Application of Southern California Gas Company (U904G) for authority to update its gas revenue requirement and base rates effective on January 1, 2012.

Application 10-12-____ Exhibit No.: (SCG-25)

PREPARED DIRECT TESTIMONY OF PATRICK D. MOERSEN ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

DECEMBER 2010



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APPENDIX

PREPARED DIRECT TESTIMONY OF PATRICK M. MOERSEN

ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY (SHARED ASSETS)

I. PURPOSE

The purpose of this testimony is to present an overview of the Shared Asset billing process between Southern California Gas Company (SCG or SoCalGas) and the other Sempra Energy affiliates. This testimony includes examples of the process and a list of proposed new future shared assets.

II. SHARED ASSET POLICY BACKGROUND

Shared assets are defined as assets that are on the financial records of one utility, but are also used by other Sempra Energy affiliates. For SCG, this applies to assets owned and used by SCG, which are also used by San Diego Gas & Electric Company (SDG&E), Sempra Energy Corporate Center (Corporate Center) and/or other Sempra Energy affiliates. Assets that can be identified, quantified, valued and exclusively used by one entity are not considered a shared asset. For example, when installing a new Information Technology (IT) system which will be used by SCG and SDG&E, software and hardware components may be purchased. Assets which will be used by both utilities, (e.g., software applications) will be considered shared assets. However, items such as a scanner, which will be used exclusively by only one of the utilities will not be considered a shared asset and will be recorded on the financial records for the specific utility.

SCG and SDG&E established a Shared Asset Policy in 2002 that dictates the manner in which shared assets are reflected in the financial records. Shared assets are recorded on the financial records of the utility (owner) that receives the most service or use from the asset. For example, an asset which will be used at a rate of 60% by SCG employees and 40% by SDG&E employees is placed on the financial records of SCG. For situations where utilization between the two utilities is exactly 50%, the established treatment is to place such assets on SCG's records.

The utility owning the shared asset bills the other companies using allocation percentages, which are based on factors that reflect the usage level of the asset by the other companies. These utilization factors will vary depending upon the asset. For example, a software project for a specific customer process may utilize the number of customers as the measure of utilization, whereas, a software project which is used internally may rely upon a count of the number of employees using the software.

accordance with the Shared Asset Policy if there are material changes to the business activities. This review is conducted by the organization responsible for the asset and is coordinated by the Affiliate Billing and Costing organization. If necessary, the allocation percentage will change to ensure each utility and affiliate is charged the appropriate level of costs.

The corporate reorganization that was effective on April 2010 as described in the testimony of Anne Smith (Exhibit SCG-01) did not have an impact on the Shared Asset Policy as discussed in this testimony. However, it does constitute a material change to SCG's business activities, and

These allocation percentages are reviewed annually and are adjusted as needed in

Once the asset is initially capitalized, it will remain on the utility's records even though the utilization factor may change in the future. This removes the undue administrative burden and associated costs (such as incremental sales tax) caused by transferring the asset from one utility to the other. Therefore, if an asset is originally placed on SCG's records but usage of the asset subsequently declines below 50%, SCG will nonetheless remain the owner of such asset. Any additions to a shared asset will be recorded on the owner's financial records where the original asset is recorded.

as such, will result in a review of the shared asset allocation percentages in 2011.

III. SHARED ASSET BILLING

SCG's shared assets consist primarily of facilities, computer hardware and software, and communication (telecommunication infrastructure) plant. SCG charges the Sempra Energy affiliates for the use of these assets by developing a capital revenue requirement. This revenue requirement is retained by SCG or billed to other entities according to the particular allocation methodology chosen for each asset to distribute the costs.

In developing the revenue requirement, the shared assets are placed into asset categories.

Assets listed in these categories include those that are currently in service, as well as the

forecasted additions as requested in this General Rate Case (GRC) proceeding through Test Year 2012 (TY2012). For SCG, the shared assets are classified into the following categories:

- Structures and Improvements
- Computer Hardware
- Computer Software
 - o 2-4 year life

- o 5-8 year life
- o 9-12 year life
- o 15 year life
- Communications
- Miscellaneous

For each asset category, an annual weighted-average rate base is calculated. A return on rate base, state and federal income taxes, estimated depreciation expense, and property taxes are derived from that information, resulting in a total revenue requirement. The Appendix to this testimony provides further details for the shared asset rate base calculations. The various revenue requirement components are determined and sponsored by other GRC witnesses.¹

Once the billable charges (i.e., revenue requirements) for the asset categories are determined, they are apportioned to the appropriate Sempra Energy affiliates using the allocation percentages. As discussed earlier, the allocation percentages are based on utilization factors developed specifically for each forecasted project by the sponsoring witness. The allocation percentages have been weighted by the net book value or estimated project costs to develop composite allocation percentages for the asset classes in the Results of Operations Model (RO). For example, based on the weighted calculations of the various projects, the structures and improvements category may end up with an allocation of 81.12% retained by SCG, 17.6% allocated to SDG&E, and 1.28% allocated to other Sempra affiliates. These percentages are used to determine the amounts to be charged to the appropriate Sempra Energy affiliates.

¹ The total company weighted-average rate base is sponsored by Rate Base witness, Garry G. Yee in Exhibit SCG-26. The calculation of return on rate base percentage is performed in the Results of Operations model and is sponsored by the Summary of Earnings witness, Deborah A. Hiromoto in Exhibit SCG-38. The tax expenses are sponsored by the Taxes witness, Randall G. Rose in Exhibit SCG-28. Finally, depreciation rates are sponsored by the Depreciation witness, Bob Wieczorek in Exhibit SCG-27.

When utility charges are billed to Corporate Center, the charges are then billed back to the utilities and other Sempra Energy affiliates based on a set of allocation percentages determined by Corporate Center. This process is discussed in the testimony of Bruce A. Folkmann (Exhibit SCG-17). However, in developing the revenue requirement, a net billing process is used for shared asset expense allocations to Corporate Center. With the net billing process, the percentage allocation of shared asset charges billed to Corporate Center (that would then be re-allocated and billed out) is already incorporated within the percentage allocations to SDG&E and Sempra Energy affiliates and retained by SCG. This eliminates a second iteration required in developing the revenue requirement. In order to reflect this activity for the purposes of filing the GRC, the weighted allocation percentages for each company are adjusted to reflect the chargeback of shared asset expenses from Corporate Center.

For example, prior to the net billing process, the allocation of computer hardware was 4.89% allocated to Corporate Center, 41.51% allocated to SDG&E, 53.6% retained by SCG, and 0.0% allocated to the Sempra Energy non-regulated affiliates. With the net billing process, accounting for the results of the Corporate Center charge back process, the allocations would be adjusted to 0% allocated to Corporate Center, 43.28% allocated to SDG&E, 55.36% retained by SCG and 1.36% allocated to Sempra Energy non-regulated affiliates. Refer to Table SCG-PDM-1 below.

Table SCG-PDM-1
Example of Net Billing Process on Allocation Percentages

	Corporate	SDGE	SCG	Non Reg's	Total
Allocation %	4.89%	41.51%	53.60%	0.00%	100.00%
	-4.89%	1.77%	1.76%	1.36%	0.00%
Net Allocation %	0.00%	43 28%	55 36%	1.36%	100 00%

This process effectively leaves a zero allocation of shared asset costs to Corporate Center, with the Corporate Center allocations spread among SCG (retained), SDG&E, and the Sempra Energy non-regulated affiliates.

² This net billing process, also called the Business Unit Charge Up (BUCU) process, is explained in the Shared Services Billing Policy and Process testimony of Edward J. Reyes in Exhibit SCG-24.

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6 7 Table SCG-PDM-2 reflects the summary of projected revenue requirements from the RO model related to shared assets by their asset category grouping for TY2012.

Table SCG-PDM-2 Summary of Shared Asset Revenue Requirements

2012 Test Year (In Thousands)

			Return	Annual		Total	Alloca	tion \$
2012	Weighted Avg Rate Base	Billable Return	Grossed Up for FIT & SIT	Deprec. Expense	Annual Property Tax	Billable Charges	SCG Retained	Total Billed
Structures & Improvements	28,875	2,506	4,230	18,276	359	22,865	18,548	4,317
Computer Hardware	76,046	6,601	11,140	26,925	945	39,010	21,596	17,414
Computer Software:								
2-4 Yrs	357	31	52	155	0	208	144	64
5-8 Yrs	54,105	4,696	7,926	16,359	0	24,284	14,488	9,796
9-12 Yrs	115,834	10,054	16,968	13,561	0	30,529	20,186	10,343
15 Yrs	71,501	6,206	10,474	12,063	0	22,537	14,304	8,233
Communications	14,667	1,273	2,149	5,838	182	8,169	4,688	3,481
Miscellaneous	1,027	89	150	0	13	163	117	46
Total	362,412	31,457	53,089	93,176	1,499	147,764	94,071	53,694

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The total amount billed to the Sempra Energy affiliates as noted above is reflected in the Miscellaneous Revenues testimony of Todd J. Cahill (Exhibit SCG-32).

IV. DESCRIPTION OF SHARED ASSET CATEGORIES

A. Structures and Improvements

Structures and Improvements consist primarily of leasehold improvements to the Gas Company Tower and improvements to the Monterey Park Facilities. The allocations for the improvements of these assets are based on space studies developed and performed by the Facilities Management department. These projects are sponsored by the Real Estate, Land & Facilities witness, David G. Taylor (see Exhibit SCG-14).

B. Computer Hardware and Software

Computer Hardware and Software consists of mainframe, servers, exchange (email) and SAP Software, among others. Utilization measures for these various assets are tracked, ranging from number of users (either employees or customers) to the amount of activity used (bandwidth)

for each company. The utilization measures determine the allocation percentages. These projects are sponsored by several witnesses. Please refer to Table SCG-PDM-3.

C. Communications

Communication assets include telecommunication infrastructure and network operations equipment. The allocations for these assets are based on the amount of usage by the end users, for example bandwidth. These projects are sponsored by several witnesses. Please refer to Table SCG-PDM-3.

D. Miscellaneous

This category represents all other items that do not fit in the previous categories. This category represents existing assets and does not include any future projects.

V. SUMMARY

Table SCG-PDM-3 reflects the forecasted shared asset projects for 2010 – 2012 with allocation percentages (prior to the netting of Corporate Center charge-back) and the supporting witness.

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Table SCG-PDM-3 Forecasted Shared Asset Projects and Allocation Percentages

Project_Name	Percentage Retained By SCG	Percentage Allocated To SDGE	Percentage Allocated To Sempra Corp and Affiliates	Witness
2011 DR Mainframa Hardwara Hagrada	51%	120/	6%	Loff Nichola
2011 DR Mainframe Hardware Upgrade Active Directory Refresh	51%	43% 43%	6%	Jeff Nichols Jeff Nichols
BPS Replacement	55%	40%	5%	Jeff Nichols
C&A Security Operations Management	51%	43%	6%	Jeff Nichols
California Producer	60%	40%	0%	Jeff Nichols
Citrix 6	51%	43%	6%	Jeff Nichols
CSFOE	95%	5%	0%	Jeff Nichols
DC Perimeter 2010	51%	43%	6%	Jeff Nichols
DC Rebuild 2012	51%	43%	6%	Jeff Nichols
Distributed Backup Growth 2010	51%	43%	6%	Jeff Nichols
Distributed Backup Growth 2012	51%	43%	6%	Jeff Nichols
Distributed Storage Growth 2010	51%	43%	6%	Jeff Nichols
Distributed Storage Growth 2011	51%	43%	6%	Jeff Nichols
Distributed Storage Growth 2012	51% 51%	43% 43%	6% 6%	Jeff Nichols Jeff Nichols
Distributed Storage Resource Management Tool DS8100 Storage Arrays Refresh 2012	51%	43%	6%	Jeff Nichols
EMF Upgrade	51%	43%	6%	Jeff Nichols
Endpoint Security 2010 SW	51%	43%	6%	Jeff Nichols
Endpoint Security 2011	60%	40%	0%	Jeff Nichols
Endpoint Security HW	51%	43%	6%	Jeff Nichols
Enhance Environmental Tracking System	60%	40%	0%	Jeff Nichols
Enterprise Command Center Display	60%	40%	0%	Jeff Nichols
Enterprise Encryption 2010 HW	51%	43%	6%	Jeff Nichols
Enterprise Encryption 2010 SW	51%	43%	6%	Jeff Nichols
Enterprise Encryption 2011	51%	43%	6%	Jeff Nichols
Enterprise Encryption 2011 SW	51%	43%	6%	Jeff Nichols
Enterprise Encryption 2012 HW	51%	43%	6%	Jeff Nichols
Enterprise Encryption 2012 SW	51%	43%	6%	Jeff Nichols
ESM Capacity Planning	51%	43%	6%	Jeff Nichols
ESM Enhancement	51%	43%	6%	Jeff Nichols
ESM Event Management	51%	43%	6%	Jeff Nichols
ESM Service Monitoring	51%	43%	6%	Jeff Nichols
E-Sourcing, Contract Lifecycle Management	60% 79%	40%	0% 6%	Jeff Nichols
GCT Lease Renegotiation Govern Risk & Complainance HW	79% 51%	15% 43%	6%	David Taylor Jeff Nichols
Govern Risk & Compliance 2011 HW	51%	43%	6%	Jeff Nichols
Govern Risk & Compliance SW	51%	43%	6%	Jeff Nichols
GRC Model Development	60%	40%	0%	Jeff Nichols
i3 Ph 2	51%	43%	6%	Jeff Nichols
i3 Ph 3	51%	43%	6%	Jeff Nichols
IAM Phase 2 HW	51%	43%	6%	Jeff Nichols
IAM Phase 2 SW	51%	43%	6%	Jeff Nichols
IAM Phase 3	51%	43%	6%	Jeff Nichols
IEO Small Cap	51%	43%	6%	Jeff Nichols
JDK/WLS/WLP Upgrade	60%	40%	0%	Jeff Nichols
JDK/WLS/WLP Upgrade - Envoy Rules Engine	60%	40%	0%	Jeff Nichols
JDK/WLS/WLP Upgrade 2	60%	40%	0%	Jeff Nichols
JDK/WLS/WLP Upgrade 3	60%	40%	0%	Jeff Nichols
LINUX/UNIX Server Refresh Ph 5	51%	43%	6%	Jeff Nichols
LINUX/UNIX Server Refresh Ph 6	51%	43%	6%	Jeff Nichols
Logistics Mobile Refresh & Expansion	60%	40%	0%	Jeff Nichols
M4 Fleet Application Replacement	60%	40%	0%	Jeff Nichols
Mainframe Hardware Upgrade Mainframe Storage Growth 2011	51% 51%	43% 43%	6% 6%	Jeff Nichols Jeff Nichols
Master Data Management HW	51% 51%	43%	6% 6%	Jeff Nichols
Master Data Management SW	51%	43%	6%	Jeff Nichols
MCS Improvement Project	60%	40%	0%	Jeff Nichols
Messaging Project	60%	40%	0%	Jeff Nichols
Meta Data Repository HW	51%	43%	6%	Jeff Nichols
Meta Data Repository SW	51%	43%	6%	Jeff Nichols
Microwave Refresh 1	60%	40%	0%	Jeff Nichols
Microwave Refresh 2	60%	40%	0%	Jeff Nichols
Microwave Refresh3	60%	40%	0%	Jeff Nichols

	Retained	Percentage Allocated		
Project_Name	By SCG	To SDGE	and Affiliates	Witness
MPK Data Center Generators MPK Data Center Master Plan - Bldg C Server Room Expansion	80% 80%	18% 18%	2% 2%	David Taylor David Taylor
MPK Exterior Site Improvement	80%	18%	2%	David Taylor David Taylor
MPK Server Room 2010	51%	43%	6%	Jeff Nichols
MPK Server Room 2011	51%	43%	6%	Jeff Nichols
MPK Server Room 2012	51%	43%	6%	Jeff Nichols
NCS Telecom Small Cap	51%	43%	6%	Jeff Nichols
NCS Network Small Cap	51%	43%	6%	Jeff Nichols
Network Middleware Refresh	51%	43%	6%	Jeff Nichols
Next Generation Envoy	60%	40%	0%	Jeff Nichols
NMS Refresh 2011	60%	40%	0%	Jeff Nichols
NMS Refresh 2012 OpEx 20/20 Asset Management & Smart Grid - GIS Software	60% 64%	40% 36%	0% 0%	Jeff Nichols Richard Phillips
OpEx 20/20 Asset Management & Smart Grid - GIS Software Phase 1 2011	64%	36%	0%	Richard Phillips
OpEx 20/20 Asset Management & Smart Grid - GIS Software Trailing Charges for 2012	64%	36%	0%	Richard Phillips
OpEx 20/20 Customer Care - ICE Self Service - IVR	75%	25%	0%	Richard Phillips
OpEx 20/20 Customer Care - ICE Self Service HBA	75%	25%	0%	Richard Phillips
OpEx 20/20 Customer Care - Ice Self Service IVR	75%	25%	0%	Richard Phillips
OpEx 20/20 Customer Care - Operational Insight Analytics	75%	25%	0%	Richard Phillips
OpEx 20/20 Customer Care - Single View of the Customer	75%	25%	0%	Richard Phillips
OpEx 20/20 Customer Care - Single View of the Customer	75%	25%	0%	Richard Phillips
OpEx 20/20 Enterprise PMO 2010	70%	30%	0%	Richard Phillips
OpEx 20/20 Enterprise PMO 2011	70%	30%	0%	Richard Phillips
OpEx 20/20 Enterprise PMO 2012	70%	30%	0%	Richard Phillips
OpEx 20/20 Field Force - Construction Phase OpEx 20/20 Field Force - Construction Phase	70% 70%	30%	0% 0%	Richard Phillips Richard Phillips
OpEx 20/20 Field Force Forecasting and Scheduling - Phase 1 & 2	63%	30% 37%	0%	Richard Phillips
OpEx 20/20 Field Force Forecasting and Scheduling - Phase 1 & 2	63%	37%	0%	Richard Phillips
OpEx 20/20 Field Force Mobile Enablement - Maintenance and Inspection Phase	73%	27%	0%	Richard Phillips
OpEx 20/20 Field Force Mobile Enablement - Maintenance and Inspection Phase	73%	27%	0%	Richard Phillips
OpEx 20/20 Field Force Work Management - Maintenance and Inspection Phase	63%	37%	0%	Richard Phillips
OpEx 20/20 Field Force Work Management - Maintenance and Inspection Phase	63%	37%	0%	Richard Phillips
OpEX 20/20 IT Enterprise Information & Analytics	70%	30%	0%	Richard Phillips
OpEx 20/20 IT Environments Project - Hardware	70%	30%	0%	Richard Phillips
Oracle Enterprise Environment HW	51%	43%	6%	Jeff Nichols
Physical Layer Refresh	51%	43%	6%	Jeff Nichols
Print Servers Upgrade - HW	51%	43%	6%	Jeff Nichols
Print Servers Upgrade - SW	51%	43%	6%	Jeff Nichols
RB Server Room 2010 RB Server Room 2011	51% 51%	43% 43%	6% 6%	Jeff Nichols Jeff Nichols
RB Server Room 2012	51%	43%	6%	Jeff Nichols
RB Tape Library Replacement	51%	43%	6%	Jeff Nichols
Records Management Project Phase 1	60%	40%	0%	Jeff Nichols
Records Management Project Phase 2	60%	40%	0%	Jeff Nichols
Safety Performance Management Reporting	49%	44%	7%	Jeff Nichols
SAP (ERP) Upgrade EHP5	55%	40%	5%	Jeff Nichols
SAP BI Software Enterprise Agrement	55%	40%	5%	Jeff Nichols
SAP BI Upgrade	49%	44%	7%	Jeff Nichols
SAP BIA HW	55% 55%	40%	5%	Jeff Nichols
SAP BIA SW SAP GRC Tools Firefighter	55% 55%	40% 40%	5% 5%	Jeff Nichols Jeff Nichols
SAP Support Pack 2011	55%	40%	5%	Jeff Nichols
SAP Support Pack 2012	55%	40%	5%	Jeff Nichols
SCG Data Warehouse Infrastructure Upgrade HW	49%	44%	7%	Jeff Nichols
SCG Data Warehouse Infrastructure Upgrade SW	49%	44%	7%	Jeff Nichols
Security Operations Management 2011 HW	51%	43%	6%	Jeff Nichols
Security Operations Management 2011 SW	51%	43%	6%	Jeff Nichols
Security Operations Management 2012 HW	51%	43%	6%	Jeff Nichols
Security Operations Management 2012 SW	51%	43%	6%	Jeff Nichols
Security Small Cap (Blanket)	51%	43%	6%	Jeff Nichols
Sharepoint Phase 3	60% 60%	40%	0%	Jeff Nichols
Sharepoint Refresh SMS Upgrade	51%	40% 43%	0% 6%	Jeff Nichols Jeff Nichols
Software Code Security 2011 HW+C13	51%	43%	6%	Jeff Nichols
Software Code Security 2011 SW	51%	43%	6%	Jeff Nichols
Software Code Security 2011A HW	51%	43%	6%	Jeff Nichols
Software Code Security 2011A SW	51%	43%	6%	Jeff Nichols
Software Code Security 2012B HW	51%	43%	6%	Jeff Nichols
Software Code Security 2012B SW	51%	43%	6%	Jeff Nichols
Source to Pay	55%	40%	5%	Jeff Nichols
Test Automation SAP Processes	55%	40%	5%	Jeff Nichols
Various (carved out) MPK Proj (Shared)	80%	18%	2%	David Taylor
Voice to Service	60%	40%	0%	Jeff Nichols
Windows 7 Remediation for CCS	51%	43%	6%	Jeff Nichols
Wintel Refresh Phase 5	51%	43%	6%	Jeff Nichols

1	Project_Name	Percentage Retained By SCG	Percentage Allocated To SDGE	Percentage Allocated To Sempra Corp and Affiliates	Witness
2	Wintel Refresh Phase 6 Wired NAC	51% 60%	43% 40%	6% 0%	Jeff Nichols Jeff Nichols
3					
4	Table SCG-PDM-4 reflects the total miscellaneous	revenue (a	llocated	l shared ass	set
5	expenses to the Sempra Energy affiliates) for SCG for 200	9 Recorded	d Year a	nd TY2012	2.
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Table SCG-PDM-4

Shared Asset Miscellaneous Revenue (\$000's)									
2009 Recorded	Net Change								
19,468	53,694	34,226							

The main reason for the increase from 2009 recorded to TY2012 is the spending related to the various Information System projects that support both SCG and Sempra Energy Affiliates. Since these assets are being established on SCG's financial records, a significant revenue requirement is billed to the Sempra Energy Affiliates.

As discussed previously, each utility will bill the other utility for the allocation of the revenue requirement for each asset category. Table SCG-PDM-5 reflects the Shared Asset expense allocation billed to SCG from SDG&E for 2009 Recorded and TY2012.

Table SCG-PDM-5

Shared Asset Expense Allocation from SDG&E (\$000's)								
2009 Recorded	2012 Test Year	Net Change						
5,910	8,270	2,360						

The main reason for the increase in the expense allocation from SDG&E is due to the improvements at the Rancho Bernardo Data Center and several Information System projects that are being established on SDG&E's financial records. The list of projects is identified in my SDG&E Shared Asset Testimony (see Exhibit SDG&E-31, Table SDG&E-PDM-3). The calculation for the shared asset expense can be found in the Appendix to this testimony.

This concludes my prepared direct testimony.

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	VI.	WITNESS QUALIFICATIONS
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My name is Patrick D. Moersen. My business address is 555 W. Fifth Street, Los Angeles, California, 90013. I am employed by Southern California Gas Company (SCG) as the Asset and Project Accounting Manager for SCG. I have been in this position since September 2005.

I received a Bachelor of Science degree in Business, with an emphasis in Finance from California State University of Northridge. I also received my Masters of Business Administration, with an emphasis in Finance from California Lutheran University. I have been employed by SCG in various positions and responsibilities since 1994. My experience includes Asset and Project Accounting (formerly known as Cost Accounting), Accounts Payable,

Financial Planning and Internal Audit.

APPENDIX

SoCalGas Shared Asset Allocation Billable Costs

		Weighted Avg	Annual	Billable	Return Grossed Up	Annual Deprec.	Annual	Total Billable	Allocat	ion %	Allocat	tion \$									
2010		Rate Base	Return	Return	for FIT & SIT	Expense	Property Tax	Charges	Retained	Billed	Retained	Billed	SoCal	SDGE	Affiliate	Total		SoCalGas Retained	SDGE	Affiliate	Total
Structures & Improvements Computer Hardware		7,552 37,866	8.68% 8.68%	656 3,287	1,106 5,547	11,006 15,693	93 466	12,205 21,706	80.9% 55.4%	19.1% 44.6%	9,873 12,021	2,332 9,685		2,287 9,366	45 319	2,332 9,685	Structures and Improvements Computer Hardware	80.89% 55.38%	18.74% 43.15%	0.37% 1.47%	100% 100%
Computer Software:	2-4 Yrs 5-8 Yrs 9-12 Yrs 15 Yrs	22,046 25,107	8.68% 8.68% 8.68% 8.68%	116 1,914 2,179 3,166	196 3,229 3,678 5,344	753 7,031 2,948 7,381	16 271 309 449	966 10,532 6,935 13,173	62.1% 67.3% 68.0% 56.5%	37.9% 32.7% 32.0% 43.5%	600 7,089 4,717 7,437	366 3,443 2,218 5,736		366 3,353 2,198 5,579	0 90 20 157	366 3,443 2,218 5,736	Computer Software 2-4 Yrs Computer Software 5-8 Yrs Computer Software 9-12 Yrs Computer Software 15 Yrs	62.12% 67.31% 68.02% 56.46%	37.83% 31.84% 31.69% 42.35%	0.05% 0.85% 0.29% 1.19%	100% 100% 100% 100%
Communications Miscellaneous	Total	2,429 883 133,703	8.68% 8.68% 8.68%	211 77 11,605	356 129 19,586	2,261 0 47,073	30 11 1,645	2,646 140 68,304	58.5% 71.8%	41.5% 28.3%	1,547 101	1,099 40 24,919	0	1,063 40 24,252	36 0 667	1,099 40 24,919	Communications Miscellaneous	58.46% 71.75%	40.18% 28.25%	1.36%	100% 100%
		Weighted Avg	Annual	Billable	Return Grossed Up	Annual Deprec.	Annual	Total Billable	Alloca	ion %	Allocat					,,,,					
2011		Rate Base	Return	Return	for FIT & SIT	Expense	Property Tax	Charges	Retained	Billed	Retained	Billed	SoCal	SDGE	Affiliate	Total		SoCalGas Retained	SDGE	Affiliate	Total
Structures & Improvements Computer Hardware Computer Software:		3,261 55,645	8.68% 8.68%	283 4,830	478 8,151	11,434 20,206	40 688	11,952 29,045	81.0% 55.5%	19.0% 44.6%	9,684 16,106	2,268 12,940		2,144 12,548	124 392	2,268 12,940	Structures and Improvements Computer Hardware	81.02% 55.45%	17.94% 43.20%	1.04% 1.35%	100% 100%
	2-4 Yrs 5-8 Yrs 9-12 Yrs 15 Yrs	34,221 54,256	8.68% 8.68% 8.68% 8.68%	71 2,970 4,709 4,576	7,948	715 10,491 6,262 9,723	10 423 671 652	845 15,927 14,880 18.097	64.2% 62.4% 66.6% 59.2%	35.8% 37.6% 33.4% 40.8%	543 9,937 9,904 10,706	302 5,990 4,976 7,391		302 5,837 4,963 7,268	0 153 13 123	302 5,990 4,976 7,391	Computer Software 2-4 Yrs Computer Software 5-8 Yrs Computer Software 9-12 Yrs Computer Software 15 Yrs	64.24% 62.39% 66.56% 59.16%	35.76% 36.65% 33.35% 40.16%	0.00% 0.96% 0.09% 0.68%	100% 100% 100% 100%
Communications Miscellaneous	Total	12,259 1,070 214,246	8.68% 8.68% 8.68%	1,064 93 18,597	1,796 157 31,384	4,435 0 63,265	152 13 2,649	6,382 170 97,299	57.0% 71.8%	43.0% 28.3%	3,635 122	2,747 48 36,662		2,671 48 35,780	76 0 882	2,747 48 36,662	Communications Miscellaneous	56.96% 71.75%	41.85% 28.25%	1.19%	100% 100%
		Weighted Avg	Annual	Billable	Return Grossed Up	Annual Deprec.	Annual	Total Billable	Allocat	ion %	Alloca	tion \$						0-0-10 1	T		
2012		Rate Base	Return	Return	for FIT & SIT	Expense	Property Tax	Charges	Retained	Billed	Retained	Billed	SoCal	SDGE	Affiliate	Total		SoCalGas Retained	SDGE	Affiliate	Total
Structures & Improvements Computer Hardware Computer Software:		28,875 76,046	8.68% 8.68%	2,506 6,601	4,230 11,140	18,276 26,925	359 945	22,865 39,010	81.1% 55.4%	18.9% 44.6%	18,548 21,596	4,317 17,414		4,024 16,884	293 531	4,317 17,414	Structures and Improvements Computer Hardware	81.12% 55.36%	17.60% 43.28%	1.28% 1.36%	100% 100%
	2-4 Yrs 5-8 Yrs 9-12 Yrs 15 Yrs	54,105 115,834	8.68% 8.68% 8.68%	31 4,696 10,054 6,206	52 7,926 16,968 10,474	155 16,359 13,561 12,063	0 0 0 0	208 24,284 30,529 22,537	69.3% 59.7% 66.1% 63.5%	30.8% 40.3% 33.9% 36.5%	144 14,488 20,186 14,304	9,796 10,343 8,233		64 9,556 10,325 8,147	0 240 18 86	64 9,796 10,343 8,233	Computer Software 2-4 Yrs Computer Software 5-8 Yrs Computer Software 9-12 Yrs Computer Software 15 Yrs	69.25% 59.66% 66.12% 63.47%	30.75% 39.35% 33.82% 36.15%	0.00% 0.99% 0.06% 0.38%	100% 100% 100% 100%
Communications Miscellaneous	Total	14,667 1,027 362,412	8.68% 8.68% 8.68%	1,273 89 31,457	2,149 150 53,089	5,838 0 93,176	182 13 1,499	8,169 163 147,764	57.4% 71.8%	42.6% 28.3%	4,688 117	3,481 46 53,694		3,407 46 52,453	74 0 1,241	3,481 46 53,694	Communications Miscellaneous	57.39% 71.75%	41.71% 28.25%	0.90% 0.00%	100% 100%