Company:	Southern California Gas Company (U 904 G)
Proceeding:	2024 General Rate Case
Application:	A.22-05-015/-016 (cons.)
Exhibit:	SCG-234

REBUTTAL TESTIMONY

OF ALEXANDRA N. HORNBECK

(WORKING CASH)

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

May 2023

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REBUTTAL TESTIMONY OF
ALEXANDRA N. HORNBECK
(WORKING CASH)

I. SUMMARY OF DIFFERENCES

Table ANH-1 – Summary of Differences

TOTAL WORKING CASH REQUIREMENT – Test Year 2024 ($000)					
	Operational Cash Requirement	**Working Cash Not Supplied by Investors**	**Lead/Lag Working Capital Requirement**	**Total Working Cash Requirement**	**Difference[1]**
SOCALGAS[2]	**165,478**	**-195,781**	**197,851**	**167,547**	
CAL ADVOCATES[3]	**165,478**	**-195,781**	**148,361**	**118,058**	**-49,489**
TURN[4]				**113,771**	**-53,776**
INDICATED SHIPPERS[5]				**45,280**	**-122,267**

1 Amounts represent the difference between the party's request and SoCalGas's revised working cash requirement as described in the Introduction section of this rebuttal testimony.

2 Amounts shown reflect updates to SoCalGas's Test Year 2024 forecast as detailed in the Introduction section of this rebuttal testimony.

3 *See* Prepared Direct Testimony of Brandon Benitez, Report on the Results of Operations for San Diego Gas & Electric Company and Southern California Gas Company Test Year 2024 General Rate Case, Rate Base and Working Cash (March 27, 2023) (Ex. CA-16 (Benitez)) at 7. Cal Advocates' testimony figures are based on SoCalGas's August 2022 revised filing, which do not reflect the updates made in the second revised filing in November 2022, SoCalGas Second Revised Prepared Direct Testimony of Alexandra N. Hornbeck (Working Cash) (November 2022) (Ex. SCG-34-2R (Hornbeck)) or those described below.

4 *See* Prepared Direct Testimony of Jennifer Dowdell Addressing Sempra's Working Cash Proposals, on behalf of The Utility Reform Network (March 27, 2023) (Ex. TURN-13 (Dowdell)) at 2. TURN's testimony figures are based on SoCalGas's August 2022 revised filing, which do not reflect the updates made in the second revised filing in November 2022, Ex. SCG-34-2R (Hornbeck), or those described below.

5 *See* Direct Testimony and Schedules of Michael P. Gorman (March 27, 2023) (Ex. IS-02 (Gorman)) at 6. Indicated Shippers' figures are derived from its testimony and are based on SoCalGas's November 2022 second revised filing, Ex. SCG-34-2R (Hornbeck), but do not include the revision discussed below.

II. INTRODUCTION

This prepared rebuttal testimony regarding Southern California Gas Company's (SoCalGas) request for Working Cash addresses SoCalGas's revision to its Working Cash request and the following testimony from other parties:

- The Public Advocates Office of the California Public Utilities Commission (Cal Advocates) as submitted by Brandon Benitez (Ex. CA-16), dated March 2023.
- The Utility Reform Network (TURN), as submitted by Jennifer Dowdell (Ex. TURN-13), dated March 2023.
- Indicated Shippers (IS), as submitted by Michael Gorman (Ex. IS-02), dated March 2023.

As a preliminary matter, the absence of a response to any particular issue in this rebuttal testimony does not imply or constitute agreement by SoCalGas with the proposal or contention made by these or other parties. The forecasts contained in SoCalGas's direct testimony are based on sound estimates of its revenue requirements at the time of testimony preparation.

A. SoCalGas's Revised Working Cash Requirement

During the course of responding to discovery, SoCalGas identified certain invoices that should have been excluded in SoCalGas's Other Goods & Services analysis in Exhibit SCG-34 WP-2R Schedule I. SoCalGas detailed the necessary revisions to Exhibit SCG-34 WP-2R Schedule I in the related discovery response, which was made available to all parties through SoCalGas's regulatory proceeding discovery portal.[6] The revisions result in an increase of $0.435 million to SoCalGas's working cash request for a total, revised request of $167.5 million. The differences between the newly revised request and the previous request in Ex. SCG-34-2R (Hornbeck) are illustrated in Table ANH-2 below.

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[6] *See* Data Request TURN-SEU-028, Question 1, attached hereto at Appendix B (excluding confidential attachment).

Table ANH-2 – Summary of SoCalGas Revision

SOCALGAS TOTAL WORKING CASH REQUIREMENT – Test Year 2024 ($000)					
	Operational Cash Requirement	**Working Cash Not Supplied by Investors**	**Lead/Lag Working Capital Requirement**	**Total Working Cash Requirement**	**Difference**
SoCalGas Second Revised Testimony[7]	**165,478**	**-195,781**	**197,416**	**167,112**	
SoCalGas Rebuttal Testimony	**165,478**	**-195,781**	**197,851**	**167,547**	**435**

B. Cal Advocates

The following is a summary of Cal Advocates' position on Working Cash:[8]

- Cal Advocates recommends adjusting down SoCalGas's proposed revenue lag, billing lag, and bank lag days. SoCalGas contends that Cal Advocates' methodology is flawed and that SoCalGas's proposal is more reasonable and better supported.

C. TURN

The following is a summary of TURN's position on Working Cash:[9]

- TURN recommends a downward adjustment of SoCalGas's revenue lag arguing that a methodology that uses 2021 base year recorded is inappropriate due to the customer arrearage impacts associated with the disconnection moratorium in three quarters of 2021.[10] SoCalGas defends why its proposed methodology, including the use of 2021 recorded data, is appropriate and unbiased.

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[7] Ex. SCG-34-2R (Hornbeck) at ANH-8.

[8] *See* Ex. CA-16 (Benitez). Note, however, there is a discrepancy in Cal Advocates' testimony and what is shown in its RO model.

[9] *See* Ex. TURN-13 (Dowdell).

[10] *See generally* Rulemaking 18-07-005, Order Instituting Rulemaking (OIR) to Consider New Approaches to Disconnections and Reconnections to Improve Energy Access and Contain Costs (Disconnection OIR).

D. Indicated Shippers

The following is a summary of IS's position on Working Cash:[11]

- IS recommends depreciation be excluded from the working cash study, reducing SoCalGas's working cash proposal. SoCalGas explains that this issue was clearly litigated and resolved in SoCalGas's Test Year (TY) 2019 GRC and there is no need to re-litigate in the instant proceeding.

III. GENERAL METHODOLOGY REBUTTAL

Certain intervening parties propose changes to SoCalGas's Working Cash proposal that deviate from SoCalGas's holistic and long-standing methodology of determining working cash from an unbiased position. As stated in my prepared direct testimony, SoCalGas uses 2021 recorded data as a proxy for Test Year 2024.[12] While 2024 revenue and expense lags may be different from those of 2021, some revenue and expense lags may be longer while others may be shorter, potentially offsetting each other. Cherry-picking adjustments to change the treatment of only certain aspects of the working cash study, can result in parties favoring adjustments that will positively impact their party's position. SoCalGas applies a uniform approach using 2021 recorded data for the purpose of producing an impartial, neutral result. Party approaches, in contrast, appears to adjust individual revenue or expense lag components for the primary purpose of generating lower working cash requirements for SoCalGas. Because SoCalGas evaluates all revenues and expenses using the same approach, that is, by using 2021 actual revenue and expense lag as a basis for test-year 2024, SoCalGas's methodology is more reasonable than those proposed by other parties.

IV. REBUTTAL TO PARTIES' PROPOSALS

A. Cal Advocates

1. Cal Advocates' Proposal to Reduce Revenue Lag is Misguided and Should Be Denied

As discussed in my prepared direct testimony, revenue lag is comprised of four components: meter reading lag, billing lag, collection lag, and bank lag.[13] Figure ANH-1 below

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[11] *See* Ex. IS-02 (Gorman).

[12] Ex. SCG-34-2R (Hornbeck) at ANH-2 – ANH-3.

[13] *Id.* at ANH-11 – ANH-12.

illustrates the revenue lag components in connection with SoCalGas's customer billing and collection process.

Figure ANH-1

Revenue Lag Illustration

Cal Advocates agrees with SoCalGas's lag day proposal for certain revenue lag components such as the meter reading lag and collection lag, but disagrees with SoCalGas's billing lag and bank lag proposals. Cal Advocates asserts that billing lag, bank lag, and the resulting overall revenue lag, should be reduced to account for "the increasing utilization of technology to receive mail and send payments."[14] This proposal is misguided, as discussed further below.

a. Cal Advocates' Proposal to Reduce Revenue Lag Days Lacks Sufficient Support

Cal Advocates bases its proposal to reduce revenue lag days on historical 2019-2021 data regarding the percentage of customer electronic payments and their assumption that the trajectory of these payments will continue at the same rate into the future. Cal Advocates states as follows:

> SCG's responses show an increasing trend in electronic payments. Cal Advocates projects that this trend will continue in a linear trajectory. Thus, in the year 2024, approximately 83% of all payments to SCG will be made electronically. If 83% of customers will be making payments electronically in TY 2024, then it is likely that those customers will be receiving their bills electronically 83% of the time. Because emailed bills and electronic payments reduce the amount of time it takes to travel to the customer and from the customer to the bank, this reduction results in reduced lag time.[15]

Cal Advocates is over-estimating the predictability of future customer behavior and over-simplifying the impact of these results on the revenue lag days analysis. Although there was a

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[14] Ex. CA-16 (Benitez) at 9.

[15] *Id.* (citation omitted).

5% increase, from 65% to 70%, in electronic payments from 2019 to 2020, which was very likely due to changes in customer behavior brought about by the COVID-19 pandemic and shelter-in-place orders,[16] the increase from 2020 to 2021 was much smaller at only 2%, with 72% of payments made electronically in 2021. Cal Advocates assumes annual increases of approximately 3-4% in electronic payments leading up to the 2024 test year. Given the significant decline (from 5% to 2%) in the electronic payments increase in 2021 as compared to the previous year, Cal Advocates' assumption is unreasonable. Overall, it is still unclear how the pandemic will continue to impact future payments.

Moreover, Cal Advocates' application of a linear trajectory is flawed. By definition, a linear trajectory would continue to increase beyond the test year until 100% of payments are being made electronically. Using the trajectory proposed by Cal Advocates, SoCalGas would reach 100% electronic payments by 2029 — a very unrealistic outcome, which further illustrates the flaws in Cal Advocates' methodology. There are many customers who do not have the means, the know-how, or the desire to pay their bills electronically and it is unreasonable to expect that these obstacles would be completely overcome by 2029 to reach 100% electronic payments.

Lastly, Cal Advocates' methodology for its proposal to reduce revenue lag by 83% is mathematically flawed. Even if it were true that SoCalGas's electronic payments were expected to increase from 72% in 2021 to 83% in the 2024 test year <u>and</u> that this should result in a decrease in SoCalGas's revenue lag days, this would still not result in an 83% decrease to SoCalGas's revenue lag day proposal. The difference between 72% and 83% is 11%. Cal Advocates' proposal incorrectly suggests that the increase over that time period was 83%, rather than 11%. On this fact alone, Cal Advocates' revenue lag day proposal should be disregarded by the Commission.

As described above, SoCalGas uses a consistent and holistic approach to its revenue and expense lead-lag analysis and, using this methodology of consistently applying the 2021 base year, remains the best indicator available for the 2024 test year, especially for difficult-to-predict items like customer behavior.

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[16] *Id.* at 10.

b. Cal Advocates Misunderstands the Concept of Billing Lag and Bank Lag

"Cal Advocates recommends that SCG's Billing Lag time be reduced by 83% to reflect the increasing utilization of technology to send and receive mail. If 83% of customers will be making payments electronically in TY 2024, then it is likely that those customers will be receiving their bills electronically 83% of the time."[17] Similarly, Cal Advocates suggests that SoCalGas's bank lag request should be "reduced by 83% to reflect the increasing utilization of technology to send payments electronically" based on "the same methodology as discussed for Revenue Lag time."[18] Cal Advocates misunderstands the concept of billing lag and bank lag and the impact of increased electronic billing and/or payments on both.

As stated in my prepared direct testimony and as illustrated in Figure ANH-1 above, "Billing lag (2.1 days) reflects the time from the date the meter is read until the time the bill is prepared and mailed to the customer."[19] To further clarify, the word "mailed" refers to the act of either physically or electronically sending the bill to the customer. Accordingly, billing lag is not impacted by changes in the percentage of electronic bills and/or electronic payments since it pertains to the time it takes SoCalGas to internally calculate, produce, and send the customer bill. The time it takes for the customer to receive the bill, once the bill is sent from SoCalGas, is part of the collection lag, not billing lag.

Further, although changes in the percentage of electronic payments will impact the bank lag days calculation, the calculation is not as simple as Cal Advocates suggests. As discussed in my prepared direct testimony, "[b]ank lag (0.8 days) describes the number of days between the in-flow of funds and when those funds are made available."[20] In other words, bank lag is the number of days between when the customer pays their bill and when that payment is accessible to SoCalGas in its bank account. Cal Advocates appears to assume that an increase in electronic payments is directly correlated with a decrease in bank lag days. In fact, the inverse is more often true, meaning that customers switching from a non-electronic form of payment to an

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17 *Id.*

18 *Id.* at 11.

19 Ex. SCG-34-2R (Hornbeck) at ANH-11.

20 *Id.* at ANH-12.

electronic form of payment often results in an increase in overall bank lag days.[21] For example, if a large number of customers were to switch from making cash payments in person at SoCalGas branch offices (non-electronic payment) to making payments through SoCalGas's "My Account" online payment system (electronic payment), the bank lag days would *increase.* The bank lag associated with a customer paying cash at a SoCalGas branch office is zero lag days because that cash is immediately available for SoCalGas's use, whereas the bank lag associated with a customer payment via the My Account system is one day because of the time necessary for the system to process and transfer the payment from the customer to SoCalGas's bank account. Thus, a significant number of customers switching from zero lag days (non-electronic payment) to one lag day (electronic payment) would result in an increase in total bank lag days, rather than a decrease as Cal Advocates argues.

SoCalGas provides customers with an array of electronic and non-electronic payment options. In calculating the appropriate bank lag days request, SoCalGas considers each of these individual payment methods and assigns a bank lag day to each based on actual historical data of bank lag timing and calculates the weighted average bank lag days by multiplying the assigned lag days by the payment amounts for each payment option. Over the period of 2019 through 2021, there was an increase in electronic payments received. This increase consisted primarily of customers switching from various forms of non-electronic payment to electronic payments through SoCalGas's My Account system, which has a bank lag of one day. If the increase in customers transitioning from other payment methods to My Account continues, SoCalGas would expect an *increase* from its current request of 0.76 bank lag days in future GRC bank lag requests, not a decrease as Cal Advocates suggests.

Accordingly, because Cal Advocates makes the incorrect and unsupported assumption that an increase in electronic payments should automatically reduce SoCalGas's revenue lag (bank lag and billing lag), the Commission should reject its proposal.

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[21] In 2021, approximately 29% of customer payments were made through payment channels with zero bank lag days, while 71% had one bank lag day or more.

B. TURN

1. TURN Miscalculates SoCalGas's Other Goods & Services Expense Lag Request

TURN makes a material miscalculation in its analysis that results in incorrect invoice lag days and incorrect reduction to SoCalGas's Other Goods & Services expense lag request.

As discussed in Section A of the Introduction above, during the course of responding to discovery, SoCalGas identified certain invoices that should have been excluded in SoCalGas's Other Goods & Services analysis in Exhibit SCG-34 WP-2R Schedule I.[22] In relaying the impacts of SoCalGas's revisions, TURN miscalculates the revised invoice lag by double counting the check clearing lag. Thus, TURN's revised proposal of 38.25 lag days should be 34.95 lag days (after subtracting the additional 3.3 days of checking clearing lag).[23] Without the miscalculation, SoCalGas believes that TURN's methodology results in the same adjustment as SoCalGas's revised proposal. The revisions decrease SoCalGas's originally requested Other Goods and Services invoice lag by 0.10 lag days from 35.05 to 34.95 lag days and result in a $0.435 million increase to SoCalGas's working cash request (not a $9.781 million reduction as included in TURN's testimony).[24] This adjustment will result in a slight increase to SoCalGas's working cash request to $167.5 million.

2. TURN's Proposal to Reduce Revenue Lag Days Is Unnecessary and Deviates from Long-Standing Methodology

Additionally, TURN proposes to adjust SoCalGas's requested revenue lag days to exclude the impacts of "both the unprecedented COVID pandemic lockdown and the CPUC disconnection moratorium,"[25] arguing that they contributed to higher-than-historical customer arrearage levels and make a "base year adjusted" methodology[26] an inappropriate forecasting

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[22] The discovery response, including revisions, are attached hereto in Appendix B. SoCalGas will update its working cash analysis to incorporate these revisions at the next available opportunity.

[23] Additionally, in Ex. TURN-13 (Dowdell) at 8, TURN makes a material typo, suggesting that the total, revised invoice amount is "$836,046 million" as opposed to $836,046,000 or $836.046 million. In context, it is apparent to SoCalGas that it is a typo.

[24] *Id.* at 9.

[25] *Id.* at 3 – 6.

[26] SoCalGas assumes that TURN is referring to SoCalGas's base year recorded methodology.

method.[27] As an alternative, TURN proposes averaging "the base years from the past three GRCs."[28]

As discussed in more detail above, SoCalGas applies an unbiased, holistic approach to calculating revenue and expense lead/lag days. By using 2021 actuals as a proxy for the 2024 test year, SoCalGas recognizes that in some cases the actual 2024 lead/lag days may differ from 2021, however, there will be some lead/lag days that increase, while others decrease, likely resulting in a small net change in overall revenue and expense lead/lag. The impact of COVID-19 on 2021 data does not change that logic. Test year 2024 actuals will continue to see some revenue and expense lags that are higher and others that are lower than we experienced in 2021, challenging the basis for TURN's argument to specifically adjust SoCalGas's revenue lag days in isolation of the many other lead/lag components. Moreover, as previously explained and illustrated in Figure ANH-1, revenue lag is made up of four components: meter reading lag, billing lag, collection lag and bank lag. Changes in arrearage levels would only potentially impact one of the four components – collection lag, which accounts for 28.83 of SoCalGas's proposed total 46.93 revenue lag days. Therefore, an adjustment to the total revenue lag days to address increased customer arrearages would be excessive since collection lag is the only revenue lag component impacted.

a. TURN's Assumption That 2021 Arrearage Levels Were An Outlier Is Flawed

SoCalGas disagrees with TURN's assertion that it is unrealistic for 2021 arrearage levels to reflect arrearage levels going forward and therefore that the revenue lag needs to be "normalized."[29] TURN implies that this normalization is necessary to bring arrearages and revenue lag back in line with pre-pandemic levels.[30] However, SoCalGas disagrees with the implication that pre-pandemic arrearage and revenue lag levels are equivalent with expected "normal" levels in the 2024 test year.

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[27] Ex. TURN-13 (Dowdell) at 4.

[28] *Id.* at 5.

[29] *Id.* at 5.

[30] *Id.*

TURN points to the COVID pandemic lockdown and CPUC disconnection moratorium as the drivers of higher arrearage levels for California utilities in 2021.[31] SoCalGas agrees that these were likely contributing factors but disagrees with TURN's conclusion that future arrearage levels will necessarily decrease now that the COVID pandemic lockdown and CPUC disconnection moratorium have ended.[32] In fact, SoCalGas continued to experience higher-than-historical arrearage levels throughout 2022. Indeed, 2022 arrearage levels were even higher than 2021 arrearage levels. December 2022 residential customer arrearages were approximately $259 million, which is an increase of $60 million from the 2021 levels of approximately $199 million.[33] This continued trend of higher-than-historical arrearage levels supports SoCalGas's assertion that elevated arrearage levels are not entirely caused by the disconnection moratorium in 2020 and 2021. Moreover, there are other new and ongoing customer assistance policies and programs implemented by the CPUC that may continue to contribute to higher-than-historical arrearage levels into Test Year 2024. For instance, the COVID-19 Relief Payment Plan (RPP)[34] and the Order Instituting Rulemaking to Consider New Approaches to Disconnections and Reconnections to Improve Energy Access and Contain Costs (Disconnection OIR)[35] are two examples of current customer assistance efforts SoCalGas expects may impact customer arrearages into the test year.

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[31] *Id.* at 3 and 5.

[32] *Id.* at 5.

[33] Rulemaking (R.) 18-07-005, Disconnection Settlement Monthly Report of Southern California Gas Company (January 20, 2023) at 15; *see also* R.18-07-005, Disconnection Settlement Monthly Report of Southern California Gas Company (January 20, 2022) at 15.

[34] *See* D.21-06-036. The COVID-19 RPP required California utilities, including SoCalGas, to automatically enroll qualifying residential and small business customers into payment plans up to 24-months long and defer any type of collection activity leading to disconnection. Enrollment in the program slows collections by SoCalGas as compared to pre-pandemic collection timelines, thus extending and increasing customer arrearages while the program is ongoing.

[35] *See* Rulemaking 18-07-005 and D.20-06-003. In June 2020, the CPUC issued a Decision limiting SoCalGas's annual residential service disconnections and requiring extended payment plans prior to disconnections. *See* D.20-06-003 at 145 – 146. SoCalGas expects D.20-06-003 to continue to impact operations through the 2024-2027 GRC period, and very likely increasing overall arrearage timelines as a result.

b. TURN's Revenue Lag Methodology Is Based On An Unreasonably Wide Timeframe

TURN recommends averaging the base year revenue lags of SoCalGas's past three GRCs (including the current TY 2024 GRC) as the appropriate forecasting method.[36] The base years of referenced GRCs are 2013, 2016, and 2021, which is an unreasonably wide timeframe to use if the goal is to normalize data for the 2024 test year. The 2013 base year data is more than ten years removed from the 2024 test year and even the 2016 base year is more than five years removed. Accordingly, the Commission should conclude that SoCalGas's proposal to use a 2021 base year is more reasonable than TURN's proposal to use out-of-date data.

C. Indicated Shippers

1. Treatment of Depreciation Expense as Part of the Working Cash Requirement was Clearly Addressed in SoCalGas's 2019 GRC Decision

IS disagrees with the inclusion of depreciation expense as part of SoCalGas's working cash requirement. "In her lead-lag study, Ms. Hornbeck . . . included a non-cash expense, depreciation expense, which does not impact short-term daily cash operations but is rather a cash flow item that supports reinvestment in rate base long-term infrastructure plant investments."[37] IS later states that "depreciation expense should be removed completely from the analysis of cash operating costs."[38] However, the Commission has recently ruled that depreciation expense is an appropriate component of the working cash requirement.

In SoCalGas's 2019 GRC, TURN presented a very similar argument which the Commission declined in favor of SoCalGas's existing methodology. TURN argued that because there is no cash involved in depreciation it should be excluded from working cash.[39] The 2019 GRC Decision clearly rules that depreciation expense is allowed to be included in working cash under the California Public Utilities Commission's Standard Practice (SP) U-16-W.

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[36] Ex. TURN-13 (Dowdell) at 5.

[37] Ex. IS-02 (Gorman) at 5 (citation omitted).

[38] *Id.* at 6.

[39] Prepared Direct Testimony of Eric Borden, Addressing the Proposals of San Diego Gas & Electric and Southern California Gas Company In Their Test Year 2019 General Rate Case Related to Electric Distribution Capital, Gas Transmission Capital, Gas Transmission Operation, Gas Major Projects, Cash Working Capital, and Customer Forecast (May 14, 2018) (Ex. TURN-01 (Borden)) at 49-51.

> TURN proposes to exclude depreciation and deferred income taxes from working cash. While TURN presents good reasons to support its arguments, TURN does not dispute that depreciation and deferred income taxes are allowed to be included in working cash under the principles set forth in SP U-16. We find that this GRC is not the proper venue to challenge the general applicability of this principle in SP U-16 as this principle is applicable to all utilities and TURN does not cite specific reasons why this principle should not apply to SoCalGas specifically. Based on the above, we find it reasonable to deny TURN's request to exclude depreciation and deferred income taxes from working cash.[40]

Pursuant to this precedent and its reasoning, the Commission should again reject the argument to exclude depreciation from working cash. The circumstances are the same and IS has not proposed any new or different arguments from those of TURN in the 2019 GRC. Depreciation expense is allowed to be included in working cash under SP U-16-W and there is no reason why this principle should not apply to SoCalGas's working cash request. As such, there is no need to relitigate this matter, and the Commission should deny IS's proposal to exclude depreciation expense from SoCalGas's working cash requirement.

V. CONCLUSION

To summarize, SoCalGas proposes a holistic, long-standing methodology in the analysis of working cash items to determine its working cash requirement for TY 2024. SoCalGas considered the nature of its operations, per SP U-16-W, to determine the reasonableness of its request.

This concludes my prepared rebuttal testimony.

[40] D.19-09-051 at 655 – 656.

APPENDIX A
GLOSSARY OF TERMS

ACRONYM	DEFINITION
Cal Advocates	The Public Advocates Office
CPUC	California Public Utilities Commission
D.	Decision
Ex.	Exhibit
GRC	General Rate Case
IS	Indicated Shippers
OIR	Order Instituting Rulemaking
RPP	Relief Payment Plan
SoCalGas / SCG	Southern California Gas Company
SP	Standard Practice
TURN	The Utility Reform Network
TY	Test Year
WP	Workpaper

APPENDIX B

DATA REQUEST RESPONSES

SoCalGas response to TURN-SEU-028, Question 1, dated 2/22/2023

Data Request Number: TURN-SEU-028

Proceeding Name: A2205015_016 - SoCalGas and SDGE 2024 GRC

Publish To: The Utility Reform Network

Date Received: 2/7/2023

Date Responded: 2/22/2023

1. Referring to SCG-34 WP_2R Schedule I, p. 21 of 46., please provide a listing in live excel format of each of the tested Invoices. Please include description, chart of accounts category, invoice amount, date received, payment date, and method of payment.

SoCalGas Response 1:

SoCalGas objects to the request as overbroad and unduly burdensome. The categories of information requested were not used in SoCalGas's Other Goods & Services lead lag analysis for the 2024 General Rate Case and therefore it would be a significant burden to attempt to compile, review, and analyze additional data related to thousands of invoices for the requested categories of information. SoCalGas is providing the following categories of information that were used in SoCalGas's analysis and most closely align with the information sought in Question 1: For "description" SoCalGas has provided remit-to vendor and organization; for "chart of accounts category" SoCalGas has provided category; and for "date received" SoCalGas has provided baseline date. Subject to and without waiving the foregoing objection, SoCalGas responds as follows:

The separately attached document contains Confidential and Protected Materials which are provided pursuant to PUC Section 583, D.21-09-020 and GO 66-D (Revision (Rev.) 2) and/or an executed Non-Disclosure Agreement for this Proceeding.

Please see the confidential attachment "TURN-SEU-028_Q1_Attachment_CONFIDENTIAL.xlsx" for a listing of information pertaining to the invoices.

In responding to this discovery request, SoCalGas identified additional invoices which should have been excluded in SoCalGas's Working Cash analysis for Other Goods & Services in Ex. SCG-34 WP_2R Schedule I. The invoices have been removed from the data set provided in this response. 268 invoices were removed resulting in a revised total invoice amount and weighted average lag days in Schedule I of $836,046,190 and 34.95 days, respectively. SoCalGas will update its Working Cash analysis at the next available opportunity.