Application:	A.19-10-012
Exhibit No.:	
Witness:	Casey W. Butler

PREPARED REBUTTAL TESTIMONY OF

CASEY W. BUTLER

ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA



JUNE 19, 2020

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PREPARED REBUTTAL TESTIMONY OF CASEY W. BUTLER

I. OVERVIEW AND PURPOSE

The purpose of my prepared rebuttal testimony is to update my revenue requirement testimony to reflect a change in the Federal Energy Regulatory Commission ("FERC") total return on equity ("ROE").

II. REVENUE REQUIREMENT UPDATE

On March 23, 2020, the FERC approved SDG&E's Offer of Settlement concerning its most recent Formula Rate application.¹ The approved settlement provides a ROE of 10.60 percent, which includes the 50-basis point adder for CAISO participation. The settlement rate is effective June 1, 2019 and shall remain in effect indefinitely, with parties having the annual right to terminate the agreement beginning in 2022.

The following summarizes the changes made as part of this settlement:

FERC Return on Equity

	Before Settlement ²	After Settlement
Cost of Common Equity	10.05%	10.60%

This change in total return on equity results in an increase to SDG&E's FERC revenue requirement of less than \$0.1 million. The tables below compare the forecasted revenue

San Diego Gas & Electric Company, Docket Nos. EL18-67-000, ER19-221-002 (not consolidated), 170 FERC ¶ 61,240 (March 23, 2020).

The former ROE was used to develop the FERC revenue requirement shown in the Table 5-4 of my direct testimony. Additional details supporting the calculated amounts are provided in the workpapers accompanying my prepared direct testimony.

requirement summary from my prepared direct testimony with a revised version updated to reflect the settlement's change in FERC ROE.

Original Table 5-4, served October 28, 2019³

(In Millions)

	2021	2022	2023	2024	2025	2026-2084	Total
CPUC	\$1.0	\$7.5	\$10.9	\$8.5	\$6.4	\$88.7	\$123.0
FERC	0.0	0.2	0.3	0.3	0.3	1.5	2.6
Revenue Requirement	\$1.0	\$7.7	\$11.2	\$8.8	\$6.7	\$90.2	\$125.6

Revised Table 5-4, served June 19, 2020

(In Millions)

	2021	2022	2023	2024	2025	2026-2084	Total
CPUC	\$1.0	\$7.5	\$10.9	\$8.5	\$6.4	\$88.7	\$123.0
FERC	0.0	0.2	0.3	0.3	0.3	1.6	2.7
Revenue Requirement	\$1.0	\$7.7	\$11.2	\$8.8	\$6.7	\$90.3	\$125.7

Please note there were no changes to the CPUC-related revenue requirement figures. In addition, the FERC changes noted above are for illustrative purposes only as those figures will

This completes my rebuttal testimony.

be approved outside of this application.

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Prepared Direct Testimony of Casey W. Butler on behalf of SDG&E (October 28, 2019) at CWB-6, Table 5-4.