

Docket:	:	<u>A.22-05-015 et al.</u>
Exhibit Number	:	<u>CA-01</u>
Commissioner	:	<u>D. Houck</u>
Admins Law Judge	:	<u>M. Lakhanpal</u>
Witness	:	<u>S. Hunter</u>



PUBLIC ADVOCATES OFFICE
CALIFORNIA PUBLIC UTILITIES COMMISSION

**Report on the Results of Operations
for
San Diego Gas & Electric Company
Southern California Gas Company
Test Year 2024
General Rate Case**

Executive Summary

San Francisco, California
March 27, 2023

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TABLE OF CONTENTS

	<u>Page</u>
EXECUTIVE SUMMARY	1
I. INTRODUCTION – THE PUBLIC ADVOCATES OFFICE RECOMMENDS LOWER REVENUE INCREASES FOR 2024 THRU 2027 COMPARED TO SEMPRA’S PROPOSED INCREASES.....	1
II. OVERVIEW / SUMMARY	4
A. SCG Requests a \$767 Million (20.9%) Revenue Increase for 2024, and Post-Test Year Revenue Increases of \$295 Million (6.70%) for 2025, \$266 million (5.66%) for 2026 and an Additional \$415 Million (8.37%) for 2027.	4
B. SDG&E Requests a \$475 Million (18.7%) Revenue Increase for 2024, and Post-Test Year Revenue Increases of \$364 Million (12.1%) for 2025, \$339 Million (10.05%) for 2026, and an Additional \$308 Million (8.29%) for 2027.	4
C. Sempra’s Proposed Revenue Increases for 2024 through 2027 Amount to \$4.899 Billion on a Cumulative Basis for SCG and \$4.054 Billion on a Cumulative Basis for SDG&E	6
D. Cal Advocates Recommends More Modest Revenue Increases for the GRC Term.....	8
E. Cal Advocates Recommends that the Commission Adopt its Forecasted GRC Revenues for 2024 through 2027, which are Lower Than SCG’s and SDG&E’s Requests	9
III. PROCEDURAL BACKGROUND AND SCHEDULE	10
IV. CAL ADVOCATES’ DIRECT TESTIMONY	12
A. Organization of Cal Advocates’ Exhibits	12
B. Summary of Cal Advocates’ Recommendations	13
V. WITNESS QUALIFICATIONS	28

EXECUTIVE SUMMARY

I. INTRODUCTION – THE PUBLIC ADVOCATES OFFICE RECOMMENDS LOWER REVENUE INCREASES FOR 2024 THRU 2027 COMPARED TO SEMPRA’S PROPOSED INCREASES

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) submits its report and exhibits in response to Southern California Gas Company (SCG or SoCalGas) and San Diego Gas & Electric Company (SDG&E), collectively the Sempra Utilities (Sempra), in their Test Year (TY) 2024 General Rate Cases (GRC). Sempra proposes a 4-year (2024-2027) GRC term.

SCG requests a 4-year cumulative revenue increase of \$4.899 billion comprised of \$767 million (20.9%) for 2024, \$295 million (6.70%) in 2025, \$266 million (5.66%) in 2026, and \$415 million (8.73%) in 2027.

SDG&E requests a 4-year cumulative revenue increase of \$3.978 billion comprised of \$475 million (18.7%) for 2024, \$364 million (12.12%) in 2025, \$339 million (10.05%) in 2026, and \$308 million (8.29%) in 2027.

SCG requests authorization from the California Public Utilities Commission (CPUC or Commission) for revenue increases associated with its Gas Distribution, Transmission, and Storage operations which fall within the CPUC’s ratemaking jurisdiction. SDG&E requests authorization for revenue increases associated with its Gas Distribution, Gas Transmission & Storage, Electric Distribution, and Electric Generation operations which fall within the CPUC’s ratemaking jurisdiction.

Cal Advocates recommends increases for SCG of:

- \$360 million (9.8%) in 2024, \$188 million (4.7%) in 2025, \$215 million (5.1%) in 2026, and \$225 million (5.1%) in 2027.

Cal Advocates recommends increases for SDG&E of:

- \$271 million (10.6%) in 2024, \$222 million (7.9%) in 2025, \$239 million (7.9%) in 2026, and \$247 million (7.5%) in 2027.

This exhibit presents Cal Advocates’ executive summary and addresses Sempra’s proposed GRC requests, and its revenue increases for TY 2024 and for the 2025, 2026, and 2027 post-test years.

Table 1-1 compares Cal Advocates’ recommendation for TY 2024 GRC proposed revenues to SCG’s and SDG&E’s forecasts, relative to each utility’s 2023 authorized revenues.¹

¹ Application (A.) 22-05-015, p. 4 and A.22-05-016, p. 4.

Table 1-1
SCG Requests a \$767 Million Revenue Requirement Increase in 2024 and SDG&E
Requests a \$475 Million Revenue Requirement Increase in 2024,
While Cal Advocates Recommends a \$407 Million Increase for SCG and a \$204 Million
Increase for SDG&E Over 2023 Authorized Revenues
(in Millions of Dollars)

Description (a)	Utility's 2023 Adopted Revenues (b)	Utility's 2024 Proposed Revenues (c)	Utility's Requested Revenue Increase (d=c-b)	Cal Advocates 2024 Recommended Revenues (e)	Cal Advocates Recommended Revenue Increase (f=e-b)
SCG	\$3,659	\$4,426	\$767	\$4,019	\$407
SDG&E	\$2,547	\$3,022	\$475	\$2,818	\$204
Total	\$6,206	\$7,448	\$1,242	\$6,837	\$611

Table 1-2 compares Cal Advocates' recommendation and SCG's and SDG&E's forecasts of post-test year 2025, 2026, and 2027 revenue increases.

Table 1-2
Comparison of SCG's and SDG&E's Proposed Post-Test Year Revenue Increases²
With Cal Advocates' Recommended Revenue Increases
(in Millions of Dollars)

Description (a)	Utility's Requested 2025 Revenue Increase (b)	PG&E Requested 2026 Revenue Increase (c)	Utility's Requested 2027 Revenue Increase (d)	Cal Advocates Recommended 2025 Revenue Increase (e)	Cal Advocates Recommended 2026 Revenue Increase (f)	Cal Advocates Recommended 2027 Revenue Increase (g)
SCG	\$295	\$266	\$415	\$188	\$215	\$225
SDG&E ³	\$364	\$339	\$308	\$222	\$239	\$247
Total	\$659	\$605	\$723	\$410	\$454	\$472

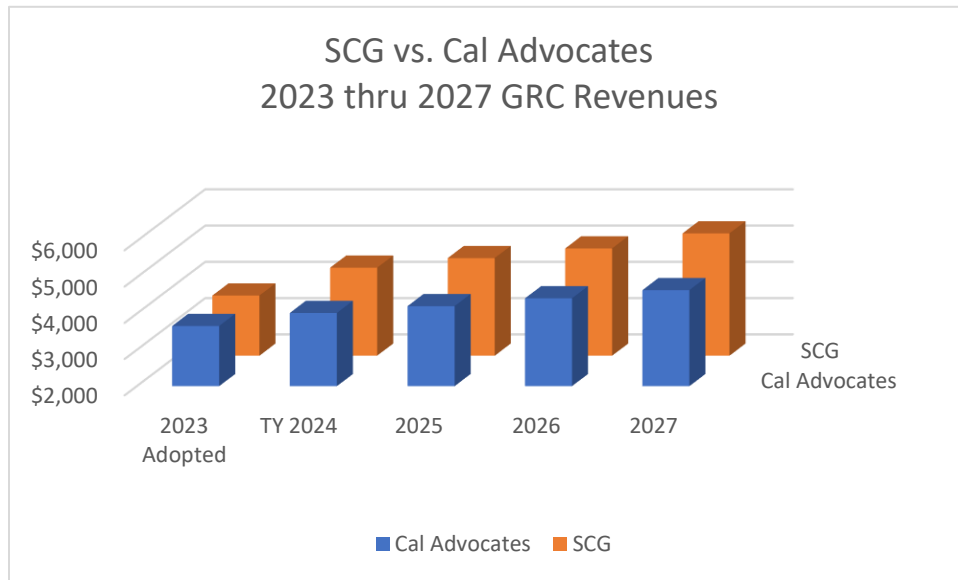
Figure 1-1 illustrates Cal Advocates' recommended revenue requirement level for 2023 through 2027, compared to SCG's request.

² Ex. SCG-40-R, p. KN-2, Table KN-1 and Ex. SDG&E-45-R, p. MEH-2, Table MH-1.

³ SDG&E's figures do not include its Cost of Capital, which was filed in a separate proceeding. See Ex. CA-15 for updated amounts.

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Figure 1-1



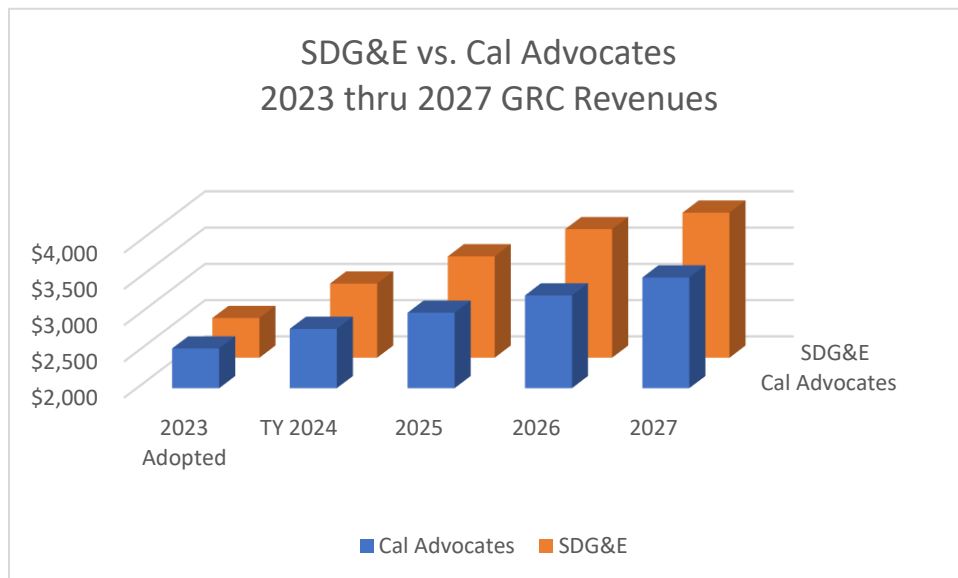
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3 Figure 1-2 illustrates Cal Advocates' recommended revenue requirement
4 level for 2023 through 2027, compared to SDG&E's request.

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Figure 1-2



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II. OVERVIEW / SUMMARY

This section provides an overview and summary of SCG's and SDG&E's requests and Cal Advocates' recommendations regarding the utility's 2024 through 2027 revenue requirement.

A. SCG Requests a \$767 Million (20.9%) Revenue Increase for 2024, and Post-Test Year Revenue Increases of \$295 Million (6.70%) for 2025, \$266 million (5.66%) for 2026 and an Additional \$415 Million (8.37%) for 2027.

B. SDG&E Requests a \$475 Million (18.7%) Revenue Increase for 2024, and Post-Test Year Revenue Increases of \$364 Million (12.1%) for 2025, \$339 Million (10.05%) for 2026, and an Additional \$308 Million (8.29%) for 2027.

On May 16, 2022, SCG and SDG&E filed their GRC applications seeking Commission authorization for revenue requirement increases effective January 1, 2024, relative to their 2023 authorized revenues. Both utilities propose 4-year GRC terms, comprising one test year (2024) and three post-test years (2025, 2026, and 2027). The two utilities request additional revenues in 2024 to recover estimated costs to own and operate the facilities and infrastructure, and the cost of other functions, claimed to be necessary to provide utility services to their customers. SCG and SDG&E assert that their requests are driven by increased expenditures associated with: (1) safety and reliability; (2) sustainability; (3) innovation and technology; (4) customer service; and (5) developing their workforce.⁴

For its 2024 GRC, SCG requests that the Commission authorize a CPUC-jurisdictional base rate revenue requirement of \$4.426 billion to be effective January 1, 2024.⁵ This represents a \$767 million increase in GRC base revenues over the current authorized level of \$3.659 billion for 2023.

For its 2024 GRC, SDG&E requests that the Commission authorize a CPUC-jurisdictional base rate revenue requirement of \$3.022 billion to be effective January

⁴ A.22-05-015, pp. 2 – 4 and A.22-05-016, pp. 2 – 4.

⁵ A.22-05-015, p. 4.

1, 2023.⁶ This represents a \$475 million increase in GRC base revenues over the current authorized level of \$2.547 billion for 2022.

Table 1-3 below compares SCG's and SDG&E's forecasts of Test Year 2024 GRC revenues relative to their 2023 authorized revenue requirements.

Table 1-3
SCG's and SDG&E's Proposed GRC Revenues
Effective January 1, 2024
(in Millions of Dollars)

Description (a)	2023 Adopted Revenues (b)	2024 Proposed Revenues (c)	\$ Increase over 2023 Authorized Revenues (d=c-b)	% Increase over 2023 Authorized Revenues (e=d/b)
SCG	\$3,659	\$4,426	\$767	20.9%
SDG&E	\$2,547	\$3,022	\$475	18.7%
Total	\$6,206	\$7,448	\$1,242	20.0%

Sempra proposes a post-test year ratemaking (PTYR) mechanism to account for rate base growth and operating expense escalation. Both utilities also request additional PTY adjustments for their Gas Integrity Management Programs (DIMP, TIMP, SIMP, FIMP, and GSEP for SCG and DIMP, TIMP, FIMP, and GSEP for SDG&E). SCG also requests adjustments for its Customer Information System (CIS) Replacement Program and Honor Rancho Compressor Modernization⁷ while SDG&E requests adjustments for its Smart Meter 2.0 program, Moreno Compressor Modernization, and Wildfire Mitigation.⁸ Sempra also proposes continuing the Z-factor mechanism adopted in its 2019 GRC.

SCG requests PTY revenue increases of \$295 million (6.70%) for 2025, \$266 million (5.66%) for 2026, and \$415 million (8.37%) for 2027.⁹ SDG&E requests PTY

⁶ A.22-05-016, p. 4. This figure does not include SDG&E's Cost of Capital, which was filed in a separate proceeding. See Ex. CA-15 for updated amounts.

⁷ Ex. SCG-40-R, p. KN-9.

⁸ Ex. SDG&E-45-R, p. MEH-9.

⁹ Ex. SCG-40-R, p. KN-2, Table KN-1.

revenue increases totaling \$364 million (12.12%) for 2025, \$339 million (10.05%) for 2026, and \$308 million (8.29%) for 2027.¹⁰

Table 1-4
SCG's and SDG&E's Proposed Post-Test Year Revenue Increases for 2025-2027
(in Millions of Dollars)

Description (a)	2024 Proposed Revenues (b)	Utility 2025 Proposed Revenue Increase (c)	Utility 2025 Proposed Revenues (d=b+c)	Utility 2026 Proposed Revenue Increase (e)	Utility 2026 Proposed Revenues (f=d+e)	Utility 2027 Proposed Revenue Increase (g)	Utility 2027 Proposed Revenues (h=f+g)
SCG	\$4,426	\$295	\$4,721	\$266	\$4,987	\$415	\$5,402
SDG&E ¹¹	\$3,022	\$364	\$3,386	\$339	\$3,725	\$308	\$4,033
Total	\$7,448	\$659	\$8,107	\$605	\$8,712	\$723	\$9,435

C. Sempra's Proposed Revenue Increases for 2024 through 2027 Amount to \$4.899 Billion on a Cumulative Basis for SCG and \$4.054 Billion on a Cumulative Basis for SDG&E

If the Commission adopts SCG's proposals, the utility's ratepayers would experience a 4-year cumulative revenue increase of \$4.899 billion.¹² Figure 1-3 illustrates SCG's requested revenue requirement levels, and their components, for 2023 through 2026.

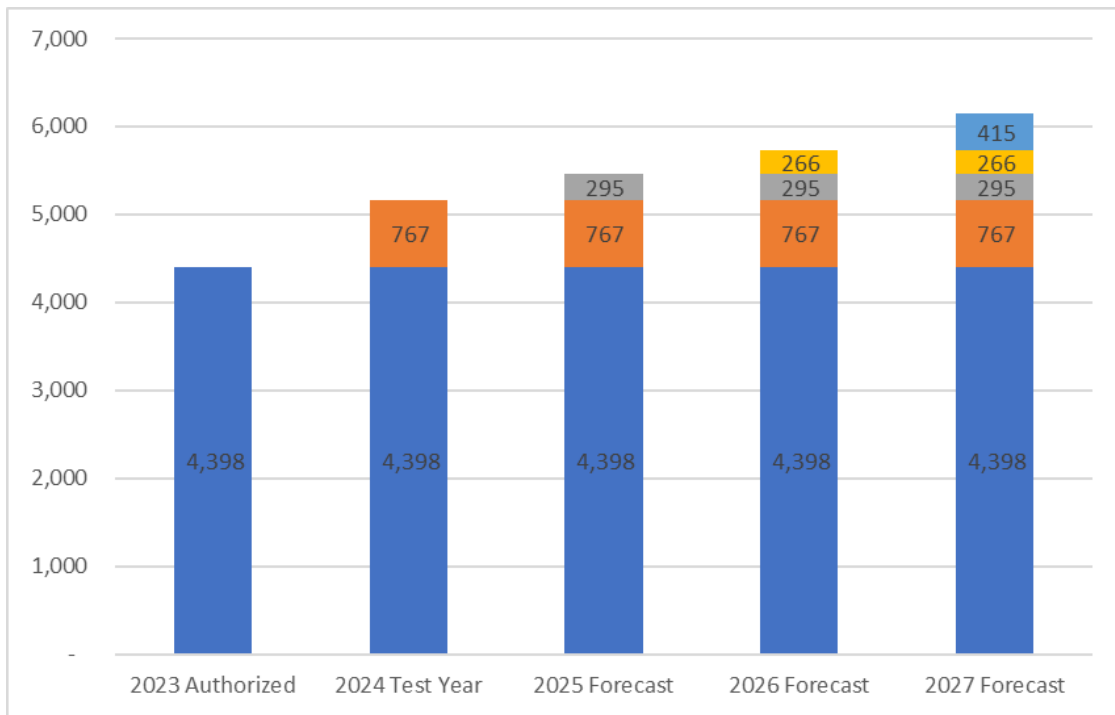
¹⁰ Ex. SDG&E-45-R, p. MEH-2, Table MH-1.

¹¹ SDG&E's figures do not include its Cost of Capital, which was filed in a separate proceeding. See Ex. CA-15 for Cal Advocates' updated 2024 amounts.

¹² For this 4-year rate case cycle: (a) the \$767 million increase in 2024 would be in effect for four years—2024, 2025, 2026 and 2027; (b) the \$295 million increase in 2025 would be in effect for three years—2025, 2026 and 2027; (c) the \$266 million increase in 2026 would be in effect for two years—2026 and 2027; and (d) the \$415 million increase would be in effect for just one year - 2027.

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Figure 1-3
SCG's Requested Revenue Requirement for 2024 through 2027
(in Millions of Dollars)

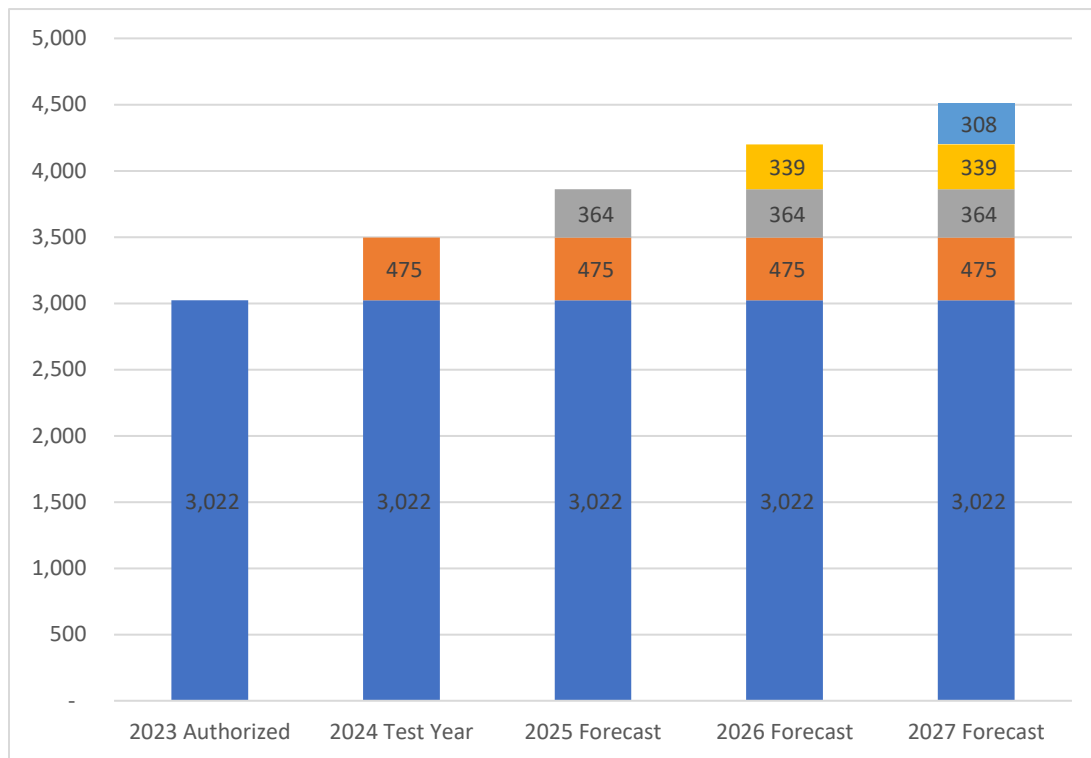


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5 If the Commission adopts SDG&E's proposals, the utility's ratepayers would
6 experience a 4-year cumulative revenue increase of \$3.978 billion.¹³ Figure 1-4
7 illustrates SDG&E's requested revenue requirement levels, and their components,
8 for 2024 through 2027.

¹³ For this 4-year rate case cycle: (a) the \$475 million increase in 2024 would be in effect for four years—2024, 2025, 2026 and 2027; (b) the \$364 million increase in 2025 would be in effect for three years—2025, 2026 and 2027; (c) the \$339 million increase in 2026 would be in effect for two years—2026 and 2027; and (d) the \$308 million increase would be in effect for just one year - 2027.

Figure 1-4
SDG&E's Requested Revenue Requirement for 2024 through 2027
(in Millions of Dollars)



D. Cal Advocates Recommends More Modest Revenue Increases for the GRC Term

Cal Advocates recommends that the Commission authorize \$4.019 billion in 2024 GRC base revenues for SCG, and \$2.818 billion for SDG&E, or the following increases in 2024 relative to SCG's and SDG&E's 2023 authorized revenues:

- Increasing SCG's revenue requirement by \$360 million (9.8%) relative to its 2023 authorized revenues of \$3.659 billion;
- Increasing SDG&E's revenue requirement by \$271 million (10.6%) relative to the 2023 authorized level of \$2.547 billion.

Table 1-5 below shows Cal Advocates' revenue recommendations.

Table 1-5
Cal Advocates Recommends a \$631 Million (10.2%) Increase in
GRC Revenues Effective January 1, 2024, for CPUC-Jurisdictional Operations
(in Millions of Dollars)

Description (a)	2023 Authorized Revenues (b)	Cal Advocates 2024 Recommended Revenues (c)	Cal Advocates Recommended \$ Increase over 2023 Authorized Revenues (d=c-b)	Cal Advocates Recommended % Increase over 2023 Adopted Revenues (e=d/b)
SCG	\$3,659	\$4,019	\$360	9.8%
SDG&E	\$2,547	\$2,818	\$271	10.6%
Total	\$6,206	\$6,837	\$631	10.2%

In Table 1-6, Cal Advocates recommends the following post-test year revenue increases for 2025-2027:

Table 1-6
Cal Advocates' Estimates for Post-Test Year Revenue Increases
(in Millions of Dollars)

Description (a)	Cal Advocates 2024 Revenue Forecast (b)	Cal Advocates 2025 Revenue Increase (c)	Cal Advocates 2025 Revenue Forecast (d=b+c)	% Increase over 2024 Revenue Forecast (e=c/b)	Cal Advocates 2026 Revenue Increase (f)	Cal Advocates 2026 Revenue Forecast (g=f+d)	% Increase over 2025 Revenue Forecast (h=f/d)	Cal Advocates 2027 Revenue Increase (i)	Cal Advocates 2027 Revenue Forecast (j=g+i)	% Increase over 2026 Revenue Forecast (k=i/g)
SCG	\$4,019	\$188	\$4,207	4.7%	\$215	\$4,422	5.1%	\$225	\$4,647	5.1%
SDG&E	\$2,818	\$222	\$3,040	7.9%	\$239	\$3,279	7.9%	\$247	\$3,526	7.5%
Total	\$6,837	\$410	\$7,247	6.0%	\$454	\$7,701	6.3%	\$472	\$8,173	6.1%

E. Cal Advocates Recommends that the Commission Adopt its Forecasted GRC Revenues for 2024 through 2027, which are Lower Than SCG's and SDG&E's Requests

Cal Advocates' test year and post-test year forecasts would result in a 4-year cumulative increase of \$2.660 billion for SCG¹⁴ and \$2.474 billion for SDG&E.¹⁵ For the reasons set forth in Cal Advocates' exhibits, our recommended revenue increases for SCG and SDG&E, which total \$3.743 billion less than Sempra's request, should be adopted by the Commission.

¹⁴ (\$360 million * 4 years) + (\$188 million * 3 years) + (\$215 million * 2 years) + \$225 million.

¹⁵ (\$271 million * 4 years) + (\$222 million * 3 years) + (\$239 million * 2 years) + \$247 million.

1 If the Commission adopts Cal Advocates' forecasts, ratepayers will
2 experience more modest revenue increases over the 4-year period from 2024-2027
3 than Sempra proposes.

4 **III. PROCEDURAL BACKGROUND AND SCHEDULE**

5 On May 16, 2022, SCG filed its Test Year 2024 GRC Application, A.22-05-
6 015, and SDG&E filed its GRC application A.22-05-016. The Applications were first
7 noticed on the Commission's Daily Calendar on May 19, 2022. Cal Advocates
8 submitted a timely Protest to the Applications on June 20, 2022. Sempra submitted
9 its Reply to parties' Protests and Responses on June 30, 2022.

10 A Prehearing Conference (PHC) was held on July 27, 2022. The Assigned
11 Commissioner's Scoping Memo and Ruling (Scoping Memo) was issued on October
12 3, 2022, which established procedural schedules for both Track 1 and Track 2.¹⁶

13 On October 27, 2022, Sempra Utilities filed a Joint Motion to Amend the procedural
14 schedule adopted in the Assigned Commissioner's Scoping Memo and Ruling. On
15 November 1, 2022, SDG&E filed Supplemental Testimony related to its Wildfire
16 Mitigation Program. On November 4, 2022, Cal Advocates filed a protest opposing
17 the Joint Motion to amend the schedule. On November 21, 2022, Sempra filed
18 Revised Testimony. On December 6, 2022, the Administrative Law Judge (ALJ)
19 issued a ruling that partially modified the Track 1 schedule. On January 12, 2023,
20 Cal Advocates filed a motion to compel SCG to answer Cal Advocates' Data
21 Requests 19 and 64 and to provide Cal Advocates with remote access to ratepayer
22 accounts in its SAP database. On January 23, 2023, SCG served its response to
23 the Cal Advocates' Motion to Compel. On January 23, 2023, via email to the ALJ,
24 Cal Advocates requested authorization to file its reply to SoCalGas' response. On
25 January 24, 2023, SoCalGas re-served its response with modifications for non-
26 substantive errors, which was accepted for filing. On January 25, 2023, the ALJ
27 issued an email ruling which granted Cal Advocates' request to file a reply to
28 SoCalGas's response to Cal Advocates' motion to compel; this reply was filed by Cal

¹⁶ A process for a potential Track 3 was deferred and will be addressed in an Amended Scoping Memo, if needed.

Advocates on January 27, 2023. On February 17, 2023, the ALJ issued a ruling setting dates and times for four Remote Public Participation Hearings (PPHs) and two in-person PPHs. The original and revised schedules adopted in the Scoping Memo(s) are shown below in Table 1-7.

Table 1-7
Procedural Schedule for SCG's and SDG&E's
Test Year 2024 GRCs as Established by the Assigned Commissioner's
Scoping Memo Dated December 6, 2022

A.22-05-015 and A.22-05-016 (Consolidated) Events	Track 1 ORIGINAL DATES	Track 1 – MODIFIED DATES
Sempra Application Filed	May 16, 2022	May 16, 2022
Sempra Utilities Serve Revised Direct Testimony	August 17, 2022	August 17, 2022
Scoping Memo of the Assigned Commissioner	October 3, 2022	October 3, 2022
Supplemental Testimony Served on Affordability Metrics and Disconnections	November 18, 2022	November 18, 2022
Public Participation Hearings	January 2023	January 2023
2022 Recorded Expenditures Served by SoCalGas and SDG&E	By March 1, 2023	By March 13, 2023
Intervenor Testimony	March 17, 2023	March 27, 2023
Concurrent Rebuttal Testimony	April 21, 2023	May 12, 2023
Duty to Meet & Confer – Rule 13.9 and Additional Meet and Confer Requirements (mandatory)	April 21, 2023- May 19, 2023	May 15, 2023 - June 2, 2023
Status Conference (virtual) on Procedural Matters and Report on Meet & Confer	TBD by ALJ Ruling – Held on Date Prior to Evidentiary Hearings	TBD by ALJ Ruling – Held on Date Prior to Evidentiary Hearings
Evidentiary Hearings	May 22, 2023	June 5, 2023
Evidentiary Hearings End	June 16, 2023	June 30, 2023
Parties Request Permission for Updated Testimony, if any	June 16, 2023	N/A
Update Testimony served		July 10, 2023
Evidentiary Hearings on Update Testimony if needed		July 18, 2023

Joint Comparison Exhibit (file in the proceeding)		July 24, 2023
Opening Briefs and Request for Final Oral Argument	July 14, 2023	August 4, 2023
Reply Briefs	August 11, 2023	August 28, 2023
Status conference, proceeding submitted, unless otherwise designated [Rule 13.14(a)]	November 14, 2023	November 17, 2023
Proposed Decision	2nd Quarter 2024	2nd Quarter 2024

1

2 **IV. CAL ADVOCATES' DIRECT TESTIMONY**

3 Cal Advocates responds to SCG's and SDG&E's TY 2024 GRC Applications,
4 A.22-05-015 and A.22-05-016, by issuing its "Report on the Results of Operations
5 for Southern California Gas Company and San Diego Gas and Electric Company
6 Test Year 2024 General Rate Case," comprising 23 exhibits. Cal Advocates' team
7 for this case consists of approximately 25 staff responsible for the project
8 coordination, support, financial review, and analytical responsibilities needed to
9 process SCG's and SDG&E's GRC applications.

10 **A. Organization of Cal Advocates' Exhibits**

11 Table 1-8 shows the specific exhibit(s) and subject matter(s) for which each
12 Cal Advocates witness is responsible.

13 **Table 1-8**
14 **Cal Advocates Exhibits with Corresponding**
15 **Subject Matter and Witnesses**

Exhibit No.	Subject	Witness
CA-01	Executive Summary	Stacey Hunter
CA-02	SCG Gas Operations (Part 1)	Maricela Sierra
CA-03	SCG Gas Operations (Part 2)	Dao Phan
CA-04	SDG&E Gas Operations	Chauncey Quam
CA-05	SCG Gas Acquisition; SDG&E Energy Procurement and Electric Generation.	Monica Weaver
CA-06	SDG&E Electric Distribution - Capital (Part 1)	Greg Wilson

Exhibit No.	Subject	Witness
CA-07	SCG Clean Energy Innovations; SDG&E Electric Distribution Capital (Part 2), Wildfire Mitigation & Vegetation Management	Simran Kaur
CA-08	SDG&E Electric Distribution - Operations and Maintenance	Ry Andresen
CA-09	SDG&E Clean Energy Innovation	Amin Younes
CA-10	Customer Services	Mariana Campbell
CA-11	Supply Management/Logistics and Supplier Diversity, Fleet Services, Real Estate and Facility Operations, Environmental Services, Information Technology, Cybersecurity; and SDG&E Clean Transportation	Mark Waterworth
CA-12	Corporate Center - General Administration and Insurance	Leo Chumack
CA-13	Corporate Center - Compensation & Benefits, and Pension & Postretirement Benefits Other than Pension	Clair Emerson
CA-14	Safety & Risk Management Systems, People and Culture Department, and Administrative and General	Refat Amin
CA-15	Shared Services and Shared Assets; Segmentation and Capital Reassignments; Summary of Earnings and Taxes	Jerry Oh
CA-16	Rate Base and Working Cash	Brandon Benitez
CA-17	Depreciation	Bernard Ayanruoh
CA-18	Customer Forecasts	Maricela Sierra & Simran Kaur
CA-19	Financial Examination and Miscellaneous Revenues	Sophie Chia & Joyce Lee
CA-20	Post-Test Year Ratemaking	Stacey Hunter
CA-21	Safety & Risk Assessment, Part 1	Pui-Wa Li
CA-22	Safety & Risk Assessment, Part 2	Aaron Louie
CA-23	Political Activities Costs Booked to Ratepayers Accounts	Stephen Castello
CA-24	SCG Line 235	Matthew Taul

1 **B. Summary of Cal Advocates' Recommendations**

2 The following briefly summarizes the recommendations contained within each

3 Cal Advocates report exhibit that addresses Sempra's application.

4

<p style="text-align: center;">CA-01 Executive Summary</p>
<p>This exhibit provides a brief overview of SCG's and SDG&E's requests; presents the overall organization of Cal Advocate's exhibits; and summarizes the differences between Cal Advocates' recommendations and Sempra's Test Year 2024 and Post-Test Year revenue requirement forecasts.</p>

1

<p style="text-align: center;">CA-02 SCG Gas Operations, Part 1</p>
<p>This exhibit addresses SCG's Gas Distribution, Gas System Staff & Technology, Gas Transmission Operations and Construction, and Gas Engineering operations and maintenance (O&M) expenses for 2024 and capital expenditures for the 3-year period 2022 thru 2024.</p> <ul style="list-style-type: none"> • For Gas Distribution, Cal Advocates recommends \$167 million for O&M, compared to SCG's request of \$168 million. Cal Advocates forecasts capital expenditures of \$372 million in 2022, \$394 million in 2023, and \$371 million in 2024, compared to SCG's forecasts of \$389 million, \$413 million, and \$392 million, respectively. • For Gas System Staff & Technology, Cal Advocates accepts SCG's O&M request of \$23.6 million. • For Gas Transmission Operations and Construction, Cal Advocates recommends \$49 million for O&M, compared to SCG's request of \$52 million. Cal Advocates forecasts capital expenditures of \$182 million in 2022, \$150 million in 2023, and \$105 million in 2024, compared to SCG's forecasts of \$182 million, \$150 million, and \$107 million, respectively. • For Gas Engineering, Cal Advocates accepts SCG's O&M request of \$33 million. <p>Cal Advocates' primary adjustments/recommendations are associated with Locate and Mark, Control Center Modernization, and Overhead Pools.</p>

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CA-03

SCG Gas Operations, Part 2

This exhibit addresses SCG's Pipeline Safety Enhancement Plan (PSEP), Gas Integrity Management Programs, and Gas Storage Operations and Construction O&M expenses for 2024 and capital expenditures for the 3-year period 2022 thru 2024. This exhibit covers SCG-08, SCG-09, and SCG-10.

- For PSEP, Cal Advocates recommends O&M expenses of \$53 million compared to SCG's request of \$54 million. Cal Advocates does not dispute SCG's capital requests.
- For Gas Integrity Management Programs, Cal Advocates recommends O&M non-shared expenses of \$163 million compared to SCG's request of \$224 million. Cal Advocates recommends a different forecast methodology for TIMP, a reduction for DIMP because SCG did not adequately substantiate the increase in DRIP expenses for 2024, and no ratepayer funding for FIMP because ratepayers already fund many of the activities it is proposing to enhance with FIMP.
- Cal Advocates does not oppose SCG's request for Shared expenses.
- Cal Advocates does not oppose SCG's request for Gas Integrity Management Programs capital expenditures.
- For Gas Storage Operations and Construction, Cal Advocates does not take issue with SCG's TY 2024 O&M expenses. Cal Advocates does not oppose SCG's request for Shared expenses. Cal Advocates does not oppose SCG's request for Gas Storage Operations and Construction capital expenditures.
- Cal Advocates opposes SCG's request of \$21.6 million in excess cost recovery for its Aliso Canyon Turbine Replacement (ACTR) project.

CA-04
SDG&E Gas Operations

This exhibit addresses SDG&E's Gas Distribution operations and maintenance (O&M) expenses for 2024, and capital expenditures for the 3-year period 2022 thru 2024. This exhibit covers Gas Distribution, Gas System Staff & Technology, Gas Transmission O&M and Capital, Gas Engineering, Pipeline Safety Enhancement Plan, and Gas Integrity Management Programs.

- For Gas Distribution, Cal Advocates does not oppose SDG&E's O&M expense request of \$42 million and capital expenditures requests.
- For Gas System Staff & Technology, Cal Advocates does not oppose SDG&E's O&M expense request.
- For Gas Transmission O&M and Capital, Cal Advocates does not oppose SDG&E's requests.
- For Gas Engineering, Cal Advocates does not oppose SDG&E's capital expenditures request of \$0.295 million for each year 2022 to 2024.
- For Pipeline Safety Enhancement Plan, Cal Advocates does not oppose SDG&E's requests.
- For Gas Integrity Management Programs, Cal Advocates does not oppose SDG&E's O&M expense request and capital expenditure requests.

1

CA-05
SCG Gas Acquisition, SDG&E Energy Procurement and Electric Generation

This exhibit addresses SCG's Gas Acquisition, SDG&E's Energy Procurement, and SDG&E's Electric Generation operations and maintenance (O&M) expenses for 2024 and capital expenditures for the 3-year period 2022 thru 2024.

- For SCG's Gas Acquisition, Cal Advocates does not oppose SCG's TY 2024 O&M non-shared expense forecast of \$5 million.
- For SDG&E's Energy Procurement, Cal Advocates recommends \$8.7 million compared to SDG&E's request of \$9.4 million. This is due to Cal Advocates' use of a different forecast methodology.
- For SDG&E's Electric Generation, Cal Advocates recommends \$38.9 million in O&M expenses compared to SDG&E's request of \$40.8 million. This is due to adjustments for Palomar, Desert Star, and Palomar.
- For SDG&E's Electric Generation capital expenditures, Cal Advocates recommends \$16.8 million for 2022, \$24.8 million for 2023, and \$37.5 million for 2024. This compares to SDG&E's request of \$37.4 million for 2022, \$45.4 million for 2023, and \$43.9 million for 2024. The difference is due to adjustments for Palomar, Desert Star, Miramar, and the Palomar Hydrogen Systems.

2

CA-06

SDG&E Electric Distribution Capital Expenditures, Part 1

This exhibit addresses SDG&E's Electric Distribution capital expenditures for the 3-year period 2022 thru 2024 for the following areas:

- Equipment / Tools / Miscellaneous: Cal Advocates accepts SDG&E's capital expenditures requests.
- Franchise: Cal Advocates accepts SDG&E's capital forecast of \$44 million for 2022. For 2023 and 2024, Cal Advocates recommends \$60.3 million and \$84 million, respectively. This compares to SDG&E's capital forecast of \$70.4 million and \$88.5 million, respectively.
- Mandated: Cal Advocates accepts SDG&E's capital expenditure requests.
- Overhead Pools: Cal Advocates recommends \$160.8 million for 2022, \$161.1 million for 2023, and \$156.2 million for 2024. This compares to SDG&E's capital forecasts of \$169.4 million for 2022, \$196.6 million for 2023, and \$152.0 million for 2024.
- Reliability / Improvements: Cal Advocates recommends \$64.2 million for 2022, \$73.3 million for 2023, and \$108.1 million for 2024. This compares to SDG&E's capital forecasts of \$77.7 million for 2022, \$130.4 million for 2023, and \$68.3 million for 2024.
- Safety and Risk Management: Cal Advocates accepts SDG&E's request for \$33.0 million for 2024. For 2022 and 2023, Cal Advocates recommends \$21.5 million and \$33.2 million, respectively. This compares to SDG&E's capital forecasts of \$22.3 million for 2022, \$32.3 million for 2023.
- Transmission / FERC Driven: Cal Advocates accepts SDG&E's capital expenditures request for \$12.7 million for 2022, \$12.3 million for 2023, and \$11.2 million for 2024.
- Cal Advocates recommends that the costs related to 13 capital projects, that were NOT discussed or justified be removed from the RO model.

Cal Advocates' primary adjustments/recommendations are associated with updated costs and timelines, and different methodologies.

CA-07

SCG Clean Energy Innovations, SDG&E Wildfire Mitigation and Vegetation Management, and Electric Distribution Capital Expenditures (Part 2)

This exhibit addresses SCG's Clean Energy Innovations, SDG&E's Wildfire Mitigation and Vegetation Management, and sections of SDG&E's Electric Distribution Capital Expenditures involving Capacity/Expansion, Materials, and New Business.

- For SCG's Clean Energy Innovations O&M expenses for 2024, Cal Advocates recommends the removal of projects that do not demonstrate a clear, quantifiable net benefit to ratepayers. This results in a recommendation of \$36.2 million compared to SCG's request of \$47.2 million.
- For SDG&E's Wildfire Mitigation and Vegetation Management, Cal Advocates recommends the use of updated forecast methodologies. This results in a TY 2024 O&M expense recommendation of \$162.5 million compared to SCG's request of \$174.0 million. For capital expenditures, Cal Advocates recommends \$630.9 million for 2024, compared to SDG&E's request of \$738.3 million. SDG&E did not forecast capital expenditures for 2022 or 2023 because costs for those years are being recovered through a different proceeding.
- For SDG&E's Electric Distribution Capital Expenditures, Cal Advocates recommends the use of updated forecast methodologies. This results in a recommendation of \$58.6 million for non-collectible capital expenditures associated with Capacity/Expansion, \$78.7 million associated with Materials, and \$126.2 million for non-collectible capital expenditures associated with New Business.

1

CA-08

SDG&E Electric Distribution Operations and Maintenance

This exhibit addresses SDG&E's Electric Distribution operations and maintenance (O&M) expenses for 2024.

- Cal Advocates recommends \$32.4 million for Electric System Operations compared to SDG&E's O&M TY expense request of \$41.9 million.
- Cal Advocates recommends \$36.0 million for Electric Regional Operations compared to SDG&E's O&M TY expense request of \$40.8 million.
- Cal Advocates recommends \$2.8 million for Skills and Compliance Training compared to SDG&E's O&M TY expense request of \$3.8 million.
- Cal Advocates recommends \$4.8 million for Compliance Management compared to SDG&E's O&M TY expense forecast of \$7.3 million.

Cal Advocates' primary adjustments/recommendations are associated with the use of different methodologies for incremental storeroom costs and Compliance Training non-labor, lack of adequate support for additional lineman full time equivalent (FTEs) and pole attachment data points work.

2

<p style="text-align: center;">CA-09 Clean Energy Innovations</p>
<p>This exhibit addresses issues related to SDG&E's Clean Energy Innovations O&M expenses for 2024 and capital expenditures for the 3-year period 2022 thru 2024.</p> <ul style="list-style-type: none"> • Cal Advocates recommends \$5 million for O&M, compared to SCG's request of \$10 million. Cal Advocates recommends a reduction of 50% of SCG's forecast labor increases and a shifting of a portion of equipment costs from expense to capital. • Cal Advocates forecasts capital expenditures of \$1.4 million in 2022, \$0 in 2023, and \$0.8 million in 2024, compared to SCG's forecasts of \$23 million, \$25 million, and \$26 million, respectively. <p>Cal Advocates' adjustments/recommendations are associated with the removal of the majority of SCG's capital projects as neither serving an established grid need nor showing a positive net benefit for ratepayers.</p>

1

<p style="text-align: center;">CA-10 Customer Services</p>
<p>This exhibit addresses issues related to SCG's and SDG&E's Customer Services O&M expenses for 2024 and capital expenditures for the 3-year period 2022 thru 2024. This exhibit covers SCG-13, SCG-14-R, SCG-15-R, SCG-16, SDG&E-16, SDG&E-17-R, SDG&E-18, and SDG&E-19.</p> <ul style="list-style-type: none"> • For SCG-13, Cal Advocates recommends \$10.0 million for non-shared O&M, compared to SCG's request of \$20.3 million. • For SCG-14-R, Cal Advocates recommends \$197.9 million for non-shared O&M, compared to SCG's request of \$209.9 million, and accepts SCG's request for \$1.6 million for shared O&M. • For SCG-15-R, Cal Advocates accepts SCG's request for \$83.9 million for non-shared O&M and \$4.6 million for shared O&M. • For SCG-16, accepts SCG's O&M request of \$83.9 million for non-shared expenses and \$4.6 million for shared expenses. • For SDG&E-17-R, Cal Advocates accepts SDG&E request for \$37.5 million in non-shared O&M. • For SDG&E-18-R, Cal Advocates recommends \$26.2 million for non-shared O&M, compared to SDG&E's request of \$27.2 million. • For SDG&E-19, Cal Advocates accepts SDG&E's O&M request of \$24.4 million for non-shared expenses. <p>Cal Advocates' primary adjustments/recommendations are associated with SCG's Customer Information System Replacement timing, Field and Advanced Meter Operations programs and the use of different forecast methodologies.</p>

2

CA-11

Supply Management/Logistics and Supplier Diversity, Fleet Services, Real Estate and Facility Operations, Environmental Services, Information Technology, Cybersecurity; and SDG&E Clean Transportation

This exhibit addresses issues related to O&M expenses for 2024 and capital expenditures for the 3-year period 2022 thru 2024 for the following areas:

- Supply Management/Logistics and Supplier Diversity. Cal Advocates accepts SCG's O&M request for \$35.5 million and SDG&E's O&M request for \$20.7 million.
- SDG&E Clean Transportation. Cal Advocates accepts SDG&E's O&M request for \$4.8 million. For Clean Transportation capital expenditures, Cal Advocates accepts SDG&E's capital forecast of \$0 for 2022 and 2023, and recommends \$7.6 million for 2024 compared to SDG&E's request of \$20.0 million for 2024.
- Fleet Services. Cal Advocates recommends \$61.3 million for SCG's O&M expense compared to SCG's request for \$85.7 million. Cal Advocates recommends \$39.8 million for SDG&E's O&M request compared to SDG&E's request for \$52.9 million.
- Real Estate and Facility Operations O&M expenses. Cal Advocates accepts SCG's O&M request for \$51.3 million. Cal Advocates recommends \$37.2 million for SDG&E's O&M request compared to SDG&E's request for \$38.2 million.
- Real Estate and Facility Operations capital expenditures. For SCG, Cal Advocates forecasts capital expenditures of \$71.9 million in 2022, \$66.6 million in 2023, and \$62.9 million in 2024, compared to SCG's forecasts of \$79.7 million, \$117.1 million, and \$111.6 million, respectively. For SDG&E, Cal Advocates forecasts capital expenditures of \$64.1 million in 2022, \$62.6 million in 2023, and \$44.6 million in 2024, compared to SDG&E's requests of \$65.2 million, \$75.5 million, and \$73.9 million, respectively.
- Environmental Services. Cal Advocates accepts SCG's O&M request for \$25.8 million and accepts SDG&E's O&M request for \$10.0 million.
- Information Technology O&M expenses. Cal Advocates accepts SCG's O&M request for \$57.2 million. Cal Advocates recommends \$97.2 million for SDG&E's O&M expense compared to SDG&E's request for \$110.4 million.
- Information Technology capital expenditures. For SCG, Cal Advocates forecasts capital expenditures of \$248.0 million in 2022, \$186.2 million in 2023, and \$152.3 million in 2024, compared to SCG's forecasts of \$253.2 million, \$229.0 million, and \$174.8 million, respectively. For SDG&E, Cal Advocates forecasts capital expenditures of \$199.3 million in 2022, \$172.3 million in 2023, and \$162.0 million in 2024, compared to SDG&E's requests of \$220.0 million, \$208.8 million, and \$214.2 million, respectively.
- Cybersecurity. Cal Advocates accepts SCG's O&M request for \$4.0 million. Cal Advocates recommends \$13.8 million for SDG&E's O&M expense compared to SDG&E's request for \$16.4 million.
- Cybersecurity capital expenditures. For SCG, Cal Advocates forecasts capital expenditures of \$20.6 million in 2022, \$23.6 million in 2023, and \$23.6 million in 2024, compared to SCG's forecasts of \$28.8 million, \$36.8 million, and \$42.9 million, respectively. For SDG&E, Cal Advocates accepts SDG&E's capital expenditures of \$8.4 million in 2022, \$9.7 million in 2023, and \$9.7 million in 2024.

Cal Advocates' primary adjustments/recommendations are associated with the use of different methodologies, lack of adequate support for incremental costs, lack of business justifications for projects discussed in other exhibits, and the removal of costs or projects that are unnecessary (such as a proposed Hydrogen Fueling Station) or not expected to be incurred in the Test Year (such as the Kearny Mesa Master Plan Phase II).

1

CA-12

Corporate Center - General Administration Insurance

This exhibit addresses issues related to Sempra's Administrative & General (A&G) Insurance O&M expenses for 2024, which include litigation settlements and judgments, third-party claims, fees, and insurance.

Cal Advocates accepts Sempra's O&M expenses of \$400 million.

Cal Advocates recommends Sempra consider implementing self-insurance if wildfire liability insurance increases in cost above \$250 million, and that the two-way Liability Insurance Premium Balancing Accounts continue for wildfire liability insurance with certain modifications.

2

CA-13

Corporate Center - Compensation & Benefits, and Pension & Postretirement Benefits Other than Pension

This exhibit addresses Sempra's Compensation and Benefits expenses and Pension and Postretirement Benefits Other than Pension (PBOP) expenses for 2024.

- For SCG's Compensation and Benefits programs, Cal Advocates recommends O&M expenses of \$205 million compared to SCG's request of \$304 million.
- For SDG&E's Compensation and Benefits programs, Cal Advocates recommends O&M expenses of \$124 million compared to SDG&E's request of \$194 million.
- Cal Advocates accepts SCG's Pension and PBOP O&M expenses of \$171 million and SDG&E's Pension and PBOP O&M expenses of \$35 million.

Cal Advocates' primary adjustments/recommendations are associated with different headcounts, different methodologies, and the removal of costs that should not be funded by ratepayers.

Cal Advocates does not oppose Sempra's Pension and PBOP funding policies or the continuation of two-way balancing accounts.

3

CA-14

Safety & Risk Management Systems, People and Culture Department, and Administrative and General

This exhibit addresses Safety and Risk Management Systems, People and Culture Department, and Administrative and General O&M expenses for 2024.

- For SCG's Safety and Risk Management Systems, Cal Advocates recommends \$18 million for non-shared O&M expenses, compared to SCG's request of \$22 million. Cal Advocates does not oppose SCG's Shared O&M request of \$2 million.
- For SCG's People and Culture Department, Cal Advocates recommends \$47 million for non-shared O&M expenses, compared to SCG's request of \$49 million. Cal Advocates does not oppose SCG's Shared O&M request of \$0.324 million.
- For SCG's Administrative and General, Cal Advocates recommends \$38 million for non-shared O&M expenses, compared to SCG's request of \$41 million. Cal Advocates does not oppose SCG's Shared O&M request of \$9 million.
- For SDG&E's Safety and Risk Management Systems, Cal Advocates recommends \$15 million for non-shared O&M expenses, compared to SCG's request of \$17 million. Cal Advocates does not oppose SCG's Shared O&M request of \$1.2 million. Cal Advocates forecasts capital expenditures of \$5 million in 2022, \$6 million in 2023, and \$6 million in 2024, compared to SCG's forecasts of \$6 million, \$7 million, and \$7 million, respectively.
- For SDG&E's People and Culture Department, Cal Advocates recommends \$19 million for non-shared O&M expenses, compared to SCG's request of \$22 million. Cal Advocates does not oppose SCG's Shared O&M request of \$2.0 million.
- For SDG&E's Administrative and General, Cal Advocates recommends \$29.6 million for non-shared O&M expenses, compared to SCG's request of \$30.1 million. Cal Advocates does not oppose SCG's Shared O&M request of \$12 million.

Cal Advocates' primary adjustments/recommendations are due to lack of adequate support for incremental costs and to remove non-recurring costs.

1

CA-15

Shared Services and Shared Assets; Segmentation and Capital Reassignments; Summary of Earnings and Taxes

This exhibit addresses issues related to Shared Services & Shared Assets Billing, Segmentation & Capital Reassignments, and the Summary of Earnings and Taxes.

- Cal Advocates does not oppose SCG's and SDG&E's Shared Services and Shared Assets billing policies or cost allocations.
- Cal Advocates does not oppose the Segmentation and Reassignment Rates processes or resulting rates.
- Cal Advocates does not oppose the methodologies or calculations used by SCG and SDG&E to calculate payroll, income, and ad valorem taxes.
- Cal Advocates' recommendations in this exhibit reflect the summation of Cal Advocates' different expense and capital witnesses.
- Cal Advocate does not oppose SDG&E's and SoCalGas' proposals to continue the TMA for the 2024 TY GRC cycle.

2

<p style="text-align: center;">CA-16 Rate Base and Working Cash</p>
<p>This exhibit addresses issues related to the Rate Base and Working Cash proposals of SCG and SDG&E. For SCG, Cal Advocates recommends:</p> <ul style="list-style-type: none"> • The Commission should adopt 44.54 revenue lag days, rather than SCG’s proposed 46.93 lag days. • The Commission should adopt 0.36 billing lag days, rather than SCG’s proposed 2.13 lag days. • The Commission should adopt 0.14 bank lag days, rather than SCG’s proposed 0.8 lag days. <p>For SDG&E, Cal Advocates recommends:</p> <ul style="list-style-type: none"> • The Commission should adopt 45.51 revenue lag days, rather than SDG&E’s proposed 48.6 lag days. • The Commission should adopt 0.91 billing lag days, rather than SDG&E’s proposed 3.4 lag days. • The Commission should adopt 0.22 bank lag days, rather than SDG&E’s proposed 0.81 lag days. • The Commission should adopt 82.2 expense lag days for federal income taxes (FIT), rather than SDG&E’s proposed 2.98 lag days. • The Commission should adopt 82.2 expense lag days for California corporate franchise taxes (CCFT), rather than SDG&E’s proposed 9.48 lag days.

1

<p style="text-align: center;">CA-17 Depreciation</p>
<p>This exhibit presents the analyses and recommendations associated with Sempra’s Depreciation.</p> <ul style="list-style-type: none"> • Cal Advocates agrees with Sempra’s requested depreciation parameters for longer service life for certain assets but recommends that proposals to shorten the service life for other assets be denied. Instead, Cal Advocates recommends that the service life for those assets be retained at the current levels. • Cal Advocates opposes Sempra’s proposal for changes to the depreciation parameters for net salvage rates because this will unreasonably impose additional costs on ratepayers for future asset removal that may or may not occur. Instead, Cal Advocates recommends that current net salvage depreciation parameters adopted in D.16-06-054 be retained for TY 2024 and the current GRC cycle.

2

CA-18
Customer Forecasts

This exhibit addresses issues related to Sempra's Customer Forecasting.

- Cal Advocates makes an adjustment to SCG's Residential Single-Family Customers Forecast for TY 2024. Cal Advocates recommends 3,810,623 for 2022, 3,828,745 for 2023, and 3,847,512 for TY 2024 for Gas Residential Single-Family Customers.
- Cal Advocates makes an adjustment to SCG's Residential Multi-Family Customers Forecast for TY 2024. Cal Advocates recommends 1,850,227 for 2022, 1,860,389 for 2023, and 1,870,704 for TY 2024 for Gas Residential Multi-Family Customers.
- Cal Advocates does not take issue with SCG's Gas Customer Forecast for Residential Master Meter, Commercial and Industrial customer schedules for TY 2024.
- Cal Advocates makes an adjustment to SDG&E's Gas Residential Customers Forecast for TY 2024. Cal Advocates recommends 876,932 for 2022, 881,963 for 2023 and 887,116 for TY 2024 for Gas Residential Customers.
- Cal Advocates does not take issue with SDG&E's analysis of Core C&I, NGV, Noncore C&I, and Electric Generation gas customers.
- Cal Advocates recommends, for the next GRC, that both utilities use up-to-date econometric software, recognized within the industry for forecasting purposes.

1

CA-19
Financial Examination and Miscellaneous Revenues

This exhibit presents the results of examination and recommendations relating to SCG's and SDG&E's financial and accounting records, and Cal Advocates' recommendations relating to the TY 2024 forecasts of Miscellaneous Revenues.

- Cal Advocates recommends the removal of \$381,000 in 2017, \$593,000 in 2018, \$344,000 in 2019, \$117,000 in 2020, and \$114,000 in 2021 for the internal audits that SCG asserts are protected by attorney-client privilege.
- Cal Advocates recommends the removal of \$233,000 in 2017, \$101,000 in 2018, \$217,000 in 2019, \$546,000 in 2020 and \$334,000 for the internal audits that SDG&E asserts are protected by attorney-client privilege.
- Cal Advocates recommends adjustments totaling \$827,832 for transactions that occurred in prior years and are not recurring in TY 2024.
- While responding to Cal Advocates' data request, SDG&E identified an error in 2020 recorded expenses for Executive Offices. SDG&E removed the one-time expenses or non-recurring expenses for consulting services of \$2.591 million from the 2020 recorded expenses for Executive Offices in its revised workpapers.

2

CA-20

Post-Test Year Ratemaking

This exhibit addresses issues related to Sempra's Post-Test Year Ratemaking proposals for 2025, 2026 and 2027.

- For SCG, Cal Advocates recommends post-test year revenue increases of 3% per year; with adjustments, the increase amounts to \$188 million (4.7%) in 2025, \$215 million (5.1%) in 2026, and \$225 million in 2026 (5.1%), compared to SCG's requested increases of \$295 million (6.70%), \$266 million (5.66%) and \$415 million (8.37%), respectively.
- For SDG&E, Cal Advocates recommends post-test year revenue increases of 3% per year; with adjustments, the increase amounts to \$222 million (7.9%) in 2025, \$239 million (7.9%) in 2026, and \$247 million in 2026 (7.5%), compared to SDG&E's requested increases of \$364 million (12.12%), \$339 million (10.05%), and \$308 million (8.29%), respectively.
- Cal Advocates does not oppose Sempra's request to continue the Z-factor mechanism.
- Cal Advocates agrees with Sempra's proposals that annual rate adjustments to recover the updated revenue requirement adopted in this proceeding be included in an annual Tier 1 advice letter.
- Cal Advocates recommends that the Gas Integrity Management Programs for both utilities, and the Wildfire Mitigation Program for SDG&E, be subject to two-way balancing account treatment with a 110% cap, above which a reasonableness review must be performed before ratepayer funding of those costs.
- Cal Advocates recommends that SCG's CIS Replacement Program be removed from PTY recovery.
- Cal Advocates recommends that SCG's Honor Rancho Compressor Modernization project and SDG&E's Moreno Compressor Modernization project be removed from PTY recovery.
- Cal Advocates recommends that SDG&E's PTY Wildfire Mitigation costs be reduced by 10%, consistent with its recommendations in CA-07 and CA-21.

<p style="text-align: center;">CA-21 Safety & Risk Assessment, Part 1</p>
<p>This exhibit addresses whether SDG&E's system hardening proposals provide reliable and safe service at the lowest possible rate to its customers.</p> <ul style="list-style-type: none"> • Cal Advocates recommends that the Commission should cap the recovery of: <ul style="list-style-type: none"> ○ undergrounding at SDG&E's 2024 unit cost forecasts, and ○ covered conductors at SDG&E's 2022 to 2024 average unit cost forecasts. • Cal Advocates' proposal would eliminate almost 80% of SDG&E's identified wildfire risks in the High-Fire Threat Districts. • For the next 20% riskiest segments, Cal Advocates recommends a 20 percent reduction off the full unit cost recovery. • For the bottom 60% riskiest segments, Cal Advocates recommends a 40 percent reduction off the full unit cost recovery. Even if SDG&E hardened all these segments, it would reduce at most 1% of wildfire risks. • Cal Advocates also recommends capping the total capital expenditure on system hardening for this GRC period. This approach allows flexibility for SDG&E to reallocate money within its system hardening budget to promote efficiency and public safety by allowing SDG&E to harden more power lines at lower costs.

1

<p style="text-align: center;">CA-22 Safety & Risk Assessment, Part 2</p>
<p>This exhibit evaluates whether SDG&E's vegetation management proposals provide reliable and safe service at the lowest possible rate to its customers.</p> <ul style="list-style-type: none"> • Because SDG&E does not report granular data on its tree trimming safety program to determine if areas of high risk are being mitigated in a timely manner, Cal Advocates recommends that the Commission require SDG&E to adopt additional reporting measures. • The Commission should require SDG&E to submit an annual Tier 1 advice letter that includes detailed information related to its vegetation management tree-trimming program. • SDG&E should be required to show whether SDG&E's tree trimming is being prudently and effectively focused on improving the areas of highest risk within the service territory.

2

<p style="text-align: center;">CA-23 Political Activities Costs Booked to Ratepayers Accounts</p>
<p>This exhibit addresses SCG's pattern of booking costs of Political Activities to ratepayer accounts between 2017 and 2019, and its failure to demonstrate in this General Rate Case (GRC) that all costs for Political Activities have been removed from the Test Year.</p> <p>Cal Advocates recommends adjustments to remove costs related to past political activities that were wrongfully booked to ratepayer accounts. Because SCG has not shown that the costs of its Political Activities were removed from this GRC request, they are the historical costs that ratepayers funded.</p>

3

CA-24
SCG Line 235

This exhibit addresses SCG's request that the Commission find its proposal to completely rebuild the central 49 Miles of Line 235, including making the line hydrogen ready, to be prudent and reasonable. There are no revenue requirements in this GRC for this project, but Cal Advocates highlights that SCG has not clearly defined what is meant by "hydrogen ready", and that this results in unresolved cost and safety issues.

Cal Advocates recommends that the Commission decline to provide a prudent and reasonable determination and that the project requires the utility to file a separate application.

1 **V. WITNESS QUALIFICATIONS**

2 My name is Stacey Hunter. My business address is 505 Van Ness Avenue,
3 San Francisco, California San Francisco, California. I am employed by the Public
4 Advocates Office at the California Public Utilities Commission (Cal Advocates) as a
5 Program and Project Supervisor in the Energy Cost of Service and Natural Gas
6 Branch. I am the Project Coordinator for Cal Advocates' activities regarding
7 Sempra's 2024 GRC.

8 I have a Bachelor of Science degree in Accounting from Golden Gate
9 University. Since joining Cal Advocates in 2003, I have prepared Human Resources
10 testimony in recent Pacific Gas and Electric Company, Southern California Gas
11 Company, San Diego Gas & Electric Company, and Southern California Edison
12 Company General Rate Cases. I have also prepared other expense analysis
13 testimony in many other proceedings, including PG&E's sale of its headquarters
14 complex in 2020.

15 I have served as project coordinator for several non-GRC proceedings and
16 have testified numerous times before the California Public Utilities Commission.

17 This completes my prepared testimony.