

Application No: A.15-07-014  
Exhibit No.: \_\_\_\_\_  
Witness: Rose-Marie Payan

Application of Southern California Gas Company  
(U 904 G) and San Diego Gas & Electric Company  
(U 902 G) for Authority to Revise their Natural Gas  
Rates Effective January 1, 2017 in this Triennial  
Cost Allocation Proceeding Phase 2

A.15-07-014  
(Filed July 8, 2015)

**PREPARED REBUTTAL TESTIMONY OF**  
**ROSE-MARIE PAYAN**  
**SOUTHERN CALIFORNIA GAS COMPANY**  
**SAN DIEGO GAS & ELECTRIC COMPANY**

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

April 11, 2016

1 **I. PURPOSE**

2 The purpose of my prepared rebuttal testimony on behalf of Southern California Gas  
3 Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) is to respond to the  
4 proposed revision to the Core Brokerage Fee calculation presented by The Utility Reform  
5 Network (TURN). SoCalGas and SDG&E oppose TURN's proposal to include cash working  
6 capital associated with gas commodity in the core brokerage fee calculation at this time.

7 **II. INCLUDING CASH WORKING CAPITAL IN THE CORE BROKERAGE FEE**  
8 **IS NOT APPROPRIATE AT THIS TIME**

9 TURN proposes to include cash working capital associated with gas commodity in the  
10 brokerage fee, rather than including it as part of the gas distribution cost.<sup>1</sup> TURN states that, in  
11 SoCalGas and SDG&E's 2016 General Rate Case (GRC), A.14-11-003/004, TURN submitted  
12 testimony that proposed working cash rate base be unbundled from distribution rates and  
13 reclassified to total sales. The proposal, which consists of transferring \$12,512,000 for  
14 SoCalGas and \$1,709,000 for SDG&E, would increase the brokerage fee from the proposed  
15 0.162 cents/therm to 0.204 cents/therm.

16 Because this particular proposal is still an unresolved issue in the pending GRC, it would  
17 be premature to reallocate costs in this TCAP based on TURN's proposal. Instead, the core  
18 brokerage fee should be calculated as it has in the past—i.e., without the inclusion of cash  
19 working capital. If TURN's working cash proposal should be adopted by the Commission in the  
20 pending GRC, it may be appropriate to change the calculation of the brokerage fee in future  
21 TCAPs, but not here.

22 This concludes my prepared rebuttal testimony.

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<sup>1</sup> Prepared testimony of William Perea Marcus at 14.