

Company: San Diego Gas & Electric Company (U 902 M)
Proceeding: 2019 General Rate Case
Application: A.17-10-007/-008 (cons.)
Exhibit: SDG&E-206

SDG&E

**REBUTTAL TESTIMONY OF BETH MUSICH
(GAS TRANSMISSION OPERATION)**

JUNE 18, 2018

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



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1 **SDG&E REBUTTAL TESTIMONY OF BETH A. MUSICH**
2 **(GAS TRANSMISSION OPERATION)**

3
4 **I. SUMMARY OF DIFFERENCES**

5

TOTAL O&M - Constant 2016 (\$000)			
	Base Year 2016	Test Year 2019	Change
SDG&E	4,370	5,110	740
ORA	4,370	5,110	740

6

TOTAL NON-SHARED O&M - Constant 2016 (\$000)			
	Base Year 2016	Test Year 2019	Change
SDG&E	4,370	5,110	740
ORA	4,370	5,110	740

7 **II. INTRODUCTION**

8 This rebuttal testimony regarding San Diego Gas & Electric Company's (SDG&E)
9 request for Gas Transmission Operation¹ addresses the following testimony from other parties:

- 10 • The Office of Ratepayer Advocates (ORA) as submitted by Ms. Mariana
11 C. Campbell (Exhibit ORA-09), dated April 13, 2018.²

12 Please note that the fact that I may not have responded to every issue raised by others in
13 this rebuttal testimony, does not mean or imply that SDG&E agrees with the proposal or
14 contention made by these or other parties. The forecasts contained in SDG&E's direct
15 testimony, performed at the project level, are based on sound estimates of its revenue
16 requirements at the time of testimony preparation.

17 My testimony addresses Gas Transmission Operations and Maintenance (O&M)
18 expenses only at SDG&E and Gas Transmission (SDG&E-GT) capital forecasts are found in the
19 joint direct and rebuttal testimony of SDG&E witnesses Michael Bermel and Beth Musich

¹ October 6, 2017, SDG&E Direct Testimony of Beth Musich on Gas Transmission Operation, Exhibit SDG&E-06 (Musich).

² April 13, 2018, ORA Report on SDG&E – Gas Distribution, System Integrity, and Transmission Operation, Exhibit ORA-09 (Mariana C. Campbell).

1 (Exhibits SDG&E-07 and SDG&E-207, respectively). ORA submitted testimony addressing
2 SDG&E Gas Transmission O&M expenses. ORA addressed operating and maintenance concerns
3 with a single cost-specific recommendation, stating it does not dispute SDG&E’s TY 2019
4 expense forecast for Non-Shared Gas Transmission O&M expenses,³ and clarified that “ORA
5 does not dispute SDG&E’s TY 2019 expense forecast for activities within Gas Transmission
6 Pipelines,⁴ Compressor Stations,⁵ and Technical Services.⁶

7 **A. ORA**

8 ORA issued its report on Gas Transmission Operation on April 13, 2018. The following
9 is a summary of ORA’s position(s):

- 10 • “ORA does not take issue with SDG&E’s forecasts of Non-Shared Gas
11 Transmission Operation O&M expenses.”⁷

12 **III. REBUTTAL TO PARTIES’ O&M PROPOSALS**

13 **A. Non-Shared Services O&M**

NON-SHARED O&M - Constant 2016 (\$000)			
	Base Year 2016	Test Year 2019	Change
SDG&E	4,370	5,110	740
ORA	4,370	5,110	740

14 **1. Disputed Cost**

15 **a. ORA**

16 ORA did not dispute SDG&E’s forecast for Gas Transmission O&M, and therefore
17 SDG&E recommends the California Public Utility Commission (Commission) to adopt
18 SDG&E’s TY 2019 forecast as presented within my testimony, workpapers, and this rebuttal
19 testimony.
20

³ Ex. ORA-09 (Campbell) at 5.

⁴ *Id.* at 46.

⁵ *Id.* at 47.

⁶ *Id.* at 48.

⁷ *Id.* at 5.

1 **IV. CONCLUSION**

2 To summarize, the TY 2019 forecast cost associated with the operation and maintenance
3 of SDG&E’s gas transmission system as presented in my testimony and defended within this
4 rebuttal are reasonable and should be adopted by the Commission.

5 As noted in this rebuttal, I recommend the TY 2019 forecast of \$5,110,000 for Non-
6 Shared Operating and Maintenance expenses.

7 SDG&E Gas Transmission does not have and is not sponsoring any Shared Services
8 Operating and Maintenance expenses.

9 These costs are reasonable and in alignment with SDG&E’s commitment toward
10 sustaining safe and reliable service to customers while also striving to control operating expenses
11 without compromising safety or regulatory compliance.

12
13 This concludes my prepared rebuttal testimony.

14
15 **V. WITNESS QUALIFICATIONS**

16 My name is Beth Musich. In March 2018, I became the Director of Major Projects &
17 Construction for SoCalGas and SDG&E. I was the Director of Gas Transmission from January
18 2015 to March 2018 for SoCalGas and SDG&E.