

Exhibit No: _____
Application: A.25-09-014
Witness: P. Gadani
Chapter: 18

**PREPARED REBUTTAL TESTIMONY OF PAYAL GADANI
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY
(REGULATORY ACCOUNTS)**

June 15, 2026

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3 **(REGULATORY ACCOUNTING)**

4 **I. PURPOSE**

5 The purpose of this rebuttal testimony on behalf of Southern California Company
6 (SoCalGas) is to address the direct testimony of Maricela Sierra on behalf of the Public
7 Advocates Office at the California Public Utilities Commission (Cal Advocates) related to the
8 conditional requirement of eliminating SoCalGas’s Enhanced Oil Recovery Account (EORA).

9 In addition, several parties served direct testimonies on May 15, 2026, opposing
10 SoCalGas’s proposal to recover a \$4 million Firm Access Storage Rights Memorandum Account
11 (FASRMA) under-collection balance by transferring net storage revenues from the Noncore
12 Storage Balancing Account (NSBA) to the FASRMA until the balance is fully offset to zero.
13 Those parties include Maricela Sierra (Cal Advocates), Michel Peter “Mike” Florio on behalf of
14 The Utility Reform Network (TURN), Brian Collins on behalf of Indicated Shippers and
15 Catherine Yap on behalf of Southern California Generation Coalition (SCGC). That specific
16 issue and their opposition to Chapter 6 (Gadani) proposal are addressed in the rebuttal testimony
17 of SoCalGas witness Paul Borkovich.

18 **II. REBUTTAL TO CAL ADVOCATES’ CONDITIONAL REPORTING**
19 **REQUIREMENT**

20 Cal Advocates agrees with SoCalGas Chapter 6 (Gadani) proposal that the EORA should
21 be eliminated.¹ However, Cal Advocates placed a condition on this approval. Cal Advocates
22 request to the Commission that SoCalGas shall identify (i) EOR-allocated revenue requirement
23 recorded to the NFCA, (ii) actual EOR throughput and revenues, and (iii) net EOR under/over-
24 collection in each annual regulatory account update.² Cal Advocates further claims that this
25 condition is necessary to maintain transparency.³

26 SoCalGas opposes this condition because it is contradictory to the elimination of the
27 EORA. A utility cannot truly eliminate an account if it is forced to maintain a separate, parallel

¹ Direct Testimony of Maricela Sierra on behalf of Public Advocates Office (Ex. CA-03) at 2.

² Ex. CA-03 (Sierra) at 2.

³ *Id.*

1 tracking mechanism to report the same data that is currently recorded in the EORA. Once EORA
2 is eliminated, all associated costs and activities will be fully embedded as part of the Noncore
3 Fixed Cost Account (NFCA). Forcing SoCalGas to extract, isolate, and track these specific
4 figures outside of the NFCA defeats the purpose of embedding such costs. Cal Advocates'
5 proposed condition is unreasonable and is not justified because it is administratively burdensome
6 and denies SoCalGas the accounting simplification this proposal aims to achieve. Spending
7 utility resources and employee hours to maintain parallel tracking for a closed account is a
8 redundant operational burden and would be a misuse of ratepayer funds without a meaningful
9 benefit. Furthermore, the administrative burden of this extra tracking is not justified. As stated in
10 Chapter 6 (Gadani), EOR is the smallest noncore customer class on an authorized throughput
11 basis. Furthermore, elimination of the EORA will not impact EOR rates and SoCalGas is not
12 proposing any changes to how EOR rates are determined.⁴ Therefore, there is no benefit to the
13 additional reporting on EOR volumes and revenues.

14 This concludes my prepared rebuttal testimony.

⁴ Direct Testimony of Payal Gadani (SCG, Chapter 6) at PG-3.