March 31, 2008; all
31 branch offices that remain open shall be made compliant with Applicable Law by

1 no later than March 30, 2012 (Section 3.6) – SoCalGas submitted the initial
2 branch office plan on March 31, 2008. Thirteen Category 1 and 2 Utility-Leased
3 Branch Offices that were identified in the consultant report were made compliant
4 with Applicable Law as of April 1, 2010. The remaining twenty-six Utility-
5 Leased branch offices are scheduled to undergo remediation work according to
6 the submitted plan. Six Category 1 and 2 Utility-Owned Branch Offices that
7 were identified in the consultant report were made compliant with Applicable
8 Law as of April 1, 2010. The remaining two Utility-Owned branch offices are
9 scheduled to undergo remediation work according to the submitted plan.

- 10 f. Contract for in-person payment alternative locations near branch offices that
11 need "Category 2" remediation by June 30, 2008 (Section 3.8) – SoCalGas
12 contracted with at least one accessible APL within a reasonable distance of each
13 Category 2 Utility-Leased Branch Office. This was completed by June 30, 2008.
- 14 g. Semi-annual reports of branch office and APL accessibility / status of
15 remediation projects beginning September 30, 2008 (Section 3.9) – SoCalGas
16 provided status reports in compliance with the MOU each September and March.
17 After the report due on September 30, 2010, status reports are due annually until
18 the expiration of the MOU.
- 19 h. Promotion of branch offices and APLs, including list on website and training for
20 call center CSRs by June 30, 2008 (Section 3.10) – SoCalGas posted a list of
21 accessible Branch Offices and APLs on its website, put up posters and maps in
22 Branch Offices of nearby accessible payment locations, updated customer
23 service telephone communications identifying accessible payment locations, and
24 provided training to customer service representatives to provide information on
25 the locations of accessible Branch Offices and APLs as of June 30, 2008.
- 26 i. Provide an “Integrated Branch Office and APL Plan” (“Integrated Plan”) due by
27 June 30, 2008 (Section 3.11) – SoCalGas provided the Integrated Plan to
28 DisabRA on June 30, 2008. The status of ADA compliance for transaction-
29 related elements for APLs (contracted as of December 31, 2007) was provided in
30 the April 1, 2010 semi-annual report.

- 1 j. Only APLs that comply with Applicable Law for Transaction-Related Elements
2 will be added to the Utilities' APL networks (Section 3.13) – SoCalGas has only
3 added locations compliant with Applicable Law to its network of APLs.
- 4 k. Annual survey by consultant of 10% of branch offices and 10% of APLs
5 annually beginning in 2009 until expiration of the MOU (Section 3.14) – The
6 SoCalGas survey for 2009 was conducted for five branch offices, and seventeen
7 existing and three new APLs. The SoCalGas survey for 2010 is conducted for
8 five branch offices, and seventeen existing and four new APLs. The 2010
9 surveys are due to be completed by the second quarter of 2010. The 2009 results
10 were included in a SoCalGas status report to DisabRA.
- 11 l. Publish new web pages for socialgas.com that conform to Priority 1 and 2
12 checkpoints of Web Content Accessibility Guidelines (“WCAG”) standards
13 (Section 4.1) – SoCalGas performed a complete redesign of its web site to
14 conform to the accessibility standards with work completed by June 2008.
15 Newly developed web pages are controlled by a compliant template so that new
16 content also conforms to the WCAG standards.
- 17 m. Review and if necessary revise web pages dealing with safety, financial
18 assistance, service requests, contact us, residential rebates and the top 50 visited
19 pages to conform to WCAG standards (Sections 4.2 and 4.3) – See activities
20 associated with Section 4.1 above for utility-controlled content. This was done
21 for the entire web site, including the top 50 visited pages, and according to the
22 timing expressed in the MOU. With respect to content developed by third-
23 parties, SoCalGas informs vendors that new applications must be accessible, and
24 existing applications must be brought up to accessibility standards within a
25 reasonable time. In addition, SoCalGas has begun the process of studying a
26 retrofit of major existing customer-facing website third-party vendor software
27 applications. In addition, a visually impaired employee of SoCalGas reviews
28 existing pages and/or pages that are in the preview state. He is an ongoing
29 collaborator in helping the company communicate more effectively with visually
30 impaired customers.

- 1 n. Web Development group to continue with web accessibility training (Section
2 4.4) – Members of the SoCalGas web staff have attended (and continue to
3 attend) accessibility conferences and forums. In addition, some members of the
4 staff have taken specific programming courses on writing proper code to design
5 accessible web sites. Moreover, staff has met with accessibility consultants and
6 visually impaired customers to assess their navigation of the web site. SoCalGas
7 will continue such efforts in compliance with the MOU.
- 8 o. Consultant biennial survey of SoCalGas web site beginning in 2009 (Section 4.5)
9 – Eric Smith from the Center for Accessible Technologies (“CforAT”) oversaw
10 an assessment of socialgas.com and summarized his organization’s work:
11 “During the assessments, pages were reviewed for Section 508 compliance as
12 well as the Web Content Accessibility Guidelines 2.0 and CforAT
13 recommendations for web accessibility. Additional effort was made to provide
14 feedback on changes that might improve overall usability for all users.”
15 SoCalGas is scheduling further discussions with “CforAT” and scheduling an
16 assessment of the MyAccount section of the SoCalGas web site.
- 17 p. In circumstances where SoCalGas is already providing emergency notifications,
18 install new outbound dialing platform with TTY, text and e-mail capabilities by
19 Dec 31, 2009 (Section 5.1) – This provision not applicable because SoCalGas
20 does not already provide proactive emergency notifications.
- 21 q. In conjunction with installation of the new system, SoCalGas will perform
22 outreach and revise participation forms to medical baseline / life support
23 customers to determine preferred means of contact for emergency
24 communications (Section 5.1) – This provision is not applicable.
- 25 r. Incorporation of PROWAC's recommended standards into utility practices for
26 construction sites and presentation and agreement of changes in redline to
27 DisabRA by June 30, 2008 (Sections 6.1 and 6.2) – Changes in redline were
28 provided on June 30, 2008, which included a draft of new Gas Standard
29 191.0086 addressing pedestrian pathways at construction sites. The interactive
30 process for finalizing the changes was completed in December 2008.

- 1 s. Within 6 months of DisabRA agreement of PROWAC changes to provide
2 training to support changes in guidelines (Section 6.4) – A day-long training
3 session on requirements of pedestrian access standards was held for various
4 levels of personnel in June 2009. A live “webinar” (live online presentation)
5 webcast of a training presentation related to path of travel and accessibility
6 standards was provided on June 11, 2009. An archived link to the webcast was
7 made available, along with the Powerpoint presentation and Excel file containing
8 the questions and answers from the live session, was used to train other
9 employees, with completion required by June 30, 2009.
- 10 t. Construction practices that affect pedestrian rights of way for new or modified
11 facilities to be consistent with PROWAC by no later than June 30, 2009 (Section
12 6.5) – With the completion of the documented changes in field procedures and
13 associated field training, practices when working on either new construction or
14 modifications to existing facilities were consistent with PROWAC by June 30,
15 2009.
- 16 u. Consultant review of adherence to new standards at work sites in the SoCalGas
17 service territory (Section 6.7) – The consultant review was provided on July 13,
18 2010. The MOU required reviews of at least five work sites in each of the three
19 SoCalGas Operations regions. However, since the time of the MOU, SoCalGas
20 re-organized its service operations, and now has four Operations regions.
21 Therefore, to meet the intent of the MOU, four reviews were performed within
22 each of the four regions, resulting in one additional review than required by the
23 MOU. The provision states the parties will meet and confer regarding whether
24 additional work site inspections are necessary.

- Status: See discussion of various provisions as noted above.

25
26 6. Performance of studies identified in the DisabRA MOU.

- Source: TY2008 GRC Decision, p. 81, and Ordering Paragraph 24.
 - Requirement: The decision requires SoCalGas to document and demonstrate that there were significant and useful changes made to utility operations and facilities, and to include the required studies in testimony and workpapers.
- 27
28
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- Action Performed: The studies identified in MOU Sections 3.1 / 3.2, Section 3.3, and Section 3.14 was performed. Information on these studies is provided in the testimony of witness Edward Fong (see Exhibit SCG-07). The survey identified in MOU Section 4.5 was performed. Information regarding this survey is included in the testimony and workpapers of witness Gillian A. Wright (see Exhibit SCG-09).
- Status: Completed.

D. Administrative & General

1. Disposition of funding for Women-, Minority-, and Disabled Veteran-owned Business Enterprises (“WMDVBE”) / workforce diversity activities.

- Source: TY2008 GRC Decision, pp. 76 – 77 and Ordering Paragraph 29.
- Requirement: The decision indicates an expectation that SoCalGas make every effort to competently staff at all times the full forecast of positions for WMDVBE activities and diversity. If SoCalGas fails to show the promised progress, or fully expend all authorized funds for WMDVBE and workforce diversity, the Commission will consider ratemaking mechanisms to return to ratepayers any unspent funds authorized in the future. It may also consider other enforcement options if the utility is unwilling to comply with the goals of GO 156.
- Action Performed: In the 2008 GRC, SDG&E and SoCalGas had two funding proposals relating to WMDVBE and diversity: Diverse Business Enterprises (“DBE”) and Workforce Diversity.
 - The DBE proposal was outlined in the TY2008 GRC Exhibit SCG/SDGE-14, the Support Services Shared Service prepared direct testimony of witness Richard A. Krumvieda. On pages RAK-24 to RAK-31 the testimony explains the DBE organization consisted of one shared service cost center 2100-3014 located at SDG&E with a Director and eight Full Time Equivalents (“FTEs”) providing service to both SDG&E and SoCalGas. The TY2008 proposal asked for \$1.526 million (2005 dollar terms), representing the base year amount plus incremental funding for one additional staff member and training workshops. DRA reviewed the proposal and did not propose any adjustments (see Exhibit DRA-18, pp. 18-18 to 19). Using the SDG&E Shared Services cost escalation factor results in a request of \$1.695 million in 2008 dollar terms (see TY2008 Settlement

1 Agreement, Attachment 1: Escalation Rates 2001 – 2008). The adopted SDG&E
2 TY2008 Settlement Agreement did not make any further changes. As provided
3 in the workpapers for the 2012 GRC Supply Services & Diverse Business
4 Enterprises witness Karen L. Sedgwick, SDG&E incurred \$1.601 million of
5 expenses in 2008 and including approximately 10 FTEs, and \$1.759 million in
6 2009 with approximately 9 FTEs (see Exhibit SDG&E-16-WP).

- 7 ○ The Workforce Diversity proposal was outlined in the TY2008 GRC Exhibit
8 SDGE/SCG-17-E, the Corporate Center revised prepared direct testimony of
9 witness Monica Haas (see pp. MPH-36 to MPH-38). The Office of Corporate
10 Diversity organization consisted of one cost center 1100-0131. The TY2008
11 proposal asked for \$0.595 million in 2008 dollar terms with 5 FTEs (see TY2008
12 GRC Exhibit SDGE/SCG-17-WP, Workpapers to Prepared Direct Testimony of
13 Monica Haas, pp. MPH-WP-192 to MPH-WP-194). The requested amount was
14 adjusted to \$0.584 million pursuant to the update testimony, which updates the
15 cost escalation factors for the most recent version of the indexes used in the
16 Application (see TY2008 GRC Exhibit SDG&E/SCG-300, the Update
17 Testimony of Monica Haas, pp. UP-5 to 6 and workpaper Attachment A). Based
18 on a forecast of allocations from Corporate Center, the \$0.584 million was
19 estimated as \$0.345 million to SoCalGas and \$0.239 million for SDG&E. DRA
20 reviewed the proposal and recommended no funding (see TY2008 GRC Exhibit
21 DRA-19, pp. 19-35 to 19-36). The adopted SDG&E and SCG TY2008
22 Settlement Agreements resulted in a compromise for FERC 923.1, Corporate
23 Center Expenses – Outside Services Employed (see Exhibit 301, the JSCE of
24 SDG&E, pp. 141 – 142 and Exhibit 302, the JSCE of SoCalGas, pp. 77 – 78).
25 SDG&E proposed a total of \$54.134 million, while DRA recommended \$40.054
26 million for the totality of expenses. The parties agreed to, and the Commission
27 approved, \$46.249 million as a reasonable compromise between their positions
28 and with UCAN. SoCalGas proposed a total of \$49.532 million, while DRA
29 recommended \$34.981 million for the totality of expenses. The parties agreed
30 to, and the Commission approved, \$46.948 million as a reasonable compromise
31 between their positions. From a review of actual spending, in 2008 cost center

1 1100-0131 incurred \$0.841 million in total expenses including 6 FTEs, resulting
2 in allocations of \$0.809 million to the utilities. In 2009 the cost center incurred
3 \$0.882 million in total expenses including 5 FTEs, resulting in allocations of
4 \$0.828 million to the utilities (see workpaper D-4.5 to the testimony of witness
5 Bruce A. Folkmann, Exhibits SDG&E-23-WP and SCG-17-WP).

- 6 • Status: For DBE, actual spending for cost center 2100-3014 for 2008 and 2009 was
7 \$1.601 and \$1.759 million, respectively, compared to authorized amount of \$1.695
8 million. For 2008 spending is thus below authorized by \$94,000, or by 5.5% for that
9 year. The recorded FTE amount was at the authorized level. For workforce
10 diversity, combined utility allocations for cost center 1100-0131 for 2008 and 2009
11 was \$0.809 and \$0.828 million, respectively. These amounts are higher than
12 requested by the utilities, and thus necessarily above the amounts resulting from the
13 authorized TY2008 Settlements that resulted in unspecified reductions to FERC
14 Account 923.1 that includes costs for this and other corporate service functions. The
15 recorded FTE amount was at the requested level.

16 2. Report on compliance with G.O. 156 and achieved levels of diversity.

- 17 • Source: TY2008 GRC Decision, Ordering Paragraph 29.
- 18 • Requirement: SoCalGas shall report on its compliance with G.O. 156 and the
19 achieved levels of diversity in testimony and workpapers in the next GRC.
- 20 • Action Performed: SoCalGas has provided information on compliance with G.O.
21 156 and achieved levels of diversity in the Supply Services & Diverse Business
22 Enterprises testimony of witness Karen L. Sedgwick (see Exhibit SCG-10).
- 23 • Status: Completed.

24 **E. Results of Operation and Other Revenue-related**

25 1. The Commission adopts a 2008 base margin of \$1,610,510,000 and rate base of
26 \$2,800,852,000.

- 27 • Source: TY2008 GRC Decision, p. 18.
- 28 • Requirement: Implement test year base margin consistent with the values the
29 Commission approved in the TY2008 Settlement Agreement, and represented in the
30 RO Model for TY2008.

- Action Performed: SoCalGas submitted AL 3891 (Test Year 2008 GRC Implementation filing) on August 11, 2008. The gas service base margin value is referenced in the Revenue Requirement / Base Margin Adjustment section at p. 2. The corresponding summary of annual class average rate changes, reflecting the adopted rate base and resulting base margin values, was provided in Attachment C. The AL was approved by the Energy Division by letter on October 6, 2008.

- Status: Completed.

2. RO Model “change log” feature.

- Source: TY2008 Settlement Agreement, p. 13.
- Requirement: SoCalGas agreed to add the change log feature to its RO Model, and to have the feature in place for the next (2012) GRC proceeding.
- Action Performed: A “change log” feature was created in the RO Model that is used for both SDG&E and SoCalGas. The feature captures and records changes made to any of the key input fields in the RO Model. The change log functionality is included in each of the RO Model files to track changes made to each file. The log information includes: (1) the time at which the change was made, (2) user name, (3) workbook name, (4) worksheet name, (5) cell reference, and (6) old and new value. This log can be found at the end of each of the workbook files. In addition to the log information, the revised cell will have a red outline around it so that the user can visually see all cell changes.
- Status: Completed.

3. Depreciation studies identified in settlement to be included in next GRC.

- Source: TY2008 GRC Decision, pp. 23-27 and Ordering Paragraph 26, and TY2008 Settlement Agreement, p. 11.
- Requirement: SoCalGas agreed to provide in its next GRC Application the following information:
 - The then-current balance of pre-funded removal costs;
 - A year-by-year projection of: (1) when the then-existing balance of prefunded removal costs will be consumed, and (2) the implicit inflation rate for future asset removal costs;

- A five-year projection of the year-end balance of pre-funded removal costs showing for each year the gross additions to the balance, gross expenditures for removal costs, and the net change in the balance of pre-funded removal costs;
- A study for presentation in the next GRC that will separate the accrual for cost of removal from accruals for depreciation expense.

Furthermore, D.08-07-046 ordered that SoCalGas perform the depreciation studies as identified in the settlements and present the information in testimony and workpapers in the next GRC.

- Action Performed: The reports are mentioned in the testimony and presented in the workpapers of witness Bob Wieczorek (see Exhibit SCG-27).
- Status: Completed.

4. Analysis of over or under-accrual allowances for removal and net salvage.

- Source: TY2008 GRC Decision, p. 26 and Finding of Fact 26.
- Requirement: The decision states that parties should also analyze actual removal and net salvage for specific asset groups, and the accrual in rates over the assets' service lives, to determine whether there are over- or under-accrual allowances. Footnote 22 clarifies this does not pertain to differences between ratemaking depreciation and accelerated depreciation used for income tax purposes.
- Action Performed: Information regarding this subject is contained within the depreciation studies provided pursuant to the Test Year 2008 Settlement Agreement. This analysis was performed, and is mentioned in the testimony and presented in the workpapers of witness Bob Wieczorek (see Exhibit SCG-27).
- Status: Completed.

5. Record a regulatory liability for ratemaking purposes for prefunded asset removal costs.

- Source: TY2008 Settlement Agreement, p. 11.
- Requirement: The Settlement Agreement requires that SoCalGas will record a regulatory liability for ratemaking purposes for prefunded asset removal costs.
- Action Performed: The activities to comply are explained in the testimony of witness Bob Wieczorek (see Exhibit SCG-27).
- Status: Completed.

1 6. One-way balancing account mechanism for Distribution Integrity Management Program
2 (“DIMP”).

- 3 • Source: TY2008 Settlement Agreement, p. 7.
- 4 • Requirement: The Settlement Agreement provided \$10.0 million for labor and non-
5 labor costs associated with DIMP expenses for FERC Account 870. The Settlement
6 Agreement established a one way balancing account mechanism for DIMP costs for
7 the term of the GRC Cycle (2008 – 2011), and allowing any over- or undercollections
8 to be carried forward within the GRC cycle. Any unspent DIMP funds at the end of
9 this GRC cycle would be returned to customers in the next GRC.
- 10 • Action Performed: SoCalGas filed AL 3890 (Regulatory Accounts and Performance
11 Based Ratemaking Mechanism filing) on August 11, 2008 in compliance with the
12 TY2008 GRC Decision. The creation of the Distribution Integrity Management
13 Program Balancing Account (DIMPBA) is addressed on p. 2. The new tariff sheet
14 (number 43694-G) formally states the purpose, applicability, rate treatment,
15 accounting procedure and account disposition. The AL was approved by the Energy
16 Division by letter on October 6, 2008. The DIMPBA balance and treatment of any
17 unspent funding is addressed in the testimony of SoCalGas witness Gregory
18 Shimansky (Exhibit SCG-34).
- 19 • Status: Completed.

20 7. Pension balancing account disposition and treatment, including the Employee Retirement
21 Income Security Act of 1974 as amended by the Pension Protection Act of 2006
22 (“ERISA”) minimum contributions and elimination of cost sharing mechanism.

- 23 • Source: TY2008 Settlement Agreement, pp. 8 – 9, and SoCalGas Post-Test Year
24 Ratemaking Settlement Agreement (hereinafter, “PTY Settlement Agreement”), pp.
25 5 – 6.
- 26 • Requirement: To carry forward the SoCalGas Pension Balancing Account (“PBA”),
27 and continue two-way balancing treatment to be used to recover pension costs (over
28 or under the approved settlement estimate funding level). The settlement also
29 removed the cost sharing mechanism between customers and shareholders, and to
30 amortize the accrued overcollection over a two-year period ending in 2009 (see
31 JSCE, Chapter 3G-2, pp. 164 – 165). For the period 2009 through the end of the

1 GRC term, annual pension contributions will be no greater than the minimum
2 standards of the ERISA. If the ERISA minimum exceeds the Settlement Agreement
3 funding of \$0 in any year, SoCalGas will file an AL containing the supporting
4 calculation of the minimum ERISA contribution made. The Settlement Agreement
5 indicated the disposition of any PBA balance at the end of the GRC cycle be
6 determined in the next GRC. However, on September 10, 2009 the Commission
7 approved D.09-09-011, allowing SoCalGas to annually amortize pension
8 contributions incremental to the amount estimated in the settlement via its Annual
9 Regulatory Account AL filing. The Petition to Modify D.08-07-046 was granted in
10 recognition that the value of SoCalGas' pension funds significantly declined,
11 requiring larger than expected minimum ERISA contributions. Ordering Paragraph
12 No. 6 instructed SoCalGas to file an implementing AL within 10 days of the
13 effective date of D.09-09-011. It is also worth noting the PTY Settlement
14 Agreement clarifies that GRC revenue requirement amounts subject to balancing
15 account treatment, such as pensions, will not be increased above the Test Year 2008
16 levels for the duration of the GRC cycle except to allow for annual amortizations of
17 over- or under-collections.

- 18 • Action Performed: SoCalGas submitted AL 3890 (Regulatory Accounts and
19 Performance Based Ratemaking Mechanism filing) on August 11, 2008 in
20 compliance with the TY2008 GRC Decision. Continuation of the PBA is addressed
21 on p. 3. The revised tariff sheets (numbers 43689-G to 43690-G) formally states the
22 description of the account. The AL was approved by the Energy Division by letter
23 on October 6, 2008. At that time, SoCalGas also filed AL 3891 reflecting the
24 amortization of the existing PBA over collection in rates beginning September 1,
25 2008. SoCalGas then filed AL 3910, its Annual Regulatory Account Updates for
26 Rates on October 15, 2008. The annual amortization of the balance in the PBA is
27 shown in Attachment C. The Annual Regulatory Account Update was incorporated
28 into rates via AL 3940 the annual consolidated rate update effective January 1, 2009.
29 Next, SoCalGas submitted AL 4017 (Revisions to PBA and Post-Retirement
30 Benefits Other Than Pensions Balancing Account ("PBOPBA")) on September 21,
31 2009 in compliance with D.09-09-011. The revised tariff sheets (numbers 45013-G

1 to 45014-G) indicate that SoCalGas will amortize the PBA balance in connection
2 with its annual regulatory account balance update filing for rates effective the
3 following year. In compliance with the altered amortization process, SoCalGas filed
4 AL 4025-A, its Annual Regulatory Account Updates for Rates on October 16, 2009.
5 The annual amortization of the balance in the PBA is addressed at p. 2 of the AL
6 (also see Attachment C). The AL also disclosed the 2009 calculation of the ERISA
7 minimum resulting in contributions higher than the amount provided in the TY2008
8 Settlement Agreement (see Attachment G). The Annual Regulatory Account Update
9 was incorporated into rates via ALs 4053 and 4053-A the annual consolidated rate
10 update effective January 1, 2010. The PBA is addressed in the testimony of
11 SoCalGas witness Gregory Shimansky (see Exhibit SCG-34).

- 12 • Status: Completed / Ongoing.

13 8. PBOPBA disposition and treatment, and elimination of cost sharing mechanism.

- 14 • Source: TY2008 Settlement Agreement, pp. 8 – 9, and PTY Settlement Agreement,
15 pp. 5 – 6.
- 16 • Requirement: To continue the SoCalGas PBOPBA, and continue with two-way
17 balancing treatment to be used to recover PBOPs expense (over or under the
18 approved TY2008 Settlement Agreement estimate funding level of \$31.4 million).
19 The TY2008 Settlement Agreement also removed the cost sharing mechanism
20 between customers and shareholders, and to amortize the accrued overcollection
21 over a two-year period ending in 2009 (see JSCE, Chapter 3G-3, pp. 166 – 167).
22 The disposition of the PBOPBA balance at the end of the GRC cycle was to be
23 determined in the next GRC. However, on September 10, 2009 the Commission
24 approved D.09-09-011, allowing SoCalGas to annually amortize PBOPs expenses
25 incremental to the amount estimated in the settlement via its Annual Regulatory
26 Account AL filing. The Petition to Modify D.08-07-046 was granted in recognition
27 that the actual contributions for pensions and other benefits are far in excess of the
28 allowances included in rates. Ordering Paragraph No. 6 instructed SoCalGas to file
29 an implementing AL within 10 days of the effective date of D.09-09-011. It is also
30 worth noting the PTY Settlement Agreement clarifies that GRC revenue requirement
31 amounts subject to balancing account treatment, such as PBOPs, will not be

1 increased above the Test Year 2008 levels for the duration of the GRC cycle except
2 to allow for annual amortizations of over- or under-collections.

- 3 • Action Performed: SoCalGas filed AL 3890 (Regulatory Accounts and Performance
4 Based Ratemaking Mechanism filing) on August 11, 2008 in compliance with the
5 TY2008 GRC Decision. Continuation of the PBOPBA is addressed on p. 4. The
6 revised tariff sheets (numbers 43691-G to 43692-G) formally states the description
7 of the account. The AL was approved by the Energy Division by letter on October
8 6, 2008. At that time, SoCalGas also filed AL 3891 reflecting the amortization of
9 the existing PBOPBA over collection in rates beginning September 1, 2008.

10 SoCalGas then filed AL 3910, its Annual Regulatory Account Updates for Rates on
11 October 15, 2008. The annual amortization of the balance in the PBOPBA is shown
12 in Attachment C. The Annual Regulatory Account Update was incorporated into
13 rates via AL 3940 the annual consolidated rate update effective January 1, 2009.

14 Next, SoCalGas submitted AL 4017 (Revisions to Pension Balancing Account and
15 Post-Retirement Benefits Other Than Pensions Balancing Account) on September
16 21, 2009 in compliance with D.09-09-011. The revised tariff sheets (numbers
17 45015-G to 45016-G) indicate that SoCalGas will amortize the PBOPBA balance in
18 connection with its annual regulatory account balance update filing for rates
19 effective the following year. In compliance with the altered amortization process,
20 SoCalGas filed AL 4025-A, its Annual Regulatory Account Updates for Rates on
21 October 16, 2009. The annual amortization of the balance in the PBOPBA is
22 addressed at p. 3 of the AL (also see Attachment C). The Annual Regulatory
23 Account Update was incorporated into rates via ALs 4053 and 4053-A the annual
24 consolidated rate update effective January 1, 2010. The PBOPBA is addressed in
25 the testimony of SoCalGas witness Gregory Shimansky (Exhibit SCG-34).

- 26 • Status: Completed / Ongoing.

27 9. Allocation methodology for Interim Call Center Memorandum Account (“ICCMA”)
28 regulatory account balance.

- 29 • Source: JSCE Chapter 3G-4, p. 168, and TY2008 Settlement Agreement, p. 13.
- 30 • Requirement: The JSCE adopted the SoCalGas proposal to eliminate the ICCMA
31 and to transfer the account balance to the Core Fixed Cost Account (“CFCA”) and

1 Noncore Fixed Cost Account (“NFCA”). The approved settlement allocates the
2 balance in the ICCMA to the CFCA / NFCA according to the Equal Percent of
3 Marginal Cost (“EPMC”) allocation methodology.

- 4 • Action Performed: SoCalGas submitted AL 3890 (Regulatory Accounts and
5 Performance Based Ratemaking Mechanism filing) on August 11, 2008 in
6 compliance with the TY2008 GRC Decision. The elimination of the ICCMA and
7 transferal of its balance to the CFCA / NFCA is addressed on p. 3. The AL was
8 approved by the Energy Division by letter on October 6, 2008.
- 9 • Status: Completed.

10 10. Compressor Station Electricity regulatory balancing account.

- 11 • Source: JSCE Chapter 3G-1, p. 163, and TY2008 Settlement Agreement, p. 13.
- 12 • Requirement: Establish a two-way balancing account for compressor station
13 electricity expenses. The disposition of any balance in the account and the cost
14 allocation of the account will be determined in the next Biennial Cost Allocation
15 Proceeding (“BCAP”).
- 16 • Action Performed: SoCalGas submitted AL 3890 (Regulatory Accounts and
17 Performance Based Ratemaking Mechanism filing) on August 11, 2008 in
18 compliance with the TY2008 GRC Decision. The establishment of the Company
19 Use Fuel and Power Balancing Account (“CFPBA”) is addressed on p. 2. The new
20 tariff sheet (number 43693-G) formally states the purpose, applicability, rate
21 treatment, accounting procedure and account disposition, and noting where
22 applicable the items to be addressed in the next SoCalGas BCAP. The AL was
23 approved by the Energy Division by letter on October 6, 2008. Given the timing of
24 the TY2008 GRC decision, issued in August 2008, it was not possible for SoCalGas
25 to address the disposition and allocation of the CFPBA in its most recent BCAP
26 Application, A.08-02-001, filed in February 2008. The next SoCalGas proceeding
27 equivalent will be a “TCAP” or Triennial Cost Allocation Proceeding to be filed no
28 later than September 1, 2011 for customer rates beginning in January 2013.
- 29 • Status: Completed / Ongoing.

1 **F. Post-Test Year and Performance Incentives**

2 1. GRC revenue requirements for costs subject to balancing account treatment.

- 3
- 4 • Source: PTY Settlement Agreement, pp. 5 – 6.
 - 5 • Requirement: GRC revenue requirement amounts subject to balancing account
 - 6 treatment, such as pensions, PBOPs, Research, Design and Development (“RD&D”)
 - 7 and DIMP will not be increased above the Test Year 2008 levels for the duration of
 - 8 the GRC term, except to allow for (a) annual amortizations of over- or under-
 - 9 collections, and (b) post-test year changes to the level of pension or PBOP funding
 - 10 authorized by the Commission to occur inside the respective balancing accounts.
 - 11 • Action Performed: Pursuant to the PTY Settlement Agreement, SoCalGas was
 - 12 provided with specific attrition year revenue requirement increases for 2009 – 2011.
 - 13 The amounts were approved by the Commission and then implemented by AL 3890,
 - 14 including the remark that “revenue requirement amounts subject to balancing
 - 15 account treatment (e.g., Pensions, PBOPs, etc.) will not be increased above Test
 - 16 Year 2008 levels except for routine amortization of over or under collections or any
 - 17 post-test year incremental changes to the level of funding authorized by the
 - 18 Commission” (see p. 4). For the 2009 post-test year, SoCalGas filed AL 3940 the
 - 19 annual consolidated rate update effective January 1, 2009. For the 2010 post-test
 - 20 year, SoCalGas filed AL 4053 the annual consolidated rate update effective January
 - 21 1, 2010. These amounts were consistent with the settlement and did not include any
 - 22 adjustment to the Test Year 2008 revenue requirement levels for the noted costs
 - 23 subject to balancing account treatment.
 - 24 • Status: Ongoing.

24 2. Affirmatively accept / decline the adopted performance incentive mechanisms.

- 25
- 26 • Source: TY2008 GRC Decision, pp. 49 – 50, and Ordering Paragraph 16.
 - 27 • Requirement: SoCalGas shall affirmatively accept or decline each adopted incentive
 - 28 mechanism, for the duration of this rate cycle, within 30 days of the effective date of
 - 29 this decision, by letter to the Executive Director, with a copy served on the parties.
 - 30 • Action Performed: On August 29, 2008, SoCalGas filed a letter with the
 - Commission to decline the adopted incentive mechanisms for Customer Satisfaction

1 for the duration of the 2008 GRC cycle. SoCalGas did adopt the incentive
2 mechanism for Employee Safety.

- 3 • Status: Completed.

4 3. File AL to implement accepted performance indicators.

- 5 • Source: TY2008 GRC Decision, Ordering Paragraph 18.
- 6 • Requirement: SoCalGas to file an implementation AL within 10 days of the GRC
7 decision with revised tariff sheets modifying its preliminary statement to add
8 language describing the operation of the accepted incentive mechanism.
- 9 • Action Performed: SoCalGas sent a letter to the Executive Director on August 5,
10 2008 indicating it was not possible to comply within 10 days and still have the 30
11 days provided to determine the incentive mechanisms to accept or decline.
12 SoCalGas thus asked for an extension of time from 10 to 40 days to file the
13 implementing AL. The extension request was granted by letter from the Executive
14 Director on August 7, 2008, with direction to file 10 days after notifying the
15 Commission of its decision regarding the incentive mechanisms. SoCalGas
16 informed the Commission on August 29, 2008 that it accepted the authorized
17 Employee Safety incentive mechanism. Ten days later, on September 8, 2008,
18 SoCalGas filed AL 3900 the Modification of the Performance Incentive Mechanisms
19 Pursuant to D.08-07-046. This modified the Customer Service and Safety
20 Performance Indicator Section of the Preliminary Statement, Part XI, Performance
21 Based Regulation, specifically revising tariff sheets 43903-G and 43904-G.
- 22 • Status: Completed.

23 4. Implement provisions of Settlement Agreement regarding employee safety incentive
24 measure.

- 25 • Source: SoCalGas and Utility Workers Union of America Local 132 (“UWUA”)
26 Settlement Agreement, pp. 1 – 4, and TY2008 GRC Decision, pp. 48 – 49.
- 27 • Requirement: UWUA and SoCalGas agreed to terms of an Employee Safety
28 Performance Incentive mechanism (“Safety PI”). The Commission adopted a
29 modified Safety PI with an annual improvement factor, subject to acceptance by
30 SoCalGas. As noted above, SoCalGas accepted the modified Safety PI.

- Action Performed: SoCalGas filed AL 3986 on May 1, 2009 (2008 PBR Safety Performance Filing) reporting the calendar year 2008 OSHA frequency and performance results. SoCalGas filed AL 4108 on April 30, 2010 (2009 PBR Safety Performance Filing) reporting the calendar year 2009 OSHA frequency and performance results.
- Status: Completed / Ongoing.

5. Safety Performance Indicator annual audit.

- Source: TY2008 GRC Decision, p. 44.
- Requirement: SoCalGas was ordered to undertake annual internal audits to ensure the accepted safety incentive mechanism is implemented, operated, and calculated correctly and fairly. The audits are confidential and submitted to the director of the Energy Division, Director of the Consumer Protection and Safety Division, and the Director of DRA.
- Action Performed: The annual internal audit for 2008 was completed in April 2009, and sent to the required parties on April 28, 2009. The annual internal audit for 2009 was completed in March 2010, and send to the required parties on April 27, 2010.
- Status: Ongoing.

This concludes my prepared direct testimony.

1 **IV. WITNESS QUALIFICATIONS**

2 My name is Andrew E. Steinberg. My business address is 555 West Fifth Street, Los Angeles,
3 California, 90013-1011.

4 I am employed by San Diego Gas & Electric Company (“SDG&E”) as a Regulatory Case
5 Manager in the GRC and Revenue Requirements Department, providing support for both
6 SDG&E and SoCalGas. In 1997, I received a B.A. in Economics and a B.A. in English
7 Literature cum laude with honors from the University of California, Los Angeles.

8 I began employment in 1998 with Micronomics, Inc., a firm that provides consulting services
9 pertaining to the violation of antitrust laws and related economic damages. During my three
10 years of experience at Micronomics, my responsibilities primarily included economic research
11 and consulting, and oversight of the preparation of expert witness testimony for antitrust
12 proceedings.

13 In 2001, I began employment with the Sempra Energy Utilities in the Regulatory Analysis
14 Department with an emphasis on matters relating to gas transportation service. In 2005, I
15 assumed my current position. My primary responsibilities include project management and
16 support for the SDG&E and SoCalGas GRCs.

17 I have previously served written testimony before this Commission.