

The Company: Southern California Gas Company (U 904 G)
Proceeding: 2019 General Rate Case
Application: A.17-10-____
Exhibit: SCG-12

SOCALGAS

**DIRECT TESTIMONY OF ANDREW E. STEINBERG
(ALISO INCIDENT EXPENDITURE REQUIREMENTS)**

October 6, 2017

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



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SUMMARY

The following is a summary of the Direct Testimony of Andrew E. Steinberg, Exhibit SCG-12.

- This exhibit complies with the California Public Utilities Commission’s directive to provide testimony demonstrating that additional costs of the Aliso Canyon Storage Facility natural gas leak are not included in the Southern California Gas Company (“SoCalGas”) Test Year 2019 General Rate Case forecasts.
- This exhibit also complies with the directive to provide a separate itemization of the costs related to the gas leak. The itemization reflects the publicly reported costs, and identifies the amounts considered by SoCalGas witnesses in this General Rate Case.
- SoCalGas removed a total of \$680 million of costs related to the natural gas leak from historical cost information considered in the General Rate Case; by removing the expenditures, they have not been factored into historical information forecasting methodologies that witnesses may have used as a basis to develop the 2019 forecasted costs.
- This exhibit (1) presents the gas leak expenditures identified in SoCalGas’ accounting information; (2) presents the historical costs considered in the General Rate Case; and (3) as an additional validation step, compares these costs with the Aliso Incident costs in SoCalGas’ Securities and Exchange Commission annual report. The presentation and comparison demonstrates that SoCalGas removed the amount of costs consistent with the publicly reported cost information.
- Twenty-seven operations and maintenance and capital cost witness areas had expenses related to the gas leak in their historical information; this testimony and the accompanying workpapers show the successful removal of those costs. There is a non-material variance of \$11, which is due to rounding associated with the cost removal process.
- In addition to reviewing historical costs for witness areas with direct operations and maintenance and capital costs, a review was also performed for certain other

General Rate Case witnesses that impact the SoCalGas revenue requirement (e.g., rate base, depreciation and working cash) to verify that costs of the gas leak are not included in the 2019 test year proposal.

- General Rate Case witnesses separately identify and sponsor incremental adjustments to forecasted costs to demonstrate such adjustments impacting their forecast is not associated with costs of the gas leak.

1 **SOCALGAS DIRECT TESTIMONY OF ANDREW E. STEINBERG**
2 **(ALISO INCIDENT EXPENDITURE REQUIREMENTS)**

3 **I. INTRODUCTION**

4 **A. Purpose**

5 The purpose of my testimony is to address the California Public Utilities Commission
6 (“Commission”) 2016 General Rate Case (“GRC”) Decision (“D.”) 16-06-054, Ordering
7 Paragraph (“OP”) 12, which directed to Southern California Gas Company (“SoCalGas”) as
8 follows:

9
10 12. In its Test Year 2019 general rate case application, Southern California Gas
11 Company shall provide testimony demonstrating that all of the additional costs
12 that stemmed from the Aliso Canyon leak have not been included in its forecast of
13 costs for its Test Year 2019 general rate case application.
14

15 This testimony also partially addresses¹ D.16-06-054, Conclusion of Law (“COL”) 75,
16 which states:

17
18 75. SoCalGas should be required in its next GRC filing, to provide a separate
19 itemization of all of the costs related to the gas leak at the SS-25 well at Aliso
20 Canyon and to provide testimony on whether the costs attributable to the Aliso
21 Canyon leak have affected SoCalGas’ funding request for its underground gas
22 storage facilities.
23

24 My testimony will describe how the SoCalGas and San Diego Gas and Electric
25 (“SDG&E”)² witnesses prepared adjustments to their 2015 and 2016 historical cost information
26 in order to comply with the referenced Commission requirements, and demonstrate in testimony
27 tables and workpapers my verification that the witness adjustments were performed accurately.
28

¹ My testimony provides a separate itemization of costs. The SoCalGas Underground Storage testimony of Neil Navin addresses whether costs attributable to the Aliso Canyon Storage Facility natural gas leak have affected underground gas storage facility funding requests (see Exhibit SCG-10/Navin at Section I.D.). Mr. Navin sponsors the forecasted costs at the Aliso Canyon and other storage facilities, and costs associated with the Storage Integrity Management Program (“SIMP”). Ongoing (post-2016) expenses related to the Aliso Incident are not included in GRC forecasted expenses.

² A small number of SDG&E witnesses sponsor testimony areas with incurred costs associated with providing support for the gas leak incident response.

1 **B. Relevant Aliso Background**

2 General background information regarding the Aliso Canyon Storage Facility natural gas
3 leak incident (hereafter, the “Aliso Incident”) is provided for the limited purpose to serve as
4 context for the information sponsored in this testimony. The following description is from the
5 most recent SoCalGas Securities Exchange Commission (“SEC”) 10-K Report for 2016:

6
7 In October 2015, SoCalGas discovered a leak at one of its injection-and-withdrawal
8 wells, SS25, at its Aliso Canyon natural gas storage facility located in Los Angeles
9 County, which SoCalGas has operated as a gas storage facility since 1972. SoCalGas
10 worked closely with several of the world’s leading experts to stop the leak. On
11 February 18, 2016, DOGGR confirmed that the well was permanently sealed.³
12

13 The SEC 10-K Report for 2016 further describes other activities SoCalGas performed in
14 association with the incident response, including the court-ordered temporary relocation of
15 residents and professional cleaning of homes for participating residents, as well as legal costs
16 and expenses associated with various governmental investigations.⁴

17 Aliso Incident costs are tracked through distinct accounting work orders established for
18 the gas leak.⁵ Expenses began in late 2015 and will continue beyond the date of this testimony in
19 accordance with the ongoing incident response activities. Because the 2019 GRC employs a
20 “base year” of 2016 (described further below), removal of costs for Aliso Incident response
21 activities from 2015 – 2016 GRC recorded historical expenditures is the primary focus of this
22 testimony.

23 **C. Organization of Testimony**

24 The remainder of my testimony is organized in the following manner:

³ SoCalGas 10-K (annual report) Filed 2/28/17 for the Period Ending 12/31/16, Sempra Energy Financial Report, p. 57.

⁴ *Id.* at 57-59.

⁵ As summarized by the Commission, the SoCalGas Aliso Incident costs can be understood to include actions associated with the leaking well such as efforts to stop the leak, relocations of community members and schools, litigation expenses, replacement fuel/fuel loss and emergency response. *See* December 23, 2015 Letter from CPUC Executive Director Timothy J. Sullivan “Re: Southern California Gas Shall Provide Information to CPUC Concerning Costs Associated with the Aliso Canyon Underground Storage Field Leak.” Consistent with this December 23, 2015 Letter (and a related Energy Division data request), SoCalGas provides Commission staff information on Aliso Incident costs.

- 1 • Section I above describes the purpose of this testimony, including relevant
2 summary background regarding the Aliso Incident;
- 3 • Section II describes the scope of the testimony;
- 4 • Section III describes the review conducted to determine whether the
5 SoCalGas and SDG&E witnesses complied with the Commission’s OP 12
6 by removing Aliso Incident expenditures from the GRC historical
7 recorded cost information;
- 8 • Section IV provides a demonstration of SoCalGas and SDG&E witness
9 compliance with the Commission’s OP 12 and the separate itemization
10 requirement for Aliso Incident costs of COL 75;
- 11 • Section V contains the conclusion of the review conducted and a summary
12 demonstration of compliance;
- 13 • Section VI provides a summary of my professional experience;
- 14 • Workpapers to this testimony also comply with COL 75 by providing a
15 separate itemization of the costs related to the gas leak at the SS-25 well at
16 Aliso Canyon.

17 **II. SCOPE**

18 **A. Testimony Scope**

19 The scope of this testimony is to a) demonstrate that Aliso Incident costs have not been
20 included in the forecasted costs of the 2019 GRC Application; and b) provide an itemized
21 showing of the Aliso Incident costs removed by the SoCalGas and SDG&E witnesses. This
22 testimony does not address any other aspects of the Aliso Incident, matters addressed by other
23 witnesses in this proceeding, or matters subject to other regulatory proceedings.

24 **III. DESCRIPTION OF REMOVAL OF ALISO INCIDENT EXPENSES**

25 This section of my testimony explains the method used by SoCalGas to comply with
26 OP 12, and the associated actions of the impacted GRC witnesses so Aliso Incident expenditures
27 are not included in the 2019 forecasted costs.

1 GRC proceeding applicants generally provide at least five years of recorded historical
 2 costs as “used in the development of the test year revenues and revenue requirement.”⁶
 3 Generally, this historical information spanning the period of 2012 – 2016 (the latter constituting
 4 the base year) is used as a basis for determining the forecasted costs for the 2019 “test year” for
 5 the GRC proceeding. When deemed appropriate, witnesses will employ costs from the historical
 6 period, by using the base year, averages or trends, as the basis for their forecasted and proposed
 7 costs. In other instances, the historical period is reviewed and although considered, is not
 8 directly employed in the development of the test year requested costs, which may be formulated
 9 by using a “zero-based” or other non-historical data approach.

10 Aliso Incident costs were thus removed from the 2015 and 2016 GRC recorded
 11 expenditures so that they did not impact forecasts. By removing these expenditures, they have
 12 not been factored into historical information forecasting methodologies that witnesses may have
 13 used as a basis to develop the 2019 forecasted costs. Table AS-1 below summarizes the GRC
 14 recorded expenditures for the Aliso Incident for 2015 and 2016.

15 **TABLE AS-1**
 16 **Southern California Gas Company**
 17 **TOTAL RECORDED ALISO INCIDENT EXPENDITURES AS OF 12-31-2016**

Description		Aliso Incident Expenditures			
		2015	2016	Total	
A		B	C	D	
1	SoCalGas Expenditures	\$37.1	\$595.5	\$632.6	1
2	SDG&E Expenditures	\$0.0	\$0.5	\$0.5	2
3	Corporate Expenditures	\$1.4	\$46.1	\$47.5	3
4	Total SoCalGas + SDG&E + Corporate Center	\$38.5	\$642.1	\$680.6	4

Notes:

- 18 1. All expense values shown on a direct cost basis (i.e., not loaded with overheads) and reported in millions of dollars.

19 To verify removal of Aliso Incident costs from witness cost history, it is necessary to
 20 observe and then confirm the exclusion of these expenditures. The following section describes
 21 the actions taken by GRC witnesses to remove the aforementioned Aliso Incident costs.

⁶ This practice is articulated in the Commission’s General Rate Case Plan (“RCP”). See D.07-07-004, Attachment A, p. A-31, as amended by D.14-12-025. Although the latter decision eliminated the Notice of Intent process of the RCP, in the 2019 GRC SoCalGas submits five years of historical recorded costs in its showing.

A. Witnesses With O&M And Capital Cost Forecasts

Generally, for both operations and maintenance (“O&M”) and capital costs, certain expenditures are excluded when preparing historical recorded expense data for the GRC. For example, SoCalGas may exclude historical costs that are not traditionally recovered in the GRC such as gas commodity costs, or other costs whose recovery mechanisms are governed by other proceedings (e.g., Energy Efficiency and Low Income Programs). Aliso Incident costs that were excluded while preparing historical expense data, largely consisting of costs associated with the relocation of residents and labeled as “Non-GRC” Costs in Table AS-2, are provided below.

**TABLE AS-2
Southern California Gas Company
ALISO INCIDENT EXPENDITURES BY GRC CATEGORY AS OF 12-31-2016**

Description	Aliso Incident Expenditures 2015 - 2016		
	"Non-GRC" Costs	GRC Costs	Total
A	B	C	D
1 SoCalGas Expenditures	\$405.9	\$226.8	\$632.6
2 SDG&E Expenditures	\$0.1	\$0.5	\$0.5
3 Corporate Expenditures	\$0.0	\$47.5	\$47.5
4 Total SoCalGas + SDG&E + Corporate Center	\$405.9	\$274.7	\$680.6

Notes:
1. All expense values shown on a direct cost basis (i.e., not loaded with overheads) and reported in millions of dollars.
2. Values may not sum to totals due to rounding.

The remaining \$275 million categorized as “GRC Costs” are identified in Table AS-2 as 1) SoCalGas Direct Expenditures, 2) SDG&E Direct Expenditures, and 3) Corporate Center Direct Expenditures in accordance with the charging entity. The “GRC Cost” terminology refers to Aliso Incident expenses that must be removed through adjustments performed by the appropriate witnesses (because they were not excluded through the historical data preparation process). Witnesses that have GRC Costs within the scope of their witness area address the removal of those costs in their testimony. A summary table of the impacted GRC witnesses is provided below.⁷ Aliso Incident expenses adjusted by a witness do not indicate that the specific

⁷ Please note that not all of the SoCalGas / SDG&E GRC witnesses are directly involved in Aliso Incident-related cost adjustments.

functional area represented by that witness had an acting role in the incident response, as the expense may reflect a re-assignment of company resources.⁸

TABLE AS-3
Southern California Gas Company
LIST OF GRC WITNESSES IMPACTED BY ALISO INCIDENT EXPENSES

	Testimony Exhibit	Witness Name	Testimony Area	Exhibit SCG-12 Workpaper Table	
	A	B	C	D	
	<i>SoCalGas GRC Witnesses</i>				
1	SCG-04	Gina Orozco-Mejia	Gas Distribution	AS-2	1
2	SCG-05	Omar Rivera	Gas System Integrity	AS-3	2
3	SCG-06	Beth Musich	Gas Transmission Operation	AS-4	3
4	SCG-08	Mike Bermel	Gas Major Projects	AS-5	4
5	SCG-09	Deanna Haines	Gas Engineering	AS-6	5
6	SCG-10	Neil Navin	Underground Storage	AS-7	6
7	SCG-13	Devin Zornizer	Gas Control and System Operations/Planning	AS-8	7
8	SCG-14	Maria Martinez	Pipeline Integrity for Transmission and Distribution	AS-9	8
9	SCG-15	Rick Phillips	Pipeline Safety Enhancement Plan	AS-10	9
10	SCG-16	Martin Lazarus	Gas Procurement	AS-11	10
11	SCG-18	Gwen Marelli	Customer Services - Field & Meter Reading	AS-12	11
12	SCG-19	Mike Baldwin	Customer Services - Office Operations	AS-13	12
13	SCG-20	Andrew Cheung	Customer Services - Information	AS-14	13
14	SCG-21	Lisa Alexander	Customer Services - Technologies, Policies, & Solutions	AS-15	14
15	SCG-22	Denita Willoughby	Supply Management, Logistics, & Supplier Diversity	AS-16	15
16	SCG-23	Carmen Herrera	Fleet Services and Facility Operations	AS-17	16
17	SCG-25	Darrell Johnson	Environmental Services	AS-18	17
18	SCG-26	Christopher Olmsted	Information Technology	AS-19	18
19	SCG-28	Mia DeMontigny	Corporate Center - General Administration	AS-20	19
20	SCG-30	Debbie Robinson	Corporate Center - Compensation & Benefits	AS-21	20
21	SCG-32	Mary Gevorkian	Human Resources Department, Safety, Long-Term Disability & Workers' Compensation	AS-22	21
22	SCG-33	Stacey Lee	Accounting & Finance, Legal, Regulatory Affairs & External Affairs	AS-23	22
	<i>SDG&E GRC Witnesses</i>				
23	SDG&E-02, Ch. 2	Gregory Flores	Risk Management and Policy - Enterprise Risk Management Organization	AS-24	23
24	SDG&E-19	Lisa Davidson	Customer Services - Information & Technologies	AS-25	24
25	SDG&E-20	Denita Willoughby	Supply Management, Logistics, & Supplier Diversity	AS-26	25
26	SDG&E-24	Christopher Olmsted	Information Technology	AS-27	26
27	SDG&E-31	Sandra Hrna	Accounting & Finance, Legal, Regulatory Affairs & External Affairs	AS-28	27

⁸ This is because labor costs are recorded to an employee's "home" organization, not to the functional area that the employee supported on the Aliso Incident.

Each of the impacted witnesses were provided access to details of the Aliso Incident expenses and asked to remove these costs, and separately identify them as adjustments in their associated tables and/or workpapers for the years 2015 and 2016. I have reviewed and summarized the witness adjustments at Workpaper Tables AS-2 through AS-28 to my testimony, and determined that each of the witnesses removed the necessary Aliso Incident expenditures.

Using Workpaper Table AS-23 as an example, I have compiled the Aliso Incident expenses that were removed by the SoCalGas Accounting & Finance, Legal, Regulatory Affairs & External Affairs witness (Exhibit SCG-33), summarized by workpaper group,⁹ for the years 2015 and 2016. These adjustments are shown at Rows 2 – 12, with the total for this witness area at Row 13.

TABLE AS-4
Southern California Gas Company
EXCERPT FROM ALISO ADJUSTMENTS WORKPAPER TABLE
ACCOUNTING & FINANCE, LEGAL, REGULATORY & EXT. AFFAIRS WITNESS

	Workpaper Number	2015 Expenses			2016 Expenses			2015 - 2016	
		Labor	Non-Labor	Total	Labor	Non-Labor	Total	Total Expenses	
	A	B	C	D	E	F	G	H	
1	Aliso Incident Expenses	(\$99,479)	(\$1,019)	(\$100,498)	(\$804,994)	(\$21,996,306)	(\$22,801,300)	(\$22,901,798)	1
	<u>GRC ADJUSTMENTS</u>								
2	2200-2075.000	(\$3,357)	(\$396)	(\$3,753)	(\$197,672)	(\$3,912)	(\$201,584)	(\$205,337)	2
3	2200-2095.000	\$0	\$0	\$0	(\$203,281)	(\$20,157,667)	(\$20,360,948)	(\$20,360,948)	3
4	2200-2305.000	\$0	\$0	\$0	(\$106,477)	(\$3,639)	(\$110,116)	(\$110,116)	4
5	2200-2462.000	\$0	\$0	\$0	(\$630)	\$0	(\$630)	(\$630)	5
6	2200-2575.000	\$0	\$0	\$0	\$0	(\$6,837)	(\$6,837)	(\$6,837)	6
7	2AG002.000	\$0	\$0	\$0	(\$73,972)	(\$89,912)	(\$163,884)	(\$163,884)	7
8	2AG003.000	\$0	\$0	\$0	(\$6,288)	\$0	(\$6,288)	(\$6,288)	8
9	2AG004.000	\$0	\$0	\$0	(\$1,529)	\$0	(\$1,529)	(\$1,529)	9
10	2AG005.000	\$0	\$0	\$0	(\$7,688)	\$0	(\$7,688)	(\$7,688)	10
11	2AG007.000	\$0	\$0	\$0	(\$161,321)	(\$23,127)	(\$184,448)	(\$184,448)	11
12	2AG011.000	(\$96,122)	(\$624)	(\$96,746)	(\$46,136)	(\$1,711,211)	(\$1,757,347)	(\$1,854,093)	12
13	Total Removed	(\$99,479)	(\$1,020)	(\$100,499)	(\$804,994)	(\$21,996,305)	(\$22,801,299)	(\$22,901,798)	13
14	Difference (Row 1 - Row 13)	(\$0)	\$1	\$1	\$0	(\$1)	(\$1)	(\$0)	14

Note:

1. All expense values shown on a direct cost basis (i.e., not loaded with overheads) and reported in dollars.

⁹ The GRC O&M workpaper group is generally described as a group of department cost centers of related nature that are addressed as a group by the GRC witness in the historical and forecast cost presentation. GRC workpaper groups have unique alphanumeric identifiers. Cost Centers are, generally, unique numeric identifiers that reflect expenses of a department. Workpaper group and Cost Center descriptions are not shown in Table AS-4, but are provided in the testimony workpaper tables.

1 I then compared the costs removed by the witness to the historical Aliso Incident
2 expenses associated with the GRC witness areas (i.e., the amounts expected to be removed),
3 shown at Row 1.¹⁰ Row 14 shows any variance between Aliso Incident expenses and GRC
4 witness adjustments. In the case of the SoCalGas Accounting & Finance, Legal, Regulatory
5 Affairs & External Affairs witness, there are non-material variances that, following review, are
6 associated with rounding differences.

7 The activities described above were performed for every witness area for which Aliso
8 Incident expenses had been identified. A summary of results for all witnesses is provided in
9 Section IV.

10 **B. Confirming Removal of Total Costs and Other Cost Forecast Considerations**

11 **1. Comparison With 2016 SEC 10-K Report**

12 Because the SoCalGas GRC uses year-end 2016 accounting information, to confirm
13 removal of the appropriate amounts, I also compared the Aliso Incident expenses identified
14 above with the Aliso Incident expenses prepared for the SEC 10-K Report for 2016.¹¹ Generally,
15 the SEC 10-K Report reflects the audited and publicly released information regarding the Aliso
16 Incident.
17

18 The essential step in the comparison process was to isolate the historical recorded costs in
19 the SEC report that are comparable to the information that GRC witnesses review, present, and
20 may use for forecasting purposes, so this evaluation can be performed on an “apples to apples”
21 basis. The amount recorded as of year-end 2016, and reported in the SEC 10-K Report, is
22 approximately \$780 million, and represented the amount anticipated to be reimbursed through
23 insurance policies at that time (i.e., the “insurance receivable”).¹² This amount is adjusted to
24 \$680.6 million for GRC comparative purposes, as described below.

¹⁰ The Aliso Incident Expenditures shown at Row 1 (the expected adjustment) were developed from reports that separate the “GRC Costs” (as described above) by the workpaper groups and cost centers that are associated with GRC witness areas.

¹¹ The SEC requires companies with more than \$10 million in assets whose equity securities are held by more than a specified number of holders to file annual and other periodic reports. The annual report on Form 10-K provides a comprehensive overview of the company's business and financial condition and includes audited financial statements. See <https://www.sec.gov/Article/whatwedo.html> and <https://www.sec.gov/fast-answers/answers-form10khtm.html>.

¹² See SoCalGas Form 10-K, Filed 02/28/17 for the Period Ending 12/31/16, Sempra Energy Financial Report, Note 15 of the Notes to Consolidated Financial Statements.

1 Items included in the SEC 10-K Report that were removed for comparative purposes
2 include the following:

- 3 • Forecasted costs – The SEC 10-K Report includes a forecast of costs that are to be
4 incurred in the future, that are known and estimable at the time of filing the
5 report.¹³ Forecasted costs are not part of the GRC historical cost information, and
6 thus need to be removed from the SEC 10-K Report information.¹⁴
- 7 • Accruals for estimated costs – The SEC 10-K Report includes estimates of
8 expenses that are recorded as liabilities, but payment is not yet made. These
9 include estimates of known services provided by vendors during 2016 that were
10 not directly entered into the SoCalGas accounting system by year-end, and
11 estimates for replacing the lost natural gas from the leak and Greenhouse Gas
12 Mitigation costs. Such accruals are booked to accounts that are not reflected in
13 work orders used for GRC purposes, and thus need to be removed from the SEC
14 10-K Report information.
- 15 • Indirect costs – The SEC 10-K Report includes direct charges and indirect costs
16 (e.g., overhead costs loaded on labor). For the GRC, generally, witnesses
17 addressing O&M and capital costs initially work with historical information on a
18 direct cost basis to prepare forecasts (and receive tables that reflect the addition of
19 certain overhead loaders to include in their submissions). It was thus necessary to
20 review GRC witness adjustments to direct costs as the basis for comparison, and
21 remove indirect costs from the SEC 10-K Report information.

22 Additionally, certain items are included in the GRC historical information that are not
23 included in the referenced Aliso Incident expenditures in the SEC 10-K Report, and thus had to
24 be added. These include the following:

- 25 • Costs not included in the insurance receivable – SoCalGas did not record certain
26 Aliso Incident expenditures as part of the insurance receivable. These include
27 fees related to counsel for certain legal matters. The GRC historical information
28 does not distinguish between legal expenses included or excluded from the

¹³ *Id.* at 75 – 76.

¹⁴ It should also be understood the forecasted costs of the Aliso Incident as reported in the SEC 10-K Report are not included in the forecast of the SoCalGas Underground Storage witness Mr. Navin (Exhibit SCG-10).

insurance receivable. Since these expenses are included in the GRC historical information, they were added to the 10-K Report value to perform an equitable comparison.

- Costs associated with Fenceline Monitoring equipment – This Aliso Incident expense was initially posted to work orders that were not associated with cost queries performed for the SEC 10-K Report. This issue was identified in the first quarter of 2017; subsequent Aliso Incident reports, as well as GRC historical information, include the Fenceline Monitoring equipment costs. In order to mirror the GRC historical information, these expenditures were added to the year-end 2016 SEC 10-K Report information.

After making the necessary comparative adjustments, the desired comparison could be performed between the SEC 10-K Report and GRC Aliso Incident information, as illustrated in Table AS-5, below.

TABLE AS-5
Southern California Gas Company
COMPARISON OF SEC 10-K REPORT AND GRC HISTORICAL COSTS

Cost Category	Expenditures From SEC 10-K Report			Comparative Adjustments	Comparative Total
	Incident Total	LESS: Forecast	Recorded Total		
A	B	C	D	E	F
1 Total Aliso Incident Expenses	\$779.9	\$42.0	\$737.8	(\$57.2)	\$680.6

Notes:

- All expense values shown reported in millions of dollars. Value shown in Column B, Row 1 reflects the Aliso-related insurance receivable as reported in the 2016 SEC 10-K Report in Note 15 of the Notes to Consolidated Financial Statements.
- Comparative adjustments include reductions for Topside Accruals, Indirect Costs, and the Lost Gas and GHG Mitigation accruals. Increases for expenses not included in the insurance receivable and inclusion of Fenceline Monitoring Equipment costs.

The results of the review indicated a match between the SEC 10-K Report and GRC expenses information (i.e., the GRC contained matching expenses as reported to the SEC).

2. Forecast Considerations Due To Removing Aliso Expenses

SoCalGas used both existing internal and supplemental external resources in response to the Aliso Incident. Specifically regarding the use of internal resources to address the incident, the exclusion of the associated expenses for the 2019 GRC may result in lower historical O&M expenses for a particular witness area. Witnesses who employed historical costs in developing forecasts were thus instructed to carefully consider if the remaining historical information supported an appropriate 2019 cost forecast, or if additional forecast adjustments were necessary

1 to complete the projection of expenses for regular (i.e., non-Aliso) activities for the forecast
2 years and beyond.¹⁵ In the event further adjustment was deemed necessary, witnesses were
3 instructed to itemize and justify the need for the incremental adjustments as part of their forecast
4 of activities and services performed. The GRC witnesses sponsor such adjustments in their
5 direct testimony and workpapers.

6 GRC witnesses that may have performed non-historical based cost projections, such as
7 zero-based forecasts, were instructed when developing forecasts to not include costs associated
8 with Aliso Incident activities.¹⁶ Such projection approaches, generally, may involve a
9 cumulative estimate of costs for business functions of an organization. GRC witnesses were also
10 instructed to carefully consider their use of non-historical cost approaches to avoid including
11 Aliso Incident costs in the requested expenses, and justify proposals with appropriate forecasting
12 methodologies and support information. The GRC witnesses sponsor these forecasts in their
13 direct testimony and workpapers.

14 **C. Witnesses With Other Forecasted Costs / Revenue Requirement Impacts**

15 In addition to witnesses responsible for adjustments to direct O&M and capital costs, a
16 review was performed for certain other GRC witnesses that impact the SoCalGas revenue
17 requirement to verify that Aliso Incident costs are not included in Test Year 2019 proposal. A
18 summary of the review is provided for selected witnesses below. The noted witnesses sponsor
19 specific proposals in their direct testimonies.

20 **1. Rate Base**

21 Pursuant to discussions and observation of information in the Results of Operations
22 Model (“RO Model”), it was determined that Aliso Incident capital-related expense was not
23 included in Rate Base for the 2019 GRC. Aliso-related adjustments performed by Rate Base
24 witness Pat Moersen are demonstrated in the workpapers to Exhibit SCG-35, showing the
25 removal of the recorded Plant-In-Service and Accumulated Depreciation balances.

¹⁵ This is also the case for GRC forecasting efforts, generally, when historical information is used, but by itself does not equate to the test year estimated expenditures.

¹⁶ See footnote 14, above.

1 **2. Depreciation**

2 Pursuant to discussions and observation of information in the RO Model, it was also
3 determined that Aliso Incident capital-related expense was not included in Depreciation Expense
4 for the 2019 GRC. Aliso-related adjustments performed by Depreciation witness Flora Ngai are
5 demonstrated in the workpapers to Exhibit SCG-36, Schedule D, showing the removal of
6 Depreciation and Amortization Expense.

7 **3. Working Cash**

8 A review was conducted to determine whether the Aliso Incident expenses impacted the
9 working cash component of the 2019-requested revenue requirement. It was confirmed that
10 Aliso Incident costs were removed from the lead lag study that was performed, consistent with
11 methods noted above (e.g., from identification of Aliso Incident work orders). Information
12 employed for the Working Cash Study is sponsored by witness Karen Chan for Exhibit SCG-38.

13 **IV. DEMONSTRATION OF COMPLIANCE WITH OP 12 AND COL 75**

14 This section provides a demonstration of SoCalGas and SDG&E’s witness compliance
15 with the Commission’s OP 12 and provides separately itemized Aliso Incident costs consistent
16 with COL 75.

17 **A. Itemization of Costs Related To The Gas Leak**

18 Table AS-6 provides an itemization of costs related to the Aliso Incident in similar
19 categories as prepared for the 2016 SEC 10-K Report.¹⁷

¹⁷ Processing Support and Internal Labor costs (Row 6) are shown in a similar format as reported to the Commission. With respect to the Internal Labor, SoCalGas employees were instructed to track their time and costs to the distinct accounting work orders for the incident. In certain limited instances, only applicable overtime labor of employees were charged to the Aliso Incident. For example, this occurred when employees performed their normal activities and also supported SoCalGas’ response to the Aliso Canyon Incident; or when the employees were providing support for the Aliso Incident consistent within their existing roles and responsibilities (e.g., legal).

TABLE AS-6
Southern California Gas Company
ALISO CANYON STORAGE FIELD GAS LEAK INCIDENT EXPENSES
Recorded Expenditures Incorporated into the 2016 SEC 10-K Report

	Cost Category	Expenditures From SEC 10-K Report			Comparative Adjustments	Comparative Total	
		Incident Total	LESS: Forecast	Recorded Total			
	A	B	C	D	E	F	
1	Well Control, Leak Stoppage, Relief Wells, and Methane Recapture	\$81.9	\$0.1	\$81.8	(\$2.8)	\$79.0	1
2	Root Cause Investigation and Blade Industries	\$50.3	\$17.6	\$32.7	(\$4.9)	\$27.8	2
3	Environmental, Air Emissions Monitoring, Lab Analysis, and AQMD Abatement	\$16.1	\$1.7	\$14.4	\$1.3	\$15.7	3
4	Outside Counsel, Litigation Preparation Costs & Regulatory	\$43.6	\$0.0	\$43.6	\$2.5	\$46.0	4
5	Relocation Costs including Lodging, Meal Allowance, and Incidentals	\$456.7	\$8.0	\$448.6	(\$1.8)	\$446.8	5
6	Processing Support and Fully Loaded Internal Labor supporting Aliso	\$95.1	\$14.6	\$80.4	(\$15.2)	\$65.3	6
7	Lost Gas and GHG Mitigation	\$36.3	\$0.0	\$36.3	(\$36.3)	\$0.0	7
8	TOTAL RECEIVABLE EXPENSES	\$779.9	\$42.0	\$737.8	(\$57.2)	\$680.6	8

Notes:

- All expense values shown reported in millions of dollars and reflect the Aliso-related insurance receivable as reported in the 2016 SEC 10-K Report in Note 15 of the Notes to Consolidated Financial Statements.
- Comparative adjustments include reductions for Topside Accruals, Indirect Costs, and the Lost Gas and GHG Mitigation accruals. Increases for expenses not included in the insurance receivable and inclusion of Fenceline Monitoring Equipment costs.
- Column C represents the forecasted portion (post-2016) of the cost categories shown for known and estimable future expenditures.

Table AS-7 provides an itemization of costs related to the Aliso Incident by the accounting work orders used to track expenditures. The total associated with this format matches the total of the itemization of costs as shown in the SEC 10-K Report format. GRC witnesses identified costs by work order to determine expenditures specifically associated with the Aliso Incident.

TABLE AS-7
Southern California Gas Company
ALISO CANYON STORAGE FIELD GAS LEAK INCIDENT EXPENSES
Recorded Historical Expenditures Categorized by Work Order

Work Order	Aliso Incident Work Order Description	Aliso Incident Expenditures		
		2015	2016	Total
A	B	C	D	E
<i>SoCalGas Direct Expenditures</i>				
1	300775156 AC - STANDARD SESNON 25 WELLHEAD LEAK	\$24,015,595	\$505,728,006	\$529,743,601
2	300775432 AC - PORTER 39A - NEW WELL SITE PREP	\$122,852	\$168,093	\$290,945
3	300775433 AC - PORTER 39A - NEW WELL - DRILL	\$3,227,090	\$21,572,963	\$24,800,054
4	300775712 AC-STANDARD SESNON 25 WELLHEAD LEAK -P1	\$9,591,553	\$30,220,086	\$39,811,640
5	300775876 AC - PORTER 39A - NEW WELL - VEHICLES	\$124,163	\$79,172	\$203,335
6	300775968 AC-PORTER SESNON 20A DRILL NEW WELL-DRIL	\$0	\$4,723,658	\$4,723,658
7	300775969 AC-PORTER SESNON 20A DRILL NEW WELL-SITE	\$0	\$3,572,330	\$3,572,330
8	300776267 AC - SPECIAL LEAK SURVEY	\$0	\$139,952	\$139,952
9	300776268 AC - LEAK REPAIRS O&M	\$0	\$254,575	\$254,575
10	300777009 AC STORAGE FACILITY SS-25 ROOT CAUSE	\$0	\$27,784,607	\$27,784,607
11	300778853 AC- FENCELINE METHANE DETECTION	\$0	\$1,288,246	\$1,288,246
12	Subtotal SoCalGas	\$37,081,254	\$595,531,689	\$632,612,943
<i>SDG&E Direct Expenditures</i>				
13	7081881 SCG SDGE CLAIMS ANALYSTS EXPENSE	\$0	\$78,417	\$78,417
14	7081920 SCG SUPPLY MGMT SUPPORT FOR ALISO CANYON	\$0	\$323,609	\$323,609
15	7082025 SCG BUSINESS STRATEGY & DEV.ALISO CANYON	\$0	\$121,412	\$121,412
16	7082163 SCG MHPUUP- SUPPORT FOR ALISO CANYON	\$0	\$3,584	\$3,584
17	7083180 SCG IT SUPPORT FOR ALISO CANYON	\$0	\$18,010	\$18,010
18	Subtotal SDG&E	\$0	\$545,032	\$545,032
<i>Corporate Center Expenditures</i>				
19	6310900 SCG: ALISO CANYON LEAK LEGAL COST	\$1,403,219	\$44,602,535	\$46,005,754
20	6311140 SCG:ALISO- DIRECTOR & OFFICER LITIGATION	\$0	\$2,213	\$2,213
21	6310901 ALISO CANYON EMERGENCY SERVICES	\$25,752	\$169,568	\$195,320
22	6311000 SCG ALISO CANYON RELOCATION REVIEW - THP	\$0	\$1,276,200	\$1,276,200
23	6310980 ALISO GAS LEAK SUPPORT	\$0	\$4,616	\$4,616
24	Subtotal Corporate Center	\$1,428,971	\$46,055,131	\$47,484,102
25	Total SoCalGas + SDG&E + Corporate Center	\$38,510,225	\$642,131,852	\$680,642,077

Notes:

1. All expense values shown on a direct cost basis (i.e., not loaded with overheads) and reported in dollars.

1. Sorting of Itemized Costs Related To The Gas Leak

Table AS-8 provides a categorization of itemized costs between “non-GRC” and “GRC Costs” as explained in Section III.A., above. The total associated with this categorization of costs matches the itemization of costs as shown in the work order and SEC 10-K Report formats from the prior section.

TABLE AS-8
Southern California Gas Company
GRC CATEGORIZATION OF ITEMIZED ALISO INCIDENT COSTS

		Aliso Incident Expenditures 2015 - 2016			
Work Order	Aliso Incident Work Order Description	"Non-GRC" Costs	GRC Costs	Total	
A	B	C	D	E	
<i>SoCalGas Direct Expenditures</i>					
1	300775156 AC - STANDARD SESNON 25 WELLHEAD LEAK	\$405,498,848	\$124,244,754	\$529,743,601	1
2	300775432 AC - PORTER 39A - NEW WELL SITE PREP	\$195	\$290,750	\$290,945	2
3	300775433 AC - PORTER 39A - NEW WELL - DRILL	\$280,698	\$24,519,355	\$24,800,054	3
4	300775712 AC-STANDARD SESNON 25 WELLHEAD LEAK -PI	\$11,436	\$39,800,204	\$39,811,640	4
5	300775876 AC - PORTER 39A - NEW WELL - VEHICLES	\$4,786	\$198,549	\$203,335	5
6	300775968 AC-PORTER SESNON 20A DRILL NEW WELL-DRIL	\$23,616	\$4,700,043	\$4,723,658	6
7	300775969 AC-PORTER SESNON 20A DRILL NEW WELL-SITE	\$4,669	\$3,567,661	\$3,572,330	7
8	300776267 AC - SPECIAL LEAK SURVEY	\$20,921	\$119,032	\$139,952	8
9	300776268 AC - LEAK REPAIRS O&M	\$3,117	\$251,457	\$254,575	9
10	300777009 AC STORAGE FACILITY SS-25 ROOT CAUSE	\$21	\$27,784,585	\$27,784,607	10
11	300778853 AC- FENCELINE METHANE DETECTION	\$11,615	\$1,276,631	\$1,288,246	11
12	Subtotal SoCalGas	\$405,859,921	\$226,753,022	\$632,612,943	12
<i>SDG&E Direct Expenditures</i>					
13	7081881 SCG SDGE CLAIMS ANALYSTS EXPENSE	\$0	\$78,417	\$78,417	13
14	7081920 SCG SUPPLY MGMT SUPPORT FOR ALISO CANYON	\$0	\$323,609	\$323,609	14
15	7082025 SCG BUSINESS STRATEGY & DEV. ALISO CANYON	\$75,000	\$46,412	\$121,412	15
16	7082163 SCG MHPUUP- SUPPORT FOR ALISO CANYON	\$3,584	\$0	\$3,584	16
17	7083180 SCG IT SUPPORT FOR ALISO CANYON	\$0	\$18,010	\$18,010	17
18	Subtotal SDG&E	\$78,584	\$466,448	\$545,032	18
<i>Corporate Center Expenditures</i>					
19	6310900 SCG: ALISO CANYON LEAK LEGAL COST	\$0	\$46,005,754	\$46,005,754	19
20	6311140 SCG:ALISO- DIRECTOR & OFFICER LITIGATION	\$0	\$2,213	\$2,213	20
21	6310901 ALISO CANYON EMERGENCY SERVICES	\$0	\$195,320	\$195,320	21
22	6311000 SCG ALISO CANYON RELOCATION REVIEW - THP	\$0	\$1,276,200	\$1,276,200	22
23	6310980 ALISO GAS LEAK SUPPORT	\$0	\$4,616	\$4,616	23
24	Subtotal Corporate Center	\$0	\$47,484,102	\$47,484,102	24
25	Total SoCalGas + SDG&E + Corporate Center	\$405,938,506	\$274,703,571	\$680,642,077	25

Notes:

1. All expense values shown on a direct cost basis (i.e., not loaded with overheads) and reported in dollars.

2. Other Aliso Incident-Related Accounting Adjustments for GRC

Table AS-9 shows the cumulative Aliso Incident accounting information when including work orders that reflect the insurance receivable booked by SoCalGas in its accounting system. Because these work orders are also identified by GRC witnesses, it is necessary to include them in this demonstration, and illustrate their removal through the adjustment process.

1 **TABLE AS-9**
2 **Southern California Gas Company**
3 **ALISO INCIDENT COSTS INCLUDING INSURANCE RECEIVABLE WORK ORDERS**

	Work Order	Aliso Incident Work Order Description	Aliso Incident Expenditures 2015 - 2016		
			"Non-GRC" Costs	GRC Costs	
	A	B	C	D	
1	Total SoCalGas + SDG&E + Corporate Center		\$405,938,506	\$274,703,571	1
	<i>Insurance Receivable Work Orders</i>				
2	300776087	AC - SS25 WELL LEAK -ACCOUNTING USE ONLY	(\$601,258,370)	\$0	2
3	300776088	AC-SS25 WELL LEAK - ACCOUNTING USE ONLY	\$0	(\$41,136,394)	3
4	300777847	AC - PORTER 39A - NEW WELL - ACCT USE	\$0	(\$25,994,534)	4
5	300777848	AC-PORTER SESNON 20A NEW WELL-ACCT USE	\$0	(\$8,532,506)	5
6	Subtotal Insurance Receivable		(\$601,258,370)	(\$75,663,434)	6
7	Total SoCalGas + SDG&E + Corporate Center		(\$195,319,864)	\$199,040,137	7

Notes:

1. All expense values shown on a direct cost basis (i.e., not loaded with overheads) and reported in dollars.

B. Summary of GRC Witness Removal of Aliso Incident Expenses

As described in Section III.A., the “Non-GRC” costs are excluded in the process of preparing historical cost information for the GRC. The \$405.9 million of costs, and the (\$601.3) million insurance receivable shown in Column C of Table AS-9 are thus not included in GRC witness costs for 2015 – 2016. Table AS-10, below, is a summary of adjustments, by GRC witness, to remove the remaining “GRC Costs” of \$199.0 million in Column D of Table AS-9.

TABLE AS-10
Southern California Gas Company
SUMMARY OF ADJUSTMENTS BY GRC WITNESS OF ALISO INCIDENT COSTS

	Exhibit Number	Testimony Area	2015 + 2016 Expenses			
			Labor	Non-Labor	Total	
	A	B	C	D	E	
	<u>SoCalGas GRC Witnesses</u>					
1	SCG-04 Orozco-Mejia	Gas Distribution	(\$782,250)	(\$1,236,066)	(\$2,018,316)	1
2	SCG-05 Rivera	Gas System Integrity	(\$245,076)	(\$6,514)	(\$251,590)	2
3	SCG-06 Musich	Gas Transmission Operation	(\$10,109)	(\$728)	(\$10,837)	3
4	SCG-08 Bermel	Gas Major Projects	(\$204,536)	(\$10,622)	(\$215,158)	4
5	SCG-09 Haines	Gas Engineering	(\$275,869)	(\$53,040)	(\$328,909)	5
6	SCG-10 Navin	Underground Storage	(\$1,975,693)	(\$88,279,025)	(\$90,254,718)	6
7	SCG-13 Zornizer	Gas Control and System Operations/Planning	(\$14,506)	(\$294,941)	(\$309,447)	7
8	SCG-14 Martinez	Pipeline Integrity for Transmission and Distribution	(\$148,138)	(\$1,638)	(\$149,776)	8
9	SCG-15 Phillips	Pipeline Safety Enhancement Plan	(\$156,824)	(\$512)	(\$157,336)	9
10	SCG-16 Lazarus	Gas Procurement	(\$2,482)	\$0	(\$2,482)	10
11	SCG-18 Marelli	Customer Services - Field & Meter Reading	(\$887,018)	(\$5,068,483)	(\$5,955,501)	11
12	SCG-19 Baldwin	Customer Services - Office Operations	(\$2,895,368)	(\$3,398,739)	(\$6,294,107)	12
13	SCG-20 Cheung	Customer Services - Information	(\$2,004,328)	(\$3,747,081)	(\$5,751,409)	13
14	SCG-21 Alexander	Customer Services - Technologies, Policies, & Solutions	(\$293,257)	(\$987,261)	(\$1,280,518)	14
15	SCG-22 Willoughby	Supply Management, Logistics, & Supplier Diversity	(\$672,719)	(\$1,388,707)	(\$2,061,426)	15
16	SCG-23 Herrera	Fleet Services and Facility Operations	(\$28,306)	(\$3,975)	(\$32,281)	16
17	SCG-25 Johnson	Environmental Services	(\$623,017)	(\$8,184,781)	(\$8,807,798)	17
18	SCG-26 Olmsted	Information Technology	(\$104,453)	(\$42,923)	(\$147,376)	18
19	SCG-28 DeMontigny	Corporate Center - General Administration	\$0	(\$47,484,103)	(\$47,484,103)	19
20	SCG-30 Robinson	Corporate Center - Compensation & Benefits	\$0	(\$3,340,042)	(\$3,340,042)	20
21	SCG-32 Gevorkian	Human Resources Department, Safety, Long-Term Disability & Workers' Compensation	(\$795,721)	(\$69,443)	(\$865,164)	21
22	SCG-33 Lee	Accounting & Finance, Legal, Regulatory Affairs & External Affairs	(\$904,473)	(\$21,997,325)	(\$22,901,798)	22
23	Subtotal SoCalGas		(\$13,024,143)	(\$185,595,949)	(\$198,620,092)	23
	<u>SDG&E GRC Witnesses</u>					
24	SDG&E-02, Ch. 2 Flores	Risk Management and Policy - Enterprise Risk Management Organization	\$0	(\$1,235)	(\$1,235)	24
25	SDG&E-19 Davidson	Customer Services - Information & Technologies	\$0	\$0	\$0	25
26	SDG&E-20 Willoughby	Supply Management, Logistics, & Supplier Diversity	(\$207,706)	(\$88,610)	(\$296,316)	26
27	SDG&E-24 Olmsted	Information Technology	(\$18,018)	(\$186)	(\$18,204)	27
28	SDG&E-31 Hrna	Accounting & Finance, Legal, Regulatory Affairs & External Affairs	(\$100,859)	(\$3,420)	(\$104,279)	28
29	Subtotal SDG&E		(\$326,583)	(\$93,451)	(\$420,034)	29
30	Total SoCalGas / SDG&E for 2015 + 2016 Combined		(\$13,350,726)	(\$185,689,400)	(\$199,040,126)	30

Notes:

1. All expense values shown on a direct cost basis (i.e., not loaded with overheads) and reported in dollars.

In total, GRC witnesses adjusted \$199,040,126 to remove costs of the Aliso Incident from historical expenditures. As described specifically for the SoCalGas Accounting & Finance, Legal, Regulatory Affairs & External Affairs witness in Section III.A., the total shown reflects non-material variances on a witness by witness basis due to rounding of values. With that

1 understanding, GRC witnesses adjusted the necessary level of costs associated with the Aliso
 2 Incident from their historical information.

3 **V. CONCLUSIONS OF CONDUCTED REVIEW**

4 Pursuant to the review conducted and described in this testimony, I determined that
 5 impacted GRC witnesses removed Aliso Incident-related expenditures, so they did not factor into
 6 historical information forecasting methodologies that witnesses used as a basis to develop the
 7 2019 forecasted costs. The review reconciled the year-end 2016 accounting information as
 8 reported in the SEC 10-K Report, with the Aliso Expenditure tracking work orders, and the
 9 amounts identified for the 2019 GRC historical cost data. Summary results of GRC adjustments
 10 are shown in Table AS-11, below. Additional detail regarding these calculations and support for
 11 the other Testimony Tables is also available in the workpapers to my Direct Testimony.

12
 13 **TABLE AS-11**
 14 **Southern California Gas Company**
 15 **SUMMARY RESULTS OF REMOVING ALISO INCIDENT COSTS**

	Description	Amount	
	A	B	
1	Total GRC Witness Adjustments to Aliso Accounting Information	(\$199,040,126)	1
2	GRC Witness Adjustments to Remove Insurance Receivable Amounts	\$75,663,434	2
3	GRC Witness Adjustments to Remove Aliso Incident Expenditures	(\$274,703,560)	3
4	Other Costs Removed in Preparation of Historical Information	(\$405,938,506)	4
5	Total Aliso Expenditures Removed	(\$680,642,066)	5
6	Total Aliso Incident Expenses To Be Removed	\$680,642,077	6
7	Comparison of GRC Adjustments to Aliso Expenses	(\$11)	7
	<u>Notes:</u>		
	1. All expense values shown on a direct cost basis (i.e., not loaded with overheads) and reported in dollars.		
	2. Row 7 shows variance between Aliso Incident expenses and total GRC adjustments. The non-material level of variance of \$11 is associated with rounding differences.		

16
 17
 18 As described in Section III.B.2. above, GRC witnesses sponsor their forecasted costs in
 19 their direct testimony. Adjustments to forecasts that use historical information or zero-based
 20 approaches are likewise sponsored by each witness. This includes adjustments associated with
 21 resources previously allocated to the Aliso Incident response, and identified to support non-Aliso
 22 Incident business activities during the forecast period. The combination of removing costs from

1 the historical expenditure information, and the separate identification of forecast adjustments,
2 provides transparency and represents the methodology used for not including Aliso Incident
3 costs in the 2019 GRC forecast. Review of information of other witnesses that impact the 2019
4 Revenue Requirement (e.g., depreciation) was also conducted, confirming the removal of Aliso
5 Incident expense-related information.

6 This collection of approaches to handling of Aliso Incident expenses and the
7 demonstration provided herein thus comply with OP 12 and COL 75.

8 This concludes my prepared direct testimony.

1 **VI. WITNESS QUALIFICATIONS**

2 My name is Andrew E. Steinberg. My business address is 555 West Fifth Street, Los
3 Angeles, California, 90013-1011. I am employed by SoCalGas as the Incident Support Manager
4 of the Incident Support and Analysis Department, in the Division of the Office of the Controller
5 and Chief Financial Officer.

6 In 1997, I received a B.A. in Economics and a B.A. in English Literature cum laude with
7 honors from the University of California, Los Angeles. I began employment in 1998 with
8 Micronomics, Inc., a firm that provides consulting services pertaining to the violation of antitrust
9 laws and related economic damages. During my three years of experience at Micronomics, my
10 responsibilities primarily included economic research and consulting, and involvement in the
11 preparation of expert witness testimony for antitrust proceedings.

12 In 2001, I began employment with the Sempra Energy Utilities in the Regulatory
13 Analysis Department with an emphasis on matters relating to gas transportation service. In 2005,
14 I transitioned to Regulatory Case Manager in the GRC and Revenue Requirements Department,
15 providing support for both SDG&E and SoCalGas. My primary responsibilities included project
16 management and support for the SDG&E and SoCalGas GRCs. In 2012, I became the
17 Regulatory Policy and Reporting Manager primarily supporting the SoCalGas Energy Efficiency
18 and Low Income programs in regulatory matters before this Commission. In October 2016, I
19 assumed my current position. My current responsibilities include continuing activities to support
20 the Aliso Canyon Storage Facility gas leak incident response, including the preparation of
21 financial reporting results.

22 I have previously served written testimony before this Commission.
23
24
25
26