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Proceeding: 2016 General Rate Case
Application: A.14-11-XXX
Exhibit: SCG-33

SOCALGAS

DIRECT TESTIMONY OF REGINALD M. AUSTRIA

(REGULATORY ACCOUNTS)

November 2014

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



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SUMMARY

- Disposition of forecasted regulatory account balances recorded in the Research, Development and Demonstration Expense Account (RDDEA) and Natural Gas Appliance Testing Memorandum Account (NGATMA).
- General Rate Case Memorandum Account (GRCMA) – propose to transfer residual balance at December 31, 2015 to the Core Fixed Cost Account (CFCA) and Noncore Fixed Cost Account (NFCA).
- Continuation of regulatory treatment for regulatory accounts:
 - RDDEA;
 - Pension Balancing Account (PBA) and Post-Retirement Benefits Other Than Pension Balancing Account (PBOPBA);
 - Advanced Meter Infrastructure Balancing Account (AMIBA) through the post-deployment period until costs are included in the next GRC; and
 - New Environmental Regulation Balancing Account (NERBA).
- Modification of existing balancing accounts:
 - PBA and PBOPBA - balancing of the income tax component of capital-related costs in the PBA and PBOPBA;
 - Transmission Integrity Management Program Balancing Account (TIMPBA) and Post-2011 Distribution Integrity Management Program Balancing Account (Post-2011 DIMPBA) - recovery of any future undercollection balance through a Tier 2 advice letter filing versus Tier 3;
 - NERBA - remove Cap and Trade and add two new cost items; and
 - Compressor Station Fuel and Power Balancing Account (CFPBA) - expand to recover electricity used for underground storage operations in addition to electricity used for electric compression station and auxiliary equipment currently balanced under this mechanism.
- Creation of a new Storage Integrity Management Program Balancing Account (SIMPBA).
- Discussion that ratepayers will be reimbursed through the Compression Services Balancing Account (CSBA) or Biogas Conditioning-Upgrading Services Balancing Account (BCSBA) to the extent embedded resources are used to provide those services in order to ensure that these programs are solely shareholder-funded programs.

1 **SOCALGAS DIRECT TESTIMONY OF REGINALD M. AUSTRIA**
2 **(REGULATORY ACCOUNTS)**

3 **I. INTRODUCTION**

4 I sponsor the Test Year 2016 forecasts and proposals of the Regulatory Accounts area for
5 SoCalGas. Regulatory Accounts is responsible for SoCalGas’ authorized regulatory balancing,
6 tracking, and memorandum accounts which include the implementation of regulatory accounting
7 procedures for compliance with Commission decisions, quantifying and recording the monthly
8 entries and adjustments to the Commission-authorized regulatory account mechanisms, and
9 managing the general administration of SoCalGas’ authorized regulatory accounts. As the
10 regulatory accounts witness, the scope of my testimony is restricted to explaining the ratemaking
11 treatment of the costs associated with a regulatory account. Appendix A is a reference chart of
12 the regulatory accounts that are addressed in this GRC, and the witness responsible for
13 addressing the costs and proposals related those accounts.

14 Summarized below are the following regulatory accounts and associated ratemaking
15 proposals addressed in my testimony:

- 16 1. Research, Development and Demonstration Expense Account (RDDEA) is forecasted
17 to be \$0.7 million overcollected by December 31, 2015, which is proposed to be
18 refunded to customers by incorporating the refund into 2016 customer rates with the
19 implementation of the 2016 GRC. In addition, SoCalGas proposes to continue the
20 RDDEA for purposes of balancing these costs during the next GRC cycle (beginning
21 1/1/2016 to the start of the next GRC Test Year). SoCalGas witness Jeffrey Reed
22 (Ex. SCG-13) sponsors testimony discussing the costs associated with the RDDEA
23 for 2016. I discuss the regulatory accounting of the costs to be recorded in the
24 RDDEA.

- 25 2. Natural Gas Appliance Testing Memorandum Account (NGATMA) is forecasted to
26 be \$1.9 million undercollected which is proposed to be incorporated into 2016
27 customer rates with the implementation of the 2016 GRC. In addition, SoCalGas
28 proposes to transfer any residual balance in the NGATMA after the amortization
29 period to the Core Fixed Cost Account (CFCA) and Noncore Fixed Cost Account
30 (NFCA) and the elimination of the NGATMA.

- 31 3. The Test Year 2012 General Rate Case Memorandum Account (GRCMA) balance is
32 forecasted to be \$0 at December 31, 2015. At that time, SoCalGas proposes to
33 transfer any residual balance remaining in the account to the CFCA and NFCA and
34 eliminate the GRCMA.

- 35 4. Propose continued ratemaking treatment with modifications as detailed in Section B
36 below for the Pension Balancing Account (PBA) and Post-Retirement Benefits Other

1 Than Pension Balancing Account (PBOPBA). SoCalGas witness, David Sarkaria
2 (Ex. SCG-22), sponsors testimony on the proposed costs to be recorded in the PBA
3 and PBOPBA. I discuss the regulatory accounting of the costs to be recorded in the
4 PBA and PBOPBA.

- 5 5. Propose continued ratemaking treatment and modification of the New Environmental
6 Regulation Balancing Account (NERBA) as authorized in Decision (D.) 13-05-010
7 and as implemented pursuant to Advice Letter No. 4507-G, to recover various
8 environmental regulation costs. SoCalGas witness, Jill Tracy (Ex. SCG-17), sponsors
9 testimony on the proposed modifications to NERBA, while several witnesses sponsor
10 specific costs to be recorded in the NERBA. I discuss the regulatory accounting of
11 the costs to be recorded in the NERBA.
- 12 6. Propose to file a Tier 2 advice letter to establish the revenue requirements for the
13 Advanced Metering Infrastructure (AMI) Project during the post-deployment phase
14 until such costs are included in a GRC. SoCalGas witness, Rene Garcia (Ex. SCG-
15 39), sponsors testimony discussing this proposal. I discuss the regulatory accounting
16 associated with this proposal, including the extension of the existing AMI Balancing
17 Account (AMIBA).
- 18 7. Propose to continue ratemaking treatment for the Post-2011 Distribution Integrity
19 Management Program Balancing Account (Post-2011 DIMPBA) and Transmission
20 Integrity Management Program Balancing Account (TIMPBA) with certain
21 modifications. SoCalGas witness, Maria Martinez (Ex. SCG-08) sponsors testimony
22 on costs to be recorded in these accounts. I discuss the regulatory accounting of those
23 costs.
- 24 8. Propose to expand the Compressor Station Fuel and Power Balancing Account
25 (CFPBA) to include recovery of electricity costs used in underground storage
26 operations. SoCalGas witness, Phillip Baker (Ex. SCG-06) sponsors testimony on the
27 expansion of the CFPBA and the costs to be recorded in that account. I discuss the
28 regulatory accounting of those costs.
- 29 9. Request to establish a new regulatory account associated with the proposed SIMP.
30 The SIMP Balancing Account (SIMPBA) will record authorized revenues and actual
31 costs associated with SIMP. SoCalGas witness, Phillip Baker (Ex. SCG-06) sponsors
32 testimony on SIMP and the cost forecast for SIMPBA. I discuss the ratemaking
33 treatment of those costs recorded in SIMPBA.
- 34 10. Discuss for informational purposes only, regulatory account mechanisms for Biogas,
35 Compression Services, and SoCalGas' Cap and Trade Program, all of which are
36 programs which are outside the scope of this GRC.

1 **II. REGULATORY ACCOUNTS**

2 **A. Proposed Disposition of Forecasted Balances**

3 There are three existing regulatory accounts--RDDEA, NGATMA, and GRCMA--for
4 which remaining forecasted balances at year-end 2015 will be subject to disposition. The
5 following shows the forecasted balances of these three regulatory accounts.

**Forecasted Balances as of December 31, 2015
under/ (over) undercollection**

	(in Thousands \$)
Research Development & Demonstration Expense Account (RDDEA)	(728)
Natural Gas Appliance Testing Memorandum Account (NGATMA)	1,944
General Rate Case Memorandum Account (GRCMA)	0
Total Balance (excluding FF&U ¹)	<u>\$ 1,216</u>

6 The forecasted balances are based on recorded data through May 31, 2014 and estimated
7 activity for the period June 1, 2014 through December 31, 2015. As instructed by the Rate Case
8 Plan, SoCalGas will submit update testimony in 2015, at which point the company will update
9 these forecasted balances to be more current and accurate. SoCalGas proposes that the revenue
10 requirement associated with the regulatory account balances as presented in the update testimony
11 be incorporated into the development of the adopted 2016 GRC rates.

12 **1. RDDEA**

13 The RDDEA is an interest-bearing balancing account recorded on SoCalGas' financial
14 statements. The purpose of the RDDEA is to record the difference between actual and
15 authorized costs associated with non-public research, development, and demonstration (RD&D)
16 programs pursuant to D.13-05-010.² SoCalGas proposes to transfer any residual balance for the
17 2012-2015 program cycle at the end of the amortization period to the CFCA and NFCA. This
18 transfer is being proposed to close-out this program cycle for any minimal, residual balance that
19 may occur due to the forecasted amortization of the RDDEA balance incorporated in rates. In

¹ Franchise Fees & Uncollectibles expense.

² Decision authorizing SoCalGas' 2012 GRC, including authorization of this account with a threshold of \$9.3 million for Test Year 2012 and adjusted for post-test years 2013-2015.

1 addition, SoCalGas proposes to continue current ratemaking treatment of RD&D program costs
2 sponsored by Mr. Reed (Ex. SCG-13).

3 **2. NGATMA**

4 The NGATMA is an interest-bearing memorandum account recorded on SoCalGas'
5 financial statements. Pursuant to D.10-12-002, the purpose of the NGATMA is to track
6 unanticipated and unforeseen NGAT costs incurred in excess of authorized funds approved in the
7 GRC.³ The forecasted balance as of December 31, 2015 in the NGATMA is \$1.9 million
8 undercollected. SoCalGas proposes to amortize the NGATMA balance in gas customers'
9 transportation rates on an Equal Percent Authorized Margin (EPAM) basis, as described by
10 SoCalGas witness, Gary Lenart (Ex. SCG-37). SoCalGas also requests to transfer any residual
11 balance at the end of the amortization period to the CFCA and NFCA and eliminate the
12 NGATMA. This transfer is being proposed to close-out this account for any minimal, residual
13 balance that may occur due to the forecasted amortization of the NGATMA balance incorporated
14 in rates.

15 **3. GRCMA**

16 The GRCMA is an interest-bearing memorandum account recorded on SoCalGas'
17 financial statements. This account was established as part of the 2012 GRC to record the
18 shortfall or overcollection resulting from the difference between the then-current rates in effect
19 for utility service and the final rates adopted by the Commission in the event of a GRC decision
20 beyond the start of the 2012 Test Year. Pursuant to D.13-05-010, the GRCMA balance is to be
21 amortized over a 31-month period beginning June 2013 through the end of the 2012 GRC cycle.
22 While the GRCMA balance is forecasted to be \$0 or close to \$0, SoCalGas proposes to transfer
23 any residual balance in the GRCMA at December 31, 2015 to the CFCA and NFCA and
24 eliminate the GRCMA.

25 **B. Proposed Continuation of Existing Regulatory Accounts**

26 **1. PBA and PBOPBA**

27 The purpose of the PBA is to balance the difference between the forecasted and actual
28 contributions to SoCalGas' pension fund. The purpose of the PBOPBA is to balance the annual
29 PBOP costs embedded in authorized rates with the lesser of the PBOP costs calculated in

³ Commission decision granting, in part, a petition to modify D.08-11-031, including the establishment of the NGATMA.

1 accordance with Accounting Standards Codification 715 or based on actual tax-deductible
2 contributions to the PBOP trust. Forecasted pension and PBOP costs are discussed by Mr.
3 Sarkaria (Ex. SCG-22).

4 These accounts consist of both O&M and capital components. The O&M component
5 reflects pension/PBOP costs adjusted for costs capitalized to utility rate base and intercompany
6 pension/PBOP costs billed by or charged to San Diego Gas & Electric Company (SDG&E). The
7 capital component reflects pension/PBOP costs recovered through depreciation, including the
8 return associated with the unamortized balance of pension/PBOP costs capitalized to utility rate
9 base.

10 In 2008, SoCalGas and SDG&E filed a Petition for Modification of their 2008 GRC
11 decision (D.08-07-046) to accelerate recovery of increased contributions to their pension and
12 PBOP Trusts that were required due to declines in pension fund values and the rising costs of
13 other benefits. In D.09-09-011, the Commission approved this request giving SoCalGas and
14 SDG&E the authorization to annually amortize their PBA and PBOPBA balances as part of the
15 annual regulatory account update advice letter filing. SoCalGas proposes to continue this annual
16 recovery process for both the PBA and PBOPBA. Detailed workpapers, which include recorded
17 information and forecast information based on the latest actuarial studies, are included in
18 connection with the annual regulatory account update filing.

19 In connection with the 2016 GRC, SoCalGas proposes to modify the PBA and PBOPBA
20 to recover income taxes associated with the unamortized balance of pension and PBOP costs
21 capitalized to utility rate base along with the currently balanced depreciation and return
22 components of capital-related costs. Without this change, SoCalGas is not fully recovering the
23 authorized return component of capitalized pension/PBOP costs.

24 **2. TIMPBA and Post-2011 DIMPBA**

25 The TIMPBA and Post-2011 DIMPBA are two-way, interest bearing balancing accounts
26 recorded on SoCalGas' financial statements. The purpose of the TIMPBA and Post-2011
27 DIMPBA are to balance the difference between actual and authorized TIMP and DIMP costs,
28 respectively, pursuant to D.13-05-010. These accounts consist of both O&M and capital
29 components. The capital component reflects TIMP/DIMP costs recovered through depreciation,
30 return and taxes associated with capitalized TIMP/DIMP costs.

1 SoCalGas proposes to continue the current ratemaking treatment for TIMP and DIMP
2 O&M costs incurred and capital-related costs associated with capital additions in the 2016 GRC
3 cycle, with the exception of the Tier 3 advice letter filing requirement for the recovery of any
4 undercollection balances resulting from TIMP and DIMP spending above authorized levels.⁴ At
5 the time when SoCalGas requested creation of the two-way balancing accounts for TIMP and
6 DIMP during the 2012 GRC, there was uncertainty regarding cost estimates due to new and
7 pending legislation regarding pipeline safety. The Tier 3 advice letter provided the Commission
8 an opportunity to review the reasonableness of spending above authorized levels, while allowing
9 SoCalGas the opportunity to recover an undercollection due to unforeseen increased spending.
10 For the 2016 GRC, SoCalGas has more historical information and experience managing TIMP
11 and DIMP costs, resulting in cost estimates with a higher degree of reliability as sponsored by
12 Ms. Martinez (Ex. SCG-08). These costs are also not discretionary costs but are incurred to
13 comply with federal regulatory requirements set forth in 49 CFR 192 Subpart O which were first
14 adopted effective February 14, 2004, following the passage of the Pipeline Safety Improvement
15 Act of 2002, both of which required operators of natural gas transmission pipelines to
16 continuously assess the integrity of natural gas infrastructure to promote continued safe and
17 reliable operation.

18 It should be noted that, as discussed in Advice Letter No. 4632, under the current
19 ratemaking for capital-related costs, capital costs that are balanced will continue to contribute to
20 the undercollections in SoCalGas' applicable balancing accounts and, even more importantly,
21 will compound during the GRC cycle. This phenomenon is beyond SoCalGas' control. Even
22 when SoCalGas manages its actual capital additions at authorized levels approved in a GRC,
23 undercollections may continue to be incurred in the balancing accounts. This is because the
24 associated authorized capital-related revenue requirement is only based on the test year's
25 authorized capital additions, adjusted for post-test year attrition, and does not reflect the actual
26 capital-related costs associated with accumulated capital additions from prior years of the GRC
27 cycle. For these reasons, SoCalGas proposes the Commission authorize a Tier 2 advice letter
28 process instead of a Tier 3 advice letter requirement to recover any undercollections due to
29 unforeseen increased spending that are necessary to comply with federal regulatory requirements

⁴ SoCalGas currently has Tier 3 advice letter filing (Advice Letter No. 4632) pending approval by the Commission which is requesting recovery of an undercollected balance in its TIMPBA as of December 31, 2013.

1 and/or the compounding effect of balancing actual capital-related costs for which SoCalGas' has
2 no control.

3 **3. AMIBA**

4 SoCalGas' AMI project was approved with a seven year deployment period of April
5 2010 through April 2017. Pursuant to D.10-04-027, an AMI Balancing Account (AMIBA) was
6 created with the purpose of recording the costs and revenue requirements associated with AMI.
7 Implementing Advice Letter No. 4110 (which was approved by the Commission on August 4,
8 2010) also included a request by SoCalGas for authority to continue to update its AMI revenue
9 requirements through an advice letter process until the costs and benefits were included in its
10 next GRC. Due to the timing of the completion of SoCalGas' AMI deployment in 2017, which
11 falls beyond this Test Year 2016 GRC, SoCalGas plans to exclude AMI costs and O&M benefits
12 from its Test Year 2016 GRC and continue to balance costs and benefits in the AMIBA until the
13 following GRC application. To accomplish this, SoCalGas will file a Tier 2 advice letter
14 subsequent to filing its 2016 GRC application to extend the AMIBA until the next GRC Test
15 Year to track the costs and benefits of the AMI project during the post-deployment phase until
16 such costs and benefits are included as part of the GRC filing.

17 The revenue requirement will be consistent with the AMI costs and benefits adopted as
18 part of the AMI business case, updated to reflect SoCalGas' recent cost of capital (see D.12-12-
19 034), including the projected ongoing capital-related costs associated with the AMI deployment
20 period. The estimated revenue requirement associated with the post-deployment phase charged
21 to customers during the interim period will be subject to a true-up in the AMIBA for the
22 corresponding actual revenue requirement associated with AMI costs incurred and O&M
23 benefits realized. This ratemaking treatment proposed for the AMIBA, along with the "business
24 as usual" approach being taken by SoCalGas in this GRC, will avoid the unintended
25 consequence of double-counting AMI benefits refundable to customers. See detail of projected
26 AMI costs and benefits associated with the post-deployment period as discussed by Mr. Garcia
27 (Ex. SCG-39).

28 **4. NERBA**

29 The NERBA is an interest-bearing two-way balancing account recorded on SoCalGas'
30 financial statements. The purpose of the account is to balance the difference between actual and
31 authorized incremental costs associated with certain new and proposed federal and state

1 environmental regulation. Pursuant to Advice Letter No. 4507-G, the NERBA consists of four
2 sub-accounts: 1) AB32 Admin Fees Subaccount, 2) Subpart W Subaccount, 3) Cap & Trade –
3 Facilities Subaccount and 4) Cap & Trade – End-user Subaccount. The disposition of the
4 NERBA balance is incorporated into customer rates in connection with SoCalGas’ annual
5 regulatory accounts update advice letter filing. In this GRC, SoCalGas proposes modifications
6 to the NERBA, including the removal of Cap and Trade related costs and addition of new
7 environmental costs, as described by Ms. Tracy (Ex. SCG-17). For the costs that will remain
8 part of NERBA, including any new environmental costs proposed to be included in this
9 mechanism, SoCalGas requests the continuation of its currently authorized ratemaking treatment
10 and current allocation method.

11 **5. CFPBA**

12 The CFPBA is an interest-bearing balancing account recorded on SoCalGas’ financial
13 statements. Pursuant to D.08-07-046, the purpose of the account is to record the actual costs for
14 electricity used in SoCalGas’ compressor stations. SoCalGas proposes to expand the scope of
15 the CFPBA to also record costs for electricity used in storage operations upon implementation of
16 the 2016 GRC as discussed by Mr. Baker (Ex. SCG-06). The disposition of the CFPBA balance
17 for amortization in rates will be addressed in the annual regulatory accounts update filing and
18 will be allocated to ratepayers based on a Cold-Year Throughput demand on the transmission
19 system, consistent with the allocation methodology approved in SoCalGas’ Triennial Cost
20 Allocation Proceeding for this account.

21 **C. Proposed Creation of SIMPBA**

22 SoCalGas proposes to establish SIMPBA as a two-way, interest-bearing balancing
23 account to record the O&M and capital-related costs associated with SIMP. The SIMPBA will
24 record the actual costs that have been proposed in this application against the corresponding
25 revenue requirement that is authorized in this GRC. These costs and the associated SIMP
26 proposal are described by Mr. Baker (Ex. SCG-06).

27 If the Commission adopts the SIMP and SIMPBA, SoCalGas proposes to carry forward
28 the year-end balance in SIMPBA to the following year in order to offset any over- or under-
29 spending throughout the GRC cycle. Any refund due to ratepayers at the end of the GRC cycle
30 will be requested to be incorporated into rates in the next GRC filing. If spending exceeds
31 authorized levels to the extent that there will be a permanent undercollection in the SIMPBA,

1 SoCalGas proposes to use the same Tier 2 advice letter process that is proposed for the TIMPBA
2 and Post 2011 DIMPBA to recover these costs before the end of the GRC cycle.

3 **D. Regulatory Accounts Excluded from the 2016 GRC**

4 **1. CSBA and BCSBA**

5 Pursuant to D.12-12-037 and D.13-12-040, SoCalGas established two new tariffed
6 services for compression services and biogas conditioning/upgrading services to be offered to
7 third party customers. The Commission's approval of Advice Letter No. 4459 authorized the
8 creation of the CSBA. The purpose of the CSBA is to record the costs embedded in the GRC
9 used in providing compression services. The Commission's approval of Advice Letter No. 4583
10 authorized the creation of the BCSBA. The purpose of the BCSBA is to record the costs
11 embedded in the GRC used in providing biogas conditioning/upgrading services.

12 To the extent embedded costs are used in providing compression and biogas
13 conditioning/upgrading services and were included in the cost estimates covered by other
14 SoCalGas witness areas that are eventually adopted in the 2016 GRC, those costs will be
15 recorded to the CSBA and BCSBA for refund to ratepayers, as applicable, such that the costs are
16 not double recovered from both the compression/biogas customers and SoCalGas' ratepayers.
17 The disposition of the CSBA and BCSBA balances are incorporated into customer rates in
18 connection with SoCalGas' annual regulatory accounts balance update advice letter filing and
19 will be allocated to core and noncore customers based on the relative percentage of revenues
20 from core and noncore compression and biogas services customers, respectively.

21 **2. Cap And Trade Program for End Users**

22 SoCalGas is party to a current greenhouse gas rulemaking (R.14-03-003), where costs
23 associated with greenhouse gas related programs are being addressed. Cap and Trade related
24 costs are related to greenhouse gas programs, and as discussed by Ms. Tracy (Ex. SCG-17),
25 would be more appropriately addressed in the rulemaking. Since the NERBA is the currently
26 authorized regulatory account to record any Cap and Trade costs, SoCalGas will continue to use
27 the NERBA for that purpose until such time the Commission authorizes the transfer of any
28 balances to a Commission-approved regulatory account established as part of the rulemaking. In
29 this GRC, SoCalGas is not proposing any Cap and Trade related costs for Test Year 2016 in this
30 GRC, but will instead address those costs in the rulemaking, as discussed by SoCalGas witness,
31 Ibtissam Chang (Ex. SCG-09).

1 **III. CONCLUSION**

2 The ratemaking treatment for the regulatory accounts discussed above is reasonable and
3 should be adopted as proposed, subject to the Commission’s determination of the underlying
4 programs as sponsored by the various witnesses referenced throughout this testimony.

5 This concludes my prepared direct testimony.

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1 **IV. WITNESS QUALIFICATIONS**

2 My name is Reginald M. Austria. I am employed by SoCalGas. My business address is
3 555 West Fifth Street, Los Angeles, California, 90013-1011. I am the Regulatory Accounts
4 Manager of the Regulatory Accounts group within the Accounting and Finance Department
5 which supports the regulatory accounting and reporting activities for SoCalGas. I have held my
6 current position since April 1, 2002. I am responsible for managing SoCalGas' authorized
7 regulatory balancing, tracking memorandum accounts. My responsibilities include:
8 implementation of regulatory accounting procedures for compliance with Commission decisions;
9 quantifying and recording the monthly entries and adjustments to the Commission-authorized
10 regulatory account mechanisms; and managing the general administration of SoCalGas'
11 authorized regulatory accounts. Prior to April 1, 2002, I was the Utility Accounting Manager for
12 SoCalGas, in which I had similar responsibilities to my current duties.

13 I received my Bachelor of Science degree in Accounting from California State
14 University, Long Beach in 1982. I am a Certified Public Accountant and a member of the
15 American Institute of Certified Public Accountants and the California Society of Certified Public
16 Accountants. I began my employment with SoCalGas in 1983 in the Accounting and Finance
17 Department. I have held various positions of increasing responsibility in Internal Audit, Cost
18 Accounting, General Accounting, and Utility Regulatory Accounting before assuming my
19 current position.

20 I have previously testified before the Commission.

APPENDIX A

Chart of Test Year 2016 Regulatory Account Proposals

Regulatory Account (SoCalGas)	Balancing/Memo	1 or 2-way	Create, Continue, or Retire	(\$ millions)	Sponsoring Witness
				Forecast of amount in balance account to be amortized in 2016 GRC rates ^{1/}	
RDDEA	Memo	1-way	Continue	(\$0.7)	J. Reed (Ex. SCG-13)
NGATMA	Memo	2-way	Transfer residual balance at December 31, 2015 to the CFCA and NFCA; Retire after amortization	\$1.9	N/A
PBA	Balancing	2-way	Continue/modify (i.e. balance income tax component)	N/A	D. Sarkaria (Ex. SCG-22)
PBOPBA	Balancing	2-way	Continue/modify (i.e. balance income tax component)	N/A	D. Sarkaria (Ex. SCG-22)
NERBA	Balancing	2-way	Continue/modify (i.e., creation of additional subaccount for new or proposed regulation)	N/A	J. Tracy (Ex. SCG-17)
TIMPBA/ Post 2011 DIMPBA	Balancing	2-way	Continue/modify (i.e., Tier 2 advice letter proposal for recovery of undercollections)	N/A - [over spent \$'s from 2012 GRC cycle recovered through advice letter]	M. Martinez (Ex. SCG-08)
SIMPBA	Balancing	2-way	Create	\$0	P. Baker (Ex. SCG-06)
CFPBA	Balancing	2-way	Continue/modify (i.e., expand to record electricity costs incurred for other underground storage operations)	\$0	P. Baker (Ex. SCG-06)
CSBA/ BCSBA	Balancing	2-way	N/A - Discussion that to the extent GRC resources are used for compression and biogas services that are shareholder funded programs, ratepayers will be reimbursed through the CSBA and BCSBA.	N/A	N/A
AMIBA	Balancing	2-way	Continue/modify (i.e., obtain approval via advice letter to extend AMIBA through the post deployment period until incorporated in a GRC.	N/A	R. Garcia (Ex. SCG-39)
GRCMA	Memo	2-way	Transfer residual balance at December 31, 2015 to the CFCA and NFCA; retire account	\$0	
Notes: ^{1/} See testimony of Gary Lenart for the impact of these amounts on transportation rates.					

APPENDIX B: GLOSSARY OF TERMS

AB:	Assembly Bill
AMI:	Advanced Metering Infrastructure
AMIBA:	AMI Balancing Account
BCSBA:	Biogas Conditioning-Upgrading Services Balancing Account
CARB:	California Air Resources Board
CFCA:	Core Fixed Cost Account
CFPBA:	Compressor Station Fuel and Power Balancing Account
DIMP:	Distribution Integrity Management Program
DIMPBA:	DIMP Balancing Account
ECPT:	Equal Cents Per Therm
EPAM:	Equal Percent Authorized Margin
FF&U:	Franchise Fees & Uncollectibles expense
GHG:	Greenhouse Gas
GRCMA:	GRC Memorandum Account
NERBA:	New Environmental Regulatory Balancing Account
NFCA:	Noncore Fixed Cost Account
NGAT:	Natural Gas Appliance Testing
NGATMA:	NGAT Memorandum Account
PBA:	Pension Balancing Account
PBOP:	Post-Retirement Benefits Other than Pensions
PBOPBA:	PBOP Balancing Account
PCBs:	Polychlorinated Biphenyls
PCBEA:	PCB Expense Account
RD&D:	Research, Development and Demonstration
RDDEA:	Research Development and Demonstration Expense Account
SIMP:	Storage Integrity Management Program
SIMPBA:	SIMP Balancing Account
TIMP:	Transmission Integrity Management Program
TIMPBA:	TIMP Balancing Account