

SoCalGas Embedded Cost Allocation
Results of EC Model \$1,000,000's

	Res	Core C&I	NR A/C	Gas Eng	NGV	Total Core	NonCore C&I	EG Tier 1	EG Tier 2
Customer Related Costs	\$842.80	\$100.68	\$0.02	\$1.48	\$0.95	\$945.93	\$5.88	\$1.23	\$3.90
Medium Pressure Distribution Costs	\$222.82	\$47.36	\$0.00	\$0.14	\$0.24	\$270.56	\$10.26	\$0.60	\$0.44
High Pressure Distribution Costs	\$22.08	\$6.01	\$0.00	\$0.04	\$0.36	\$28.50	\$4.68	\$0.24	\$2.44
Backbone Transmission Costs	\$25.80	\$9.64	\$0.01	\$0.17	\$1.11	\$36.73	\$13.68	\$0.72	\$26.05
Local Transmission Costs	\$27.73	\$7.62	\$0.00	\$0.06	\$0.66	\$36.06	\$8.60	\$1.25	\$12.72
Storage - Seasonal	\$35.48	\$6.18	\$0.00	\$0.01	\$0.02	\$41.69	\$0.00	\$0.00	\$0.00
Storage - Load Balancing	\$2.64	\$1.03	\$0.00	\$0.02	\$0.12	\$3.82	\$1.53	\$0.08	\$2.92
Storage - TBS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Non-DSM Marketing Related Costs	\$22.60	\$14.85	\$0.00	\$0.01	\$0.74	\$38.20	\$0.94	\$0.03	\$0.98
Total Margin Allocation w/o SI or Fuel Use or FF&U %	\$1,201.939	\$193.370	\$0.040	\$1.926	\$4.198	\$1,401.473	\$45.569	\$4.149	\$49.461

**SoCalGas Embedded Cost Allocation
Results of EC Model \$1,000,000's**

	EOR	Total Retail NonCore	Long Beach	SDG&E	South West Gas	Vernon	Total Whole sale	DGN	TBS	Total NonCore
Customer Related Costs	\$0.95	\$11.96	\$0.26	\$0.21	\$0.05	\$0.00	\$0.52	\$0.08	\$0.00	\$12.56
Medium Pressure Distribution Costs	\$0.02	\$11.32	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$11.32
High Pressure Distribution Costs	\$0.37	\$7.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7.73
Backbone Transmission Costs	\$1.48	\$41.94	\$1.17	\$12.16	\$0.79	\$1.10	\$15.22	\$0.51	\$0.00	\$57.67
Local Transmission Costs	\$0.83	\$23.39	\$0.91	\$9.46	\$0.65	\$0.65	\$11.67	\$0.31	\$0.00	\$35.37
Storage - Seasonal	\$0.00	\$0.00	\$0.00	\$6.07	\$0.00	\$0.00	\$6.07	\$0.00	\$0.00	\$6.07
Storage - Load Balancing	\$0.17	\$4.70	\$0.12	\$1.30	\$0.09	\$0.12	\$1.64	\$0.06	\$0.00	\$6.40
Storage - TBS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$29.02	\$29.02
Non-DSM Marketing Related Costs	\$0.13	\$2.07	\$0.26	\$0.26	\$0.26	\$0.26	\$1.02	\$0.13	\$0.00	\$3.21
Total Margin Allocation w/o SI or Fuel Use or FF&U %	\$3.932	\$103.111	\$2.725	\$29.450	\$1.835	\$2.130	\$36.140	\$1.086	\$29.017	\$169.354

**SoCalGas Embedded Cost Allocation
Results of EC Model \$1,000,000's**

	Total System	NCCI- Total	NCCI-D	NCCI-T	EOR-Total	EOR-D	EOR-T	Total EG	EG Tier 1
Customer Related Costs	\$958.49	\$5.880	\$5.588	\$0.292	\$0.947	\$0.415	\$0.532	\$5.130	\$1.230
Medium Pressure Distribution Costs	\$281.88	\$10.258	\$7.145	\$3.113	\$0.017	\$0.010	\$0.008	\$1.046	\$0.601
High Pressure Distribution Costs	\$36.23	\$4.685	\$3.200	\$1.485	\$0.366	\$0.190	\$0.177	\$2.683	\$0.240
Backbone Transmission Costs	\$94.40	\$13.684	\$9.030	\$4.654	\$1.479	\$0.740	\$0.739	\$26.776	\$0.722
Local Transmission Costs	\$71.43	\$8.596	\$5.871	\$2.725	\$0.829	\$0.429	\$0.400	\$13.966	\$1.248
Storage - Seasonal	\$47.75	\$0.000			\$0.000				
Storage - Load Balancing	\$10.22	\$1.531	\$1.044	\$0.486	\$0.166	\$0.086	\$0.080	\$3.005	\$0.081
Storage - TBS	\$29.02	\$0.000			\$0.000				
Non-DSM Marketing Related Costs	\$41.41	\$0.935	\$0.889	\$0.046	\$0.128	\$0.056	\$0.072	\$1.004	\$0.027
Total Margin Allocation w/o SI or Fuel Use or FF&U %	\$1,570.827	\$45.569	\$32.767	\$12.802	\$3.932	\$1.925	\$2.007	\$53.610	\$4.149

**SoCalGas Embedded Cost Allocation
Results of EC Model \$1,000,000's**

	EG Tier 1 Dist	EG Tier 1 Trans	EG Tier 2	EG Tier 2 Dist	EG Tier 2 Trans	Total EG
Customer Related Costs	\$0.365	\$0.864	\$3.901	\$0.507	\$3.394	\$5.130
Medium Pressure Distribution Costs	\$0.601	\$0.000	\$0.444	\$0.444	\$0.000	\$1.046
High Pressure Distribution Costs	\$0.240	\$0.000	\$2.443	\$2.443	\$0.000	\$2.683
Backbone Transmission Costs	\$0.572	\$0.149	\$26.054	\$5.226	\$20.828	\$26.776
Local Transmission Costs	\$0.990	\$0.258	\$12.718	\$2.551	\$10.167	\$13.966
Storage - Seasonal						\$0.000
Storage - Load Balancing	\$0.064	\$0.017	\$2.924	\$0.586	\$2.337	\$3.005
Storage - TBS						\$0.000
Non-DSM Marketing Related Costs	\$0.014	\$0.013	\$0.977	\$0.444	\$0.533	\$1.004
Total Margin Allocation w/o SI or Fuel Use or FF&U %	\$2.847	\$1.302	\$49.461	\$12.203	\$37.258	\$53.610

Southern California Gas Company
 Embedded Cost Study
 Summary
 Date: 9-29-2008

	Residential	Core Non-Res	Total Core	Noncore C&I	Electric generation (excl SW costs, Incl EOR)+TBS	Wholesale & International	Total Noncore	Total System (Excluding TBS Storage)
<u>Total Margin Allocation no SI</u>								
Average Year Throughput, mmdth	248	111	359	144	283	175	602	961
Base Margin Revenues W/SI, \$million	\$1,202	\$200	\$1,401	\$46	\$87	\$37	\$169	\$1,570.827
Base Margin % allocation	76.5%	12.7%	89.2%	2.9%	5.5%	2.4%	10.8%	100.0%
Class Avg Base Margin Rate, ¢/th	48.4	18.0	39.0	3.2	3.1	2.1	2.8	16.3
<u>Total Allocated Base Margin w/SI of Trans</u>								
Average Year Throughput, mmdth	248	111	359	144	283	175	602	961

Southern California Gas Company - Embedded Cost Study - \$'s millions
Allocation of Functionalized Base Margin - w/ Integrated Transmission System
Date: 9-29-2008

	Function	Allocator	G-30	Dist	Trans	EOR	Dist	Trans
1	Customer Related O&M							
2	Dist Customer Serv	PACER Hrs & Vols	\$0.524	\$0.498	\$0.026	\$0.000	\$0.000	\$0.000
3	Dist Meter & House I	Allocators/No. mete	\$0.509	\$0.484	\$0.025	\$0.000	\$0.000	\$0.000
4	Dist Service Lines	Allocators/Service I	\$0.062	\$0.059	\$0.003	\$0.003	\$0.001	\$0.002
5	Cust Acct-Supervisic	Allocators/Custome	\$0.003	\$0.003	\$0.000	\$0.000	\$0.000	\$0.000
6	Cust Acct-Meter Rea	Allocators/Custome	\$0.007	\$0.007	\$0.000	\$0.000	\$0.000	\$0.000
7	Cust Acct-Cust Recc	Allocators/Custome	\$0.027	\$0.025	\$0.001	\$0.001	\$0.001	\$0.001
8	Cust Acct-Misc Cust	Allocators/Custome	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
9	Subtotal		\$1.131	\$1.075	\$0.056	\$0.005	\$0.003	\$0.002
10	Customer Related Capital Related Costs							
11	Dist Land, Structures	Allocators/Sum of L	\$0.146	\$0.139	\$0.007	\$0.000	\$0.000	\$0.000
12	Services	Allocators/Service I	\$0.316	\$0.301	\$0.016	\$0.015	\$0.007	\$0.009
13	Meters	Allocators/Weighter	\$1.552	\$1.475	\$0.077	\$0.473	\$0.207	\$0.266
14	Customer Installatio	Allocators/Weighter	\$0.455	\$0.432	\$0.023	\$0.138	\$0.061	\$0.078
15	GEMS	Allocators/GEMS	\$0.827	\$0.786	\$0.041	\$0.063	\$0.028	\$0.035
16	Regulators	Allocators/Regulato	\$1.349	\$1.282	\$0.067	\$0.244	\$0.107	\$0.137
17	Gauges	Allocators/Above S	\$0.110	\$0.104	\$0.005	\$0.009	\$0.004	\$0.005
18	NGV Depreciation	NGV Direct	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
19	Subtotal		\$4.755	\$4.519	\$0.236	\$0.942	\$0.412	\$0.530
20	Customer-Related Misc F	Allocator/Number o	(\$0.006)	(\$0.006)	(\$0.000)	(\$0.000)	(\$0.000)	(\$0.000)
21	Subtotal Customer-f		\$5.880	\$5.588	\$0.292	\$0.947	\$0.415	\$0.532
22	Distribution							
23	High-Pressure	Allocators/HPD CY	\$4.685	\$3.200	\$1.485	\$0.366	\$0.190	\$0.177
24	Medium-Pressure	Allocators/MPD CY	\$10.258	\$7.145	\$3.113	\$0.017	\$0.010	\$0.008
25	Distribution Subtot:		\$14.943	\$10.344	\$4.598	\$0.384	\$0.199	\$0.184
26	Transmission Allocators/Transm							
27	Backbone	Allocators/Transmis	\$13.684	\$9.030	\$4.654	\$1.479	\$0.740	\$0.739
28	Local Transmission	Allocators/HPD CY	\$8.596	\$5.871	\$2.725	\$0.829	\$0.429	\$0.400
29	Total Transmission Backbone & Local		\$22.280	\$14.901	\$7.379	\$2.309	\$1.170	\$1.139
30	Non-DSM Cust Svc & In NonDSM CSI Allo		\$0.935	\$0.889	\$0.046	\$0.128	\$0.056	\$0.072
31	Storage Allocators/Storage		\$1.531	\$1.044	\$0.486	\$0.166	\$0.086	\$0.080
32	Subtotal		\$45.569	\$32.767	\$12.802	\$3.932	\$1.925	\$2.007
33	Minus Uncollectible Expense Retail Only		#REF!	\$0.108	#REF!	\$0.013	\$0.006	\$0.007
34	Subtotal Base Margin with Recon. & FF&U		#REF!	\$32.659	#REF!	\$3.919	\$1.919	\$2.000
35	Credit (EOR Revenues - EOR UAF) * 95%		#REF!	\$0.000	#REF!	\$0.000	\$0.000	\$0.000
36	Subtotal		#REF!	\$32.659	#REF!	\$3.919	\$1.919	\$2.000
37	Minus Franchise Fees		#REF!	\$0.509	#REF!	\$0.061	\$0.030	\$0.031
38	Margin Allocation w/o SI or Fuel Use Before F		\$45.569	\$32.767	\$12.802	\$3.932	\$1.925	\$2.007
39	Franchise Fee & Uncollectible		#REF!	\$0.617	#REF!	\$0.074	\$0.036	\$0.038
40	Total Margin Allocation w/o SI or Fuel Use		#REF!	\$32.150	#REF!	\$3.858	\$1.889	\$1.969

Storage Functional Factor							
Core Reservation SoCalGas	Percent of Total by Product		Alloc	Total	Units	Costs \$MM	
Inventory	%	46.76%	61.3	131.1	Bcf	\$14.353	0.227 \$/Dth
Injection	%	33.70%	286	850	MMcfd	\$8.476	28.724 \$/Dth
Withdrawal	%	60.56%	1,935	3,195	MMcfd	\$18.857	9.459 \$/Dth
Total SCG Core						\$41.687	
Core Reservation SDG&E							
Inventory	%	6.64%	8.7	131.1	Bcf	\$2.037	0.227 \$/Dth
Injection	%	4.78%	41	850	MMcfd	\$1.203	28.724 \$/Dth
Withdrawal	%	9.08%	290	3,195	MMcfd	\$2.826	9.459 \$/Dth
Total SDG&E Core						<u>\$6.066</u>	
Core Reservation Total SCG & SDG&E			70.0			<u>\$47.753</u>	
Load Balancing							
			Alloc	Total	Units		
Inventory	%	3.20%	4.2	131.1	Bcf	\$0.983	0.227 \$/Dth
Injection	%	23.53%	200	850	MMcfd	\$5.918	28.724 \$/Dth
Withdrawal	%	10.64%	340	3,195	MMcfd	\$3.313	9.459 \$/Dth
Total Balancing						<u>\$10.215</u>	
Total Core + Balancing						<u>\$57.968</u>	
TBS and other Storage Programs							
			Alloc	Total	Units		
Inventory	%	43.40%	56.9	131.1	Bcf	\$13.323	0.227 \$/Dth
Injection	%	37.99%	323	850	MMcfd	\$9.555	28.724 \$/Dth
Withdrawal	%	19.72%	630	3,195	MMcfd	\$6.139	9.459 \$/Dth
Total TBS						<u>\$29.017</u>	
Storage Grand Total						<u>\$86.985</u>	

Southern California Gas Company
 Embedded Cost Study
 Labor Functional Factors
 \$'s millions
 Date: 9-29-2008

		Total Expense 2007		Function Method	Total Customer-Related	Distribution - High Pressure	Distribution - Medium Pressure
		FERC Form 2 p. 323-325	% Labor				
Storage							
814 UndStr Op-Supervision & Engineering		\$4.690	59%	\$2.789	STORAGE	\$0.000	\$0.000
815 UndStr Op-Maps & Records		\$0.005	59%	\$0.003	STORAGE	\$0.000	\$0.000
816 UndStr Op-Wells Expenses		\$2.598	59%	\$1.545	STORAGE	\$0.000	\$0.000
817 UndStr Op-Lines Expense		\$0.172	59%	\$0.102	STORAGE	\$0.000	\$0.000
818 UndStr Op-Compressor Station Expense		\$2.241	59%	\$1.332	STORAGE	\$0.000	\$0.000
819 UndStr Op-Compress Station Fuel & Power (PBR Excluded)	\$16.3	\$0.000	59%	\$0.000	STORAGE	\$0.000	\$0.000
820 UndStr Op-Meas & Reg Station Expenses		\$0.003	59%	\$0.002	STORAGE	\$0.000	\$0.000
821 UndStr Op-Purification Expenses		\$0.550	59%	\$0.327	STORAGE	\$0.000	\$0.000
823 UndStr Op-Gas Losses (PBR Excluded)	\$0.5	\$0.000	59%	\$0.000	STORAGE	\$0.000	\$0.000
824 UndStr Op-Other Expenses		\$5.173	59%	\$3.076	STORAGE	\$0.000	\$0.000
825 UndStr Op-Storage Well Royalties		\$0.151	59%	\$0.090	STORAGE	\$0.000	\$0.000
826 UndStr Op-Rents		\$0.185	59%	\$0.110	STORAGE	\$0.000	\$0.000
830 UndStr Mnt-Supervision & Engineering		\$0.000	22%	\$0.000	STORAGE	\$0.000	\$0.000
831 UndStr Mnt-Structures & Improvements		\$0.624	22%	\$0.136	STORAGE	\$0.000	\$0.000
832 UndStr Mnt-Reservoirs & Wells		\$7.088	22%	\$1.540	STORAGE	\$0.000	\$0.000
833 UndStr Mnt-Lines		\$1.527	22%	\$0.332	STORAGE	\$0.000	\$0.000
834 UndStr Mnt-Compressor Station Equipment		\$5.251	22%	\$1.141	STORAGE	\$0.000	\$0.000
835 UndStr Mnt-Meas & Reg Station Equipment		\$0.625	22%	\$0.136	STORAGE	\$0.000	\$0.000
836 UndStr Mnt-Purification Equipment		\$0.894	22%	\$0.194	STORAGE	\$0.000	\$0.000
837 UndStr Mnt-Other Equipment		\$1.288	22%	\$0.280	STORAGE	\$0.000	\$0.000
Storage Costs		\$33.063	40%	\$13.133	STORAGE	\$0.000	\$0.000
	Opr	\$15.766	59%	\$9.375	STORAGE		
	Main	\$17.297	22%	\$3.757	STORAGE		

Southern California Gas Company
Embedded Cost Study
Labor Functional Factors
\$'s millions
Date: 9-29-2008

	Total Expense 2007 FERC Form 2 p. 323-325	% Labor	Labor Portion FERC Form 2 p.354	Function Method	Total Customer- Related	Distribution - High Pressure	Distribution - Medium Pressure
Transmission							
850 Tran Oper Supervision	\$14.02	42%	\$5.890	TRANSMISSION	\$0.000	\$0.000	\$0.000
851 Tran Op-System Control & Load Dispatching	\$2.23	42%	\$0.936	TRANSMISSION	\$0.000	\$0.000	\$0.000
852 Tran Op-Communication System Expenses	\$4.93	42%	\$2.073	TRANSMISSION	\$0.000	\$0.000	\$0.000
853 Tran Op-Compressor Station Labor & Expenses	\$1.88	42%	\$0.791	TRANSMISSION	\$0.000	\$0.000	\$0.000
854&855 Tran Op-Gas From Comp Sta Fuel (PBR Excluded)	\$0.00	42%	\$0.000	TRANSMISSION	\$0.000	\$0.000	\$0.000
856 Tran Op-Mains Expenses	\$5.58	42%	\$2.347	TRANSMISSION	\$0.000	\$0.000	\$0.000
857 Tran Op-Measuring & Regulating Station Expenses	\$1.54	42%	\$0.647	TRANSMISSION	\$0.000	\$0.000	\$0.000
858 Tran Op-Transmission & Compression Of Gas By Other	\$0.00	42%	\$0.000	TRANSMISSION	\$0.000	\$0.000	\$0.000
859 Tran Op-Other Expenses (PBR excl Haz Waste)	\$2.54	42%	\$1.068	TRANSMISSION	\$0.000	\$0.000	\$0.000
860 Tran Op-Rents	\$4.28	42%	\$1.799	TRANSMISSION	\$0.000	\$0.000	\$0.000
860 Maintenance Supervision & Engineering	\$0.00	24%	\$0.000	TRANSMISSION	\$0.000	\$0.000	\$0.000
862 Tran Mnt-Structures & Improvements	\$0.00	24%	\$0.000	TRANSMISSION	\$0.000	\$0.000	\$0.000
863 Tran Mnt-Mains	\$9.85	24%	\$2.357	TRANSMISSION	\$0.000	\$0.000	\$0.000
864 Tran Mnt-Compressor Station Equipment	\$5.50	24%	\$1.316	TRANSMISSION	\$0.000	\$0.000	\$0.000
865 Tran Mnt-Measuring & Regulating Station Equipment	\$0.39	24%	\$0.093	TRANSMISSION	\$0.000	\$0.000	\$0.000
867 Tran Mnt-Other Equipment	\$0.35	24%	\$0.083	TRANSMISSION	\$0.000	\$0.000	\$0.000
	\$53.09	37%	\$19.400		\$0.000	\$0.000	\$0.000
Oper	\$37.00	42%	\$15.551				
Main	\$16.09	24%	\$3.849				
Distribution							
870 Dist Op-Supervision & Engineering (Including Payroll Taxes)	\$35.14	60%	\$21.133	Dist O&M Func Factrs	\$12.709	\$0.666	\$7.759
874 Dist Op-Mains & Services Expenses	\$18.67	60%	\$11.229	% dist main footage	\$0.000	\$0.887	\$10.342
875 Dist Op-Meas & Reg Station Expenses General	\$0.91	60%	\$0.549	% dist main footage	\$0.000	\$0.043	\$0.506
878 Dist Op-Meter & House Regulator Expenses	\$9.09	60%	\$5.467	CUSTOMER-RELATED	\$5.467	\$0.000	\$0.000
879 Dist Op-Customer Installations Expenses	\$113.55	60%	\$68.296	CUSTOMER-RELATED	\$68.296	\$0.000	\$0.000
880 Dist Op-Other Expenses (PBR Ex Haz Waste)	xx \$48.56	60%	\$29.208	Dist O&M Func Factrs	\$20.117	\$0.718	\$8.373
881 Dist Op-Rents	\$0.02	60%	\$0.012	Dist O&M Func Factrs	\$0.008	\$0.000	\$0.004
885 Dist Mnt-Supervision & Engineering	\$10.32	34%	\$3.544	Dist O&M Func Factrs	\$2.056	\$0.118	\$1.371
886 Maintenance of Structures and Improvements	\$0.00	0%	\$0.000	Dist O&M Func Factrs	\$0.000	\$0.000	\$0.000
887 Dist Mnt-Mains	\$20.30	34%	\$6.970	Dist O&M Func Factrs	\$1.638	\$0.421	\$4.911
889 Dist Mnt-Meas & Reg Station Equipment General	\$2.32	34%	\$0.796	% dist main footage	\$0.000	\$0.063	\$0.733
892 Dist Mnt-Services	\$23.28	34%	\$7.995	Dist O&M Func Factrs	\$7.961	\$0.003	\$0.032
893 Dist Mnt-Meters & House Regulators	\$9.34	34%	\$3.209	CUSTOMER-RELATED	\$3.209	\$0.000	\$0.000
894 Dist Mnt-Other Equipment	\$0.07	34%	\$0.023	CUSTOMER-RELATED	\$0.023	\$0.000	\$0.000
	\$291.58	54%	\$158.431		\$121.482	\$2.919	\$34.030
Oper	\$225.95	60%	\$135.894				
Main	\$65.63	34%	\$22.537				

Southern California Gas Company
Embedded Cost Study
Labor Functional Factors
\$'s millions
Date: 9-29-2008

		Total Expense 2007		Labor Portion	Function Method	Total Customer-Related	Distribution - High Pressure	Distribution - Medium Pressure
		FERC Form 2 p. 323-325	% Labor	FERC Form 2 p.354				
Customer Accounts								
901 Customer Accounts Super (PBR Exl. CARE)	XXX	\$4.80	45%	\$2.179	CUSTOMER-RELATED	\$2.179	\$0.000	\$0.000
902 Cus Acct-Meter Reading Expenses		\$37.88	45%	\$17.205	CUSTOMER-RELATED	\$17.205	\$0.000	\$0.000
903 Cus Acct-Customer Records & Collections Exp		\$137.05	45%	\$62.242	CUSTOMER-RELATED	\$62.242	\$0.000	\$0.000
904 Cus Acct-Uncollectible Accounts		\$0.00	45%	\$0.000	CUSTOMER-RELATED	\$0.000	\$0.000	\$0.000
905 Cus Acct-Misc Customer Accounts Exp		\$0.01	45%	\$0.003	CUSTOMER-RELATED	\$0.003	\$0.000	\$0.000
		<u>\$179.73</u>	<u>45%</u>	<u>\$81.629</u>		<u>\$81.629</u>	<u>\$0.000</u>	<u>\$0.000</u>
Customer Services								
907 Cus Svc-Supervision + Payroll Taxes		\$0.72	72%	\$0.521	CUSTOMER-RELATED	\$0.000	\$0.000	\$0.000
908 Cus Svc-Cust Assist Exp (PBR Ex DAP, DSM &Self-Gen)	XXX	\$18.92	72%	\$13.684	CUSTOMER-RELATED	\$0.000	\$0.000	\$0.000
909 Cus Svc-Info & Instruction Exp		\$1.93	72%	\$1.397	CUSTOMER-RELATED	\$0.000	\$0.000	\$0.000
910 Cus Svc-Misc CSI Exp (PBR Ex DSM & NGV)		\$0.40	72%	\$0.288	CUSTOMER-RELATED	\$0.000	\$0.000	\$0.000
		<u>\$21.96</u>	<u>72%</u>	<u>\$15.891</u>		<u>\$0.000</u>	<u>\$0.000</u>	<u>\$0.000</u>
		<u>\$546.37</u>	<u>50%</u>	<u>\$275.631</u>		<u>\$203.112</u>	<u>\$2.919</u>	<u>\$34.030</u>
Labor Factor						70.407%	1.012%	11.796%

Southern California Gas Company
 Embedded Cost Study
 Labor Functional Factors
 \$'s millions
 Date: 9-29-2008

	Transmissio n	Core Reservation - Inventory	Core Reservation - Injection	Core Reservation - Withdrawal	Load Balancing - Inventory	Load Balancing - Injection	Load Balancing - Withdrawal	TBS Storage Program	Non-DSM Cust Svc & Info	Exclusive Use
Storage										
814 UndStr Op-Supervision & Engineering	\$0.000	\$0.525	\$0.310	\$0.695	\$0.032	\$0.190	\$0.106	\$0.930	\$0.000	\$0.000
815 UndStr Op-Maps & Records	\$0.000	\$0.001	\$0.000	\$0.001	\$0.000	\$0.000	\$0.000	\$0.001	\$0.000	\$0.000
816 UndStr Op-Wells Expenses	\$0.000	\$0.291	\$0.172	\$0.385	\$0.017	\$0.105	\$0.059	\$0.515	\$0.000	\$0.000
817 UndStr Op-Lines Expense	\$0.000	\$0.019	\$0.011	\$0.025	\$0.001	\$0.007	\$0.004	\$0.034	\$0.000	\$0.000
818 UndStr Op-Compressor Station Expense	\$0.000	\$0.251	\$0.148	\$0.332	\$0.015	\$0.091	\$0.051	\$0.444	\$0.000	\$0.000
819 UndStr Op-Compress Station Fuel & Power (PBR Excluded)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
820 UndStr Op-Meas & Reg Station Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.001	\$0.000	\$0.000
821 UndStr Op-Purification Expenses	\$0.000	\$0.062	\$0.036	\$0.081	\$0.004	\$0.022	\$0.012	\$0.109	\$0.000	\$0.000
823 UndStr Op-Gas Losses (PBR Excluded)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
824 UndStr Op-Other Expenses	\$0.000	\$0.580	\$0.342	\$0.767	\$0.035	\$0.209	\$0.117	\$1.026	\$0.000	\$0.000
825 UndStr Op-Storage Well Royalties	\$0.000	\$0.017	\$0.010	\$0.022	\$0.001	\$0.006	\$0.003	\$0.030	\$0.000	\$0.000
826 UndStr Op-Rents	\$0.000	\$0.021	\$0.012	\$0.027	\$0.001	\$0.007	\$0.004	\$0.037	\$0.000	\$0.000
830 UndStr Mnt-Supervision & Engineering	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
831 UndStr Mnt-Structures & Improvements	\$0.000	\$0.026	\$0.015	\$0.034	\$0.002	\$0.009	\$0.005	\$0.045	\$0.000	\$0.000
832 UndStr Mnt-Reservoirs & Wells	\$0.000	\$0.290	\$0.171	\$0.384	\$0.017	\$0.105	\$0.059	\$0.514	\$0.000	\$0.000
833 UndStr Mnt-Lines	\$0.000	\$0.063	\$0.037	\$0.083	\$0.004	\$0.023	\$0.013	\$0.111	\$0.000	\$0.000
834 UndStr Mnt-Compressor Station Equipment	\$0.000	\$0.215	\$0.127	\$0.284	\$0.013	\$0.078	\$0.043	\$0.380	\$0.000	\$0.000
835 UndStr Mnt-Meas & Reg Station Equipment	\$0.000	\$0.026	\$0.015	\$0.034	\$0.002	\$0.009	\$0.005	\$0.045	\$0.000	\$0.000
836 UndStr Mnt-Purification Equipment	\$0.000	\$0.037	\$0.022	\$0.048	\$0.002	\$0.013	\$0.007	\$0.065	\$0.000	\$0.000
837 UndStr Mnt-Other Equipment	\$0.000	\$0.053	\$0.031	\$0.070	\$0.003	\$0.019	\$0.011	\$0.093	\$0.000	\$0.000
Storage Costs	\$0.000	\$2.475	\$1.461	\$3.274	\$0.148	\$0.894	\$0.500	\$4.381	\$0.000	\$0.000
										Check

Southern California Gas Company
Embedded Cost Study
Labor Functional Factors
\$'s millions
Date: 9-29-2008

	Transmissio n	Core Reservation - Inventory	Core Reservation - Injection	Core Reservation - Withdrawal	Load Balancing - Inventory	Load Balancing - Injection	Load Balancing - Withdrawal	TBS Storage Program	Non-DSM Cust Svc & Info	Exclusive Use
Transmission										
850 Tran Oper Supervision	\$5.890	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
851 Tran Op-System Control & Load Dispatching	\$0.936	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
852 Tran Op-Communication System Expenses	\$2.073	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
853 Tran Op-Compressor Station Labor & Expenses	\$0.791	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
854&855 Tran Op-Gas From Comp Sta Fuel (PBR Excluded)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
856 Tran Op-Mains Expenses	\$2.347	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
857 Tran Op-Measuring & Regulating Station Expenses	\$0.647	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
858 Tran Op-Transmission & Compression Of Gas By Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
859 Tran Op-Other Expenses (PBR excl Haz Waste)	\$1.068	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
860 Tran Op-Rents	\$1.799	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
860 Maintenance Supervision & Engineering	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
862 Tran Mnt-Structures & Improvements	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
863 Tran Mnt-Mains	\$2.357	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
864 Tran Mnt-Compressor Station Equipment	\$1.316	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
865 Tran Mnt-Measuring & Regulating Station Equipment	\$0.093	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
867 Tran Mnt-Other Equipment	\$0.083	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
	\$19.400	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Distribution										
870 Dist Op-Supervision & Engineering (Including Payroll Taxes)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
874 Dist Op-Mains & Services Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
875 Dist Op-Meas & Reg Station Expenses General	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
878 Dist Op-Meter & House Regulator Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
879 Dist Op-Customer Installations Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
880 Dist Op-Other Expenses (PBR Ex Haz Waste)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
881 Dist Op-Rents	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
885 Dist Mnt-Supervision & Engineering	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
886 Maintenance of Structures and Improvements	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
887 Dist Mnt-Mains	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
889 Dist Mnt-Meas & Reg Station Equipment General	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
892 Dist Mnt-Services	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
893 Dist Mnt-Meters & House Regulators	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
894 Dist Mnt-Other Equipment	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

Southern California Gas Company
Embedded Cost Study
Labor Functional Factors
\$'s millions
Date: 9-29-2008

	Transmission	Core Reservation - Inventory	Core Reservation - Injection	Core Reservation - Withdrawal	Load Balancing - Inventory	Load Balancing - Injection	Load Balancing - Withdrawal	TBS Storage Program	Non-DSM Cust Svc & Info	Exclusive Use
Customer Accounts										
901 Customer Accounts Super (PBR Exl. CARE)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
902 Cus Acct-Meter Reading Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
903 Cus Acct-Customer Records & Collections Exp	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
904 Cus Acct-Uncollectible Accounts	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
905 Cus Acct-Misc Customer Accounts Exp	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Customer Services										
907 Cus Svc-Supervision + Payroll Taxes	\$0.000	\$0.002	\$0.001	\$0.002	\$0.000	\$0.001	\$0.000	\$0.003	\$0.512	\$0.000
908 Cus Svc-Cust Assist Exp (PBR Ex DAP, DSM &Self-Gen)	\$0.000	\$0.049	\$0.029	\$0.064	\$0.003	\$0.018	\$0.010	\$0.086	\$13.426	\$0.000
909 Cus Svc-Info & Instruction Exp	\$0.000	\$0.005	\$0.003	\$0.007	\$0.000	\$0.002	\$0.001	\$0.009	\$1.370	\$0.000
910 Cus Svc-Misc CSI Exp (PBR Ex DSM & NGV)	\$0.000	\$0.001	\$0.001	\$0.001	\$0.000	\$0.000	\$0.000	\$0.002	\$0.283	\$0.000
	\$0.000	\$0.057	\$0.033	\$0.075	\$0.003	\$0.020	\$0.011	\$0.100	\$15.591	\$0.000
	\$19.400	\$2.531	\$1.495	\$3.348	\$0.152	\$0.914	\$0.512	\$4.481	\$15.591	\$0.000
Labor Factor	6.725%	0.877%	0.518%	1.161%	0.053%	0.317%	0.177%	1.553%	5.404%	0.000%

Southern California Gas Company
 Embedded Cost Study
 Labor Functional Factors
 \$'s millions
 Date: 9-29-2008

	Total	Total functional base Margin	Total Customer-Related	Distribution - High Pressure	Distribution - Medium Pressure	Transmission	Core Reservoir - Inventory	Core Reservoir - Injection	Core Reservoir - Withdrawal	Load Balancing - Inventory	Load Balancing - Injection	Load Balancing - Withdrawal
Storage												
814 UndStr Op-Supervision & Engineering	\$2.789	100.0%	0.0%	0.0%	0.0%	0.0%	18.8%	11.1%	24.9%	1.1%	6.8%	3.8%
815 UndStr Op-Maps & Records	\$0.003	100.0%	0.0%	0.0%	0.0%	0.0%	18.8%	11.1%	24.9%	1.1%	6.8%	3.8%
816 UndStr Op-Wells Expenses	\$1.545	100.0%	0.0%	0.0%	0.0%	0.0%	18.8%	11.1%	24.9%	1.1%	6.8%	3.8%
817 UndStr Op-Lines Expense	\$0.102	100.0%	0.0%	0.0%	0.0%	0.0%	18.8%	11.1%	24.9%	1.1%	6.8%	3.8%
818 UndStr Op-Compressor Station Expense	\$1.332	100.0%	0.0%	0.0%	0.0%	0.0%	18.8%	11.1%	24.9%	1.1%	6.8%	3.8%
819 UndStr Op-Compress Station Fuel & Power (PBR Excluded)	\$0.000	100.0%	0.0%	0.0%	0.0%	0.0%	18.8%	11.1%	24.9%	1.1%	6.8%	3.8%
820 UndStr Op-Meas & Reg Station Expenses	\$0.002	100.0%	0.0%	0.0%	0.0%	0.0%	18.8%	11.1%	24.9%	1.1%	6.8%	3.8%
821 UndStr Op-Purification Expenses	\$0.327	100.0%	0.0%	0.0%	0.0%	0.0%	18.8%	11.1%	24.9%	1.1%	6.8%	3.8%
823 UndStr Op-Gas Losses (PBR Excluded)	\$0.000	100.0%	0.0%	0.0%	0.0%	0.0%	18.8%	11.1%	24.9%	1.1%	6.8%	3.8%
824 UndStr Op-Other Expenses	\$3.076	100.0%	0.0%	0.0%	0.0%	0.0%	18.8%	11.1%	24.9%	1.1%	6.8%	3.8%
825 UndStr Op-Storage Well Royalties	\$0.090	100.0%	0.0%	0.0%	0.0%	0.0%	18.8%	11.1%	24.9%	1.1%	6.8%	3.8%
826 UndStr Op-Rents	\$0.110	100.0%	0.0%	0.0%	0.0%	0.0%	18.8%	11.1%	24.9%	1.1%	6.8%	3.8%
830 UndStr Mnt-Supervision & Engineering	\$0.000	100.0%	0.0%	0.0%	0.0%	0.0%	18.8%	11.1%	24.9%	1.1%	6.8%	3.8%
831 UndStr Mnt-Structures & Improvements	\$0.136	100.0%	0.0%	0.0%	0.0%	0.0%	18.8%	11.1%	24.9%	1.1%	6.8%	3.8%
832 UndStr Mnt-Reservoirs & Wells	\$1.540	100.0%	0.0%	0.0%	0.0%	0.0%	18.8%	11.1%	24.9%	1.1%	6.8%	3.8%
833 UndStr Mnt-Lines	\$0.332	100.0%	0.0%	0.0%	0.0%	0.0%	18.8%	11.1%	24.9%	1.1%	6.8%	3.8%
834 UndStr Mnt-Compressor Station Equipment	\$1.141	100.0%	0.0%	0.0%	0.0%	0.0%	18.8%	11.1%	24.9%	1.1%	6.8%	3.8%
835 UndStr Mnt-Meas & Reg Station Equipment	\$0.136	100.0%	0.0%	0.0%	0.0%	0.0%	18.8%	11.1%	24.9%	1.1%	6.8%	3.8%
836 UndStr Mnt-Purification Equipment	\$0.194	100.0%	0.0%	0.0%	0.0%	0.0%	18.8%	11.1%	24.9%	1.1%	6.8%	3.8%
837 UndStr Mnt-Other Equipment	\$0.280	100.0%	0.0%	0.0%	0.0%	0.0%	18.8%	11.1%	24.9%	1.1%	6.8%	3.8%
Storage Costs	\$13.133	100.0%	0.0%	0.0%	0.0%	0.0%	18.8%	11.1%	24.9%	1.1%	6.8%	3.8%
	\$13.133											

Southern California Gas Company
 Embedded Cost Study
 Labor Functional Factors
 \$'s millions
 Date: 9-29-2008

	Total	Total functional base	Total Customer-Related	Distribution - High Pressure	Distribution - Medium Pressure	Transmission	Core Reservoir - Inventory	Core Reservoir - Injection	Core Reservoir - Withdrawal	Load Balancing - Inventory	Load Balancing - Injection	Load Balancing - Withdrawal
Transmission												
850 Tran Oper Supervision	\$5.890	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
851 Tran Op-System Control & Load Dispatching	\$0.936	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
852 Tran Op-Communication System Expenses	\$2.073	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
853 Tran Op-Compressor Station Labor & Expenses	\$0.791	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
854&855 Tran Op-Gas From Comp Sta Fuel (PBR Excluded)	\$0.000	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
856 Tran Op-Mains Expenses	\$2.347	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
857 Tran Op-Measuring & Regulating Station Expenses	\$0.647	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
858 Tran Op-Transmission & Compression Of Gas By Other	\$0.000	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
859 Tran Op-Other Expenses (PBR excl Haz Waste)	\$1.068	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
860 Tran Op-Rents	\$1.799	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
860 Maintenance Supervision & Engineering	\$0.000	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
862 Tran Mnt-Structures & Improvements	\$0.000	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
863 Tran Mnt-Mains	\$2.357	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
864 Tran Mnt-Compressor Station Equipment	\$1.316	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
865 Tran Mnt-Measuring & Regulating Station Equipment	\$0.093	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
867 Tran Mnt-Other Equipment	\$0.083	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	\$19.400											
Distribution												
870 Dist Op-Supervision & Engineering (Including Payroll Taxes)	\$21.133	100.0%	60.1%	3.1%	36.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
874 Dist Op-Mains & Services Expenses	\$11.229	100.0%	0.0%	7.9%	92.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
875 Dist Op-Meas & Reg Station Expenses General	\$0.549	100.0%	0.0%	7.9%	92.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
878 Dist Op-Meter & House Regulator Expenses	\$5.467	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
879 Dist Op-Customer Installations Expenses	\$68.296	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
880 Dist Op-Other Expenses (PBR Ex Haz Waste)	\$29.208	100.0%	68.9%	2.5%	28.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
881 Dist Op-Rents	\$0.012	100.0%	65.0%	2.8%	32.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
885 Dist Mnt-Supervision & Engineering	\$3.544	100.0%	58.0%	3.3%	38.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
886 Maintenance of Structures and Improvements	\$0.000	100.0%	81.7%	1.4%	16.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
887 Dist Mnt-Mains	\$6.970	100.0%	23.5%	6.0%	70.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
889 Dist Mnt-Meas & Reg Station Equipment General	\$0.796	100.0%	0.0%	7.9%	92.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
892 Dist Mnt-Services	\$7.995	100.0%	99.6%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
893 Dist Mnt-Meters & House Regulators	\$3.209	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
894 Dist Mnt-Other Equipment	\$0.023	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	\$158.431											

Southern California Gas Company
Embedded Cost Study
Labor Functional Factors
\$'s millions
Date: 9-29-2008

	Total	Total functional base	Total Customer-Related	Distribution - High Pressure	Distribution - Medium Pressure	Transmission	Core Reservoir - Inventory	Core Reservoir - Injection	Core Reservoir - Withdrawal	Load Balancing - Inventory	Load Balancing - Injection	Load Balancing - Withdrawal
Customer Accounts												
901 Customer Accounts Super (PBR Exl. CARE)	\$2.179	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
902 Cus Acct-Meter Reading Expenses	\$17.205	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
903 Cus Acct-Customer Records & Collections Exp	\$62.242	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
904 Cus Acct-Uncollectible Accounts	\$0.000	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
905 Cus Acct-Misc Customer Accounts Exp	\$0.003	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	<u>\$81.629</u>											
Customer Services												
907 Cus Svc-Supervision + Payroll Taxes	\$0.521	100.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.2%	0.5%	0.0%	0.1%	0.1%
908 Cus Svc-Cust Assist Exp (PBR Ex DAP, DSM &Self-Gen)	\$13.684	100.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.2%	0.5%	0.0%	0.1%	0.1%
909 Cus Svc-Info & Instruction Exp	\$1.397	100.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.2%	0.5%	0.0%	0.1%	0.1%
910 Cus Svc-Misc CSI Exp (PBR Ex DSM & NGV)	\$0.288	100.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.2%	0.5%	0.0%	0.1%	0.1%
	<u>\$15.891</u>											
	<u>\$288.484</u>											
Labor Factor	100.0%											

Southern California Gas Company
Embedded Cost Study
Labor Functional Factors
\$'s millions
Date: 9-29-2008

	Unbundle d Storage		
	Ex. From Base Margin	Non-DSM Cust Svc & Info	Exclusive Use
Storage			
814 UndStr Op-Supervision & Engineering	33.4%	0.0%	0.0%
815 UndStr Op-Maps & Records	33.4%	0.0%	0.0%
816 UndStr Op-Wells Expenses	33.4%	0.0%	0.0%
817 UndStr Op-Lines Expense	33.4%	0.0%	0.0%
818 UndStr Op-Compressor Station Expense	33.4%	0.0%	0.0%
819 UndStr Op-Compress Station Fuel & Power (PBR Excluded)	33.4%	0.0%	0.0%
820 UndStr Op-Meas & Reg Station Expenses	33.4%	0.0%	0.0%
821 UndStr Op-Purification Expenses	33.4%	0.0%	0.0%
823 UndStr Op-Gas Losses (PBR Excluded)	33.4%	0.0%	0.0%
824 UndStr Op-Other Expenses	33.4%	0.0%	0.0%
825 UndStr Op-Storage Well Royalties	33.4%	0.0%	0.0%
826 UndStr Op-Rents	33.4%	0.0%	0.0%
830 UndStr Mnt-Supervision & Engineering	33.4%	0.0%	0.0%
831 UndStr Mnt-Structures & Improvements	33.4%	0.0%	0.0%
832 UndStr Mnt-Reservoirs & Wells	33.4%	0.0%	0.0%
833 UndStr Mnt-Lines	33.4%	0.0%	0.0%
834 UndStr Mnt-Compressor Station Equipment	33.4%	0.0%	0.0%
835 UndStr Mnt-Meas & Reg Station Equipment	33.4%	0.0%	0.0%
836 UndStr Mnt-Purification Equipment	33.4%	0.0%	0.0%
837 UndStr Mnt-Other Equipment	33.4%	0.0%	0.0%
Storage Costs	33.4%	0.0%	0.0%

Southern California Gas Company
Embedded Cost Study
Labor Functional Factors
\$'s millions
Date: 9-29-2008

	Unbundle d Storage		
	Ex. From Base Margin	Non-DSM Cust Svc & Info	Exclusive Use
Transmission			
850 Tran Oper Supervision	0.0%	0.0%	0.0%
851 Tran Op-System Control & Load Dispatching	0.0%	0.0%	0.0%
852 Tran Op-Communication System Expenses	0.0%	0.0%	0.0%
853 Tran Op-Compressor Station Labor & Expenses	0.0%	0.0%	0.0%
854&855 Tran Op-Gas From Comp Sta Fuel (PBR Excluded)	0.0%	0.0%	0.0%
856 Tran Op-Mains Expenses	0.0%	0.0%	0.0%
857 Tran Op-Measuring & Regulating Station Expenses	0.0%	0.0%	0.0%
858 Tran Op-Transmission & Compression Of Gas By Other	0.0%	0.0%	0.0%
859 Tran Op-Other Expenses (PBR excl Haz Waste)	0.0%	0.0%	0.0%
860 Tran Op-Rents	0.0%	0.0%	0.0%
860 Maintenance Supervision & Engineering	0.0%	0.0%	0.0%
862 Tran Mnt-Structures & Improvements	0.0%	0.0%	0.0%
863 Tran Mnt-Mains	0.0%	0.0%	0.0%
864 Tran Mnt-Compressor Station Equipment	0.0%	0.0%	0.0%
865 Tran Mnt-Measuring & Regulating Station Equipment	0.0%	0.0%	0.0%
867 Tran Mnt-Other Equipment	0.0%	0.0%	0.0%
Distribution			
870 Dist Op-Supervision & Engineering (Including Payroll Taxes)	0.0%	0.0%	0.0%
874 Dist Op-Mains & Services Expenses	0.0%	0.0%	0.0%
875 Dist Op-Meas & Reg Station Expenses General	0.0%	0.0%	0.0%
878 Dist Op-Meter & House Regulator Expenses	0.0%	0.0%	0.0%
879 Dist Op-Customer Installations Expenses	0.0%	0.0%	0.0%
880 Dist Op-Other Expenses (PBR Ex Haz Waste)	0.0%	0.0%	0.0%
881 Dist Op-Rents	0.0%	0.0%	0.0%
885 Dist Mnt-Supervision & Engineering	0.0%	0.0%	0.0%
886 Maintenance of Structures and Improvements	0.0%	0.0%	0.0%
887 Dist Mnt-Mains	0.0%	0.0%	0.0%
889 Dist Mnt-Meas & Reg Station Equipment General	0.0%	0.0%	0.0%
892 Dist Mnt-Services	0.0%	0.0%	0.0%
893 Dist Mnt-Meters & House Regulators	0.0%	0.0%	0.0%
894 Dist Mnt-Other Equipment	0.0%	0.0%	0.0%

Southern California Gas Company
Embedded Cost Study
Labor Functional Factors
\$'s millions
Date: 9-29-2008

	Unbundle d Storage		
	Ex. From Base Margin	Non-DSM Cust Svc & Info	Exclusive Use
Customer Accounts			
901 Customer Accounts Super (PBR Exl. CARE)	0.0%	0.0%	0.0%
902 Cus Acct-Meter Reading Expenses	0.0%	0.0%	0.0%
903 Cus Acct-Customer Records & Collections Exp	0.0%	0.0%	0.0%
904 Cus Acct-Uncollectible Accounts	0.0%	0.0%	0.0%
905 Cus Acct-Misc Customer Accounts Exp	0.0%	0.0%	0.0%
Customer Services			
907 Cus Svc-Supervision + Payroll Taxes	0.6%	98.1%	0.0%
908 Cus Svc-Cust Assist Exp (PBR Ex DAP, DSM &Self-Gen)	0.6%	98.1%	0.0%
909 Cus Svc-Info & Instruction Exp	0.6%	98.1%	0.0%
910 Cus Svc-Misc CSI Exp (PBR Ex DSM & NGV)	0.6%	98.1%	0.0%
<hr/> Labor Factor <hr/> <hr/>			

Southern California Gas Company
Embedded Cost Study
Calculation & Functionalization of Base Margin
\$'s millions

Date: 9-29-2008

Table 21

Distribution Plant Depreciation: Allocators		\$ Millions	Customer-Related
374.1- LAND	Dist O&M Factor for Plant	\$0.00	\$0.00
374.2- LAND RIGHTS	% dist main footage	\$0.00	\$0.00
375- STRUCTURES & IMPR	Dist O&M Factor for Plant	\$5.30	\$4.07
376- MAINS-INCL. CATHO	376 Mains Incl Cath	\$74.32	\$0.00
376.05- MAINS - DEEP WELL	Net Plant Factor/376.05 Mains Deep Well	\$0.00	\$0.00
378.1- MEAS & REG/CO PRO	% dist main footage	\$3.56	\$0.00
380- DISTRIB. SERVICES	Net Plant Factor/380 Dist Services	\$63.01	\$63.01
381- METERS	Net Plant Factor/381 Meters	\$11.43	\$11.43
382- CUSTOMER INSTALL.	Net Plant Factor/382 Customer Install	\$5.78	\$5.78
382.6- CUST MEASURE-GEMS	Net Plant Factor/382.6 Cust Measure GEMS	\$1.59	\$1.59
383- HOUSE REGULATORS	Net Plant Factor/383 House Regs	\$3.03	\$3.03
387.1- OTHER EQUIPMENT	% dist main footage	\$1.62	\$0.00
387.2- FUELING STNS-NGV	excluded	\$0.96	\$0.00
387.6- STREET LIGHT. EQP	Net Plant Factor/387.6 Street Light Eq	\$0.00	\$0.00
Total		\$170.60	\$88.92

Southern California Gas Company
Embedded Cost Study
Detailed Functionalization of Customer Related
\$'s millions
Date: 9-29-2008

Function Method	Total Customer-Related	Dist Customer Services	Dist Meter & House Regs	Dist Service Lines	Cust Acct-Supervision
Ratebase					
Authorized ROR%					
Return					
Functionalized Return:					
Storage	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
Transmission	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
Distribution Excl NGV	NPF CR for Detail Func CR	\$111.778	\$0.000	\$0.000	\$0.000
NGV	NPF CR for Detail Func CR	\$0.297	\$0.000	\$0.000	\$0.000
General Plant	NPF CR for Detail Func CR	\$8.727	\$0.000	\$0.000	\$0.000
Functionalized Return	\$120.802	\$120.802	\$0.000	\$0.000	\$0.000
Functionalized Depreciation:					
Storage Depreciation					
350.1- GAS STORED UNDRGR	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
350.1- LAND	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
350.3- STORAGE RTS & OIL	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
350.4- RIGHTS OF WAY	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
351.2- COMPRESS STN STRU	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
351.4- STRUC & IMPR-CITY	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
352.2- UGS WELLS- ALISO	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
352.4- UNDBG WELLS-CITY	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
353.2- UGS LINES - ALISO	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
353.4- UNDBG LINES-CITY	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
354- COMPRES STN EQUIP	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
355- MEAS & REG EQUIP	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
356.2- PURIF EQUIP-ALISO	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
356.4- PURIF EQUIP-CITY	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
357- OTHER EQUIPMENT	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
		\$0.000	\$0.000	\$0.000	\$0.000

Southern California Gas Company
Embedded Cost Study
Detailed Functionalization of Customer Related
\$'s millions
Date: 9-29-2008

Function Method	Total Customer-Related	Dist Customer Services	Dist Meter & House Regs	Dist Service Lines	Cust Acct-Supervision
Transmission Plant depreciation:					
365.1- LAND	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
365.105- LAND - KERN/MOJAV	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
365.2- RIGHTS OF WAY	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
366- STRUC. & IMPRV MNT	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
366.1- STRUCTURES - KERN	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
367- MAINS - INCL. CAT	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
367.055- Trans mains - Dee	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
367.1- MAINS - KERN/MOJA	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
367.3- LEASED IMPROVEMENT	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
368- COMPRES STN EQUIP	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
368.1- STN EQUIP - KERN	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
369.1- MEAS & REG/CO PRO	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
371- OTHER EQUIPMENT	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
		\$0.000	\$0.000	\$0.000	\$0.000
Distribution Plant Depreciation:					
374.1- LAND	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
374.2- LAND RIGHTS	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
375- STRUCTURES & IMPR	NPF CR for Detail Func CR	\$4.175	\$0.000	\$0.000	\$0.000
376- MAINS-INCL. CATHO	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
376.05- MAINS - DEEP WELL	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
378.1- MEAS & REG/CO PRO	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
380- DISTRIB. SERVICES	NPF CR for Detail Func CR	\$65.590	\$0.000	\$0.000	\$0.000
381- METERS	NPF CR for Detail Func CR	\$12.145	\$0.000	\$0.000	\$0.000
382- CUSTOMER INSTALL.	NPF CR for Detail Func CR	\$6.407	\$0.000	\$0.000	\$0.000
382.6- CUST MEASURE-GEMS	NPF CR for Detail Func CR	\$1.587	\$0.000	\$0.000	\$0.000
383- HOUSE REGULATORS	NPF CR for Detail Func CR	\$3.143	\$0.000	\$0.000	\$0.000
387.1- OTHER EQUIPMENT	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
387.2- FUELING STNS-NGV	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
387.6- STREET LIGHT. EQP	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
		\$93.047	\$0.000	\$0.000	\$0.000

Southern California Gas Company
Embedded Cost Study
Detailed Functionalization of Customer Related
\$'s millions

Date: 9-29-2008

	Function Method	Total Customer-Related	Dist Customer Services	Dist Meter & House Regs	Dist Service Lines	Cust Acct-Supervision
		\$93.047				
NGV - Account 387.200 FUELING STNS-NGV	NPF CR for Detail Func CR	\$0.653	\$0.000	\$0.000	\$0.000	\$0.000
General Plant						
389.1- LAND	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
389.2- LAND RIGHTS	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
390- STRUCTURES & IMPR	NPF CR for Detail Func CR	\$7.519	\$0.000	\$0.000	\$0.000	\$0.000
391.1- OFFC FURN & EQUIP	NPF CR for Detail Func CR	\$24.481	\$0.000	\$0.000	\$0.000	\$0.000
391.2- COMPUTER EQUIP.	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
391.3- COMPUTER SOFTWARE	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
391.4- COMPUTER SOFTWARE	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
391.5- COMPUTER SOFTWARE	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
391.6- COMPUTER SOFTWARE	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
392- TRANSPORT. EQUIP.	NPF CR for Detail Func CR	\$0.011	\$0.000	\$0.000	\$0.000	\$0.000
393- STORES EQUIPMENT	NPF CR for Detail Func CR	\$0.018	\$0.000	\$0.000	\$0.000	\$0.000
394.1- SHOP & GARAGE EQU	NPF CR for Detail Func CR	\$1.126	\$0.000	\$0.000	\$0.000	\$0.000
394.103- CAPITAL TOOL-KERN	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
394.3- LRGE PRTBLE TOOLS	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
395- LABORATORY EQUIP.	NPF CR for Detail Func CR	\$0.127	\$0.000	\$0.000	\$0.000	\$0.000
396- CONSTRUCTION EQUI	NPF CR for Detail Func CR	\$0.001	\$0.000	\$0.000	\$0.000	\$0.000
397- COMMUNICATION EQU	NPF CR for Detail Func CR	\$5.119	\$0.000	\$0.000	\$0.000	\$0.000
397.001- GEN NETWORK EQP	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
397.002- PBX & OTHER VOICE	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
397.003- MICROWAVE & RADIO	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
397.004- COMMUNIC. STRUCT	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
397.01- AUTO EQUIP	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
398- MISCELLANEOUS EQU	NPF CR for Detail Func CR	\$0.271	\$0.000	\$0.000	\$0.000	\$0.000
		38.672	\$38.672	\$0.000	\$0.000	\$0.000

Southern California Gas Company
Embedded Cost Study
Detailed Functionalization of Customer Related
\$'s millions

Date: 9-29-2008

Function Method	Total Customer-Related	Dist Customer Services	Dist Meter & House Regs	Dist Service Lines	Cust Acct-Supervision
Functionalized Depreciation	\$132.371	\$0.000	\$0.000	\$0.000	\$0.000
Functionalized Taxes:					
Storage	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
Transmission	NPF CR for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
Distribution Excl NGV	NPF CR for Detail Func CR	\$84.005	\$0.000	\$0.000	\$0.000
NGV	NPF CR for Detail Func CR	\$0.193	\$0.000	\$0.000	\$0.000
General Plant	NPF CR for Detail Func CR	\$5.668	\$0.000	\$0.000	\$0.000
Functionalized Taxes:	89.866	\$89.866	\$0.000	\$0.000	\$0.000
Miscellaneous Revenue	(\$48.790)	(\$48.790)	\$0.000	\$0.000	\$0.000
Base Margin Before Reconcile	\$941.060	\$941.060	\$216.353	\$66.124	\$73.516
Target Base Margin	Check OK	\$17.428			
Reconciliation	CR Base Margin Recon	\$17.428	\$4.007	\$1.225	\$1.362
Base Margin	\$958.488	\$958.488	\$220.360	\$67.349	\$74.877
				\$23.116	

Southern California Gas Company
Embedded Cost Study
Detailed Functionalization of Customer Related
\$'s millions
Date: 9-29-2008

	Cust Acct- Meter Reading Exp	Cust Acct-Cust Records & Coll Exp	Cust Acct-Misc Cust Accts Exp	Customer Services O&M	Dist Land, Structures, & Imprvmnts	Services	Meters	Customer Installations
Ratebase								
Authorized ROR%								
Return								
Functionalized Return:								
Storage	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Transmission	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Distribution Excl NGV	\$0.000	\$0.000	\$0.000	\$0.000	\$15.521	\$45.291	\$32.378	\$9.484
NGV	\$0.000	\$0.000	\$0.000	\$0.000	\$0.041	\$0.120	\$0.086	\$0.025
General Plant	\$0.000	\$0.000	\$0.000	\$0.000	\$1.212	\$3.536	\$2.528	\$0.741
Functionalized Return	\$0.000	\$0.000	\$0.000	\$0.000	\$16.775	\$48.948	\$34.992	\$10.250
Functionalized Depreciation:								
Storage Depreciation								
350.1- GAS STORED UNDRGR	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
350.1- LAND	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
350.3- STORAGE RTS & OIL	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
350.4- RIGHTS OF WAY	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
351.2- COMPRESS STN STRU	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
351.4- STRUC & IMPR-CITY	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
352.2- UGS WELLS- ALISO	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
352.4- UNGD WELLS-CITY	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
353.2- UGS LINES - ALISO	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
353.4- UNGD LINES-CITY	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
354- COMPRES STN EQUIP	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
355- MEAS & REG EQUIP	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
356.2- PURIF EQUIP-ALISO	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
356.4- PURIF EQUIP-CITY	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
357- OTHER EQUIPMENT	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

Southern California Gas Company
Embedded Cost Study
Detailed Functionalization of Customer Related
\$'s millions

Date: 9-29-2008

	Cust Acct- Meter Reading Exp	Cust Acct-Cust Records & Coll Exp	Cust Acct-Misc Cust Accts Exp	Customer Services O&M	Dist Land, Structures, & Imprvmnts	Services	Meters	Customer Installations
Transmission Plant depreciation:								
365.1- LAND	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
365.105- LAND - KERN/MOJAV	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
365.2- RIGHTS OF WAY	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
366- STRUC. & IMPRVMNT	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
366.1- STRUCTURES - KERN	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
367- MAINS - INCL. CAT	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
367.055- Trans mains - Dee	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
367.1- MAINS - KERN/MOJA	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
367.3- LEASED IMPROVEMENT	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
368- COMPRES STN EQUIP	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
368.1- STN EQUIP - KERN	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
369.1- MEAS & REG/CO PRO	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
371- OTHER EQUIPMENT	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Distribution Plant Depreciation:								
374.1- LAND	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
374.2- LAND RIGHTS	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
375- STRUCTURES & IMPR	\$0.000	\$0.000	\$0.000	\$0.000	\$0.580	\$1.692	\$1.209	\$0.354
376- MAINS-INCL. CATHO	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
376.05- MAINS - DEEP WELL	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
378.1- MEAS & REG/CO PRO	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
380- DISTRIB. SERVICES	\$0.000	\$0.000	\$0.000	\$0.000	\$9.108	\$26.576	\$18.999	\$5.565
381- METERS	\$0.000	\$0.000	\$0.000	\$0.000	\$1.686	\$4.921	\$3.518	\$1.031
382- CUSTOMER INSTALL.	\$0.000	\$0.000	\$0.000	\$0.000	\$0.890	\$2.596	\$1.856	\$0.544
382.6- CUST MEASURE-GEMS	\$0.000	\$0.000	\$0.000	\$0.000	\$0.220	\$0.643	\$0.460	\$0.135
383- HOUSE REGULATORS	\$0.000	\$0.000	\$0.000	\$0.000	\$0.436	\$1.274	\$0.910	\$0.267
387.1- OTHER EQUIPMENT	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
387.2- FUELING STNS-NGV	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
387.6- STREET LIGHT. EQP	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
	\$0.000	\$0.000	\$0.000	\$0.000	\$12.920	\$37.701	\$26.952	\$7.895

Southern California Gas Company
 Embedded Cost Study
 Detailed Functionalization of Customer Related
 \$'s millions

Date: 9-29-2008

	Cust Acct- Meter Reading Exp	Cust Acct-Cust Records & Coll Exp	Cust Acct-Misc Cust Accts Exp	Customer Services O&M	Dist Land, Structures, & Imprvmnts	Services	Meters	Customer Installations
NGV - Account 387.200 FUELING STNS-NGV	\$0.000	\$0.000	\$0.000	\$0.000	\$0.091	\$0.265	\$0.189	\$0.055
General Plant								
389.1- LAND	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
389.2- LAND RIGHTS	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
390- STRUCTURES & IMPR	\$0.000	\$0.000	\$0.000	\$0.000	\$1.044	\$3.047	\$2.178	\$0.638
391.1- OFFC FURN & EQUIP	\$0.000	\$0.000	\$0.000	\$0.000	\$3.399	\$9.919	\$7.091	\$2.077
391.2- COMPUTER EQUIP.	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
391.3- COMPUTER SOFTWARE	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
391.4- COMPUTER SOFTWARE	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
391.5- COMPUTER SOFTWARE	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
391.6- COMPUTER SOFTWARE	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
392- TRANSPORT. EQUIP.	\$0.000	\$0.000	\$0.000	\$0.000	\$0.001	\$0.004	\$0.003	\$0.001
393- STORES EQUIPMENT	\$0.000	\$0.000	\$0.000	\$0.000	\$0.002	\$0.007	\$0.005	\$0.001
394.1- SHOP & GARAGE EQU	\$0.000	\$0.000	\$0.000	\$0.000	\$0.156	\$0.456	\$0.326	\$0.096
394.103- CAPITAL TOOL-KERN	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
394.3- LRGE PRTBLE TOOLS	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
395- LABORATORY EQUIP.	\$0.000	\$0.000	\$0.000	\$0.000	\$0.018	\$0.052	\$0.037	\$0.011
396- CONSTRUCTION EQUI	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
397- COMMUNICATION EQU	\$0.000	\$0.000	\$0.000	\$0.000	\$0.711	\$2.074	\$1.483	\$0.434
397.001- GEN NETWORK EQP	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
397.002- PBX & OTHER VOICE	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
397.003- MICROWAVE & RADIO	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
397.004- COMMUNIC. STRUCT	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
397.01- AUTO EQUIP	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
398- MISCELLANEOUS EQU	\$0.000	\$0.000	\$0.000	\$0.000	\$0.038	\$0.110	\$0.079	\$0.023
	\$0.000	\$0.000	\$0.000	\$0.000	\$5.370	\$15.669	\$11.202	\$3.281

Southern California Gas Company
Embedded Cost Study
Detailed Functionalization of Customer Related
\$'s millions

Date: 9-29-2008

	Cust Acct- Meter Reading Exp	Cust Acct-Cust Records & Coll Exp	Cust Acct-Misc Cust Accts Exp	Customer Services O&M	Dist Land, Structures, & Imprvmnts	Services	Meters	Customer Installations
Functionalized Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$18.381	\$53.635	\$38.343	\$11.232
Functionalized Taxes:								
Storage	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Transmission	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Distribution Excl NGV	\$0.000	\$0.000	\$0.000	\$0.000	\$11.665	\$34.038	\$24.333	\$7.128
NGV	\$0.000	\$0.000	\$0.000	\$0.000	\$0.027	\$0.078	\$0.056	\$0.016
General Plant	\$0.000	\$0.000	\$0.000	\$0.000	\$0.787	\$2.297	\$1.642	\$0.481
Functionalized Taxes:	\$0.000	\$0.000	\$0.000	\$0.000	\$12.479	\$36.413	\$26.031	\$7.625
Miscellaneous Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Base Margin Before Reconcile	\$58.061	\$210.049	\$0.010	\$646.810	\$47.634	\$138.996	\$99.367	\$29.107
Target Base Margin								
Reconciliation	\$1.075	\$3.890	\$0.000	\$11.979	\$0.882	\$2.574	\$1.840	\$0.539
Base Margin	\$59.136	\$213.940	\$0.010	\$299.699	\$48.517	\$141.570	\$101.207	\$29.646

Southern California Gas Company
Embedded Cost Study
Detailed Functionalization of Customer Related
\$'s millions
Date: 9-29-2008

	GEMS	Regulators	Gauges	Exclusive Use Mains	Customer Services Capital	Related Misc Revenues	Total Customer- Related	Total Customer- Related	Dist Customer Services
Ratebase									
Authorized ROR%									
Return									
Functionalized Return:									
Storage	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
Transmission	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
Distribution Excl NGV	\$0.490	\$7.728	\$0.885	\$0.000	\$111.778	\$0.000	\$111.778	100.0%	0.0%
NGV	\$0.001	\$0.021	\$0.002	\$0.000	\$0.297	\$0.000	\$0.297	100.0%	0.0%
General Plant	\$0.038	\$0.603	\$0.069	\$0.000	\$8.727	\$0.000	\$8.727	100.0%	0.0%
Functionalized Return	\$0.529	\$8.352	\$0.957	\$0.000	\$120.802	\$0.000	\$120.802		
Functionalized Depreciation:									
Storage Depreciation									
350.1- GAS STORED UNDRGR	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
350.1- LAND	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
350.3- STORAGE RTS & OIL	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
350.4- RIGHTS OF WAY	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
351.2- COMPRESS STN STRU	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
351.4- STRUC & IMPR-CITY	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
352.2- UGS WELLS- ALISO	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
352.4- UNDBG WELLS-CITY	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
353.2- UGS LINES - ALISO	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
353.4- UNDBG LINES-CITY	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
354- COMPRES STN EQUIP	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
355- MEAS & REG EQUIP	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
356.2- PURIF EQUIP-ALISO	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
356.4- PURIF EQUIP-CITY	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
357- OTHER EQUIPMENT	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000		

Southern California Gas Company
Embedded Cost Study
Detailed Functionalization of Customer Related
\$'s millions

Date: 9-29-2008

	GEMS	Regulators	Gauges	Exclusive Use Mains	Customer Services Capital	Related Misc Revenues	Total Customer- Related	Total Customer- Related	Dist Customer Services
Transmission Plant depreciation:									
365.1- LAND	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
365.105- LAND - KERN/MOJAV	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
365.2- RIGHTS OF WAY	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
366- STRUC. & IMPRVMNT	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
366.1- STRUCTURES - KERN	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
367- MAINS - INCL. CAT	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
367.055- Trans mains - Dee	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
367.1- MAINS - KERN/MOJA	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
367.3- LEASED IMPROVEMENT	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
368- COMPRES STN EQUIP	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
368.1- STN EQUIP - KERN	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
369.1- MEAS & REG/CO PRO	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
371- OTHER EQUIPMENT	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000		
Distribution Plant Depreciation:									
374.1- LAND	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
374.2- LAND RIGHTS	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
375- STRUCTURES & IMPR	\$0.018	\$0.289	\$0.033	\$0.000	\$4.175	\$0.000	\$4.175	100.0%	0.0%
376- MAINS-INCL. CATHO	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
376.05- MAINS - DEEP WELL	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
378.1- MEAS & REG/CO PRO	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
380- DISTRIB. SERVICES	\$0.287	\$4.535	\$0.519	\$0.000	\$65.590	\$0.000	\$65.590	100.0%	0.0%
381- METERS	\$0.053	\$0.840	\$0.096	\$0.000	\$12.145	\$0.000	\$12.145	100.0%	0.0%
382- CUSTOMER INSTALL.	\$0.028	\$0.443	\$0.051	\$0.000	\$6.407	\$0.000	\$6.407	100.0%	0.0%
382.6- CUST MEASURE-GEMS	\$0.007	\$0.110	\$0.013	\$0.000	\$1.587	\$0.000	\$1.587	100.0%	0.0%
383- HOUSE REGULATORS	\$0.014	\$0.217	\$0.025	\$0.000	\$3.143	\$0.000	\$3.143	100.0%	0.0%
387.1- OTHER EQUIPMENT	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
387.2- FUELING STNS-NGV	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
387.6- STREET LIGHT. EQP	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
	\$0.408	\$6.433	\$0.737	\$0.000	\$93.047	\$0.000	\$93.047		

Southern California Gas Company
Embedded Cost Study
Detailed Functionalization of Customer Related
\$'s millions

Date: 9-29-2008

	GEMS	Regulators	Gauges	Exclusive Use Mains	Customer Services Capital	Related Misc Revenues	Total Customer- Related	Total Customer- Related	Dist Customer Services
NGV - Account 387.200 FUELING STNS-NGV	\$0.003	\$0.045	\$0.005	\$0.000	\$0.653	\$0.000	\$0.653	100.0%	0.0%
General Plant									
389.1- LAND	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
389.2- LAND RIGHTS	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
390- STRUCTURES & IMPR	\$0.033	\$0.520	\$0.060	\$0.000	\$7.519	\$0.000	\$7.519	100.0%	0.0%
391.1- OFFC FURN & EQUIP	\$0.107	\$1.693	\$0.194	\$0.000	\$24.481	\$0.000	\$24.481	100.0%	0.0%
391.2- COMPUTER EQUIP.	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
391.3- COMPUTER SOFTWARE	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
391.4- COMPUTER SOFTWARE	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
391.5- COMPUTER SOFTWARE	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
391.6- COMPUTER SOFTWARE	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
392- TRANSPORT. EQUIP.	\$0.000	\$0.001	\$0.000	\$0.000	\$0.011	\$0.000	\$0.011	100.0%	0.0%
393- STORES EQUIPMENT	\$0.000	\$0.001	\$0.000	\$0.000	\$0.018	\$0.000	\$0.018	100.0%	0.0%
394.1- SHOP & GARAGE EQU	\$0.005	\$0.078	\$0.009	\$0.000	\$1.126	\$0.000	\$1.126	100.0%	0.0%
394.103- CAPITAL TOOL-KERN	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
394.3- LRGE PRTBLE TOOLS	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
395- LABORATORY EQUIP.	\$0.001	\$0.009	\$0.001	\$0.000	\$0.127	\$0.000	\$0.127	100.0%	0.0%
396- CONSTRUCTION EQUI	\$0.000	\$0.000	\$0.000	\$0.000	\$0.001	\$0.000	\$0.001	100.0%	0.0%
397- COMMUNICATION EQU	\$0.022	\$0.354	\$0.041	\$0.000	\$5.119	\$0.000	\$5.119	100.0%	0.0%
397.001- GEN NETWORK EQP	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
397.002- PBX & OTHER VOICE	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
397.003- MICROWAVE & RADIO	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
397.004- COMMUNIC. STRUCT	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
397.01- AUTO EQUIP	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
398- MISCELLANEOUS EQU	\$0.001	\$0.019	\$0.002	\$0.000	\$0.271	\$0.000	\$0.271	100.0%	0.0%
	\$0.169	\$2.674	\$0.306	\$0.000	\$38.672	\$0.000	\$38.672		

Southern California Gas Company
Embedded Cost Study
Detailed Functionalization of Customer Related
\$'s millions

Date: 9-29-2008

	GEMS	Regulators	Gauges	Exclusive Use Mains	Customer Services Capital	Related Misc Revenues	Total Customer- Related	Total Customer- Related	Dist Customer Services
Functionalized Depreciation	\$0.580	\$9.152	\$1.048	\$0.000	\$132.371	\$0.000	\$132.371		
Functionalized Taxes:									
Storage	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
Transmission	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	0.0%
Distribution Excl NGV	\$0.368	\$5.808	\$0.665	\$0.000	\$84.005	\$0.000	\$84.005	100.0%	0.0%
NGV	\$0.001	\$0.013	\$0.002	\$0.000	\$0.193	\$0.000	\$0.193	100.0%	0.0%
General Plant	\$0.025	\$0.392	\$0.045	\$0.000	\$5.668	\$0.000	\$5.668	100.0%	0.0%
Functionalized Taxes:	\$0.394	\$6.213	\$0.712	\$0.000	\$89.866	\$0.000	\$89.866		
Miscellaneous Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	(\$48.790)	(\$48.790)	100.0%	0.0%
Base Margin Before Reconcile	\$1.502	\$23.716	\$2.717	\$0.000	\$343.040	(\$48.790)	\$941.060		
Target Base Margin									
Reconciliation	\$0.028	\$0.439	\$0.050	\$0.000	\$6.353	(\$0.904)	\$17.428	100.0%	23.0%
Base Margin	\$1.530	\$24.156	\$2.767	\$0.000	\$349.393	(\$49.693)	\$958.488		

Southern California Gas Company
Embedded Cost Study
Detailed Functionalization of Customer Related
\$'s millions
Date: 9-29-2008

	Dist Meter & House Regs	Dist Service Lines	Cust Acct-Supervision	Meter Reading Exp	Cust Records & Coll Exp	Cust Acct-Misc Cust Accts Exp	Customer Services O&M	Structures, & Imprvmts	Services
Ratebase									
Authorized ROR%									
Return									
Functionalized Return:									
Storage	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
Transmission	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
Distribution Excl NGV	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
NGV	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
General Plant	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
Functionalized Return									
Functionalized Depreciation:									
Storage Depreciation									
350.1- GAS STORED UNDRGR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
350.1- LAND	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
350.3- STORAGE RTS & OIL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
350.4- RIGHTS OF WAY	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
351.2- COMPRESS STN STRU	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
351.4- STRUC & IMPR-CITY	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
352.2- UGS WELLS- ALISO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
352.4- UNGD WELLS-CITY	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
353.2- UGS LINES - ALISO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
353.4- UNGD LINES-CITY	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
354- COMPRES STN EQUIP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
355- MEAS & REG EQUIP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
356.2- PURIF EQUIP-ALISO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
356.4- PURIF EQUIP-CITY	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
357- OTHER EQUIPMENT	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%

Southern California Gas Company
 Embedded Cost Study
 Detailed Functionalization of Customer Related
 \$'s millions

Date: 9-29-2008

	Dist Meter & House Regs	Dist Service Lines	Cust Acct- Supervision	Meter Reading Exp	Cust Records & Coll Exp	Cust Acct- Misc Cust Accts Exp	Customer Services O&M	Structures, & Imprmnts	Services
Transmission Plant depreciation:									
365.1- LAND	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
365.105- LAND - KERN/MOJAV	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
365.2- RIGHTS OF WAY	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
366- STRUC. & IMPRVMT	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
366.1- STRUCTURES - KERN	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
367- MAINS - INCL. CAT	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
367.055- Trans mains - Dee	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
367.1- MAINS - KERN/MOJA	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
367.3- LEASED IMPROVEMENT	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
368- COMPRES STN EQUIP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
368.1- STN EQUIP - KERN	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
369.1- MEAS & REG/CO PRO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
371- OTHER EQUIPMENT	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
Distribution Plant Depreciation:									
374.1- LAND	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
374.2- LAND RIGHTS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
375- STRUCTURES & IMPR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
376- MAINS-INCL. CATHO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
376.05- MAINS - DEEP WELL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
378.1- MEAS & REG/CO PRO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
380- DISTRIB. SERVICES	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
381- METERS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
382- CUSTOMER INSTALL.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
382.6- CUST MEASURE-GEMS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
383- HOUSE REGULATORS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
387.1- OTHER EQUIPMENT	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
387.2- FUELING STNS-NGV	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
387.6- STREET LIGHT. EQP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%

Southern California Gas Company
Embedded Cost Study
Detailed Functionalization of Customer Related
\$'s millions

Date: 9-29-2008

	Dist Meter & House Regs	Dist Service Lines	Cust Acct- Supervision	Meter Reading Exp	Cust Records & Coll Exp	Cust Acct- Misc Cust Accts Exp	Customer Services O&M	Structures, & Imprvmnts	Services
NGV - Account 387.200 FUELING STNS-NGV	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
General Plant									
389.1- LAND	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
389.2- LAND RIGHTS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
390- STRUCTURES & IMPR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
391.1- OFFC FURN & EQUIP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
391.2- COMPUTER EQUIP.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
391.3- COMPUTER SOFTWARE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
391.4- COMPUTER SOFTWARE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
391.5- COMPUTER SOFTWARE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
391.6- COMPUTER SOFTWARE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
392- TRANSPORT. EQUIP.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
393- STORES EQUIPMENT	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
394.1- SHOP & GARAGE EQU	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
394.103- CAPITAL TOOL-KERN	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
394.3- LRGE PRTBLE TOOLS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
395- LABORATORY EQUIP.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
396- CONSTRUCTION EQUI	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
397- COMMUNICATION EQU	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
397.001- GEN NETWORK EQP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
397.002- PBX & OTHER VOICE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
397.003- MICROWAVE & RADIO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
397.004- COMMUNIC. STRUCT	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
397.01- AUTO EQUIP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
398- MISCELLANEOUS EQU	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%

Southern California Gas Company
Embedded Cost Study
Detailed Functionalization of Customer Related
\$'s millions

Date: 9-29-2008

	Dist Meter & House Regs	Dist Service Lines	Cust Acct- Supervision	Meter Reading Exp	Cust Records & Coll Exp	Cust Acct- Misc Cust Accts Exp	Customer Services O&M	Structures, & Imprvmnts	Services
Functionalized Depreciation									
Functionalized Taxes:									
Storage	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
Transmission	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
Distribution Excl NGV	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
NGV	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
General Plant	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.9%	40.5%
Functionalized Taxes:									
Miscellaneous Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base Margin Before Reconcile									
Target Base Margin									
Reconciliation	7.0%	7.8%	2.4%	6.2%	22.3%	0.0%	68.7%	5.1%	14.8%
Base Margin									

Southern California Gas Company
Embedded Cost Study
Detailed Functionalization of Customer Related
\$'s millions
Date: 9-29-2008

	Meters	Customer Installations	GEMS	Regulators	Gauges	Exclusive Use Mains	Customer Services Capital	Related Misc Revenues
Ratebase								
Authorized ROR%								
Return								
Functionalized Return:								
Storage	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
Transmission	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
Distribution Excl NGV	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
NGV	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
General Plant	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
Functionalized Return								
Functionalized Depreciation:								
Storage Depreciation								
350.1- GAS STORED UNDRGR	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
350.1- LAND	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
350.3- STORAGE RTS & OIL	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
350.4- RIGHTS OF WAY	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
351.2- COMPRESS STN STRU	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
351.4- STRUC & IMPR-CITY	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
352.2- UGS WELLS- ALISO	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
352.4- UNGD WELLS-CITY	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
353.2- UGS LINES - ALISO	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
353.4- UNGD LINES-CITY	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
354- COMPRES STN EQUIP	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
355- MEAS & REG EQUIP	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
356.2- PURIF EQUIP-ALISO	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
356.4- PURIF EQUIP-CITY	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
357- OTHER EQUIPMENT	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%

Southern California Gas Company
Embedded Cost Study
Detailed Functionalization of Customer Related
\$'s millions

Date: 9-29-2008

	Meters	Customer Installations	GEMS	Regulators	Gauges	Exclusive Use Mains	Customer Services Capital	Related Misc Revenues
Transmission Plant depreciation:								
365.1- LAND	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
365.105- LAND - KERN/MOJAV	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
365.2- RIGHTS OF WAY	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
366- STRUC. & IMPRVMT	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
366.1- STRUCTURES - KERN	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
367- MAINS - INCL. CAT	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
367.055- Trans mains - Dee	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
367.1- MAINS - KERN/MOJA	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
367.3- LEASED IMPROVEMENT	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
368- COMPRES STN EQUIP	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
368.1- STN EQUIP - KERN	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
369.1- MEAS & REG/CO PRO	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
371- OTHER EQUIPMENT	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
Distribution Plant Depreciation:								
374.1- LAND	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
374.2- LAND RIGHTS	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
375- STRUCTURES & IMPR	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
376- MAINS-INCL. CATHO	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
376.05- MAINS - DEEP WELL	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
378.1- MEAS & REG/CO PRO	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
380- DISTRIB. SERVICES	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
381- METERS	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
382- CUSTOMER INSTALL.	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
382.6- CUST MEASURE-GEMS	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
383- HOUSE REGULATORS	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
387.1- OTHER EQUIPMENT	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
387.2- FUELING STNS-NGV	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
387.6- STREET LIGHT. EQP	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%

Southern California Gas Company
Embedded Cost Study
Detailed Functionalization of Customer Related
\$'s millions

Date: 9-29-2008

	Meters	Customer Installations	GEMS	Regulators	Gauges	Exclusive Use Mains	Customer Services Capital	Related Misc Revenues
NGV - Account 387.200 FUELING STNS-NGV	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
General Plant								
389.1- LAND	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
389.2- LAND RIGHTS	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
390- STRUCTURES & IMPR	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
391.1- OFFC FURN & EQUIP	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
391.2- COMPUTER EQUIP.	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
391.3- COMPUTER SOFTWARE	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
391.4- COMPUTER SOFTWARE	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
391.5- COMPUTER SOFTWARE	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
391.6- COMPUTER SOFTWARE	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
392- TRANSPORT. EQUIP.	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
393- STORES EQUIPMENT	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
394.1- SHOP & GARAGE EQU	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
394.103- CAPITAL TOOL-KERN	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
394.3- LRGE PRTBLE TOOLS	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
395- LABORATORY EQUIP.	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
396- CONSTRUCTION EQUI	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
397- COMMUNICATION EQU	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
397.001- GEN NETWORK EQP	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
397.002- PBX & OTHER VOICE	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
397.003- MICROWAVE & RADIO	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
397.004- COMMUNIC. STRUCT	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
397.01- AUTO EQUIP	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
398- MISCELLANEOUS EQU	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%

Southern California Gas Company
Embedded Cost Study
Detailed Functionalization of Customer Related
\$'s millions

Date: 9-29-2008

	Meters	Customer Installations	GEMS	Regulators	Gauges	Exclusive Use Mains	Customer Services Capital	Related Misc Revenues
Functionalized Depreciation								
Functionalized Taxes:								
Storage	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
Transmission	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
Distribution Excl NGV	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
NGV	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
General Plant	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%	0.0%
Functionalized Taxes:								
Miscellaneous Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Base Margin Before Reconcile								
Target Base Margin								
Reconciliation	10.6%	3.1%	0.2%	2.5%	0.3%	0.00%	36.5%	-5.2%
Base Margin								

Allocators	Residential	(& G-20)	G-AC	G-GE	NGV	Core	G-30
Meters Unit Cost							
No. meters times unit cost (\$MM)	\$271.308	\$44.220	\$0.016	\$0.701	\$0.205	\$316.450	\$2.421
No. meters times unit cost (\$MM)	84.7%	13.8%	0.0%	0.2%	0.1%	98.8%	0.8%
Service Line Ft							
Service line footage by class (feet)	276,648,838	18,640,641	1,613	787,086	33,887	296,112,065	244,274
	93.3%	6.3%	0.0%	0.3%	0.0%	99.9%	0.1%
Customer Accounts							
Number of Customers	5,455,350	215,286	16	845	273	5,671,770	705
	96.168%	3.795%	0.000%	0.015%	0.005%	99.983%	0.012%
Sum of Dist O&M Exp (\$MM)							
Dist Customer Services	\$191.478	\$28.161	\$0.001	\$0.139	\$0.020	\$219.799	\$0.524
Dist Meter & House Regs	\$57.059	\$9.300	\$0.003	\$0.147	\$0.043	\$66.553	\$0.509
Dist Service Lines	\$69.884	\$4.709	\$0.000	\$0.199	\$0.009	\$74.801	\$0.062
	\$318.421	\$42.169	\$0.004	\$0.486	\$0.072	\$361.152	\$1.095
	87.8%	11.6%	0.0%	0.1%	0.0%	99.6%	0.3%
Service Line Weighted NBV (\$MM)							
	\$312.460	\$18.913	\$0.001	\$1.300	\$0.123	\$332.798	\$0.747
	93.5%	5.7%	0.0%	0.4%	0.0%	99.5%	0.2%
Weighted Meters NBV (\$MM)							
	\$191.102	\$33.693	\$0.012	\$0.400	\$0.694	\$225.901	\$3.623
	80.9%	14.3%	0.0%	0.2%	0.3%	95.6%	1.5%
GEMS (\$MM)							
GEMS	\$0.000	\$0.061	\$0.000	\$0.000	\$0.000	\$0.061	\$2.134
EG's Exclusive Use Mains NBV (\$)							
GEMS less EG's Exclusive Use Mains NBV	\$0.000	\$0.061	\$0.000	\$0.000	\$0.000	\$0.061	\$2.134
	0.0%	1.5%	0.0%	0.0%	0.0%	1.5%	54.0%
Regulator NBV on Meter sizes (\$MM)							
	\$15.960	\$38.250	\$0.007	\$0.177	\$1.062	\$55.456	\$3.513
	25.4%	60.8%	0.0%	0.3%	1.7%	88.2%	5.6%
Above Standard Pressure Meters (#)							
	2,625	13,425	12	332	90	16,484	690
	15.1%	77.0%	0.1%	1.9%	0.5%	94.6%	4.0%
NGV Depreciation \$ Millions							
	\$0.8	\$0.1	\$0.0	\$0.0	\$0.0	\$1.0	\$0.0
	87.8%	11.6%	0.0%	0.1%	0.0%	99.6%	0.3%
# Customers							
	5,455,350	215,286	16	845	273	5,671,770	705
	96.2%	3.8%	0.0%	0.0%	0.0%	100.0%	0.0%

Allocators

	Residential	(& G-20)	G-AC	G-GE	NGV	Core	G-30
Local Transmission CYPM Mth/Mo	414267	113810	73	845	9813	538,808	128436
	38.8%	10.7%	0.0%	0.1%	0.9%	50.5%	12.0%
HPD CYPM Mth/mo	414,245	112,835	73	809	6,739	534,701	87,904
	60.9%	16.6%	0.0%	0.1%	1.0%	78.7%	12.9%
MPD CYPD Mth/d	25,566	5,434	0	16	27	31,043	1,177
	79.0%	16.8%	0.0%	0.0%	0.1%	96.0%	3.6%
Transmission CYTP Mth/y	2,723,455	1,017,771	1,210	18,080	117,231	3,877,747	1,444,730
	27.3%	10.2%	0.0%	0.2%	1.2%	38.9%	14.5%
AYTP Mth/y	2,483,989	970,519	1,210	18,080	117,231	3,591,030	1,440,163
	25.8%	10.1%	0.0%	0.2%	1.2%	37.4%	15.0%
AYTP Mth/y Excluding SDGE & WS	2,483,989	970,519	1,210	18,080	117,231	3,591,030	1,440,163
	30.8%	12.0%	0.0%	0.2%	1.5%	44.5%	17.8%
Core Reservation-Inventory (mmcf)	53,576	7,724	0	0	0	61,300	0
	76.5%	11.0%	0.0%	0.0%	0.0%	87.6%	0.0%
Core Reservation-Injection (mmcf)							
Core Reservation-Inventory (mmcf)	53,576	7,724	0	0	0	61,300	
Core Reservation-Injection (mmcf)	250	36	0	0	0	286	0
	76.5%	11.0%	0.0%	0.0%	0.0%	87.6%	0.0%
Core Reservation-Withdrawal(mmcfd)							
Medium-Pressure Dist (Peak Day Mth)	25,566	5,434	0	16	27	31,043	
Core Reservation-Withdrawal(mmcfd)	1,594	339	0	1	2	1,935	0
	71.6%	15.2%	0.0%	0.0%	0.1%	87.0%	0.0%
Load Balancing-Inventory (Bcf)							
Average year Throughput Mdth/y	2,483,989	970,519	1,210	18,080	117,231	3,591,030	1,440,163
Classe Thrpughput as % total ThroughputNon_C	25.8%	10.1%	0.0%	0.2%	1.2%	37.4%	15.0%
Total Load Balance Inventory bcf							
Load Balancing-Inventory (Bcf)	1,086	424	1	8	51	1,569	629
	25.8%	10.1%	0.0%	0.2%	1.2%	37.4%	15.0%
Load Balancing-Injection (mmcf)							
Average year Throughput Mdth/y	2,483,989	970,519	1,210	18,080	117,231	3,591,030	1,440,163
Non core classes as % total Non_Core	26%	10%	0%	0%	1%	37%	15%
Total Noncore Load Balance Injection mmcf							

Allocators

	Residential	(& G-20)	G-AC	G-GE	NGV	Core	G-30
Load Balancing-Injection (mmcf)	52	20	0	0	2	75	30
	25.8%	10.1%	0.0%	0.2%	1.2%	37.4%	15.0%
Load Balancing-Withdrawal(mmcfd)							
Average year Throughput Mdt/y	2,483,989	970,519	1,210	18,080	117,231	3,591,030	1,440,163
Non core classes as % total Non_Core	25.8%	10.1%	0.0%	0.2%	1.2%	37.4%	15.0%
Total Noncore Load Balance Withdrawal mmcfd							
Load Balancing-Withdrawal (mmcf)	88	34	0	1	4	127	51
	25.8%	10.1%	0.0%	0.2%	1.2%	37.4%	15.0%
Reallocate Wholesale Uncollectible	\$0.173						
subtotal	\$1,201.939	\$193.370	\$0.040	\$1.926	\$4.198	\$1,401.473	\$45.569
Uncollectible Rate							
Wholesale Uncollectible	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
subtotal of classes allocated WS Uncoll	\$1,201.939	\$193.370	\$0.040	\$1.926	\$4.198	\$1,401.473	\$45.569
% Allocation	78%	13%	0%	0%	0%	91%	3%
Allocated WS Uncollectible	\$0.135	\$0.022	\$0.000	\$0.000	\$0.000	\$0.158	\$0.005
Wholesale Uncollectible Allocation	\$0.135	\$0.022	\$0.000	\$0.000	\$0.000	\$0.158	\$0.005

EOR Credit

Calculation of EOR Revenue = (EOR Rev - UAF) * 95%:

EOR Revenue	\$0.000
Shareholder's %	0%
shareholder's Portion	\$0.000

Core Balancing Capacities

	Inventory Bcf	Injection MMcf
SCG Core Balancing	1.6	75
SDG&E Core Balancing	0.2	10
Combined Core	1.8	85

Allocators

	G-50	G-40	Noncore Long Beach	SDG&E	Gas	Vernon	
Meters Unit Cost							
No. meters times unit cost (\$MM)	\$1.192	\$0.000	\$3.613	\$0.003	\$0.109	\$0.046	\$0.000
No. meters times unit cost (\$MM)	0.4%	0.0%	1.1%	0.0%	0.0%	0.0%	0.0%
Service Line Ft							
Service line footage by class (feet)	47,983	12,052	304,309	2	0	0	0
	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
Customer Accounts							
Number of Customers	219	32	956	1	1	1	1
	0.004%	0.001%	0.017%	0.000%	0.000%	0.000%	0.000%
Sum of Dist O&M Exp (\$MM)							
Dist Customer Services	\$0.037	\$0.000	\$0.561	\$0.000	\$0.000	\$0.000	\$0.000
Dist Meter & House Regs	\$0.251	\$0.000	\$0.760	\$0.001	\$0.023	\$0.010	\$0.000
Dist Service Lines	\$0.012	\$0.003	\$0.077	\$0.000	\$0.000	\$0.000	\$0.000
	\$0.300	\$0.003	\$1.398	\$0.001	\$0.023	\$0.010	\$0.000
	0.1%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%
Service Line Weighted NBV (\$MM)							
	\$0.760	\$0.036	\$1.543	\$0.000	\$0.000	\$0.000	\$0.000
	0.2%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%
Weighted Meters NBV (\$MM)							
	\$4.876	\$1.103	\$9.602	\$0.280	\$0.279	\$0.030	\$0.000
	2.1%	0.5%	4.1%	0.1%	0.1%	0.0%	0.0%
GEMS (\$MM)							
GEMS	\$1.466	\$0.162	\$3.762	\$0.022	\$0.065	\$0.031	\$0.006
EG's Exclusive Use Mains NBV (\$)	\$0						
GEMS less EG's Exclusive Use Mains NBV	\$1.466	\$0.162	\$3.762	\$0.022	\$0.065	\$0.031	\$0.006
	37.1%	4.1%	95.3%	0.6%	1.6%	0.8%	0.2%
Regulator NBV on Meter sizes (\$MM)							
	\$3.024	\$0.635	\$7.172	\$0.257	\$0.000	\$0.018	\$0.000
	4.8%	1.0%	11.4%	0.4%	0.0%	0.0%	0.0%
Above Standard Pressure Meters (#)							
	178	55	923	4	3	9	1
	1.0%	0.3%	5.3%	0.0%	0.0%	0.1%	0.0%
NGV Depreciation \$ Millions							
	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	0.1%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%
# Customers							
	219	32	956	1	1	1	1
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Allocators

	G-50	G-40	Noncore Long Beach	SDG&E	Gas	Vernon	
Local Transmission CYPM Mth/Mo	208673	12390	349,499	13601	141331	9733	9694
	19.6%	1.2%	32.7%	1.3%	13.2%	0.9%	0.9%
HPD CYPM Mth/mo	50,341	6,870	145,115	0	0	0	0
	7.4%	1.0%	21.3%	0.0%	0.0%	0.0%	0.0%
MPD CYPD Mth/d	120	2	1,299	0	0	0	0
	0.4%	0.0%	4.0%	0.0%	0.0%	0.0%	0.0%
Transmission CYTP Mth/y	2,826,964	156,187	4,427,881	123,645	1,283,768	83,795	116,135
	28.4%	1.6%	44.4%	1.2%	12.9%	0.8%	1.2%
AYTP Mth/y	2,826,964	156,187	4,423,314	117,093	1,227,434	81,737	116,135
	29.4%	1.6%	46.0%	1.2%	12.8%	0.9%	1.2%
AYTP Mth/y Excluding SDGE & WS	2,826,964	156,187	4,423,314	117,093	0	81,737	116,135
	35.0%	1.9%	54.8%	1.5%	0.0%	1.0%	1.4%
Core Reservation-Inventory (mmcf)	0	0	0	0	8,700	0	0
	0.0%	0.0%	0.0%	0.0%	12.4%	0.0%	0.0%
Core Reservation-Injection (mmcfd)							
Core Reservation-Inventory (mmcf)							
Core Reservation-Injection (mmcfd)	0	0	0	0	41	0	0
	0.0%	0.0%	0.0%	0.0%	12.4%	0.0%	0.0%
Core Reservation-Withdrawal(mmcfd)							
Medium-Pressure Dist (Peak Day Mth)							
Core Reservation-Withdrawal(mmcfd)	0	0	0	0	290	0	0
	0.0%	0.0%	0.0%	0.0%	13.0%	0.0%	0.0%
Load Balancing-Inventory (Bcf)					499967		
Average year Throughput Mdth/y	2,826,964	156,187	4,423,314	117,093	1,227,434	81,737	116,135
Classe Throughput as % total ThroughputNon_C	29.4%	1.6%	46.0%	1.2%	12.8%	0.9%	1.2%
Total Load Balance Inventory bcf					218		
Load Balancing-Inventory (Bcf)	1,235	68	1,933	51	536	36	51
	29.4%	1.6%	46.0%	1.2%	12.8%	0.9%	1.2%
Load Balancing-Injection (mmcfd)							
Average year Throughput Mdth/y	2,826,964	156,187	4,423,314	117,093	1,227,434	81,737	116,135
Non core classes as % total Non_Core	29%	2%	46%	1%	13%	1%	1%
Total Noncore Load Balance Injection mmcfd					10		

Allocators

	G-50	G-40	Noncore Long Beach	SDG&E	Gas	Vernon
Load Balancing-Injection (mmcf)	59	3	92	2	26	2
	29.4%	1.6%	46.0%	1.2%	12.8%	0.9%
Load Balancing-Withdrawal(mmcfd)						
Average year Throughput Mdt/y	2,826,964	156,187	4,423,314	117,093	1,227,434	81,737
Non core classes as % total Non_Core	29.4%	1.6%	46.0%	1.2%	12.8%	0.9%
Total Noncore Load Balance Withdrawal mmcfd					18	
Load Balancing-Withdrawal (mmcf)	100	6	156	4	43	3
	29.4%	1.6%	46.0%	1.2%	12.8%	0.9%
Reallocate Wholesale Uncollectible						
subtotal	\$53.610	\$3.932	\$103.111	\$2.725	\$29.450	\$1.835
Uncollectible Rate				0.4776%	0.4776%	0.4776%
Wholesale Uncollectible	\$0.000	\$0.000	\$0.000	\$0.013	\$0.141	\$0.009
subtotal of classes allocated WS Uncoll	\$53.610	\$3.932	\$103.111			
% Allocation	3%	0%	7%	0%	0%	0%
Allocated WS Uncollectible	\$0.006	\$0.000	\$0.012	\$0.000	\$0.000	\$0.000
Wholesale Uncollectible Allocation	\$0.006	\$0.000	\$0.012	(\$0.013)	(\$0.141)	(\$0.009)

EOR Credit

Calculation of EOR Revenue = (EOR Rev - UAF) * <u>Withdrawal MMcf</u>	
EOR Revenue	127
Shareholder's %	18
shareholder's Portion	145

Allocators

	Wholesale	DGN	Rosarito	Int'l	Storage	Noncore	System
Meters Unit Cost							
No. meters times unit cost (\$MM)	\$0.158	\$0.013	\$0.000	\$0.013	\$0.000	\$3.784	\$320.234
No. meters times unit cost (\$MM)	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	100.0%
Service Line Ft							
Service line footage by class (feet)	0	0	0	0	0	304,311	296,416,376
	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	100.0%
Customer Accounts							
Number of Customers	4	1	0	1	0	961	5,672,731
	0.000%	0.000%	0.000%	0.000%	0.000%	0.017%	100.000%
Sum of Dist O&M Exp (\$MM)							
Dist Customer Services	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.561	\$220.360
Dist Meter & House Regs	\$0.033	\$0.003	\$0.000	\$0.003	\$0.000	\$0.796	\$67.349
Dist Service Lines	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.077	\$74.877
	\$0.033	\$0.003	\$0.000	\$0.003	\$0.000	\$1.434	\$362.586
	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	100.0%
Service Line Weighted NBV (\$MM)							
	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$1.543	\$334.341
	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	100.0%
Weighted Meters NBV (\$MM)							
	\$0.589	\$0.140	\$0.000	\$0.140	\$0.000	\$10.331	\$236.232
	0.2%	0.1%	0.0%	0.1%	0.0%	4.4%	100.0%
GEMS (\$MM)							
GEMS	Wholesale	DGN	Rosarito	Int'l	Storage	Noncore	System
	\$0.123	\$0.003	\$0.000	\$0.003	\$0.000	\$3.888	\$3.949
EG's Exclusive Use Mains NBV (\$)							
GEMS less EG's Exclusive Use Mains NBV	\$0.123	\$0.003	\$0.000	\$0.003	\$0.000	\$3.888	\$3.949
	3.1%	0.1%	0.0%	0.1%	0.0%	98.5%	100.0%
Regulator NBV on Meter sizes (\$MM)							
	\$0.275	\$0.000	\$0.000	\$0.000	\$0.000	\$7.447	\$62.903
	0.4%	0.0%	0.0%	0.0%	0.0%	11.8%	100.0%
Above Standard Pressure Meters (#)							
	17	1	0	1	0	941	17,425
	0.1%	0.0%	0.0%	0.0%	0.0%	5.4%	100.0%
NGV Depreciation \$ Millions							
	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.961
	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	100.0%
# Customers							
	4	1	0	1		961	5,672,731
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Allocators

	Wholesale	DGN	Rosarito	Int'l	Storage	Noncore	System
Local Transmission CYPM Mth/Mo	174,359	4599	0	4599	0	528,457	1,067,265
	16.3%	0.4%	0.0%	0.4%	0.0%	49.5%	100.0%
HPD CYPM Mth/mo	0	0		0		145,115	679,816
	0.0%	0.0%	0.0%	0.0%	0.0%	21.3%	100.0%
MPD CYPD Mth/d	0	0		0		1,299	32,342
	0.0%	0.0%	0.0%	0.0%	0.0%	4.0%	100.0%
Transmission CYTP Mth/y	1,607,343	53,990		53,990		6,089,214	9,966,961
	16.1%	0.5%	0.0%	0.5%	0.0%	61.1%	100.0%
AYTP Mth/y	1,542,399	53,990		53,990		6,019,703	9,610,732
	16.0%	0.6%	0.0%	0.6%	0.0%	62.6%	100.0%
AYTP Mth/y Excluding SDGE & WS	0	53,990	0	53,990	0	4,477,303	8,068,333
	0.0%	0.7%	0.0%	0.7%	0.0%	55.5%	100.0%
Core Reservation-Inventory (mmcf)	8,700	0	0	0	0	8,700	70,000
	12.4%	0.0%	0.0%	0.0%	0.0%	12.4%	100.0%
Core Reservation-Injection (mmcf)							
Core Reservation-Inventory (mmcf)							
Core Reservation-Injection (mmcf)	41	0	0	0	0	41	327
	12.4%	0.0%	0.0%	0.0%	0.0%	12.4%	100.0%
Core Reservation-Withdrawal(mmcf)							
Medium-Pressure Dist (Peak Day Mth)							
Core Reservation-Withdrawal(mmcf)	290	0	0	0	0	290	2,225
	13.0%	0.0%	0.0%	0.0%	0.0%	13.0%	100.0%
Load Balancing-Inventory (Bcf)							
Average year Throughput Mdth/y	1,542,399	53,990	0	53,990	0	6,019,703	9,610,732
Classe Throughput as % total ThroughputNon_C	16.0%	0.6%	0.0%	0.6%	0.0%	62.6%	100.0%
Total Load Balance Inventory bcf							
Load Balancing-Inventory (Bcf)	674	24	0	24	0	2,631	4,200
	16.0%	0.6%	0.0%	0.6%	0.0%	62.6%	100.0%
Load Balancing-Injection (mmcf)							
Average year Throughput Mdth/y	1,542,399	53,990	0	53,990	0	6,019,703	9,610,732
Non core classes as % total Non_Core	16%	1%	0%	1%	0%	63%	100%
Total Noncore Load Balance Injection mmcf							

Allocators

	Wholesale	DGN	Rosarito	Int'l	Storage	Noncore	System
Load Balancing-Injection (mmcf)	32	1	0	1	0	125	200
	16.0%	0.6%	0.0%	0.6%	0.0%	62.6%	100.0%
Load Balancing-Withdrawal(mmcfd)							
Average year Throughput Mdth/y	1,542,399	53,990	0	53,990	0	6,019,703	9,610,732
Non core classes as % total Non_Core	16.0%	0.6%	0.0%	0.6%	0.0%	62.6%	100.0%
Total Noncore Load Balance Withdrawal mmcf							
Load Balancing-Withdrawal (mmcf)	55	2	0	2	0	213	340
	16.0%	0.6%	0.0%	0.6%	0.0%	62.6%	100.0%
Reallocate Wholesale Uncollectible							
subtotal	\$36.140	\$1.086	\$0.000	\$1.086	\$29.017	\$169.354	\$1,570.827
Uncollectible Rate							
Wholesale Uncollectible	\$0.173	\$0.000	\$0.000	\$0.000	\$0.000	\$0.173	\$0.173
subtotal of classes allocated WS Uncoll		\$1.086	\$0.000	\$1.086	\$29.017	\$133.214	\$1,534.687
% Allocation	0%	0%	0%	0%	2%	9%	100%
Allocated WS Uncollectible	\$0.000	\$0.000	\$0.000	\$0.000	\$0.003	\$0.015	\$0.173
Wholesale Uncollectible Allocation	(\$0.173)	\$0.000	\$0.000	\$0.000	\$0.003	(\$0.158)	\$0.000

EOR Credit

Calculation of EOR Revenue = (EOR Rev - UAF) *
 EOR Revenue
 Shareholder's %
 shareholder's Portion

Detailed Cost Allocation of EG Class

Date: 9-29-2008

\$'s millions

Function	Allocator		Total G50 EG	Small EG	Small EG Dist	Small EG Trans	
Customer-Related O&M							
O&M							
		Check					
1	Dist Customer Services	EG Alloc/NBV of EG Meters, Service & Regs	\$0.037	\$0.037	\$0.009	\$0.003	\$0.006
2	Dist Meter & House Regs	EG Alloc/NBV of EG Meters, Service & Regs	\$0.251	\$0.251	\$0.060	\$0.018	\$0.042
3	Dist Service Lines	EG Alloc/NBV of EG Meters, Service & Regs	\$0.012	\$0.012	\$0.003	\$0.001	\$0.002
4	Cust Acct-Supervision	EG Alloc/NBV of EG Meters, Service & Regs	\$0.001	\$0.001	\$0.000	\$0.000	\$0.000
5	Cust Acct-Meter Reading Exp	EG Alloc/NBV of EG Meters, Service & Regs	\$0.002	\$0.002	\$0.001	\$0.000	\$0.000
6	Cust Acct-Cust Records & Coll Exp	EG Alloc/NBV of EG Meters, Service & Regs	\$0.008	\$0.008	\$0.002	\$0.001	\$0.001
7	Cust Acct-Misc Cust Accts Exp	EG Alloc/NBV of EG Meters, Service & Regs	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
8	Subtotal		\$0.312	\$0.312	\$0.075	\$0.022	\$0.053
Capital-Related Costs							
10	Dist Land, Structures, & Imprvmnts	EG Alloc/NBV of EG Meters, Service & Regs	\$0.040	\$0.040	\$0.010	\$0.003	\$0.007
11	Services	EG Alloc/NBV of EG Meters, Service & Regs	\$0.322	\$0.322	\$0.077	\$0.023	\$0.054
12	Meters	EG Alloc/NBV of EG Meters, Service & Regs	\$2.089	\$2.089	\$0.501	\$0.149	\$0.352
13	Customer Installations	EG Alloc/NBV of EG Meters, Service & Regs	\$0.612	\$0.612	\$0.147	\$0.044	\$0.103
14	GEMS	EG Alloc/NBV of EG Meters, Service & Regs	\$0.568	\$0.568	\$0.136	\$0.040	\$0.096
15	Regulators	EG Alloc/NBV of EG Meters, Service & Regs	\$1.161	\$1.161	\$0.278	\$0.083	\$0.196
16	Gauges	EG Alloc/NBV of EG Meters, Service & Regs	\$0.028	\$0.028	\$0.007	\$0.002	\$0.005
17	Exclusive Use Mains	EG Alloc/NBV of EG Meters, Service & Regs	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
18	Subtotal		\$4.821	\$4.821	\$1.155	\$0.343	\$0.8123
19	Customer-Related Misc Revenues	EG Alloc/NBV of EG Meters, Service & Regs	(\$0.002)	(\$0.002)	(\$0.000)	(\$0.000)	(\$0.000)
20	Subtotal Customer-Related		\$5.130	\$5.130	\$1.230	\$0.365	\$0.864
Distribution							
22	High-Pressure	EG Allocators/ CYPM Mth/D	\$2.683	\$2.683	\$0.240	\$0.240	\$0.000
23	Medium-Pressure	EG Allocators/ CYPD Mth/D	\$1.046	\$1.046	\$0.601	\$0.601	\$0.000
24	Subtotal		\$3.729	\$3.729	\$0.841	\$0.841	\$0.000

Detailed Cost Allocation of EG Class

Date: 9-29-2008

\$'s millions

Function	Allocator		Total G50 EG	Small EG	Small EG Dist	Small EG Trans
25 Transmission	EG Allocators/ CYTP Mth/y	\$47.036	\$47.036	\$1.268	\$1.005	\$0.263
Backbone	Allocators/Transmission CYTP	\$26.776	\$26.776	\$0.722	\$0.572	\$0.149
Local Transmission	EG Allocators/ CYPM Mth/D	\$13.966	\$13.966	\$1.248	\$0.990	\$0.258
Total Transmission Backbone & Local		\$40.742	\$40.742	\$1.970	\$1.562	\$0.408
26 Storage						
27 Core Reservation						
28 Inventory		\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
29 Injection		\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
30 Withdrawal		\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
31 Subtotal		\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
32 Load Balancing						
33 Inventory		\$0.289	\$0.289	\$0.008	\$0.006	\$0.002
34 Injection		\$1.741	\$1.741	\$0.047	\$0.037	\$0.010
35 Withdrawal		\$0.975	\$0.975	\$0.026	\$0.021	\$0.005
36 Subtotal Load Balancing		\$3.005	\$3.005	\$0.081	\$0.064	\$0.017
37 TBS Storage						
38 Subtotal		\$3.005	\$3.005	\$0.081	\$0.064	\$0.017
39 Non-DSM Cust Svc & Info	Number of Customers	\$1.004	\$1.004	\$0.027	\$0.014	\$0.0127
40 Subtotal		\$53.610	\$53.610	\$4.149	\$2.847	\$1.302
41 Minus Uncollectible Expense Retail Only		\$0.176	\$0.176	\$0.014	\$0.009	\$0.004
42 Subtotal Base Margin with Recon. & FF&U		\$53.433	\$53.433	\$4.135	\$2.837	\$1.298
43 Credit (EOR Revenues - EOR UAF) * 95%		\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
44 Subtotal		\$53.433	\$53.433	\$4.135	\$2.837	\$1.298
45 Minus Franchise Fees		\$0.833	\$0.833	\$0.064	\$0.044	\$0.020
46 Margin Allocation w/o SI or Fuel Use Before FF&U		\$53.610	\$53.610	\$4.149	\$2.847	\$1.302
47 Franchise Fee & Uncollectible		\$1.009	\$1.009	\$0.078	\$0.054	\$0.025
48 Total Margin Allocation w/o SI or Fuel Use or FF&U		\$52.601	\$52.601	\$4.071	\$2.793	\$1.277
		\$53.610	\$53.610	\$4.149	\$2.847	\$1.302
			\$53.610		\$2.847	\$1.302
			\$53.610	\$4.149		

Detailed Cost Allocation of EG Class

Date: 9-29-2008

\$'s millions

Function	Large EG	Large EG Dist	Large EG Trans	Total EG	Total G50 EG	Small EG	Large EG
Customer-Related O&M							
O&M							
1 Dist Customer Services	\$0.028	\$0.004	\$0.025	\$0.037	100.0%	24.0%	76.0%
2 Dist Meter & House Regs	\$0.191	\$0.025	\$0.166	\$0.251	100.0%	24.0%	76.0%
3 Dist Service Lines	\$0.009	\$0.001	\$0.008	\$0.012	100.0%	24.0%	76.0%
4 Cust Acct-Supervision	\$0.001	\$0.000	\$0.001	\$0.001	100.0%	24.0%	76.0%
5 Cust Acct-Meter Reading Exp	\$0.002	\$0.000	\$0.002	\$0.002	100.0%	24.0%	76.0%
6 Cust Acct-Cust Records & Coll Exp	\$0.006	\$0.001	\$0.005	\$0.008	100.0%	24.0%	76.0%
7 Cust Acct-Misc Cust Accts Exp	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	24.0%	76.0%
8 Subtotal	\$0.237	\$0.031	\$0.206	\$0.312			
9 Capital-Related Costs							
10 Dist Land, Structures, & Imprvmnts	\$0.031	\$0.004	\$0.027	\$0.040	100.0%	24.0%	76.0%
11 Services	\$0.245	\$0.032	\$0.213	\$0.322	100.0%	24.0%	76.0%
12 Meters	\$1.588	\$0.206	\$1.382	\$2.089	100.0%	24.0%	76.0%
13 Customer Installations	\$0.465	\$0.060	\$0.405	\$0.612	100.0%	24.0%	76.0%
14 GEMS	\$0.432	\$0.056	\$0.376	\$0.568	100.0%	24.0%	76.0%
15 Regulators	\$0.883	\$0.115	\$0.768	\$1.161	100.0%	24.0%	76.0%
16 Gauges	\$0.021	\$0.003	\$0.019	\$0.028	100.0%	24.0%	76.0%
17 Exclusive Use Mains	\$0.000	\$0.000	\$0.000	\$0.000	100.0%	24.0%	76.0%
18 Subtotal	\$3.665	\$0.476	\$3.1888	\$4.821			
19 Customer-Related Misc Revenues	(\$0.001)	(\$0.000)	(\$0.001)	(\$0.002)	100.0%	24.0%	76.0%
20 Subtotal Customer-Related	\$3.901	\$0.507	\$3.394	\$5.130			
21 Distribution							
22 High-Pressure	\$2.443	\$2.443	\$0.000	\$2.683	100.0%	8.9%	91.1%
23 Medium-Pressure	\$0.444	\$0.444	\$0.000	\$1.046	100.0%	57.5%	42.5%
24 Subtotal	\$2.888	\$2.888	\$0.000	\$3.729			

Detailed Cost Allocation of EG Class

Date: 9-29-2008

\$'s millions

Function	Large EG	Large EG Dist	Large EG Trans	Total EG	Total G50 EG	Small EG	Large EG
25 Transmission	\$45.768	\$9.181	\$36.587	\$47.036	100.0%	2.7%	97.3%
Backbone	\$26.054	\$5.226	\$20.828	\$26.776			
Local Transmission	\$12.718	\$2.551	\$10.167	\$13.966			
Total Transmission Backbone & Local	\$38.772	\$7.778	\$30.994	\$40.742			
26 Storage							
27 Core Reservation							
28 Inventory	\$0.000	\$0.000	\$0.000	\$0.000	0.0%		
29 Injection	\$0.000	\$0.000	\$0.000	\$0.000	0.0%		
30 Withdrawal	\$0.000	\$0.000	\$0.000	\$0.000	0.0%		
31 Subtotal	\$0.000	\$0.000	\$0.000	\$0.000			
32 Load Balancing							
33 Inventory	\$0.281	\$0.056	\$0.225	\$0.289	100.0%		
34 Injection	\$1.694	\$0.340	\$1.354	\$1.741	100.0%		
35 Withdrawal	\$0.948	\$0.190	\$0.758	\$0.975	100.0%		
36 Subtotal Load Balancing	\$2.924	\$0.586	\$2.337	\$3.005			
37 TBS Storage					0.0%		
38 Subtotal	\$2.924	\$0.586	\$2.337	\$3.005			
39 Non-DSM Cust Svc & Info	\$0.977	\$0.444	\$0.533	\$1.004	100.0%	2.7%	97.3%
40 Subtotal	\$49.461	\$12.203	\$37.258	\$53.610			
41 Minus Uncollectible Expense Retail Only	\$0.163	\$0.040	\$0.123	\$0.176			
42 Subtotal Base Margin with Recon. & FF&L	\$49.298	\$12.163	\$37.136	\$53.433			
43 Credit (EOR Revenues - EOR UAF) * 95%	\$0.000	\$0.000	\$0.000	\$0.000			
44 Subtotal	\$49.298	\$12.163	\$37.136	\$53.433			
45 Minus Franchise Fees	\$0.768	\$0.190	\$0.579	\$0.833			
46 Margin Allocation w/o SI or Fuel Use Before	\$49.461	\$12.203	\$37.258	\$53.610			
47 Franchise Fee & Uncollectible	\$0.931	\$0.230	\$0.701	\$1.009			
48 Total Margin Allocation w/o SI or Fuel Us	\$48.530	\$11.973	\$36.557	\$52.601			
	\$49.461	\$12.203	\$37.258	\$53.610			
		\$12.203	\$37.258				
	\$49.461						

Detailed Cost Allocation of EG Class

Date: 9-29-2008

	Small EG	Large EG	Total EG
NBV of EG Meters, Service & Regs			
Meters NBV	\$2.070	\$2.060	\$4.130
Services NBV	\$2.340	\$10.960	\$13.300
Regulators NBV	\$0.470	\$2.460	\$2.930
	\$4.880	\$15.480	\$20.360
% of Total	24.0%	76.0%	100.0%
EG CYTP Mth/y			
	76,202	2,750,762	2,826,964
% of Total	2.7%	97.3%	100.0%
EG CYPM Mth			
	4,499	45,842	50,341
% of Total	8.9%	91.1%	100.0%
EG CYPD Mth/D			
	69	51	120
% of Total	57.5%	42.5%	100.0%

Detailed Cost Allocation of NGV Class

Date: 9-29-2008

\$'s millions

Ln	Function	Allocator	NGV	Total NGV	Total System
	Customer-Related				
	O&M				
1	Dist Customer Services	PACER Hrs & Vols	\$0.020	\$0.000	0.0%
2	Dist Meter & House Regs	Allocators/No. meters times unit cost	\$0.043	\$0.000	0.0%
3	Dist Service Lines	Allocators/Service line footage by class	\$0.009	\$0.000	0.0%
4	Cust Acct-Supervision	Allocators/Customer Accounts	\$0.001	\$0.000	0.0%
5	Cust Acct-Meter Reading Exp	Allocators/Customer Accounts	\$0.003	\$0.000	0.0%
6	Cust Acct-Cust Records & Coll Exp	Allocators/Customer Accounts	\$0.010	\$0.000	0.0%
7	Cust Acct-Misc Cust Accts Exp	Allocators/Customer Accounts	\$0.000	\$0.000	0.0%
8	Subtotal		\$0.086	\$0.000	
9	Capital-Related Costs				
10	Dist Land, Structures, & Imprvmnts	Allocators/Sum of Dist O&M Exp	\$0.010	\$0.000	0.0%
11	Services	Allocators/Service Line Weighted NBV	\$0.052	\$0.000	0.0%
12	Meters	Allocators/Weighted Meters NBV	\$0.297	\$0.000	0.0%
13	Customer Installations	Allocators/Weighted Meters NBV	\$0.087	\$0.000	0.0%
14	GEMS	Allocators/GEMS	\$0.000	\$0.000	0.0%
15	Regulators	Allocators/Regulator NBV on Meter sizes	\$0.408	\$0.000	0.0%
16	Gauges	Allocators/Above Standard Pressure Meters	\$0.014	\$0.000	0.0%
17	NGV Depreciation	NGV Direct	\$0.858	\$0.000	0.0%
18	Subtotal		\$1.726	\$0.000	
19	Customer-Related Misc Revenues	DIR	(\$0.002)	\$0.000	0.0%
20	Subtotal Customer-Related		\$1.810	\$0.000	

Detailed Cost Allocation of NGV Class

Date: 9-29-2008

\$'s millions

Ln	Function	Allocator	NGV	Total NGV	Total System
21	Distribution				
22	High-Pressure	Allocators/HPD CYPM Mth/mo	\$0.359	\$0.000	0.0%
23	Medium-Pressure	Allocators/MPD CYPD Mth/d	\$0.235	\$0.000	0.0%
24	Subtotal		\$0.594	\$0.000	
25	Transmission	Allocators/Transmission CYTP	\$1.951	\$0.000	0.0%
26	Storage Excluded from Base Margin				
27	Core Reservation				
28	Inventory	Allocators/Core Reservation-Inventory (mmcf)	\$0.000	\$0.000	0.0%
29	Injection	Allocators/Core Reservation-Injection (mmcf)	\$0.000	\$0.000	0.0%
30	Withdrawal	Allocators/Core Reservation-Withdrawal(mmcfd)	\$0.016	\$0.000	0.0%
31	Subtotal		\$0.016	\$0.000	
32	Load Balancing Excluded from Base Margin				
33	Inventory	Allocators/Load Balancing-Inventory (Bcf)	\$0.012	\$0.000	0.0%
34	Injection	Allocators/Load Balancing-Injection (mmcf)	\$0.072	\$0.000	0.0%
35	Withdrawal	Allocators/Load Balancing-Withdrawal(mmcfd)	\$0.040	\$0.000	0.0%
36	Subtotal		\$0.125	\$0.000	
37	Unbundled Storage Ex. From Base Margin	DIR		\$0.000	0.0%
38	Subtotal		\$0.141	\$0.000	
39	Non-DSM Cust Svc & Info	NonDSM CSI Allocators	\$0.743	\$0.000	0.0%
40	Subtotal		\$5.098	\$0.000	
45	Total Allocated Margin		\$5.098	\$0.000	100.0%

Detailed Cost Allocation of NGV Class

Date: 9-29-2008

\$'s millions

Ln	Function	UnCompressed	Compressed
	Customer-Related		
	O&M		
1	Dist Customer Services		
2	Dist Meter & House Regs		
3	Dist Service Lines		
4	Cust Acct-Supervision		
5	Cust Acct-Meter Reading Exp		
6	Cust Acct-Cust Records & Coll Exp		
7	Cust Acct-Misc Cust Accts Exp		
8	Subtotal		
9	Capital-Related Costs		
10	Dist Land, Structures, & Imprvmnts		
11	Services		
12	Meters		
13	Customer Installations		
14	GEMS		
15	Regulators		
16	Gauges		
17	NGV Depreciation		
18	Subtotal		
19	Customer-Related Misc Revenues		
20	Subtotal Customer-Related		

Detailed Cost Allocation of NGV Class

Date: 9-29-2008

\$'s millions

Ln	Function	UnCompressed	Compressed
21	Distribution		
22	High-Pressure		
23	Medium-Pressure		
24	Subtotal		
25	Transmission		
26	Storage Excluded from Base Margin		
27	Core Reservation		
28	Inventory		
29	Injection		
30	Withdrawal		
31	Subtotal		
32	Load Balancing Excluded from Base Margin		
33	Inventory		
34	Injection		
35	Withdrawal		
36	Subtotal		
37	Unbundled Storage Ex. From Base Margin		
38	Subtotal		
39	Non-DSM Cust Svc & Info		
40	Subtotal		
45	Total Allocated Margin	0.0%	100.0%

Detailed Cost Allocation of NGV Class				
(\$ Million 2007)				
	Uncompressed & Compressed Transportation Costs	Total Compressed Company Use and Public Access	Public Access Compression Adder	
Cust Related O&M	\$0.086	\$1.633	\$0.143	0.25
Capital-Related Costs	\$0.868	\$1.277	\$1.134	
Dist	\$0.594	\$0.000	\$0.000	
Trans	\$1.767	\$0.000	\$0.000	
Non DSM CS & Info.	\$0.743	\$0.000	\$0.000	
Storage	\$0.141	\$0.000	\$0.000	
Minus Misc. Revenues	(\$0.002)	\$0.000	\$0.000	
Total Costs	\$4.198	\$2.910	\$1.278	
		100.000%	30.437%	
Compression Adder per Therm			\$0.861	
				Total NGV
Total NGV Throughput in CCF	113,794,361	1,574,721	1,440,870	113,794,361
Total NGV Throughput in Therms	117,230,951	1,622,278	1,484,384	117,230,951
Total NGV Throughput %	100.0%	1.4%	1.3%	100%
Compressed Throughput %		0.0%	0.0%	0%
NBV		\$5.414	\$0.505	5.414
NBV % of Total		100%	9%	100%
Depreciation		\$0.858	\$0.089	\$0.961
Public Access Stations				
O&M	\$ 0.631 /CCF	\$0.965	\$0.883	
Electricity	\$ 0.180 /CCF	<u>\$0.275</u>	\$0.252	
Total		\$1.240	\$1.134	

Workpaper PACER Hours and Orders

	Residential	G-10 (& G-20)	G-AC	G-GE	NGV	Total Core	C&I G-30	Elect Gen	EOR G-40	Subtotal
								Cogen G-50		Retail Noncore
	187.99	27.65	0.00	0.14	0.02	215.80	0.51	0.04		0.55
P-Hrs&Nums	86.9%	12.8%	0.0%	0.1%	0.0%	99.7%	0.2%	0.0%	0.0%	0.3%

Long Beach	Southwest			Total		DGN	Rosarito	Total	Unbundled Storage	Total	Total
	SDG&E	Gas	Vernon	Wholesale	Int'l			Noncore		System	
0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00		0.55	216.35
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	100.0%

Rate Class	Orders	Hours	Hours Percent	Hours per Order	\$/Order	Total Cost
						\$MM
Res	3,886,962	1,099,919	86.892%	0.28	48.37	187.993
G10	242,020	161,764	12.779%	0.67	114.24	27.648
G-AC	5	4	0.000%	0.74	125.68	0.001
G-GE	895	801	0.063%	0.89	152.90	0.137
G-NGV	158	118	0.009%	0.74	127.31	0.020
G30	1,604	3,008	0.238%	1.88	320.52	0.514
EG Small	141	198	0.016%	1.40	240.12	0.034
EG Large	10	17	0.001%	1.62	277.52	0.003
EOR	23	20	0.002%	0.84	143.88	0.003
LB	0	0	0.000%	0.00	0.00	0.000
SDGE	0	0	0.000%	0.00	0.00	0.000
SWG	0	0	0.000%	0.00	0.00	0.000
Vernon	0	0	0.000%	0.00	0.00	0.000
DGN	0	0	0.000%	0.00	0.00	0.000

TOTAL 4,131,819 1,265,848.56 100.000% 0.31 52.36 216.353

Total Dist Operations CS \$MM \$216.353 Detail Function Cust Relate'
 Total Cost per Hour \$170.92

Table 16
Non-DSM Customer Services & Information Costs

Customer Class	\$ Millions
Residential	13.00
Core C&I	8.85
Other Core	0.45
Total Core	22.30
Non-Core C&I	0.56
EG & Cogen	0.60
EOR	0.08
Wholesale	0.68
<u>TBS Storage</u>	<u>0.47</u>
Total	24.68

Capital-Related Functional factors

	Weighted Avg. Rate Base 2006	% Total	Functionalize Total Return	Functionalize Income Taxes	Functionalize Ad Valorem Tax FERC Form 2 p. 263a	Functionalize Capital- Related Taxes
Storage Including Cushion Gas	\$145.446	5.5%	\$12.620	\$6.301	\$1.896	\$8.197
Transmision	\$352.035	13.3%	\$30.545	\$15.250	\$4.589	\$19.840
Distribution (ex NGV)	\$1,995.891	75.6%	\$173.177	\$86.463	\$26.019	\$112.482
NGV	\$5.414	0.2%	\$0.470	\$0.235	\$0.071	\$0.305
General Plant & Intangibles	\$142.857	5.4%	\$12.395	\$6.189	\$1.862	\$8.051
Total NBV	\$2,641.643	100.0%	\$229.207	\$114.437	\$34.438	\$148.875
Net Plant Excluding GP	\$2,498.786	94.6%	\$216.812	\$108.248	\$32.575	\$140.824

Calculation of distribution NBV excluding NGV NBV:

Distribution	\$3,596.382	NGV Public Access				
NGV Stations	\$5.414	\$0.381	\$0.033	\$0.016	\$0.005	\$0.021
Distribution (ex NGV)	\$3,590.968					

Capital Component	Capital Ratio	Rate	ROR%	Ratebase	Capital	Return
Long-Term Debt	45.61%	6.96%	3.17%	\$2,641.643	\$1,204.853	\$83.858
Preferred Stock	6.39%	4.83%	0.31%	\$2,641.643	\$168.801	\$8.153
Common Equity	48.00%	10.82%	5.19%	\$2,641.643	\$1,267.989	\$137.196
Total	100%		8.68%		\$2,641.643	\$229.207

Combined Tax Rate

SIT	8.84%
FIT	35.00%
Combined Tax Rate	40.75%

Calculation of Income Taxes to be collected in rates:

Preferrd Stock Return	\$8.153
Equity Return	\$137.196
Authorized after tax equity return	\$145.349
ROR Taxes to be collected in rates	40.75% \$99.950
Tax Intercept with Taxes Paid in 2007	\$14.488
State & Federal Income Tax FERC Form 2 p. 263a	\$114.437

Capital-Related Functional factors

Rate-making Income Taxes Collected in Rates:

Authorized after tax equity return	\$145.349	5.50224%
plus taxes to be collected in rates	<u>\$99.950</u>	<u>3.78361%</u>
amount in rates for Eq return & taxes	\$245.299	9.28585%
less tax expense	40.75% \$99.950	
Authorized after tax equity return	<u>\$145.349</u>	

<u>Asset Category</u>	<u>NBV</u>
Cushion Gas	55.522
<u>NGV Capital-Related Costs</u>	<u>5.414</u>

Distribution of Salaries and Wages FERC Form 2 p. 355	\$ Millions	% of Total	Functionalize Labor	
			Related Taxes	FERC Form 2 p. 263a
Gas Supply (Excluded)	\$2.696	0.856%	\$0.331	
Storage (Exclude MB \$.5)	\$12.633	4.012%	\$1.549	\$9.746
Transmission	\$19.400	6.161%	\$2.379	\$22.219
Distribution	\$158.431	50.316%	\$19.429	\$131.911
Customer Accounts	\$81.629	25.925%	\$10.010	\$10.316
Customer Service & Info	\$15.891	5.047%	\$1.949	\$1.862
A&G	\$24.190	7.683%	\$2.966	
Total	\$314.870	100.000%	\$38.613	
NGV	\$0.569	0.181%	\$0.070	\$0.37

\$9.746
\$22.219
\$131.911
\$10.316
\$1.862

\$0.37
\$176.428

Table 9 Capital-Related Costs	
Return on Rate Base	\$229
FIT and SIT Taxes	\$114
Ad Valorem Taxes	\$34
Depreciation	\$275
Total	\$653

Storage Capital-Related Costs	
Return	\$12.620
Income Taxes	\$6.301
Ad Valorem Taxes	\$1.896
Depreciation	\$22.803
Total	\$43.620

Southern California Gas Company
Embedded Cost Study
A&G Functional Factors
\$'s millions
Date: 9-29-2008

	Total	Total Customer-Related	Distribution - High Pressure	Distribution - Medium Pressure	Trans mission	Core Reservation Inventory	Core Reservation Injection
Functionalized O&M Expenses							
Storage Costs	\$34.612	\$0.000	\$0.000	\$0.000	\$0.000	\$6.522	\$3.852
TBS Storage Program	\$11.546						
Transmission	\$55.471	\$0.000	\$0.000	\$0.000	\$55.471	\$0.000	\$0.000
Distribution	\$311.006	\$232.268	\$6.220	\$72.517	\$0.000	\$0.000	\$0.000
Customer Accounts	\$189.743	\$189.743	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Customer Services	\$23.913	\$0.000	\$0.000	\$0.000	\$0.000	\$0.085	\$0.050
	\$614.746	\$422.012	\$6.220	\$72.517	\$55.471	\$6.607	\$3.902
O&M Factor	100.0%	68.648%	1.012%	11.796%	9.023%	1.075%	0.635%
Net Plant Factor (see Net Plant Factor)	100.0%	51.695%	4.184%	24.182%	14.100%	1.097%	0.648%
Labor Factor (see Labor Factor)	100.0%	70.407%	1.012%	11.796%	6.725%	0.877%	0.518%
MULTI Factor (avg of O&M, NPF, Lbr)	100.0%	63.583%	2.069%	15.925%	9.949%	1.016%	0.600%

Factors Adjusted for A&G Functionalization:

% of A&G to be Functionalized	0%						
Adjustment to A&G Factors		100.000%	100.000%	100.000%	100.000%	100.000%	100.000%
O&M Factor adjust for functional A&G	100.000%	68.648%	1.012%	11.796%	9.023%	1.075%	0.635%
Net Plant Factor ExGP adjust for func A&G	100.000%	51.695%	4.184%	24.182%	14.100%	1.097%	0.648%
Labor Factor adjust for functional A&G	100.000%	70.407%	1.012%	11.796%	6.725%	0.877%	0.518%
MULTI Factor adjust for functional A&G	100.000%	63.583%	2.069%	15.925%	9.949%	1.016%	0.600%
O&M Factor adjust for functional A&G	100.000%	68.648%	1.012%	11.796%	9.023%	1.075%	0.635%
Net Plant Factor ExGP adjust for func A&G	100.000%	51.695%	4.184%	24.182%	14.100%	1.097%	0.648%
Labor Factor adjust for functional A&G	100.000%	70.407%	1.012%	11.796%	6.725%	0.877%	0.518%
MULTI Factor adjust for functional A&G	100.000%	63.583%	2.069%	15.925%	9.949%	1.016%	0.600%

81.577%

Southern California Gas Company
Embedded Cost Study
A&G Functional Factors
\$'s millions
Date: 9-29-2008

	Core Reservation Withdrawal	Load Balancing Inventory	Load Balancing Injection	Load Balancing Withdrawal	TBS Storage Program	Non-DSM Cust Svc & Info	Exclusive Use
Functionalized O&M Expenses							
Storage Costs	\$8.628	\$0.391	\$2.355	\$1.318	\$11.546	\$0.000	\$0.000
TBS Storage Program							
Transmission	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Distribution	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Customer Accounts	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Customer Services	\$0.113	\$0.005	\$0.031	\$0.017	\$0.151	\$23.462	\$0.000
	\$8.740	\$0.396	\$2.386	\$1.336	\$11.697	\$23.462	\$0.000
O&M Factor	1.422%	0.064%	0.388%	0.217%	1.903%	3.817%	0.000%
Net Plant Factor (see Net Plant Factor)	1.451%	0.066%	0.396%	0.222%	1.942%	0.018%	0.000%
Labor Factor (see Labor Factor)	1.161%	0.053%	0.317%	0.177%	1.553%	5.404%	0.000%
MULTI Factor (avg of O&M, NPF, Lbr)	1.344%	0.061%	0.367%	0.205%	1.799%	3.080%	0.000%
Factors Adjusted for A&G Functionalization:							
% of A&G to be Functionalized							
Adjustment to A&G Factors	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%
O&M Factor adjust for functional A&G	1.422%	0.064%	0.388%	0.217%	1.903%	3.817%	0.000%
Net Plant Factor ExGP adjust for func A&G	1.451%	0.066%	0.396%	0.222%	1.942%	0.018%	0.000%
Labor Factor adjust for functional A&G	1.161%	0.053%	0.317%	0.177%	1.553%	5.404%	0.000%
MULTI Factor adjust for functional A&G	1.344%	0.061%	0.367%	0.205%	1.799%	3.080%	0.000%
O&M Factor adjust for functional A&G	1.422%	0.064%	0.388%	0.217%	1.903%	3.817%	0.000%
Net Plant Factor ExGP adjust for func A&G	1.451%	0.066%	0.396%	0.222%	1.942%	0.018%	0.000%
Labor Factor adjust for functional A&G	1.161%	0.053%	0.317%	0.177%	1.553%	5.404%	0.000%
MULTI Factor adjust for functional A&G	1.344%	0.061%	0.367%	0.205%	1.799%	3.080%	0.000%

Southern California Gas Company
Embedded Cost Study
A&G Functional Factors
\$'s millions
Date: 9-29-2008

	Functionalized A&G
Functionalized O&M Expenses	
Storage Costs	
TBS Storage Program	
Transmission	
Distribution	
Customer Accounts	
Customer Services	
<hr/>	
O&M Factor	
Net Plant Factor	(see Net Plant Factor)
Labor Factor	(see Labor Factor)
MULTI Factor	(avg of O&M, NPF, Lbr)
<u>Factors Adjusted for A&G Functionalization:</u>	
% of A&G to be Functionalized	
Adjustment to A&G Factors	
O&M Factor adjust for functional A&G	0.000%
Net Plant Factor ExGP adjust for func A&G	0.000%
Labor Factor adjust for functional A&G	0.000%
MULTI Factor adjust for functional A&G	0.000%
O&M Factor adjust for functional A&G	
Net Plant Factor ExGP adjust for func A&G	
Labor Factor adjust for functional A&G	
MULTI Factor adjust for functional A&G	

NGV Factor

		Total 2005BCAP as Filed		Distribution - Distribution -		Core	
	Function Method	Recorded 2000 Annual Report	total Customer- Related	High Pressure	Medium Pressure	Transmission	Reservation - Inventory
Transmission							
850 Tran Op-Supervision & Engineering (Including Payroll Taxes)	TRANSMISSION	\$14.015	\$0.000	\$0.000	\$0.000	\$14.015	\$0.000
851 Tran Op-System Control & Load Dispatching	TRANSMISSION	\$2.226	\$0.000	\$0.000	\$0.000	\$2.226	\$0.000
852 Tran Op-Communication System Expenses	TRANSMISSION	excluded					
853 Tran Op-Compressor Station Labor & Expenses	TRANSMISSION	\$1.881	\$0.000	\$0.000	\$0.000	\$1.881	\$0.000
854&855 Tran Op-Gas From Comp Sta Fuel (PBR Excluded)	TRANSMISSION	\$15.308	\$0.000	\$0.000	\$0.000	\$15.308	\$0.000
856 Tran Op-Mains Expenses	TRANSMISSION	\$5.585	\$0.000	\$0.000	\$0.000	\$5.585	\$0.000
857 Tran Op-Measuring & Regulating Station Expenses	TRANSMISSION	\$1.539	\$0.000	\$0.000	\$0.000	\$1.539	\$0.000
858 Tran Op-Transmission & Compression Of Gas By Other	TRANSMISSION	excluded					
859 Tran Op-Other Expenses (PBR excl Haz Waste)	TRANSMISSION	\$3.253	\$0.000	\$0.000	\$0.000	\$3.253	\$0.000
860 Tran Op-Rents	TRANSMISSION	\$4.281	\$0.000	\$0.000	\$0.000	\$4.281	\$0.000
860 Maintenance Supervision & Engineering	TRANSMISSION	excluded					
862 Tran Mnt-Structures & Improvements	TRANSMISSION	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
863 Tran Mnt-Mains	TRANSMISSION	\$9.853	\$0.000	\$0.000	\$0.000	\$9.853	\$0.000
864 Tran Mnt-Compressor Station Equipment	TRANSMISSION	\$5.500	\$0.000	\$0.000	\$0.000	\$5.500	\$0.000
865 Tran Mnt-Measuring & Regulating Station Equipment	TRANSMISSION	\$0.389	\$0.000	\$0.000	\$0.000	\$0.389	\$0.000
867 Tran Mnt-Other Equipment	TRANSMISSION	\$0.347	\$0.000	\$0.000	\$0.000	\$0.347	\$0.000
		\$64.178	\$0.000	\$0.000	\$0.000	\$64.178	\$0.000
Distribution							
870 Dist Op-Supervision & Engineering (Including Payroll Taxes)	Dist O&M Func Factrs	\$35.138	\$21.131	\$1.107	\$12.900	\$0.000	\$0.000
874 Dist Op-Mains & Services Expenses	% dist main footage	\$18.671	\$0.000	\$1.475	\$17.196	\$0.000	\$0.000
875 Dist Op-Meas & Reg Station Expenses General	% dist main footage	\$0.913	\$0.000	\$0.072	\$0.841	\$0.000	\$0.000
878 Dist Op-Meter & House Regulator Expenses	CUSTOMER-RELATED	\$9.090	\$9.090	\$0.000	\$0.000	\$0.000	\$0.000
879 Dist Op-Customer Installations Expenses	CUSTOMER-RELATED	\$113.555	\$113.555	\$0.000	\$0.000	\$0.000	\$0.000
880 Dist Op-Other Expenses (PBR Ex Haz Waste)	Dist O&M Func Factrs	\$64.030	\$44.101	\$1.574	\$18.355	\$0.000	\$0.000
881 Dist Op-Rents	Dist O&M Func Factrs	\$0.020	\$0.013	\$0.001	\$0.006	\$0.000	\$0.000
885 Dist Mnt-Supervision & Engineering	Dist O&M Func Factrs	\$10.320	\$5.986	\$0.342	\$3.992	\$0.000	\$0.000
886 Maintenance of Structures and Improvements	Dist O&M Func Factrs	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
887 Dist Mnt-Mains	Dist O&M Func Factrs	\$20.296	\$4.770	\$1.227	\$14.300	\$0.000	\$0.000
889 Dist Mnt-Meas & Reg Station Equipment General	% dist main footage	\$2.318	\$0.000	\$0.183	\$2.135	\$0.000	\$0.000
892 Dist Mnt-Services	Dist O&M Func Factrs	\$23.283	\$23.182	\$0.008	\$0.093	\$0.000	\$0.000
893 Dist Mnt-Meters & House Regulators	CUSTOMER-RELATED	\$9.345	\$9.345	\$0.000	\$0.000	\$0.000	\$0.000
894 Dist Mnt-Other Equipment	CUSTOMER-RELATED	\$0.066	\$0.066	\$0.000	\$0.000	\$0.000	\$0.000
		\$307.044	\$231.237	\$5.989	\$69.818	\$0.000	\$0.000

NGV Factor

		Total 2005BCAP as Filed	total	Distribution - Distribution -	Distribution -	Transmission	Core
	Function Method	Recorded 2000 Annual Report	Customer- Related	High Pressure	Medium Pressure	n	Reservation - Inventory
Transmission							
Customer Accounts							
901 Cus Acct-Supervision (PBR Ex CARE) + Payroll Taxes	CUSTOMER-RELATED	\$9.310	\$9.310	\$0.000	\$0.000	\$0.000	\$0.000
902 Cus Acct-Meter Reading Expenses	CUSTOMER-RELATED	\$37.882	\$37.882	\$0.000	\$0.000	\$0.000	\$0.000
903 Cus Acct-Customer Records & Collections Exp	CUSTOMER-RELATED	\$137.047	\$137.047	\$0.000	\$0.000	\$0.000	\$0.000
904 Cus Acct-Uncollectible Accounts	CUSTOMER-RELATED	excluded					
905 Cus Acct-Misc Customer Accounts Exp	CUSTOMER-RELATED	\$0.007	\$0.007	\$0.000	\$0.000	\$0.000	\$0.000
		\$184.245	\$184.245	\$0.000	\$0.000	\$0.000	\$0.000
Customer Services							
907 Cus Svc-Supervision + Payroll Taxes	NON-DSM CUST. INFO	\$0.721	\$0.000	\$0.000	\$0.000	\$0.000	\$0.003
908 Cus Svc-Cust Assist Exp (PBR Ex DAP, DSM &Self-Gen)	NON-DSM CUST. INFO	\$97.148	\$0.000	\$0.000	\$0.000	\$0.000	\$0.346
909 Cus Svc-Info & Instruction Exp	NON-DSM CUST. INFO	\$1.931	\$0.000	\$0.000	\$0.000	\$0.000	\$0.007
910 Cus Svc-Misc CSI Exp (PBR Ex DSM & NGV)	NON-DSM CUST. INFO	\$1.137	\$0.000	\$0.000	\$0.000	\$0.000	\$0.004
		\$100.936	\$0.000	\$0.000	\$0.000	\$0.000	\$0.359
Total		\$656.404	\$415.482	\$5.989	\$69.818	\$64.178	\$0.359
NGV Factor			63.3%	0.9%	10.6%	9.8%	0.1%

NGV Factor

	Core Reservation - Injection	Core Reservation - Withdrawal	Load Balancing - Inventory	Load Balancing - Injection	Load Balancing - Withdrawal	Unbundled Storage Ex. From Base Margin	Non-DSM Cust Svc & Info	Exclusive Use	Total
Transmission									
850 Tran Op-Supervision & Engineering (Including Payroll Taxes)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$14.015
851 Tran Op-System Control & Load Dispatching	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$2.226
852 Tran Op-Communication System Expenses									\$0.000
853 Tran Op-Compressor Station Labor & Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$1.881
854&855 Tran Op-Gas From Comp Sta Fuel (PBR Excluded)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$15.308
856 Tran Op-Mains Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$5.585
857 Tran Op-Measuring & Regulating Station Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$1.539
858 Tran Op-Transmission & Compression Of Gas By Other									\$0.000
859 Tran Op-Other Expenses (PBR excl Haz Waste)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$3.253
860 Tran Op-Rents	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$4.281
860 Maintenance Supervision & Engineering									\$0.000
862 Tran Mnt-Structures & Improvements	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
863 Tran Mnt-Mains	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$9.853
864 Tran Mnt-Compressor Station Equipment	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$5.500
865 Tran Mnt-Measuring & Regulating Station Equipment	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.389
867 Tran Mnt-Other Equipment	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.347
	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$64.178
Distribution									
870 Dist Op-Supervision & Engineering (Including Payroll Taxes)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$35.138
874 Dist Op-Mains & Services Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$18.671
875 Dist Op-Meas & Reg Station Expenses General	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.913
878 Dist Op-Meter & House Regulator Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$9.090
879 Dist Op-Customer Installations Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$113.555
880 Dist Op-Other Expenses (PBR Ex Haz Waste)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$64.030
881 Dist Op-Rents	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.020
885 Dist Mnt-Supervision & Engineering	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$10.320
886 Maintenance of Structures and Improvements	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
887 Dist Mnt-Mains	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$20.296
889 Dist Mnt-Meas & Reg Station Equipment General	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$2.318
892 Dist Mnt-Services	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$23.283
893 Dist Mnt-Meters & House Regulators	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$9.345
894 Dist Mnt-Other Equipment	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.066
	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$307.044

NGV Factor

	Core Reservation - Injection	Core Reservation - Withdrawal	Load Balancing - Inventory	Load Balancing - Injection	Load Balancing - Withdrawal	Unbundled Storage Ex. From Base Margin	Non-DSM Cust Svc & Info	Exclusive Use	Total
Transmission									
Customer Accounts									
901 Cus Acct-Supervision (PBR Ex CARE) + Payroll Taxes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$9.310
902 Cus Acct-Meter Reading Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$37.882
903 Cus Acct-Customer Records & Collections Exp	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$137.047
904 Cus Acct-Uncollectible Accounts									\$0.000
905 Cus Acct-Misc Customer Accounts Exp	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.007
	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$184.245
Customer Services									
907 Cus Svc-Supervision + Payroll Taxes	\$0.002	\$0.003	\$0.000	\$0.001	\$0.001	\$0.005	\$0.707	\$0.000	\$0.721
908 Cus Svc-Cust Assist Exp (PBR Ex DAP, DSM &Self-Gen)	\$0.204	\$0.457	\$0.021	\$0.125	\$0.070	\$0.612	\$95.313	\$0.000	\$97.148
909 Cus Svc-Info & Instruction Exp	\$0.004	\$0.009	\$0.000	\$0.002	\$0.001	\$0.012	\$1.894	\$0.000	\$1.931
910 Cus Svc-Misc CSI Exp (PBR Ex DSM & NGV)	\$0.002	\$0.005	\$0.000	\$0.001	\$0.001	\$0.007	\$1.115	\$0.000	\$1.137
	\$0.212	\$0.475	\$0.022	\$0.130	\$0.073	\$0.636	\$99.030	\$0.000	\$100.936
Total	\$0.212	\$0.475	\$0.022	\$0.130	\$0.073	\$0.636	\$99.030	\$0.000	\$656.404
NGV Factor	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	15.1%	0.0%	100.0%

NGV Factor

	Total functionaliz ed base Margin	Total Customer- Related	Distribution - High Pressure	Distribution - Medium Pressure	Transmissio n	Core Reservation · Inventory	Core Reservation · Injection	Core Reservation · Withdrawal
Transmission								
850 Tran Op-Supervision & Engineering (Including Payroll Taxes)	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
851 Tran Op-System Control & Load Dispatching	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
852 Tran Op-Communication System Expenses	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
853 Tran Op-Compressor Station Labor & Expenses	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
854&855 Tran Op-Gas From Comp Sta Fuel (PBR Excluded)	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
856 Tran Op-Mains Expenses	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
857 Tran Op-Measuring & Regulating Station Expenses	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
858 Tran Op-Transmission & Compression Of Gas By Other	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
859 Tran Op-Other Expenses (PBR excl Haz Waste)	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
860 Tran Op-Rents	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
860 Maintenance Supervision & Engineering	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
862 Tran Mnt-Structures & Improvements	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
863 Tran Mnt-Mains	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
864 Tran Mnt-Compressor Station Equipment	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
865 Tran Mnt-Measuring & Regulating Station Equipment	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
867 Tran Mnt-Other Equipment	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
Distribution								
870 Dist Op-Supervision & Engineering (Including Payroll Taxes)	100.0%	60.1%	3.1%	36.7%	0.0%	0.0%	0.0%	0.0%
874 Dist Op-Mains & Services Expenses	100.0%	0.0%	7.9%	92.1%	0.0%	0.0%	0.0%	0.0%
875 Dist Op-Meas & Reg Station Expenses General	100.0%	0.0%	7.9%	92.1%	0.0%	0.0%	0.0%	0.0%
878 Dist Op-Meter & House Regulator Expenses	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
879 Dist Op-Customer Installations Expenses	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
880 Dist Op-Other Expenses (PBR Ex Haz Waste)	100.0%	68.9%	2.5%	28.7%	0.0%	0.0%	0.0%	0.0%
881 Dist Op-Rents	100.0%	65.0%	2.8%	32.2%	0.0%	0.0%	0.0%	0.0%
885 Dist Mnt-Supervision & Engineering	100.0%	58.0%	3.3%	38.7%	0.0%	0.0%	0.0%	0.0%
886 Maintenance of Structures and Improvements	100.0%	81.7%	1.4%	16.8%	0.0%	0.0%	0.0%	0.0%
887 Dist Mnt-Mains	100.0%	23.5%	6.0%	70.5%	0.0%	0.0%	0.0%	0.0%
889 Dist Mnt-Meas & Reg Station Equipment General	100.0%	0.0%	7.9%	92.1%	0.0%	0.0%	0.0%	0.0%
892 Dist Mnt-Services	100.0%	99.6%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%
893 Dist Mnt-Meters & House Regulators	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
894 Dist Mnt-Other Equipment	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

NGV Factor

	Total functionaliz ed base Margin	Total Customer- Related	Distribution - High Pressure	Distribution - Medium Pressure	Transmissio n	Core Reservation Inventory	Core Reservation Injection	Core Reservation Withdrawal
Transmission								
Customer Accounts								
901 Cus Acct-Supervision (PBR Ex CARE) + Payroll Taxes	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
902 Cus Acct-Meter Reading Expenses	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
903 Cus Acct-Customer Records & Collections Exp	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
904 Cus Acct-Uncollectible Accounts	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
905 Cus Acct-Misc Customer Accounts Exp	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Customer Services								
907 Cus Svc-Supervision + Payroll Taxes	100.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.2%	0.5%
908 Cus Svc-Cust Assist Exp (PBR Ex DAP, DSM &Self-Gen)	100.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.2%	0.5%
909 Cus Svc-Info & Instruction Exp	100.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.2%	0.5%
910 Cus Svc-Misc CSI Exp (PBR Ex DSM & NGV)	100.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.2%	0.5%
Total								
NGV Factor								

NGV Factor

	Load Balancing - Inventory	Load Balancing - Injection	Load Balancing - Withdrawal	Unbundled Storage Ex. From Base Margin	Non-DSM Cust Svc & Info	Exclusive Use
Transmission						
850 Tran Op-Supervision & Engineering (Including Payroll Taxes)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
851 Tran Op-System Control & Load Dispatching	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
852 Tran Op-Communication System Expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
853 Tran Op-Compressor Station Labor & Expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
854&855 Tran Op-Gas From Comp Sta Fuel (PBR Excluded)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
856 Tran Op-Mains Expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
857 Tran Op-Measuring & Regulating Station Expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
858 Tran Op-Transmission & Compression Of Gas By Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
859 Tran Op-Other Expenses (PBR excl Haz Waste)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
860 Tran Op-Rents	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
860 Maintenance Supervision & Engineering	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
862 Tran Mnt-Structures & Improvements	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
863 Tran Mnt-Mains	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
864 Tran Mnt-Compressor Station Equipment	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
865 Tran Mnt-Measuring & Regulating Station Equipment	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
867 Tran Mnt-Other Equipment	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Distribution						
870 Dist Op-Supervision & Engineering (Including Payroll Taxes)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
874 Dist Op-Mains & Services Expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
875 Dist Op-Meas & Reg Station Expenses General	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
878 Dist Op-Meter & House Regulator Expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
879 Dist Op-Customer Installations Expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
880 Dist Op-Other Expenses (PBR Ex Haz Waste)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
881 Dist Op-Rents	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
885 Dist Mnt-Supervision & Engineering	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
886 Maintenance of Structures and Improvements	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
887 Dist Mnt-Mains	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
889 Dist Mnt-Meas & Reg Station Equipment General	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
892 Dist Mnt-Services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
893 Dist Mnt-Meters & House Regulators	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
894 Dist Mnt-Other Equipment	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

NGV Factor

	Load Balancing - Inventory	Load Balancing - Injection	Load Balancing - Withdrawal	Unbundled Storage Ex. From Base Margin	Non-DSM Cust Svc & Info	Exclusive Use
Transmission						
Customer Accounts						
901 Cus Acct-Supervision (PBR Ex CARE) + Payroll Taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
902 Cus Acct-Meter Reading Expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
903 Cus Acct-Customer Records & Collections Exp	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
904 Cus Acct-Uncollectible Accounts	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
905 Cus Acct-Misc Customer Accounts Exp	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Customer Services						
907 Cus Svc-Supervision + Payroll Taxes	0.0%	0.1%	0.1%	0.6%	98.1%	0.0%
908 Cus Svc-Cust Assist Exp (PBR Ex DAP, DSM &Self-Gen)	0.0%	0.1%	0.1%	0.6%	98.1%	0.0%
909 Cus Svc-Info & Instruction Exp	0.0%	0.1%	0.1%	0.6%	98.1%	0.0%
910 Cus Svc-Misc CSI Exp (PBR Ex DSM & NGV)	0.0%	0.1%	0.1%	0.6%	98.1%	0.0%
<hr/>						
Total						
<hr/>						
NGV Factor						
<hr/>						

Southern California Gas Company
 Embedded Cost Study
 Net Plant Functional Factors
 \$'s millions
 Date: 9-29-2008

Shaded are 2007 Actuals

FUNCTIONALIZATION

Functionalization		Total	Customer-Related	n - High Pressure	n - Medium Pressure	Transmission
Storage Plant						
350.1- GAS STORED UNDRGR	DIR	100.0%	0.0%	0.0%	0.0%	0.0%
350.1- LAND	DIR	100.0%	0.0%	0.0%	0.0%	0.0%
350.3- STORAGE RTS & OIL	DIR	100.0%	0.0%	0.0%	0.0%	0.0%
350.2- RIGHTS OF WAY	DIR	100.0%	0.0%	0.0%	0.0%	0.0%
351.2- COMPRESS STN STRU	DIR	100.0%	0.0%	0.0%	0.0%	0.0%
351.4- STRUC & IMPR-CITY	DIR	100.0%	0.0%	0.0%	0.0%	0.0%
352.2- UGS WELLS- ALISO	DIR Less \$4.205 Aliso \$ \$1.3 NG	100.0%	0.0%	0.0%	0.0%	0.0%
352.4- UNGD WELLS-CITY	DIR	100.0%	0.0%	0.0%	0.0%	0.0%
353.2- UGS LINES - ALISO	DIR Less \$.761 NG	100.0%	0.0%	0.0%	0.0%	0.0%
353.4- UNGD LINES-CITY	DIR	100.0%	0.0%	0.0%	0.0%	0.0%
354- COMPRES STN EQUIP	DIR	100.0%	0.0%	0.0%	0.0%	0.0%
355- MEAS & REG EQUIP	DIR	100.0%	0.0%	0.0%	0.0%	0.0%
356.2- PURIF EQUIP-ALISO	DIR	100.0%	0.0%	0.0%	0.0%	0.0%
356.4- PURIF EQUIP-CITY	DIR Less \$.192 Aliso	100.0%	0.0%	0.0%	0.0%	0.0%
357 & 358 OTHER EQUIPMENT	DIR	100.0%	0.0%	0.0%	0.0%	0.0%
Transmission Plant						
365.1- LAND	DIR	100.0%	0.0%	0.0%	0.0%	100.0%
365.105- LAND - KERN/MOJAV	DIR	100.0%	0.0%	0.0%	0.0%	100.0%
365.2- RIGHTS OF WAY	DIR	100.0%	0.0%	0.0%	0.0%	100.0%
366- STRUC. & IMPRVMT	DIR	100.0%	0.0%	0.0%	0.0%	100.0%
366.1- STRUCTURES - KERN	DIR	100.0%	0.0%	0.0%	0.0%	100.0%
367- MAINS - INCL. CAT	DIR	100.0%	0.0%	0.0%	0.0%	100.0%
367.055- Trans mains - Dee	DIR	100.0%	0.0%	0.0%	0.0%	100.0%
367.1- MAINS - KERN/MOJA	DIR	100.0%	0.0%	0.0%	0.0%	100.0%
367.3- LEASED IMPROVEMENT	DIR	100.0%	0.0%	0.0%	0.0%	100.0%
368- COMPRES STN EQUIP	DIR	100.0%	0.0%	0.0%	0.0%	100.0%
368.1- STN EQUIP - KERN	DIR	100.0%	0.0%	0.0%	0.0%	100.0%
369.1- MEAS & REG/CO PRO	DIR	100.0%	0.0%	0.0%	0.0%	100.0%
371, 372 374 - OTHER EQUIPMENT	DIR	100.0%	0.0%	0.0%	0.0%	100.0%
Distribution Plant						
374.1- LAND	Dist O&M Factor for Plant	100.0%	74.7%	2.0%	23.3%	0.0%
374.2- LAND RIGHTS	% dist main footage	100.0%	0.0%	7.9%	92.1%	0.0%
375- STRUCTURES & IMPR	Dist O&M Factor for Plant	100.0%	74.7%	2.0%	23.3%	0.0%
376- MAINS-INCL. CATHO	376 Mains Incl Cath	100.0%	0.0%	15.1%	84.9%	0.0%
376.05- MAINS - DEEP WELL	DIR	100.0%	39.3%	7.0%	53.7%	0.0%
378.1- MEAS & REG/CO PRO	% dist main footage	100.0%	0.0%	7.9%	92.1%	0.0%
380- DISTRIB. SERVICES	DIR	100.0%	100.0%	0.0%	0.0%	0.0%
381- METERS	DIR	100.0%	100.0%	0.0%	0.0%	0.0%
382- CUSTOMER INSTALL.	DIR	100.0%	100.0%	0.0%	0.0%	0.0%
382.6- CUST MEASURE-GEMS	DIR	100.0%	100.0%	0.0%	0.0%	0.0%
383- HOUSE REGULATORS	DIR	100.0%	100.0%	0.0%	0.0%	0.0%
387.1- OTHER EQUIPMENT	% dist main footage	100.0%	0.0%	7.9%	92.1%	0.0%
387.2- FUELING STNS-NGV	NGV Factor	100.0%	63.3%	0.9%	10.6%	9.8%
388- DIST RETIREMENT COSTS	DIR	100.0%	100.0%	0.0%	0.0%	0.0%

Southern California Gas Company
Embedded Cost Study
Net Plant Functional Factors
\$'s millions
Date: 9-29-2008

Shaded are 2007 Actuals ON %'S

Functionalization		Core Reservatio n - Inventory	Core Reservatio n - Injection	Core Reservatio n - Withdrawal	Load Balancing - Inventory	Load Balancing - Injection
Storage Plant						
350.1- GAS STORED UNDRGR	DIR	18.8%	11.1%	24.9%	1.1%	6.8%
350.1- LAND	DIR	18.8%	11.1%	24.9%	1.1%	6.8%
350.3- STORAGE RTS & OIL	DIR	18.8%	11.1%	24.9%	1.1%	6.8%
350.2- RIGHTS OF WAY	DIR	18.8%	11.1%	24.9%	1.1%	6.8%
351.2- COMPRESS STN STRU	DIR	18.8%	11.1%	24.9%	1.1%	6.8%
351.4- STRUC & IMPR-CITY	DIR	18.8%	11.1%	24.9%	1.1%	6.8%
352.2- UGS WELLS- ALISO	DIR Less \$4.205 Aliso \$ \$1.3 NG	18.8%	11.1%	24.9%	1.1%	6.8%
352.4- UNDGD WELLS-CITY	DIR	18.8%	11.1%	24.9%	1.1%	6.8%
353.2- UGS LINES - ALISO	DIR Less \$.761 NG	18.8%	11.1%	24.9%	1.1%	6.8%
353.4- UNDGD LINES-CITY	DIR	18.8%	11.1%	24.9%	1.1%	6.8%
354- COMPRES STN EQUIP	DIR	18.8%	11.1%	24.9%	1.1%	6.8%
355- MEAS & REG EQUIP	DIR	18.8%	11.1%	24.9%	1.1%	6.8%
356.2- PURIF EQUIP-ALISO	DIR	18.8%	11.1%	24.9%	1.1%	6.8%
356.4- PURIF EQUIP-CITY	DIR Less \$.192 Aliso	18.8%	11.1%	24.9%	1.1%	6.8%
357 & 358 OTHER EQUIPMENT	DIR	18.8%	11.1%	24.9%	1.1%	6.8%
Transmission Plant						
365.1- LAND	DIR	0.0%	0.0%	0.0%	0.0%	0.0%
365.105- LAND - KERN/MOJAV	DIR	0.0%	0.0%	0.0%	0.0%	0.0%
365.2- RIGHTS OF WAY	DIR	0.0%	0.0%	0.0%	0.0%	0.0%
366- STRUC. & IMPRVMT	DIR	0.0%	0.0%	0.0%	0.0%	0.0%
366.1- STRUCTURES - KERN	DIR	0.0%	0.0%	0.0%	0.0%	0.0%
367- MAINS - INCL. CAT	DIR	0.0%	0.0%	0.0%	0.0%	0.0%
367.055- Trans mains - Dee	DIR	0.0%	0.0%	0.0%	0.0%	0.0%
367.1- MAINS - KERN/MOJA	DIR	0.0%	0.0%	0.0%	0.0%	0.0%
367.3- LEASED IMPROVEMENT	DIR	0.0%	0.0%	0.0%	0.0%	0.0%
368- COMPRES STN EQUIP	DIR	0.0%	0.0%	0.0%	0.0%	0.0%
368.1- STN EQUIP - KERN	DIR	0.0%	0.0%	0.0%	0.0%	0.0%
369.1- MEAS & REG/CO PRO	DIR	0.0%	0.0%	0.0%	0.0%	0.0%
371, 372 374 - OTHER EQUIPMENT	DIR	0.0%	0.0%	0.0%	0.0%	0.0%
Distribution Plant						
374.1- LAND	Dist O&M Factor for Plant	0.0%	0.0%	0.0%	0.0%	0.0%
374.2- LAND RIGHTS	% dist main footage	0.0%	0.0%	0.0%	0.0%	0.0%
375- STRUCTURES & IMPR	Dist O&M Factor for Plant	0.0%	0.0%	0.0%	0.0%	0.0%
376- MAINS-INCL. CATHO	376 Mains Incl Cath	0.0%	0.0%	0.0%	0.0%	0.0%
376.05- MAINS - DEEP WELL	DIR	0.0%	0.0%	0.0%	0.0%	0.0%
378.1- MEAS & REG/CO PRO	% dist main footage	0.0%	0.0%	0.0%	0.0%	0.0%
380- DISTRIB. SERVICES	DIR	0.0%	0.0%	0.0%	0.0%	0.0%
381- METERS	DIR	0.0%	0.0%	0.0%	0.0%	0.0%
382- CUSTOMER INSTALL.	DIR	0.0%	0.0%	0.0%	0.0%	0.0%
382.6- CUST MEASURE-GEMS	DIR	0.0%	0.0%	0.0%	0.0%	0.0%
383- HOUSE REGULATORS	DIR	0.0%	0.0%	0.0%	0.0%	0.0%
387.1- OTHER EQUIPMENT	% dist main footage	0.0%	0.0%	0.0%	0.0%	0.0%
387.2- FUELING STNS-NGV	NGV Factor	0.1%	0.0%	0.1%	0.0%	0.0%
388- DIST RETIREMENT COSTS	DIR	0.0%	0.0%	0.0%	0.0%	0.0%

Southern California Gas Company
 Embedded Cost Study
 Net Plant Functional Factors
 \$'s millions
 Date: 9-29-2008

Shaded are 2007 Actuals

Functionalization		Load	Unbundled		
		Balancing - Withdrawal	Storage Ex. From Base Margin	Non-DSM Cust Svc & Info	Exclusive Use
Storage Plant					
350.1- GAS STORED UNDRGR	DIR	3.8%	33.4%	0.0%	0.0%
350.1- LAND	DIR	3.8%	33.4%	0.0%	0.0%
350.3- STORAGE RTS & OIL	DIR	3.8%	33.4%	0.0%	0.0%
350.2- RIGHTS OF WAY	DIR	3.8%	33.4%	0.0%	0.0%
351.2- COMPRESS STN STRU	DIR	3.8%	33.4%	0.0%	0.0%
351.4- STRUC & IMPR-CITY	DIR	3.8%	33.4%	0.0%	0.0%
352.2- UGS WELLS- ALISO	DIR Less \$4.205 Aliso \$ \$1.3 NG	3.8%	33.4%	0.0%	0.0%
352.4- UNGD WELLS-CITY	DIR	3.8%	33.4%	0.0%	0.0%
353.2- UGS LINES - ALISO	DIR Less \$.761 NG	3.8%	33.4%	0.0%	0.0%
353.4- UNGD LINES-CITY	DIR	3.8%	33.4%	0.0%	0.0%
354- COMPRES STN EQUIP	DIR	3.8%	33.4%	0.0%	0.0%
355- MEAS & REG EQUIP	DIR	3.8%	33.4%	0.0%	0.0%
356.2- PURIF EQUIP-ALISO	DIR	3.8%	33.4%	0.0%	0.0%
356.4- PURIF EQUIP-CITY	DIR Less \$.192 Aliso	3.8%	33.4%	0.0%	0.0%
357 & 358 OTHER EQUIPMENT	DIR	3.8%	33.4%	0.0%	0.0%
Transmission Plant					
365.1- LAND	DIR	0.0%	0.0%	0.0%	0.0%
365.105- LAND - KERN/MOJAV	DIR	0.0%	0.0%	0.0%	0.0%
365.2- RIGHTS OF WAY	DIR	0.0%	0.0%	0.0%	0.0%
366- STRUC. & IMPRVMNT	DIR	0.0%	0.0%	0.0%	0.0%
366.1- STRUCTURES - KERN	DIR	0.0%	0.0%	0.0%	0.0%
367- MAINS - INCL. CAT	DIR	0.0%	0.0%	0.0%	0.0%
367.055- Trans mains - Dee	DIR	0.0%	0.0%	0.0%	0.0%
367.1- MAINS - KERN/MOJA	DIR	0.0%	0.0%	0.0%	0.0%
367.3- LEASD IMPROVEMENT	DIR	0.0%	0.0%	0.0%	0.0%
368- COMPRES STN EQUIP	DIR	0.0%	0.0%	0.0%	0.0%
368.1- STN EQUIP - KERN	DIR	0.0%	0.0%	0.0%	0.0%
369.1- MEAS & REG/CO PRO	DIR	0.0%	0.0%	0.0%	0.0%
371, 372 374 - OTHER EQUIPMENT	DIR	0.0%	0.0%	0.0%	0.0%
Distribution Plant					
374.1- LAND	Dist O&M Factor for Plant	0.0%	0.0%	0.0%	
374.2- LAND RIGHTS	% dist main footage	0.0%	0.0%	0.0%	
375- STRUCTURES & IMPR	Dist O&M Factor for Plant	0.0%	0.0%	0.0%	
376- MAINS-INCL. CATHO	376 Mains Incl Cath	0.0%	0.0%	0.0%	0.0%
376.05- MAINS - DEEP WELL	DIR	0.0%	0.0%	0.0%	0.0%
378.1- MEAS & REG/CO PRO	% dist main footage	0.0%	0.0%	0.0%	
380- DISTRIB. SERVICES	DIR	0.0%	0.0%	0.0%	0.0%
381- METERS	DIR	0.0%	0.0%	0.0%	0.0%
382- CUSTOMER INSTALL.	DIR	0.0%	0.0%	0.0%	0.0%
382.6- CUST MEASURE-GEMS	DIR	0.0%	0.0%	0.0%	0.0%
383- HOUSE REGULATORS	DIR	0.0%	0.0%	0.0%	0.0%
387.1- OTHER EQUIPMENT	% dist main footage	0.0%	0.0%	0.0%	
387.2- FUELING STNS-NGV	NGV Factor	0.0%	0.1%	15.1%	
388- DIST RETIREMENT COSTS	DIR	0.0%	0.0%	0.0%	0.0%

Southern California Gas Company
 Embedded Cost Study
 376 Mains Including Cathodic Functional Factors
 \$'s millions
 Date: 9-29-2008

	Total	Distribution	Distribution	Transmissi	Core	Core	Core	Load	Load	Load	Unbundled	Non-DSM	
	Customer-	- High	- Medium	on	Reservation	Reservation	Reservation	-	-	-	Storage Ex.	Cust Svc &	Exclusive Use
	Related	Pressure	Pressure		- Inventory	- Injection	-	Inventory	Injection	Withdrawal	From Base	Info	
Calculation of Direct Portion:													
370 Net Assets in Cust Related													\$0.000
370 Total Net Assets before Adjustments													\$1,211.960
DIR Portion	0.0%												0.0%
Remainder to be Allocated by % of main N	100.0%												
% dist main NBV	100.0%	0.0%	15.1%	84.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	100.0%	0.0%	15.1%	84.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
376 Mains Including Cathodic Functionε	100.0%	0.0%	15.1%	84.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Southern California Gas Company
 Embedded Cost Study
 Distribution O&M Factor for Plant
 \$'s millions
 Date: 9-29-2008

<u>Functionalized Distribution O&M</u>	Total	Total Customer-Related	Distribution - High Pressure	Distribution - Medium Pressure	Transmission	Core Reservation - Inventory	Core Reservation - Injection
FERC Account							
870 Dist Op-Supervision & Engineering Plus Payroll Taxes	\$54.567	\$32.816	\$1.718	\$20.033	\$0.000	\$0.000	\$0.000
874 Dist Op-Mains & Services Expenses	\$18.671	\$0.000	\$1.475	\$17.196	\$0.000	\$0.000	\$0.000
875 Dist Op-Meas & Reg Station Expenses General	\$0.913	\$0.000	\$0.072	\$0.841	\$0.000	\$0.000	\$0.000
878 Dist Op-Meter & House Regulator Expenses	\$9.090	\$9.090	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
879 Dist Op-Customer Installations Expenses	\$113.555	\$113.555	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
880 Dist Op-Other Expenses	\$48.563	\$33.448	\$1.194	\$13.921	\$0.000	\$0.000	\$0.000
881 Dist Op-Rents	\$0.020	\$0.013	\$0.001	\$0.006	\$0.000	\$0.000	\$0.000
885 Dist Mnt-Supervision & Engineering	\$10.320	\$5.986	\$0.342	\$3.992	\$0.000	\$0.000	\$0.000
886 Dist Mnt-Structures & Improvements	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
887 Dist Mnt-Mains	\$20.296	\$4.770	\$1.227	\$14.300	\$0.000	\$0.000	\$0.000
889 Dist Mnt-Meas & Reg Station Equipment General	\$2.318	\$0.000	\$0.183	\$2.135	\$0.000	\$0.000	\$0.000
892 Dist Mnt-Services	\$23.283	\$23.182	\$0.008	\$0.093	\$0.000	\$0.000	\$0.000
893 Dist Mnt-Meters & House Regulators	\$9.345	\$9.345	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
894 Dist Mnt-Other Equipment	\$0.066	\$0.066	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total	\$311.006	\$232.268	\$6.220	\$72.517	\$0.000	\$0.000	\$0.000
Distribution O&M Factor	100.0%	74.7%	2.0%	23.3%	0.0%	0.0%	0.0%

Southern California Gas Company
Embedded Cost Study
Distribution O&M Factor for Plant
\$'s millions
Date: 9-29-2008

Functionalized Distribution O&M	Core Reservation - Withdrawal	Load Balancing - Inventory	Load Balancing - Injection	Load Balancing - Withdrawal	Unbundled Storage Ex. From Base Margin	Non-DSM Cust Svc & Info	Exclusive Use
FERC Account							
870 Dist Op-Supervision & Engineering Plus Payroll Taxes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
874 Dist Op-Mains & Services Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
875 Dist Op-Meas & Reg Station Expenses General	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
878 Dist Op-Meter & House Regulator Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
879 Dist Op-Customer Installations Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
880 Dist Op-Other Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
881 Dist Op-Rents	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
885 Dist Mnt-Supervision & Engineering	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
886 Dist Mnt-Structures & Improvements	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
887 Dist Mnt-Mains	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
889 Dist Mnt-Meas & Reg Station Equipment General	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
892 Dist Mnt-Services	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
893 Dist Mnt-Meters & House Regulators	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
894 Dist Mnt-Other Equipment	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Distribution O&M Factor	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table A-1 Workpaper
 Functionalization of Distribution O&M Expenses
 Constant 2007 \$MM

Ln	Acct	Item	Customer-Rel	High Pressure	Medium Pres:	Total
1		870 Op-Supervision & Engineering	21.131	1.058	12.949	35.138
3		875 Op-Meas & Reg Station Exp Genl	0.000	0.069	0.845	0.913
4		878 Op-Meter & House Regulator Exp	9.090	0.000	0.000	9.090
5		879 Op-Customer Installations Expenses	113.555	0.000	0.000	113.555
6		880 Op-Other Expenses	44.101	1.505	18.424	64.030
7		881 Op-Rents	0.013	0.001	0.006	0.020
8		885 Mnt-Supervision & Engineering	5.986	0.327	4.007	10.320
10		887 Mnt-Mains	4.770	1.172	14.354	20.296
11		889 Mnt-Meas & Reg Station Equip. Genl	0.000	0.175	2.143	2.318
12		892 Mnt-Services	23.182	0.008	0.094	23.283
13		893 Mnt-Meters & House Regulators	8.570	0.058	0.716	9.345
14		894 Mnt-Other Equipment	0.066	0.000	0.000	0.066
15	TOTAL		238.677	5.162	63.205	307.044

5/20/2008 Source: Distribution Stff

Southern California Gas Company
 Embedded Cost Study
 % Distribution Main Footage
 \$'s millions
 Date: 9-29-2008

	Total	total Customer Related	Distribution High Pressure	Distribution Medium Pressure	Trans mission	Core Reservatio n Inventory	Core Reservatio n Injection	Core Reservatio n Withdrawal	Load Balancing Inventory	Load Balancing Injection	Load Balancing Withdrawal	Unbundled Storage Ex. From Base Margin	Non-DSM Cust Svc & Info	Exclusive Use
% dist main fc	100.0%		7.9%	92.1%										

Reconciliation Factor

	Total Customer- Related	Distribution - High Pressure	Distribution - Medium Pressure	Transmissi on	Core Reservation - Inventory	Core Reservation - Injection	Core Reservation - Withdrawal	Load Balancing - Inventory	Load Balancing - Injection	Load Balancing - Withdraw al	TBS Storage	Non-DSM Cust Svc & Info	NGV	Total functionalize d base Margin
Base Margin Before Reconcile	\$941.060	\$35.571	\$276.753	\$162.817	\$16.092	\$9.503	\$21.289	\$0.966	\$5.811	\$3.253	\$28.490	\$40.660	\$0.000	\$1,542.264
Reconcile Factor	61.02%	2.31%	17.94%	10.56%	1.04%	0.62%	1.38%	0.06%	0.38%	0.21%	1.85%	2.64%	0.00%	100.00%

100%

Target Base Margin

2007 Base Margin **1570.827** 1570.827 OK

Uncollectibles Rate 0.3290% D.04-12-015
Francishe Fee Rate 1.5534%

Southern California Gas Company
Net Plant Functional Factors CR for Detail Func CR
\$'s millions
Date: 9-29-2008

	Total Customer- Related	Dist Customer Services	Dist Meter & House Regs	Dist Service Lines	Cust Acct- Supervis ion	Cust Acct- Meter Reading Exp	Cust Acct- Cust Records & Coll Exp	Cust Acct- Misc Cust Accts Exp	Total Custome r Services O&M
<u>NBV Allocated to Customer Related for:</u>									
<u>Dist Land, Structures, & Imprvmnts</u>									
374.1- LAND									
374.2- LAND RIGHTS									
375- STRUCTURES & IMPR									
<u>Services</u>									
380- DISTRIB. SERVICES									
376.05- MAINS - DEEP WELL									
<u>Meters</u>									
381- METERS									
<u>Customer Installations</u>									
382- CUSTOMER INSTALL.									
<u>GEMS</u>									
382.6- CUST MEASURE-GEM									
<u>Regulators</u>									
383- HOUSE REGULATORS									
<u>Gauges</u>									
NBV Guages									
Net Plant Excl Storage & GP & NGV Plus Guages & Cap rel EL	\$931.437	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
% of Total	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Southern California Gas Company
 Net Plant Functional Factors CR for Detail Func CR
 \$'s millions
 Date: 9-29-2008

	Dist Land, Structures , & Imprmnt s	Services	Meters	Customer Installatio ns	GEMS	Regulator s	Gauges	Exclusive Use Mains	Total Customer Services Capital Related	Customer- Related Misc Revenues
<u>NBV Allocated to Customer Related for:</u>										
<u>Dist Land, Structures, & Imprmnts</u>										
374.1- LAND	Net Plant Factor									
374.2- LAND RIGHTS	Net Plant Factor									
375- STRUCTURES & IMPR	Net Plant Factor									
<u>Services</u>										
380- DISTRIB. SERVICES	Net Plant Factor	\$377.408								
376.05- MAINS - DEEP WELL	Net Plant Factor	\$0.000								
<u>Meters</u>										
381- METERS	Net Plant Factor		\$269.805							
<u>Customer Installations</u>										
382- CUSTOMER INSTALL.	Net Plant Factor			\$79.034						
<u>GEMS</u>										
382.6- CUST MEASURE-GEM	Net Plant Factor				\$4.079					
<u>Regulators</u>										
383- HOUSE REGULATORS	Net Plant Factor					\$64.396				
<u>Gauges</u>										
NBV Guages	DIR						\$7.376			
Net Plant Excl Storage & GP & NGV Plus Guages & Cap rel EU		\$129.339	\$377.408	\$269.805	\$79.034	\$4.079	\$64.396	\$7.376	\$0.000	\$931.437
% of Total		13.9%	40.5%	29.0%	8.5%	0.4%	6.9%	0.8%	0.0%	100.0%
										0.0%

Base Margin Before Reconcile (see Detail Function Cust Relate)

	Total Customer-Related	Dist Customer Services	Dist Meter & House Regs	Dist Service Lines	Cust Acct-Supervision	Cust Acct-Meter Reading Exp	Cust Acct-Cust Records & Coll Exp	Cust Acct-Misc Cust Accts Exp	Total Customer Services O&M
Base Margin Before Reconcile	\$941.060	\$216.353	\$66.124	\$73.516	\$22.696	\$58.061	\$210.049	\$0.010	\$646.810
% of Total	100.0%	23.0%	7.0%	7.8%	2.4%	6.2%	22.3%	0.0%	68.7%

	Dist Land, Structures, & Imprvmnts	Customer Services	Meters	Customer Installations	GEMS	Regulators	Gauges	Exclusive Use Mains	Total Customer Services Capital Related	Customer-Related Misc Revenues
Base Margin Before Reconcile	\$47.634	\$138.996	\$99.367	\$29.107	\$1.502	\$23.716	\$2.717	\$0.000	\$343.040	(\$48.790)
% of Total	5.1%	14.8%	10.6%	3.1%	0.2%	2.5%	0.3%	0.0%	36.5%	-5.2%

A&G Functional Factor for Detailed Functionalization of Customer Related

\$'s millions

Date: 9-29-2008

	Function Method	Total Customer Related	Dist Customer Services	Dist Meter & House Regs	Dist Service Lines
Distribution					
870 Dist Op-Supervision & Engineering	DIR	\$32.816	\$18.269	\$8.656	\$5.891
874 Dist Op-Mains & Services Expenses	DIR	\$0.000	\$0.000	\$0.000	\$0.000
875 Dist Op-Meas & Reg Station Expenses General	DIR	\$0.000	\$0.000	\$0.000	\$0.000
878 Dist Op-Meter & House Regulator Expenses	DIR	\$9.090	\$0.000	\$9.090	\$0.000
879 Dist Op-Customer Installations Expenses	DIR	\$113.555	\$108.289	\$0.039	\$5.226
880 Dist Op-Other Expenses	DIR	\$33.448	\$11.713	\$7.023	\$14.712
881 Dist Op-Rents	DIR	\$0.013	\$0.021	\$0.004	(\$0.013)
885 Dist Mnt-Supervision & Engineering	DIR	\$5.986	\$2.802	\$1.468	\$1.716
886 Dist Mnt-Structures & Improvements	DIR	\$0.000	\$0.000	\$0.000	\$0.000
887 Dist Mnt-Mains	DIR	\$4.770	\$0.000	\$0.000	\$4.770
889 Dist Mnt-Meas & Reg Station Equipment General	DIR	\$0.000	\$0.000	\$0.000	\$0.000
892 Dist Mnt-Services	DIR	\$23.182	\$0.000	\$7.518	\$15.664
893 Dist Mnt-Meters & House Regulators	DIR	\$9.345	\$0.000	\$9.345	\$0.000
894 Dist Mnt-Other Equipment	DIR	\$0.066	\$0.066	\$0.000	\$0.000
		\$232.268	\$141.160	\$43.143	\$47.965
		\$232.268			
Customer Accounts					
901 Cus Acct-Supervision	DIR	\$14.808	\$0.000	\$0.000	\$0.000
902 Cus Acct-Meter Reading Expenses	DIR	\$37.882	\$0.000	\$0.000	\$0.000
903 Cus Acct-Customer Records & Collections Exp	DIR	\$137.047	\$0.000	\$0.000	\$0.000
904 Cus Acct-Uncollec Accts Excluded	DIR	\$0.000	\$0.000	\$0.000	\$0.000
905 Cus Acct-Misc Customer Accounts Exp	DIR	\$0.007	\$0.000	\$0.000	\$0.000
	\$189.7	\$189.743	\$0.000	\$0.000	\$0.000
Total		\$422.012	\$141.160	\$43.143	\$47.965
A&G Function Factor for Detail Function of Cust Relate		100.0%	33.4%	10.2%	11.4%

A&G Functional Factor for Detailed Functionalization of Customer Related

\$'s millions

Date: 9-29-2008

		Total Customer Related	Dist Customer Services	Dist Meter & House & Regs	Dist Service Lines
A&G					
920 AdmGen Op-Salaries	A&G Func Fctr Detail Func CR	\$14.254	\$4.768	\$1.457	\$1.620
921 AdmGen Op-Office Supplies & Expenses	A&G Func Factr for Detail Func CR	\$5.061	\$1.693	\$0.517	\$0.575
922 AdmGen Op-(Less) Administrative Exp Transferred	A&G Func Factr for Detail Func CR	(\$2.225)	(\$0.744)	(\$0.227)	(\$0.253)
923 AdmGen Op-Outside Services Employed - General	A&G Func Factr for Detail Func CR	\$86.149	\$28.816	\$8.807	\$9.792
923 AdmGen Op-Outside Services Employed - Advertising & Market Services	A&G Func Factr for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Communications	A&G Func Factr for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Environmental & Safety	A&G Func Factr for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Construction, Engineering & Site Services	A&G Func Factr for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Information Technology	A&G Func Factr for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Management Consulting Services	A&G Func Factr for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - RD&D Services	A&G Func Factr for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Well Services	A&G Func Factr for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Weatherization Inspection & Home Warrenty	A&G Func Factr for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Shared Services & Reconciliation	A&G Func Factr for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Training Services	A&G Func Factr for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Recruitment Services	A&G Func Factr for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Office Services	A&G Func Factr for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Human Resources	A&G Func Factr for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
924 AdmGen Op-Property Insurance	A&G Func Factr for Detail Func CR	\$2.043	\$0.683	\$0.209	\$0.232
925 AdmGen Op-Injuries & Damages	A&G Func Factr for Detail Func CR	\$19.149	\$6.405	\$1.958	\$2.176
926 AdmGen Op-Employee Pensions & Benefits	A&G Func Factr for Detail Func CR	\$52.560	\$17.581	\$5.373	\$5.974
927 AdmGen Op-Franchise Requirements	A&G Func Factr for Detail Func CR	\$0.000	\$0.000	\$0.000	\$0.000
928 AdmGen Op-Regulatory Commission Expenses	A&G Func Factr for Detail Func CR	\$3.112	\$1.041	\$0.318	\$0.354
930 AdmGen Op-Miscellaneous General Expenses	A&G Func Factr for Detail Func CR	\$5.747	\$1.922	\$0.588	\$0.653
931 AdmGen Op-Rents	A&G Func Factr for Detail Func CR	\$20.054	\$6.708	\$2.050	\$2.279
935 AdmGen Mnt-General Plant	A&G Func Factr for Detail Func CR	\$18.894	\$6.320	\$1.932	\$2.147
		\$224.8	\$75.194	\$22.981	\$25.550
Total Expenses		\$646.810	\$216.353	\$66.124	\$73.516
Reconciliation Function Factor for Detail Function of Cust Relate		100.0%	33.4%	10.2%	11.4%

A&G Functional Factor for Detailed Functionalization of Customer Related
\$'s millions

Date: 9-29-2008

	Cust Acct- Supervisi on	Cust Acct- Meter Reading Exp	Cust Acct- Cust Records & Coll Exp	Cust Acct- Misc Cust Accts Exp	Total Customer Services O&M	Dist Land, Structures , & Imprmnt s	Services	Meters	Customer Installatio ns
Distribution									
870 Dist Op-Supervision & Engineering	\$0.000	\$0.000	\$0.000	\$0.000	\$32.816	\$0.000	\$0.000	\$0.000	\$0.000
874 Dist Op-Mains & Services Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
875 Dist Op-Meas & Reg Station Expenses General	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
878 Dist Op-Meter & House Regulator Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$9.090	\$0.000	\$0.000	\$0.000	\$0.000
879 Dist Op-Customer Installations Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$113.555	\$0.000	\$0.000	\$0.000	\$0.000
880 Dist Op-Other Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$33.448	\$0.000	\$0.000	\$0.000	\$0.000
881 Dist Op-Rents	\$0.000	\$0.000	\$0.000	\$0.000	\$0.013	\$0.000	\$0.000	\$0.000	\$0.000
885 Dist Mnt-Supervision & Engineering	\$0.000	\$0.000	\$0.000	\$0.000	\$5.986	\$0.000	\$0.000	\$0.000	\$0.000
886 Dist Mnt-Structures & Improvements	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
887 Dist Mnt-Mains	\$0.000	\$0.000	\$0.000	\$0.000	\$4.770	\$0.000	\$0.000	\$0.000	\$0.000
889 Dist Mnt-Meas & Reg Station Equipment General	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
892 Dist Mnt-Services	\$0.000	\$0.000	\$0.000	\$0.000	\$23.182	\$0.000	\$0.000	\$0.000	\$0.000
893 Dist Mnt-Meters & House Regulators	\$0.000	\$0.000	\$0.000	\$0.000	\$9.345	\$0.000	\$0.000	\$0.000	\$0.000
894 Dist Mnt-Other Equipment	\$0.000	\$0.000	\$0.000	\$0.000	\$0.066	\$0.000	\$0.000	\$0.000	\$0.000
	\$0.000	\$0.000	\$0.000	\$0.000	\$232.268	\$0.000	\$0.000	\$0.000	\$0.000
Customer Accounts									
901 Cus Acct-Supervision	\$14.808	\$0.000	\$0.000	\$0.000	\$14.808	\$0.000	\$0.000	\$0.000	\$0.000
902 Cus Acct-Meter Reading Expenses	\$0.000	\$37.882	\$0.000	\$0.000	\$37.882	\$0.000	\$0.000	\$0.000	\$0.000
903 Cus Acct-Customer Records & Collections Exp	\$0.000	\$0.000	\$137.047	\$0.000	\$137.047	\$0.000	\$0.000	\$0.000	\$0.000
904 Cus Acct-Uncollec Accts Excluded	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
905 Cus Acct-Misc Customer Accounts Exp	\$0.000	\$0.000	\$0.000	\$0.007	\$0.007	\$0.000	\$0.000	\$0.000	\$0.000
	\$14.808	\$37.882	\$137.047	\$0.007	\$189.743	\$0.000	\$0.000	\$0.000	\$0.000
Total	\$14.808	\$37.882	\$137.047	\$0.007	\$422.012	\$0.000	\$0.000	\$0.000	\$0.000
A&G Function Factor for Detail Function of Cust Relate	3.5%	9.0%	32.5%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%

A&G Functional Factor for Detailed Functionalization of Customer Related
\$'s millions

Date: 9-29-2008

	Cust Acct- Supervision	Cust Acct- Meter Reading Exp	Cust Acct- Cust Records & Coll Exp	Cust Acct- Misc Cust Accts Exp	Total Customer Services O&M	Dist Land, Structures , & Imprmnt s	Services	Meters	Customer Installatio ns
A&G									
920 AdmGen Op-Salaries	\$0.500	\$1.280	\$4.629	\$0.000	\$14.254	\$0.000	\$0.000	\$0.000	\$0.000
921 AdmGen Op-Office Supplies & Expenses	\$0.178	\$0.454	\$1.644	\$0.000	\$5.061	\$0.000	\$0.000	\$0.000	\$0.000
922 AdmGen Op-(Less) Administrative Exp Transferred	(\$0.078)	(\$0.200)	(\$0.723)	(\$0.000)	(\$2.225)	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - General	\$3.023	\$7.733	\$27.977	\$0.001	\$86.149	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Advertising & Market Services	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Communications	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Environmental & Safety	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Construction, Engineering & Site Services	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Information Technology	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Management Consulting Services	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - RD&D Services	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Well Services	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Weatherization Inspection & Home Warranty	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Shared Services & Reconciliation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Training Services	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Recruitment Services	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Office Services	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Human Resources	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
924 AdmGen Op-Property Insurance	\$0.072	\$0.183	\$0.664	\$0.000	\$2.043	\$0.000	\$0.000	\$0.000	\$0.000
925 AdmGen Op-Injuries & Damages	\$0.672	\$1.719	\$6.219	\$0.000	\$19.149	\$0.000	\$0.000	\$0.000	\$0.000
926 AdmGen Op-Employee Pensions & Benefits	\$1.844	\$4.718	\$17.069	\$0.001	\$52.560	\$0.000	\$0.000	\$0.000	\$0.000
927 AdmGen Op-Franchise Requirements	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
928 AdmGen Op-Regulatory Commission Expenses	\$0.109	\$0.279	\$1.011	\$0.000	\$3.112	\$0.000	\$0.000	\$0.000	\$0.000
930 AdmGen Op-Miscellaneous General Expenses	\$0.202	\$0.516	\$1.866	\$0.000	\$5.747	\$0.000	\$0.000	\$0.000	\$0.000
931 AdmGen Op-Rents	\$0.704	\$1.800	\$6.512	\$0.000	\$20.054	\$0.000	\$0.000	\$0.000	\$0.000
935 AdmGen Mnt-General Plant	\$0.663	\$1.696	\$6.136	\$0.000	\$18.894	\$0.000	\$0.000	\$0.000	\$0.000
	\$7.888	\$20.179	\$73.003	\$0.004	\$224.799	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses	\$22.696	\$58.061	\$210.049	\$0.010	\$646.810	\$0.000	\$0.000	\$0.000	\$0.000
Reconciliation Function Factor for Detail Function of Cust Relate	3.5%	9.0%	32.5%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%

A&G Functional Factor for Detailed Functionalization of Customer Related
\$'s millions

Date: 9-29-2008

	GEMS	Regulators	Gauges	Exclusive Use Mains	Total Customer Services Capital Related	Customer-Related Misc Revenues	Total Customer-Related
Distribution							
870 Dist Op-Supervision & Engineering	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$32.816
874 Dist Op-Mains & Services Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
875 Dist Op-Meas & Reg Station Expenses General	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
878 Dist Op-Meter & House Regulator Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$9.090
879 Dist Op-Customer Installations Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$113.555
880 Dist Op-Other Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$33.448
881 Dist Op-Rents	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.013
885 Dist Mnt-Supervision & Engineering	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$5.986
886 Dist Mnt-Structures & Improvements	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
887 Dist Mnt-Mains	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$4.770
889 Dist Mnt-Meas & Reg Station Equipment General	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
892 Dist Mnt-Services	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$23.182
893 Dist Mnt-Meters & House Regulators	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$9.345
894 Dist Mnt-Other Equipment	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.066
	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$232.268
Customer Accounts							
901 Cus Acct-Supervision	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$14.808
902 Cus Acct-Meter Reading Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$37.882
903 Cus Acct-Customer Records & Collections Exp	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$137.047
904 Cus Acct-Uncollec Accts Excluded	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
905 Cus Acct-Misc Customer Accounts Exp	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.007
	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$189.743
Total	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$422.012
A&G Function Factor for Detail Function of Cust Relate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

A&G Functional Factor for Detailed Functionalization of Customer Related

\$'s millions

Date: 9-29-2008

	GEMS	Regulators	Gauges	Exclusive Use Mains	Total Customer Services Capital Related	Customer-Related Misc Revenues	Total Customer-Related
A&G							
920 AdmGen Op-Salaries	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$14.254
921 AdmGen Op-Office Supplies & Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$5.061
922 AdmGen Op-(Less) Administrative Exp Transferred	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	(\$2.225)
923 AdmGen Op-Outside Services Employed - General	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$86.149
923 AdmGen Op-Outside Services Employed - Advertising & Market Services	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Communications	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Environmental & Safety	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Construction, Engineering & Site Services	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Information Technology	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Management Consulting Services	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - RD&D Services	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Well Services	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Weatherization Inspection & Home Warranty	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Shared Services & Reconciliation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Training Services	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Recruitment Services	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Office Services	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
923 AdmGen Op-Outside Services Employed - Human Resources	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
924 AdmGen Op-Property Insurance	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$2.043
925 AdmGen Op-Injuries & Damages	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$19.149
926 AdmGen Op-Employee Pensions & Benefits	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$52.560
927 AdmGen Op-Franchise Requirements	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
928 AdmGen Op-Regulatory Commission Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$3.112
930 AdmGen Op-Miscellaneous General Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$5.747
931 AdmGen Op-Rents	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$20.054
935 AdmGen Mnt-General Plant	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$18.894
	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$224.799
Total Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$646.810
Reconciliation Function Factor for Detail Function of Cust Relate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%