

Company: Southern California Gas Company (U904G)
Proceeding: 2019 General Rate Case
Application: A.17-10-007/-008 (cons.)
Exhibit: SCG-243

SOCALGAS

REBUTTAL TESTIMONY OF RYAN HOM

(SUMMARY OF EARNINGS)

JUNE 18, 2018

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



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**SOCALGAS REBUTTAL TESTIMONY OF RYAN HOM
(SUMMARY OF EARNINGS)**

I. INTRODUCTION

This rebuttal testimony regarding Southern California Gas Company's (SoCalGas) Summary of Earnings addresses the following testimony from other parties:

- The Office of Ratepayer Advocates (ORA) as submitted by Mr. K. Jerry Oh (Exhibit ORA-02) and Ms. Lindsay J. Laserson (Exhibit ORA-21), dated April 13, 2018.

As a preliminary matter, the absence of a response to any particular issue in this rebuttal testimony does not imply or constitute agreement by SoCalGas with the proposal or contention made by these or other parties.

A. ORA

ORA issued its report on April 13, 2018.¹ The following is a summary of ORA's positions:

- ORA recommends an adjustment to the Corporate Center forecast as it relates to Sempra Energy's (parent company of SoCalGas) acquisition of Oncor Electric Delivery Company (Oncor). "For Utility Allocation factoring in Oncor, ORA forecasts total Utility Costs of \$84.4 million (in 2016 dollars) for Test Year 2019, with \$38.0 million allocated to SDG&E and \$46.4 million allocated to SoCalGas."²

¹ April 13, 2018, ORA Report on Summary of Earnings and Taxes, Exhibit ORA-02 (K. Jerry Oh); April 13, 2018, ORA Report on Corporate Center, Exhibit ORA-21 (Lindsay J. Laserson).

² Ex. ORA-21 (Laserson) at 42.

1 **II. REBUTTAL TO PARTIES' O&M PROPOSALS**

2 **A. ORA**

3 Please see the rebuttal testimony of Ms. Mia L. DeMontigny (SCG-228/SDGE-226)
4 addressing ORA's testimony regarding the Oncor acquisition and the General Administration
5 Corporate Center forecast.

6 After careful review of the Results of Operation (RO) model submitted in support of
7 Exhibit ORA-02 (Oh), SoCalGas noticed two computational issues with the RO model input of
8 the proposed ORA forecast in Table 21-1 of Exhibit ORA-21 (Laserson):

- 9 1. The ORA RO model currently reflects the SCG Allocation without Oncor
10 (\$60,054).³ Based on ORA's proposal, the ORA RO model should reflect
11 the SCG Allocation with Oncor (\$46,362).
- 12 2. ORA's recommended forecast is in 2016 dollars. To be consistent with
13 how Corporate Center costs are forecasted and handled in the RO model,
14 the proposed General Administration Corporate Center Costs must be
15 escalated to 2019 dollars before being input in the RO model.

16 **III. CONCLUSION**

17 In order for ORA's overall revenue requirement to be correctly reflected, SoCalGas
18 recommends that at the next available opportunity, ORA update their General Administration
19 Corporate Center forecast to incorporate the Oncor acquisition proposal and also the escalation
20 of this forecast to 2019 dollars. My rebuttal testimony regarding the correct representation of
21 ORA's proposal does not constitute agreement by SoCalGas with the proposal.

22 This concludes my prepared rebuttal testimony.

³ *Id.* at 3.