Company:	Southern California Gas Company (U 904 G)/ San Diego Gas and Electric Company (U 902 M)
Proceeding:	2019 General Rate Case
Application:	A.17-10-007/008 (cons.)
Exhibit:	SCG-228/SDG&E-226

SOCALGAS/SDG&E

REBUTTAL TESTIMONY OF MIA L. DEMONTIGNY

(CORPORATE CENTER – GENERAL ADMINISTRATION)

JUNE 18, 2018

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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SDG&E and SOCALGAS REBUTTAL TESTIMONY OF MIA L. DEMONTIGNY (CORPORATE CENTER – GENERAL ADMINISTRATION)

I. SUMMARY OF DIFFERENCES

TABLE MLD-1

Test Year 2019 Sempra Energy Corporate Center Expenses[1]

(in Thousands of 2016 Dollars)

	ORA Recommended				Sempra Energy Proposed[2]		
Division	Total Corporate Center	Utility Allocation w/o Oncor	Utility Allocation w/ Oncor	Total	Total Corporate Center	Utility Allocation	Total
Finance	$59,114	$28,127	$21,714		$59,556	$28,571	
Legal, Compliance, & Governance	$62,344	$23,528	$18,164		$62,344	$23,528	
Human Resources & Administration	$24,611	$21,612	$16,681		$24,698	$21,700	
Corporate Strategy & External Affairs	$14,420	$3,890	$3,004		$14,420	$3,890	
Facilities & Assets	$30,155	$16,031	$12,376		$30,155	$16,031	
Pensions & Benefits	$26,202	$16,080	$12,413		$94,048	$35,409	
Total	$216,839	$109,265	$84,351		$285,222	$129,129	
SDG&E Allocation w/o Oncor				$49,209			$58,146
SCG Allocation w/o Oncor				$60,054			$70,983
Total w/o Oncor				$109,263			$129,129
SDG&E Allocation with Oncor				$37,990			
SCG Allocation with Oncor				$46,362			
Total with Oncor				$84,351			

[1] April 13,2018, Testimony of Lindsay J. Laserson on the Office of Ratepayer Advocates (ORA) concerning the Report on the Results of Operations for San Diego Gas & Electric Company and Southern California Gas Company Test Year 2019 General Rate Case – Corporate Center, Ex. ORA-21 at pp 3.
[2] Based on figures from October 2017, Direct Testimony of Mia L. DeMontigny (Corporate Center – General Administration), Ex. SCG-28/SDG&E-26, Table MLD-1A at pp. MLD-1.

II. INTRODUCTION

My testimony responds to the following positions raised in Office of Ratepayer Advocates (ORA)'s and The Utility Reform Network (TURN)'s testimony reports. All amounts described are in 2016 dollars for Test Year 2019, unless otherwise indicated.

A. ORA

ORA issued its report on the Sempra Energy Corporate Center (Corporate Center) proposals of San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas), collectively the Utilities, on April 13, 2018.[3] The following is a summary of ORA's recommendations:

- ORA proposes an adjustment to Utility Allocations to recognize and incorporate Sempra Energy's acquisition of its indirect interest in Oncor Electric Delivery Company LLC (Oncor). Including other adjustments described below, ORA forecasts total Utility Allocations of $84.4 million, with $38.0 million allocated to SDG&E and $46.4 million allocated to SoCalGas, compared to Sempra Energy's forecast of $58.1 million for SDG&E and $71.0 million for SoCalGas.
- For Pensions and Benefits, ORA forecasts Corporate costs of $26.2 million that should be subject to Utility Allocation, compared to Sempra Energy's forecast of $94.0 million. ORA's recommended adjustments in this area are based on recommendations contained in Ex. ORA-22, *Compensation and Benefits*.
- ORA proposes additional adjustments within the Finance function, for Internal Audit Services and Risk Management, and within the Human Resources & Administration function, for CIO (Chief Information Officer), Corporate Systems, and Security, as further described later in this testimony.

B. TURN

TURN submitted its testimony on May 14, 2018.[4] The following is a summary of TURN's positions:

- Multi-Factor Basic allocation rates should not be trended as this trend line analysis has previously proven to be wrong.

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[3] ORA-21 (Laserson).

[4] May 14, 2018, Testimony of Garrick F. Jones and William P. Marcus on behalf of The Utility Reform Network concerning the Report on Various Results of Operations Issues in Southern California Gas Company's and San Diego Gas and Electric Company's 2019 Test Year General Rate Cases, Ex.TURN-05 at pp. 66-69.

- To forecast the 2019 Multi-Factor Basic allocation, TURN removes 2019 assets related to the San Onofre Nuclear Generating Station (SONGS) from SDG&E and Aliso Canyon from SoCalGas, and then adds Sempra Energy's acquisition of its indirect interest in Oncor. After these adjustments are incorporated, TURN recommends a 1.46% lower Multi-Factor adjustment for SDG&E, a lower adjustment for SoCalGas by 1.96%, and an increase of 3.42% for unregulated activities.[5]
- Because of the multiple dimensions of the allocation process, TURN is unable to precisely determine the impact of their Multi-Factor proposals other than to state that they expect the impact would be several million dollars moved away from the Utilities.[6]

III. REBUTTAL TO ORA's OPERATIONS & MAINTENANCE (O&M) PROPOSALS

A. Oncor

The proposed adjustments by ORA (shown in Table MLD-1) are based on assumptions and a methodology that are inconsistent with Sempra Energy's longstanding and demonstrated approach to allocating corporate costs, adopted in the California Public Utilities Commission (CPUC) Merger Decision (D.) 98-03-073 and used in subsequent CPUC General Rate Case (GRC) Decisions issued to the Utilities.

Sempra Energy's Corporate Center Cost Allocation Practice

As described in my direct testimony filed on October 6, 2017, as revised on December 20, 2017, the goal in Corporate Center allocation practices is to reasonably and equitably bill its costs to business units, associating the costs as closely as possible to the level of service being provided to each business unit.[7] To achieve this, the Corporate Center uses a hierarchy to allocate its costs to SDG&E, SoCalGas, and Global:[8]

1. Direct Assignment
2. Causal/Beneficial
3. Multi-Factor

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[5] TURN-05 (Marcus) at pp. 68.
[6] Id. at pp. 69.
[7] December 2017, Revised Direct Testimony of Mia L. DeMontigny (Corporate Center – General Administration), Ex. SCG-28-R/SDG&E-26-R at pp. MLD-11.
[8] Id.

All cost centers will use direct assignment when possible and any remaining costs are allocated using an appropriate Causal/Beneficial or Multi-Factor method as applicable.[9] All costs that relate to a specific business unit are directly assigned to that business unit,[10] for example, outside legal costs associated with a specific case. Non-labor costs can be specifically identified to a business unit directly by entering charges through the accounts payable system or through journal entries to the general ledger. Labor costs can be specifically identified upon entering employee work hours into Sempra Energy's Timekeeping System (My Time). Labor overheads, including payroll taxes and employee benefits, follow in proportion to the labor dollars charged to business units.

When costs cannot be directly assigned, they are then first allocated using a Causal/Beneficial method, if applicable, which is based on drivers that would be comparable for all business units and that would indicate the level of benefit received by each.[11] An example of where cost allocation would follow the Causal/Beneficial method is for Human Resources and related services that benefit business units other than the Corporate Center. In that example, the driver for Causal/Beneficial methods is the number of employees per business unit. Cost-related drivers, budget plans, or historical work studies are the basis for Causal/Beneficial methods to allocate costs.

When direct assignment or Causal/Beneficial methods are not applicable, the Multi-Factor method is used. The Multi-Factor method is a four-factor allocation method that is used for functions that serve all business units but for which there is not a causal relationship, such as Investor Relations, or Financial Reporting. The Multi-Factor weighs four factors from all business units[12]:

a. Revenues;
b. Operating Expenses;
c. Gross Plant Assets and Investments; and
d. Full-Time Employees or Equivalents.

This cost allocation methodology is consistent with previous CPUC decisions, such as the Merger Decision (D.) 98-03-073, the 2004 Cost of Service Decision (D.) 04-12-015, and prior GRC Decisions in 2008 (D.) 08-07-046, 2012 (D.) 13-05-010, and 2016 (D.) 16-06-054. These

[9] Id. at pp. MLD-12.
[10] Id.
[11] Id. at pp. MLD-13.
[12] Id.

four factors are compiled at the beginning of each year, using the prior year data as the basis for the following year's actual allocations.[13]

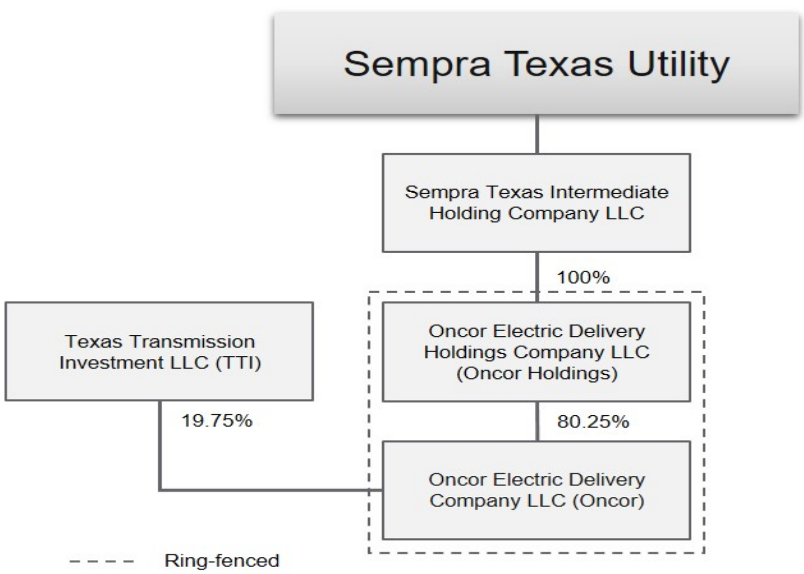
The Oncor Transaction

The determination of any adjustment to Utility Allocations arising from Sempra Energy's acquisition of its indirect interest in Oncor requires consideration of the nature of Sempra Energy's ownership interest in Oncor and how, in turn, overall Corporate Center cost allocations are impacted under its approach.

On March 9, 2018, Sempra Energy completed the acquisition of an indirect, 80.25% interest in Oncor by way of a merger with Energy Future Holdings Corp. (EFH). EFH holds a 100% indirect interest in Oncor Electric Delivery Holdings Company LLC (Oncor Holdings), which, subsequent to the merger, holds a direct, 80.25% interest in Oncor. Upon the closing of the merger, Sempra Energy renamed EFH, Sempra Texas Holdings Corp., and its direct subsidiary Energy Future Intermediate Holding Company LLC, Sempra Texas Intermediate Holding Company LLC. Oncor Holdings and Oncor reside in a reportable segment at Sempra Energy called Sempra Texas Utility. The ownership structure after the merger with EFH follows in Exhibit MLD-1.

Exhibit MLD-1

Ownership Structure of Oncor



[13] Id.

Certain existing governance mechanisms and restrictions are in place around Oncor Holdings and Oncor, that limit Sempra Energy's ability to direct the management, policies and operations of Oncor Holdings and Oncor, including the deployment or disposition of their assets, declarations of dividends, strategic planning and other important corporate issues and actions. These limitations include limited representation on the Oncor Holdings and Oncor Boards of Directors, as such Boards have a majority of independent directors. Oncor Holdings and Oncor have been and will continue to be managed independently. The resulting independence and separateness of Oncor from its owners results in an expectation of limited sharing of any operational or financial resources and support by and between Sempra Energy and Oncor, and, accordingly, Sempra Energy does not control Oncor Holdings or Oncor. Given these limitations and Sempra Energy's lack of control over Oncor Holdings and Oncor, under accounting principles generally accepted in the United States (GAAP), Sempra Energy does not consolidate its investment in Oncor Holdings, but accounts for it using the equity method of accounting. Under the equity method of accounting, Sempra Energy records its investment in Oncor Holdings in its consolidated balance sheet, but does not include Oncor Holdings or Oncor's balance sheet balances. Similarly, Sempra Energy records 80.25% (representing its ownership share) of Oncor Holdings' earnings in its consolidated statement of operations, but does not include Oncor Holdings' or Oncor's income statement balances. Thus, Oncor Holdings and Oncor are not consolidated by Sempra Energy.

Impact to Corporate Center Allocations Resulting from the Oncor Transaction

To the extent that Sempra Energy provides any specific services to Oncor, it will directly assign and bill Oncor the associated costs. Because Oncor operates independently (e.g., it has its own finance, accounting, human resource functions), allocations under the Causal/Beneficial methods are not currently anticipated. However, there are certain activities of Sempra Energy that may have an indirect benefit to Oncor, in particular, corporate oversight by Sempra Energy to monitor and account for its investment.

Because Oncor is not consolidated by Sempra Energy, as described above, and given its independent operations and separateness, Oncor's revenues, operating expenses and employees are not included in the Multi-Factor calculation. However, the investment in Oncor recorded on Sempra Energy's consolidated balance sheet will be included in the Gross Plant Assets and Investments component of the calculation, resulting in a reduced allocation of Corporate Center costs to all of Sempra Energy's business units, including the Utilities, and an increase in costs retained by the Corporate Center. This exclusion of revenues, operating expenses and employees from the Multi-Factor calculation is consistent with Sempra Energy's approach for all its equity method investments.

ORA's recommended adjustment to Utility Allocations resulting from Sempra Energy's acquisition of its interest in Oncor has been prepared by computing the ratio of Sempra Energy's acquisition cost to a total amount of assets comprising those of SDG&E, SoCalGas, and the Sempra Energy acquisition cost (note that ORA used an acquisition cost of $9.45[14] billion, however the final purchase price was $9.566[15] billion). This approach, which results in a proposed reduction to Utility Allocations of 22.8% of ORA's adjusted Corporate Center costs, is inconsistent with the Multi-Factor Methodology in that it does not include total Sempra Energy assets, nor does it incorporate all factors used in the Multi-Factor Methodology as applicable for Sempra Energy's business units. In addition, ORA's approach does not address the fact that Oncor is operationally separate and independent from Sempra Energy. Functions that the Corporate Center shares with Sempra Energy business units (e.g., Financial Reporting, Payroll Services) are not performed for Oncor, but rather Oncor performs these types of activities for itself.

The following describes the relatively minor impacts to the 2019 Corporate Center Multi-Factor allocations, in the event the CPUC were to order Sempra Energy to update its 2019 forecast to reflect the investment in Oncor under its allocation practice. To appropriately account for the investment in Oncor in the Multi-Factor Methodology, $9.566 billion would be included in the total Gross Plant Assets and Investments (as described above) resulting in a reduction in Utility Allocations of $2.4 million. Please refer to the tables below for the hypothetical changes to the 2019 Summary of Total Costs. Table MLD-2A reflects the updated figures after including Oncor and for comparison purposes Table MLD-2B reflects my revised testimony, dated December 20, 2017.

[14] Ex. ORA-21 (Laserson) at pp. 41:2.
[15] March 31, 2018, Sempra Energy Form 10-Q filed May 7, 2018, at pp. 56-57.

TABLE MLD-2A

Hypothetical Test Year 2019 Summary of Total Costs With Oncor

(2016 $ - 000's)	Corporate Center			Utility Allocations		
Services Provided	Base Year 2016	2016-2019 Incr/(Decr)	Forecast 2019	Base Year 2016	2016-2019 Incr/(Decr)	Forecast 2019
A Finance	90,913	(31,356)	59,556	32,161	(4,271)	27,890
B Legal, Compliance and Governance	50,929	11,414	62,344	25,162	(1,976)	23,187
C Human Resources & Administration	18,030	6,668	24,698	15,413	6,205	21,617
D Corporate Strategy & External Affairs	8,110	6,310	14,420	3,542	203	3,744
E Facilities and Assets	25,379	4,547	29,926	12,533	2,768	15,300
F Pension & Benefits	87,431	6,618	94,048	30,662	4,134	34,795
Total	$280,792	$4,201	$284,992	$119,472	$7,063	$126,534
Allocations						Escalated 2019
SDG&E	59,202	(2,725)	56,477			59,252
So Cal Gas	60,270	9,787	70,057			73,551
Total Utility	119,472	7,063	126,534			$132,803
Global / Retained	161,320	(2,862)	158,458			
Total	$280,792	$4,201	$284,992			

TABLE MLD-2B

Test Year 2019 Summary of Total Costs[16]

(2016 $ - 000's)	Corporate Center			Utility Allocations		
Services Provided	Base Year 2016	2016-2019 Incr/(Decr)	Forecast 2019	Base Year 2016	2016-2019 Incr/(Decr)	Forecast 2019
A Finance	90,913	(31,356)	59,556	32,161	(3,590)	28,571
B Legal, Compliance and Governance	50,929	11,414	62,344	25,162	(1,634)	23,528
C Human Resources & Administration	18,030	6,668	24,698	15,413	6,287	21,700
D Corporate Strategy & External Affairs	8,110	6,310	14,420	3,542	349	3,890
E Facilities and Assets	25,379	4,547	29,926	12,533	3,354	15,886
F Pension & Benefits	87,431	6,618	94,048	30,662	4,748	35,409
Total	$280,792	$4,201	$284,992	$119,472	$9,512	$128,984
Allocations						Escalated 2019
SDG&E	59,202	(1,120)	58,082			60,922
So Cal Gas	60,270	10,632	70,902			74,446
Total Utility	119,472	9,512	128,984			$135,368
Global / Retained	161,320	(5,311)	156,008			
Total	$280,792	$4,201	$284,992			

It should also be noted that total forecasted allocations under the Multi-Factor methodology represent approximately 15.1%, or $43.0 million of the total Corporate Center 2019 Forecast, the smallest portion of the total costs allocated from the Corporate Center. As a result, the addition of Oncor would not materially change overall Utility Allocations. For

[16] Figures from, Ex. SCG-28-R/SDGE-26-R (DeMontigny).

illustrative purposes, taking the 2017 factors (which are based on 2016 audited financial statements) and incorporating Oncor would result in a reduction in allocations to SDG&E and SoCalGas by $1.6 million and $0.8 million, respectively. For 2019, these changes would result in a 2.0% lower Multi-Factor allocation for SDG&E and a 1.6% lower Multi-Factor allocation for SoCalGas, with a corresponding increase of 3.6% in the Multi-Factor allocation for Global/Retained.

TABLE MLD-3A

Illustrative Revised Multi-Factor Projection

	Historical				Projection	
	2014	**2015**	**2016**	**2017**	**2018**	**2019**
SDG&E	37.4%	36.7%	36.7%	34.5%	34.2%	33.3%
SCG	38.9%	39.4%	40.2%	38.6%	39.3%	39.3%
UTILITIES	76.3%	76.1%	76.9%	73.1%	73.5%	72.6%
GLOBAL	23.7%	23.9%	23.1%	26.9%	26.5%	27.4%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Data from Audited Financials:	*2013*	*2014*	*2015*	*2016*		

TABLE MLD-3B

Original Multi-Factor Projection

	Historical				Projection	
	2014	**2015**	**2016**	**2017**	**2018**	**2019**
SDG&E	37.4%	36.7%	36.7%	36.1%	35.7%	35.3%
SCG	38.9%	39.4%	40.2%	39.9%	40.6%	40.9%
UTILITIES	76.3%	76.1%	76.9%	76.0%	76.3%	76.2%
GLOBAL	23.7%	23.9%	23.1%	24.0%	23.7%	23.8%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Data from Audited Financials:	*2013*	*2014*	*2015*	*2016*		

B. Pensions and Benefits

ORA forecasts total ratepayer funded costs of $26.2 million (in 2016 Dollars) for Test Year 2019, with $7.2 million allocated to SDG&E, $8.9 million allocated to SoCalGas, and $10.1 million allocated to Global Retained.[17] This proposal compares to Sempra Energy's forecast of $94.0 million, of which $16.0 million is allocated to SDG&E and $19.4 million is allocated to SoCalGas, and $58.6 million is allocated to Global/Retained. ORA's recommended

[17] Ex. ORA-21 (Laserson) at pp. 36:11-13.

adjustments in this area are based upon recommendations contained in Exhibit ORA-22.[18] SDG&E and SoCalGas oppose ORA's proposed disallowance of these pension and benefits costs for the reasons set forth in the rebuttal testimony of Debbie Robinson in SCG-230/SDG&E-228[19].

C. Internal Audit Services and Risk Management

ORA conducted its examination of the Utilities' financial records in accordance with the authority and mandates set forth in the Public Utilities Code sections 314, 314.5 and 309.5. For SDG&E, ORA recommends the removal of $511,000 in 2014, $338,000 in 2015, and $119,000 in 2016.[20] For SoCalGas, ORA recommends the removal of $55,000 in 2014, $462,000 in 2015, and $153,000 in 2016.[21] ORA makes no claim that the expenses incurred were incorrect or imprudent, but that because ORA was not granted access to 20 audit reports, those corresponding expenses should be removed. These audit reports, however, are marked confidential and privileged, since they are protected from disclosure by the attorney client privilege and/or attorney work product doctrine. SDG&E and SoCalGas explained these facts to ORA's auditors and continue to maintain that the reports are protected from disclosure, but are nevertheless legitimate expenses and should be considered in this GRC as part of the history of these accounts. The CPUC has long recognized the validity of these privileges and there should be no automatic penalty to a regulated entity simply for exercising its legal rights. Otherwise, this could result in SDG&E and SoCalGas waiving their attorney-client privilege for these documents.

In addition, it should be noted that when ORA calculated the reduction, it did not use the actual costs of those audits, but instead used a three-year (2014-2016) average of historical costs, net of those costs to perform attorney-client privilege internal audits. In addition, ORA states that Sempra Energy used a forecast methodology which relied on a weighted average. This statement is incorrect in that the only cost center within Audit Services and Risk Management to use a weighted average was the VP of Audit and Risk Management.[22] The costs to perform

[18] April 2018, ORA Compensation & Benefits; Pension & Postretirement Benefits Other Than Pension, Ex. ORA-22 (S. Hunter).
[19] June 18, 2018, Rebuttal Testimony of Debbie S. Robinson (Compensation and Benefits), SCG-230/SDGE-228.
[20] April 13, 2018, ORA Financial Examination and Compliance, Ex. ORA-33 (Chia, Lee, Stannik), pp. 4:6-7.
[21] Ex. ORA-33, pp. 4:10-11.
[22] Ex. SCG-28-R/SDG&E-26-R (DeMontigny) at pp. MLD-28.

these audits were included in the Audit Services cost center and the allocation of these costs is based on the annual Audit Plan.[23]

The average of historical costs approach is flawed because performing these audits did not amount to an incremental expense, as one would conclude by removing the implied and calculated costs of these audits. Accordingly, SDG&E and SoCalGas dispute ORA's argument that these costs should be removed.

D. CIO, Corporate Systems, and Security

ORA opposes Sempra Energy's request for one proposed new position, the Learning Module Advisor position to assist with the MyInfo Human Resources online learning and certification programs. This position was added because there are additional learning and certification programs that have been, or will need to be, added that require an additional FTE to appropriately manage these programs and the additional data generated from them. This includes the evaluation, design, and implementation of new programs and enhancements to existing programs. Accordingly, SDG&E and SoCalGas dispute ORA's claim that these costs should be removed.

IV. REBUTTAL TO TURN's O&M PROPOSALS

A. Multi-Factor Basic Allocation

While TURN does not oppose the Multi-Factor allocation methodology, it notes that there is a lack of trend from 2014-2017.[24] To forecast 2019, TURN recommends starting with 2017 actuals, adding the known and measurable change related to Oncor, and removing assets related to SONGS from SDG&E and Aliso Canyon from SoCalGas.[25]

Given the similarities in both TURN's and ORA's issues with incorporating Oncor in the Multi-Factor Allocation Methodology, please refer to Section III A. above for a detailed discussion and analysis on this matter. The SONGS regulatory asset was $0 at the end of 2017. In 2017, the regulatory asset was written off and replaced by a receivable from Southern California Edison totaling $152 million, $32 million classified as current and $120 million classified as noncurrent. The $606 million long-term receivable[26] for insurance recovery for the Aliso Canyon incident was included in the calculation of the 2017 Multi-Factor cost allocation that was used to forecast the allocation factor for 2019. Based on the amount of these assets in

[23] Id. at pp. MLD-29.
[24] TURN-05 (Marcus) at pp. 67.
[25] Id. at pp. 68.
[26] Sempra 2016 Annual Report on Form 10-K, Southern California Gas Company balance sheet, p. 104.

relation to total gross plant assets and investments and that allocations from the Multi-Factor are limited, the impact of excluding both assets from the Multi-Factor calculation would be insignificant (approximately 0.1%).

With the addition of Oncor and the adjustments for SONGS and Aliso Canyon, TURN recommends a 1.46% lower multifactor adjustment for SDG&E, a lower adjustment for SoCalGas by 1.96%, and an increase of 3.42% for unregulated activities. TURN expects that these adjustments would result in a reduction in Corporate Center allocations to the utilities of several million dollars. As noted in Section III.A., we calculate a 2.0% lower Multi-Factor allocation for SDG&E and a 1.6% lower Multi-Factor allocation for SoCalGas, with a corresponding increase of 3.6% in the Multi-Factor allocation for Global/Retained. These adjusted allocation factors would result in a reduced allocation to the Utilities of $2.4 million.

V. CONCLUSION

ORA's proposed adjustments to Corporate Center allocations are inconsistent with the CPUC-approved allocation process that has evolved in response to the initial Merger Decision (D.) 98-03-073 and has been consistently affirmed in multiple rate case decisions. The Merger Decision stipulated the hierarchy of direct assignment charges, causal-beneficial allocation methods, and the Multi-Factor Methodology in tiers that require a complex system but result in the rational and equitable allocation of costs. The CPUC should reaffirm adoption of this reasonable and time-tested process.

TURN's proposed adjustments to the Multi-Factor calculation are in line with Corporate Center's update to include the investment in Oncor using the equity method of accounting. As noted above, Sempra Energy calculations result in a 2.0% lower multifactor adjustment for SDG&E, a 1.6% lower multifactor adjustment for SoCalGas, and a higher multifactor adjustment for Global/Retained of 3.6%. This would result in lower Corporate Center allocations to the utilities of $2.4 million (SDG&E by $1.6 million and SoCalGas by $0.8 million).

This concludes my prepared rebuttal testimony.

APPENDIX A – GLOSSARY OF TERMS

California Public Utilities Commission	CPUC
Decision	D
Energy Future Holdings Corp.	EFH
Accounting Principles Generally Accepted in the United States	GAAP
General Rate Case	GRC
San Diego Gas & Electric Company	SDG&E
Southern California Gas Company	SoCalGas
San Onofre Nuclear Generating Station	SONGS
Office of Ratepayer Advocates	ORA
Oncor Electric Delivery Company LLC	Oncor
Oncor Electric Delivery Holdings Company LLC.	Oncor Holdings
The Utility Reform Network	TURN