

Company: San Diego Gas & Electric Company (U902M)  
Proceeding: 2019 General Rate Case  
Application: A.17-10-007/-008 (cons.)  
Exhibit: SDG&E-242

**SDG&E**

**REBUTTAL TESTIMONY OF RYAN HOM**

**(SUMMARY OF EARNINGS)**

**JUNE 18, 2018**

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



A  Sempra Energy utility®



## TABLE OF CONTENTS

I. INTRODUCTION.....	1
A. ORA .....	1
II. REBUTTAL TO PARTIES' O&M PROPOSALS .....	2
A. ORA .....	2
III. CONCLUSION.....	2

1 **SDG&E REBUTTAL TESTIMONY OF RYAN HOM**  
2 **(SUMMARY OF EARNINGS)**

3 **I. INTRODUCTION**

4 This rebuttal testimony regarding San Diego Gas and Electric Company's (SDG&E)  
5 Summary of Earnings addresses the following testimony from other parties:

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

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

12 **A. ORA**

13 ORA issued its report on April 13, 2018.<sup>1</sup> The following is a summary of ORA's  
14 positions:

- 15 • ORA recommends an adjustment to the Corporate Center forecast as it  
16 relates to Sempra Energy's (parent company of SDG&E) acquisition of  
17 Oncor Electric Delivery Company (Oncor). "For Utility Allocation  
18 factoring in Oncor, ORA forecasts total Utility Costs of \$84.4 million (in  
19 2016 dollars) for Test Year 2019, with \$38.0 million allocated to SDG&E  
20 and \$46.4 million allocated to SoCalGas."<sup>2</sup>

---

<sup>1</sup> 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).

<sup>2</sup> 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), SDG&E noticed two computational issues with the RO model input of the  
8 proposed ORA forecast in Table 21-1 of Exhibit ORA-21 (Laserson).

- 9 1. The ORA RO model currently reflects the SDG&E Allocation without  
10 Oncor (\$49,209).<sup>3</sup> Based on ORA's proposal, the ORA RO model should  
11 reflect the SDG&E Allocation with Oncor (\$37,990).
- 12 2. In addition, ORA's recommended forecast is in 2016 dollars. To be  
13 consistent with how Corporate Center costs are forecasted and handled in  
14 the RO model, the proposed General Administration Corporate Center  
15 Costs must be escalated to 2019 dollars before being input in the RO  
16 model.

17 **III. CONCLUSION**

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

23 This concludes my prepared rebuttal testimony.

---

<sup>3</sup> *Id.* at 3.