

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of San Diego Gas & Electric Company (U 902 M) for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2016.

Application No. 14-11-003
(Filed November 14, 2014)

Application of Southern California Gas Company (U 904 G) for Authority to Update its Gas Revenue Requirement and Base Rates Effective on January 1, 2016.

Application No. 14-11-004
(Filed November 14, 2014)

**JOINT MOTION FOR ADOPTION OF SETTLEMENT AGREEMENTS
REGARDING SOUTHERN CALIFORNIA GAS COMPANY'S
TEST YEAR 2016 GENERAL RATE CASE,
INCLUDING ATTRITION YEARS 2017 AND 2018**

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I. INTRODUCTION

Pursuant to Rule 12.1 of the California Public Utilities Commission's ("Commission's") Rules of Practice and Procedure, this Joint Motion by Southern California Gas Company ("SoCalGas" or "SCG"), Office of Ratepayer Advocates ("ORA"), Utility Workers Union of America ("UWUA"), Federal Executive Agencies ("FEA"), Environmental Defense Fund ("EDF"), Joint Minority Parties ("JMP"), The Utility Reform Network ("TURN"), and Utility Consumers' Action Network ("UCAN") (collectively referred to hereafter as "Settling Parties") jointly request approval of a settlement of the Test Year ("TY") 2016 revenue requirement determination, including attrition years 2017 and 2018, in the above-captioned General Rate Case ("GRC") proceeding ("TY 2016 Settlement Agreement").¹ In addition, this Motion requests approval of settlement agreements executed among (1) SoCalGas, San Diego Gas & Electric Company ("SDG&E") and EDF (the "EDF Settlement"), (2) SoCalGas, SDG&E and JMP (the "JMP Settlement"), (3) SoCalGas, SDG&E and FEA (the "FEA Settlement"), and (4) SoCalGas, SDG&E and TURN/UCAN (the "TURN/UCAN Settlement") (collectively referred to

¹ The TY 2016 Settlement Agreement (including its Appendix) is attached to this Motion as Attachment 1.

hereafter as “Bilateral GRC Settlements”).² Settling Parties propose that this portfolio of settlements adequately resolves the specific contested issues of interest to each signatory without conflict or overlap among the various settlement agreements. While there may be substantive issues, party positions, and other proposals that are not specifically addressed and resolved in settlement, it is the intent of Settling Parties to move for adoption of these settlements as a complete and final resolution of all issues among them in this proceeding, with the exception of a tax issue raised by TURN which, as specified in the TURN/UCAN Settlement, is not covered by the settlements and will be the subject of separate briefing. Also, it is not the intent of Settling Parties to prejudice the ability of any party from raising any issues again in future GRCs. Finally, this Motion and the corresponding settlements do not address or resolve all the outstanding contested issues raised by non-settling parties. Those issues remain ripe for further litigation by the non-settling parties (*i.e.*, briefing and a litigated outcome).

Settling Parties hereby request Commission adoption of the TY 2016 Settlement Agreement and Bilateral GRC Settlements, each on their own respective merits, as being “reasonable in light of the whole record, consistent with law, and in the public interest,” as required by Rule 12.1(d). Should the Commission adopt the settlements, the Settling Parties request that a decision be issued implementing the terms of the settlements as a full resolution of the issues raised in this proceeding and issue orders allowing for implementation of the settled revenue requirement as reflected in the TY 2016 Settlement Agreement and consistent with the additional terms contained in the Bilateral GRC Settlements.

II. BACKGROUND

Pursuant to D.07-07-004, SDG&E and SoCalGas (collectively “Applicants”) filed TY 2016 GRC Applications (“A.”) 14-11-003 and A.14-11-004, respectively, on November 14, 2014. Notice of the Applications was by publication and posting in public places. On December 26, 2014, the Commission consolidated both GRC dockets. Timely protests and a response to the Applications were filed by various parties, to which SDG&E and SoCalGas filed a reply on December 29, 2014. A Prehearing Conference (“PHC”) was held on January 8, 2015. Parties were allowed the opportunity to file PHC statements of their positions. The purpose of the PHC was to discuss the scope of issues to be addressed in this consolidated proceeding, and the

² The EDF Settlement, JMP Settlement, FEA Settlement and TURN/UCAN Settlement are attached to this Motion as Attachments 2-5, respectively.

procedural schedule. The Commission issued its Scoping Memo and Ruling on February 5, 2015.

Applicants served revised testimony in March, 2015. ORA issued its comprehensive reports on Applicants' GRCs on April 24, 2015. Intervenors served their testimony on May 15, 2015, including FEA, UWUA, EDF, JMP, TURN, UCAN, Coalition of California Utility Employees ("CCUE"), Mussey Grade Road Alliance, San Diego Consumers' Action Network ("SDCAN"), and Southern California Generation Coalition ("SCGC"). In June 2015, SoCalGas and SDG&E served rebuttal testimony. Although there are other parties on the official service list, in addition to the Applicants, ORA, FEA, UWUA, EDF, JMP, TURN, UCAN, SDCAN, CCUE, Mussey Grade Road Alliance, and SCGC continued to be the only active parties in the proceeding.

Public Participation Hearings ("PPHs") were held in numerous locations throughout Southern California during May and June, 2015. Notice of the PPHs was by publication and posting in public places. Hearings were then held from June 22, 2015 through July 15, 2015.

A. Description of Discovery

Discovery was underway as early as August 2014, when Applicants tendered their notices of intent to file their GRC applications. The discovery process consisted of master data requests from ORA, deficiency data requests from ORA, an ORA on-site audit, formal and informal data requests from ORA and other intervenors, and tendering of additional data (*e.g.*, 2014 adjusted recorded costs). These discovery efforts resulted in Applicants responding to thousands of data requests. In addition, Applicants propounded their own discovery.

B. Settlement Process and Compliance with Rule 12.1(b)

As required by Rule 12.1(b), seven-day prior notice with an opportunity to participate in a settlement conference was provided to all parties on August 21, 2015. A settlement conference was held on August 28, 2015 in San Francisco, California, and concurrently by teleconference. During the settlement conference, Applicants presented the terms of their agreement in principal with ORA. It should be noted that although EDF, FEA, UWUA, JMP, TURN, and UCAN were not involved in the initial discussions that resulted in the agreement in principal between Applicants and ORA, these settling parties have each conducted their own analyses of its terms and find that it will allow SDG&E and SoCalGas to operate safely, reliably, and efficiently, while keeping customer rates reasonable for the next GRC cycle. Accordingly, based on the TY

2016 Settlement Agreement and their individual Bilateral GRC Settlements, the Settling Parties have agreed to resolve all contested issues between them, with the exception (as noted above) of a tax issue raised by TURN which, as specified in the TURN/UCAN Settlement, is not covered by the settlements and will be the subject of separate briefing.

III. SUMMARY OF THE TY 2016 SETTLEMENT AGREEMENT

Pursuant to the TY 2016 Settlement Agreement, SoCalGas' authorized revenue requirement for TY 2016 will be \$2,219 million.³ For the attrition years 2017 and 2018, the Settling Parties have agreed to escalation rates of 3.5% for each year. These settlement figures are supported by the Appendix to the TY 2016 Settlement Agreement, which includes all of the settlement details and is comprised of a Joint Comparison Settlement Exhibit, which contains the following documents:

- Settlement Terms (Exhibit B, "Settlement Agreement Terms Between Southern California Gas Company and Office of Ratepayer Advocates"), which provides a breakdown of the settlement amounts by functional area;
- Pursuant to Rule 12.1(a) of the Commission's Rules of Practice and Procedure, a detailed description of how individual account settlement values relate to SoCalGas' and ORA's litigation positions (the format is similar but not identical to the litigation comparison exhibits which were tendered in July 2015); and
- Summary of Earnings table, which presents the major categories of expense, revenue and rate base.

If the Commission adopts the TY 2016 Settlement Agreement with no modifications, then SoCalGas' system average rate revenues, beginning January 1, 2016, would increase from authorized 2015 rate revenues by 1.6%. This reflects the General Rate Case Memorandum Account ("GRCMA") roll-off occurring on January 1, 2016.

The TY 2016 Settlement Agreement provides an overall TY 2016 revenue requirement for SoCalGas, broken down by major functional cost categories, as well as specific items related to the revenue requirement which are required for proper implementation of the revenue requirement. For example, the TY 2016 Settlement Agreement specifies the regulatory

³ Dollar amounts cited in this Motion are rounded; please refer to the TY 2016 Settlement Agreement and its Appendix for more precise figures.

accounting treatment of various settled operations-related costs. As noted above, Settling Parties have raised other issues, arguments, and proposals which are not specified in the TY 2016 Settlement Agreement. However, by signing and committing to support the TY 2016 Settlement Agreement and their individual Bilateral GRC Settlements, Settling Parties are agreeing to resolve, without prejudice, all contested issues such that there remain no outstanding issues to litigate amongst Settling Parties in this GRC proceeding, with the exception (as noted above) of a tax issue raised by TURN which, as specified in the TURN/UCAN Settlement, is not covered by the settlements and will be the subject of separate briefing.

IV. SUMMARY OF BILATERAL GRC SETTLEMENTS

As noted above, in addition to the TY 2016 Settlement Agreement, SoCalGas reached separate settlements with FEA, EDF, JMP, and TURN/UCAN. These Bilateral GRC Settlements were reached to resolve certain discreet issues raised by individual parties in a manner that does not conflict or overlap with the TY 2016 Settlement Agreement. Each bilateral settlement is briefly described below. Each bilateral agreement is being signed and executed specifically between SoCalGas and the party or parties who have executed the agreement.

A. FEA Settlement

FEA is a signatory to the TY 2016 Settlement Agreement. SoCalGas (and SDG&E) and FEA have additionally executed a stand-alone settlement to reach agreement on a contested issue involving the regulatory accounting treatment for the Pension and Post-Retirement Benefits Other than Pension balancing accounts (“PBA” and “PBOPBA” respectively). The FEA Settlement resolves all remaining contested issues raised by FEA, which impact SDG&E and SoCalGas. The FEA Settlement accompanies this Motion as Attachment 2.

B. EDF Settlement

EDF is a signatory to the TY 2016 Settlement Agreement. SoCalGas (and SDG&E) and EDF have additionally executed a stand-alone settlement to resolve issues addressed in EDF and SoCalGas testimonies on matters related to Senate Bill (“SB”) 1371. The EDF Settlement resolves all remaining contested issues between SoCalGas and EDF. The EDF Settlement is attached to this Motion as Attachment 3.

C. JMP Settlement

JMP is a signatory to the TY 2016 Settlement Agreement. SoCalGas (and SDG&E) and JMP have additionally executed a stand-alone settlement to resolve issues addressed in JMP and

SoCalGas testimonies on matters related to supplier diversity. The JMP Settlement resolves all remaining contested issues between SoCalGas and JMP. The JMP Settlement is attached to this Motion as Attachment 4.

D. TURN/UCAN Settlement

TURN and UCAN are signatories to the TY 2016 Settlement Agreement. SoCalGas (and SDG&E) and TURN/UCAN have additionally executed a stand-alone settlement to resolve issues addressed in TURN, UCAN, and SoCalGas testimonies on several matters, including regulatory accounting treatment of the Transmission Integrity Management Program (“TIMP”) and Distribution Integrity Management Program (“DIMP”), and the Storage Integrity Management Program (“SIMP”). The TURN/UCAN Settlement resolves all remaining contested issues between SoCalGas and TURN/UCAN, with the exception of the income tax repair allowance issue, for which TURN/UCAN and SoCalGas are reserving the right to litigate (*i.e.*, it will be separately briefed by these specific parties). The TURN/UCAN Settlement is attached to this Motion as Attachment 5.

V. INDIVISIBILITY OF THE TERMS CONTAINED IN EACH OF THE SETTLEMENT AGREEMENTS

As set forth in the General Provisions and Reservations section of each settlement agreement, each term contained within each settlement document (but not across all settlement documents), is indivisible, with each part interdependent on each and all other parts. Regarding the relationship between settlements, the approval of each Bilateral GRC Settlement is contingent upon the approval of the TY 2016 Settlement Agreement, but not on approval of any of the other Bilateral GRC Settlements.⁴ However, the approval of the TY 2016 Settlement Agreement is not contingent upon the approval of any of the Bilateral GRC Settlements.

In addition, any Settling Party may withdraw from the TY 2016 Settlement Agreement or their respective Bilateral GRC Settlements if the Commission modifies, deletes from, or adds to the disposition of the matters settled therein. The Settling Parties agree, however, to negotiate in good faith with regard to any Commission-ordered changes in order to restore the balance of

⁴ In other words, each Bilateral GRC Settlement should be weighed and considered on its own merits, where the adoption of one is not contingent upon the adoption of any of the remaining Bilateral GRC Settlements.

benefits and burdens, and to exercise the right to withdraw only if such negotiations are unsuccessful.

VI. FURTHER HEARINGS REGARDING THE SETTLEMENT AGREEMENTS ARE NOT NECESSARY

Under Rule 12.3, hearings are not a prerequisite to approving a settlement. As a result of all the discovery, written testimony, and fully litigated hearings, the Commission has before it a fully developed record reflecting the merits of approving the TY 2016 Settlement Agreement (including the Joint Settlement Comparison Exhibit) and Bilateral GRC Settlements attached to this Motion. For each of the contested issues that would be resolved under the various settlement agreements, the proposed outcome is within the range of outcomes represented by the litigated positions of the parties as reflected in the existing record. This existing record will be further supplemented by the parties' filed comments and reply comments. Under these circumstances, Settling Parties do not believe there are any issues of material fact to resolve that require a hearing. To the extent there are outstanding issues over the merits of the TY 2016 Settlement Agreement or Bilateral GRC Settlements, it is likely that the issues will be legal and policy-related and, therefore, well suited to the comment process.

VII. LEGAL STANDARD APPLICABLE TO REVIEW OF THE SETTLEMENT AGREEMENTS

Numerous Commission decisions have endorsed settlements as an “appropriate method of alternative ratemaking” and express a strong public policy favoring settlement of disputes if they are fair and reasonable in light of the whole record.⁵ This policy supports many worthwhile goals, including not only reducing the expense of litigation and conserving scarce Commission resources, but also allowing parties to reduce the risk that litigation will produce unacceptable results.⁶ This strong public policy favoring settlements also weighs in favor of the Commission resisting the temptation to alter the results of the negotiation process. As long as a settlement taken as a whole “is reasonable in light of the whole record, consistent with law, and in the

⁵ See, e.g., D.05-10-041, 2005 Cal. PUC LEXIS 484 at *70, D.15-03-006, 2015 Cal. PUC LEXIS 132 at *8 and D.15-04-006, 2015 Cal. PUC LEXIS 212 at *12-13.

⁶ D.14-12-040, 2014 Cal. PUC LEXIS 617 at *50-51.

public interest” it should be adopted without change.⁷ As shown below, the TY 2016 Settlement Agreement and Bilateral GRC Settlements meet this standard.

A. The TY 2016 Settlement Agreement And Bilateral GRC Settlements Are Reasonable In Light Of The Record As A Whole

The Settling Parties are knowledgeable and experienced regarding the issues in this GRC proceeding and have a well-documented history of strongly-held positions, leading to different conclusions in many areas. In agreeing to the TY 2016 Settlement Agreement and Bilateral GRC Settlements, the Settling Parties have used their collective experience to produce appropriate, well-founded recommendations. The Settling Parties have ardently negotiated and succeeded in achieving settlements that they believe balance the various interests affected in this proceeding.

B. The TY 2016 Settlement Agreement And Bilateral GRC Settlements Are Consistent With Law And Prior Commission Decisions

The Settling Parties believe, and herein represent, that no term of the TY 2016 Settlement Agreement or Bilateral GRC Settlements contravenes statutory provisions or prior Commission decisions.⁸

C. The TY 2016 Settlement Agreement And Bilateral GRC Settlements Are In The Public Interest

1. The TY 2016 Settlement Agreement will benefit ratepayers

The TY 2016 Settlement Agreement arrives at an overall rate and bill impact that Settling Parties propose is in SoCalGas ratepayers’ interest, and reaches a balance between level of service and reasonable rates. Although a litigated outcome rendered by the Commission would also strive to achieve that balance, this settled outcome, if adopted, provides an agreement reached by Settling Parties that were actively engaged in representing a variety of interests and constituents, including ORA, which has provided the most comprehensive analysis of SoCalGas’ cost forecasts in this proceeding.

⁷ Rule 12.1(d) of the Commission’s Rules of Practice and Procedure.

⁸ In D.00-09-037 (p. 11) the Commission based its finding that the third criteria had been met on representation by the settling parties that they expended considerable effort ensuring that the Settlement Agreement comports with statute and precedents, and did not believe that any of its terms or provisions contravene statute or prior Commission decisions. *See also*, D.07-04-043, 2007 Cal. PUC LEXIS 275 at *126-127.

The Settling Parties have a common interest that SoCalGas provides safe and reliable service to customers. Therefore, Settling Parties believe and expect that SoCalGas will operate its system in a safe and reliable manner, in line with its assertions that customer, employee, and system safety are priorities for the company. Parties, as well as the Commission's Safety and Enforcement Division, have created a record on safety, reliability, and operational risk policy in this proceeding. The TY 2016 Settlement Agreement does not reach any explicit findings and conclusions over the various risk issues raised in this proceeding. However, it does specify the cost forecasts adopted for the specific areas of electric and gas operations that are related to risks, as well as the other cost categories. The Commission, having recently adopted a more safety-focused Rate Case Plan in Rulemaking ("R.") 13-11-006, will expect upcoming GRCs filed by utilities to incorporate these and other elements in a more uniform and systematic way. For purposes of SoCalGas' TY 2016 GRC cycle, SoCalGas will not only be an active participant in helping the Commission determine a safety-focused GRC, but will be preparing to file its next GRC under the new Rate Case Plan. At present, this continues to be an evolving process.

Thus, it is in the public interest to authorize the settlement amounts, permitting SoCalGas to further develop its Enterprise Risk Management functions and to continue its operational and infrastructure risk-reduction efforts, even as the Commission's ratemaking landscape itself is changing.

2. The Bilateral GRC Settlements will benefit ratepayers

With respect to the Bilateral GRC Settlements, each has also raised issues of public interest in this proceeding, including issues related to the environment (see EDF Settlement), supplier diversity (see JMP Settlement), and various regulatory balancing accounts (see FEA Settlement and TURN/UCAN Settlement). Together, the Bilateral GRC Settlements have resolved such issues for purposes of this GRC cycle in the interest of reaching an informed and fair compromise that benefits all ratepayers. That is, the Bilateral GRC Settlements, along with the TY 2016 Settlement Agreement, comprise a portfolio of settlements that Settling Parties propose meets the Commission's standard for settlements that are in the public interest and supported by the evidentiary record.

3. Settlement after hearings is in the public interest

Saving parties or the Commission the time or the expense of hearings is not the only thing to consider in determining if a settled outcome is preferable to a litigated one, or if it is in

the public interest. In fact, a settlement after evidentiary hearings ensures that the settlement is based on a fully-litigated record. The negotiation process itself lends credence to the fact that the settlement is in the public interest and is the preferred outcome. Following extensive hearings, and therefore being completely informed as to the strengths, weaknesses, and nuances of each other's litigation positions, the negotiators for the Settling Parties spent many hours weighing and determining a reasonable, mutually acceptable outcome. The Commission has previously recognized the significance of this fact:

A very important potential advantage of settlements is that the parties themselves may be better able than the trier of fact to craft the optimal resolution of a dispute.⁹

Furthermore, with respect to the overall TY 2016 revenue requirement, the Joint Settlement Comparison Exhibit shows that for each area, the settled value falls within the ranges created by the Settling Parties' respective original estimates. Thus, from reviewing the TY 2016 Settlement Agreement, including its Appendix, and the process used to arrive at these mutually acceptable outcomes, the Commission may derive substantial assurance that the requirements of Rule 12 and Public Utilities Code Section 451 have been met.¹⁰

In assessing whether or not a settlement is in the public interest, the Commission has also looked at the extent to which discovery has been completed, the stage of the proceeding, whether the parties had undertaken a thorough review of the issues, the experience of counsel, the amount offered in settlement, the presence of a governmental participant, the overall strength of applicant's case, and the relative risks and complexities of the litigation.¹¹ Such criteria are considered whether the settlement is all-party or contested.¹²

⁹ D.92-08-036, Finding of Fact 9. *See also*, D.95-12-051, 1995 Cal. PUC LEXIS 963 at *14 (“[t]he advantages of the settlement outweigh the risks of ratepayer harm.”).

¹⁰ Public Utilities Code Section 451 provides, in pertinent part: “All charges demanded or received by any public utility, or by any two or more public utilities, for any product or commodity furnished or to be furnished or any service rendered or to be rendered shall be just and reasonable.”

¹¹ *See*, e.g., Decision 00-09-037, 2000 Cal. PUC LEXIS 697 (citing *Officers for Justice v. Civil Service Commission of the City and County of San Francisco* (9th Cir. 1982) 688 F. 2d 615, 625). *See also*, D.03-12-035, 2002 Cal. PUC LEXIS 1051 at *28-30 (citing to application of *Officers* in D.88-12-083). Additional examples of cases citing such factors are D.92-07-076, D.91-12-043, D.91-10-046, D.91-09-075, D.91-09-069, D.91-09-069, D.91-07-042, D.90-12-021, D.90-08-046, and D.88-12-083.

¹² D.00-09-037 at 9.

In the present case, discovery was complete and extensive, and the stage of the proceeding was as advanced as possible for a settlement – it was at the briefing stage. Parties undeniably had undertaken a thorough review of the issues. The Settling Parties were represented by highly experienced counsel. Moreover, the presence of ORA, the Commission staff responsible for representing ratepayer interest, is strongly indicative of the fact that the TY 2016 Settlement Agreement is reasonable and in the public interest. Indeed, ORA is “ideally positioned to comment on the operation of the utility and ratepayer perception” as required by D.92-12-019.¹³ The fact that the other non-utility Settling Parties joined the TY 2016 Settlement Agreement after their review of the outcomes provided for in that agreement provides further confirmation of the reasonableness of those outcomes.

Regarding the Bilateral GRC Settlements, they are similar in that they involved the input of parties representing a wide variety of ratepayer interests, including the particular interests of ratepayers and the public. Thus, the overall merit of the settlements that are the subject of this Motion can be determined based on the diversity of interests they represent.

In sum, the TY 2016 Settlement Agreement and Bilateral GRC Settlements represent a tough bargain, crafted under the strictures of all the Commission’s rules governing procedural and substantive scrutiny of a utility request for rate changes, by parties intimately familiar with the utility’s operations, accounting, and duty to provide safe and reliable service at reasonable rates.

4. The TY 2016 Settlement Agreement and Bilateral GRC Settlements are in the public interest even though they are not all-party settlements

The TY 2016 Settlement Agreement and Bilateral GRC Settlements are not all-party settlements. Nevertheless, the TY 2016 Settlement Agreement and Bilateral GRC Settlements comply with the Commission’s criteria for settlements. The Commission’s criteria for contested settlements are stated in D.03-04-030,¹⁴ where the Commission reaffirmed the policy it

¹³ D.92-12-019, 1992 Cal. PUC LEXIS 867 at *24.

¹⁴ 2003 Cal. PUC LEXIS 246 at *66-67. This policy was also reaffirmed in D.10-12-035, 2010 Cal. PUC LEXIS 647 at *39-40 and D.11-12-053, 2011 Cal. PUC LEXIS 585 at *111-113. *See also*, D.11-05-018, 2011 Cal. PUC LEXIS 275 at *23 (“In assessing settlements we consider individual settlement provisions but, in light of strong public policy favoring settlements, we do not base our conclusion on whether any single provision is the optimal result. Rather, we determine whether the settlement as a whole produces a just and reasonable outcome.”)

adopted in D.96-01-011:

We consider whether the settlement taken as a whole is in the public interest. In so doing, we consider individual elements of the settlement in order to determine whether the settlement generally balances the various interest at stake as well as to assure that each element is consistent with our policy objectives and the law. [cite omitted]

Since the Settlement before us is contested, we take note of the approach followed regarding a contested settlement in D.01-12-018. There, we stated that when a contested settlement is presented to us where hearings have been held on the contested issues, we are free to consider such settlements under Rule 51.1(e) or as joint recommendations. Evidentiary hearings were held on the contested issues in this proceeding, although various parties elected to waive or curtail cross-examination. Nonetheless, the underlying testimony was received into evidence, and forms an independent basis against which to evaluate the reasonableness of the Settlement Agreement.

All the settled issues are identified in the TY 2016 Settlement Agreement (including its Appendix) and Bilateral GRC Settlements in sufficient detail for the Commission to understand and appreciate their reasonableness, particularly in the context of the hearing record. The Settling Parties spent significant effort to assure that the specific amounts and terms adopted had a rationale associated with them and reflected the testimony regarding appropriate revenue requirements, account treatment or policy positions regarding those issues. Thus, measured against the underlying testimony in this case, the TY 2016 Settlement Agreement and Bilateral GRC Settlements are in the public interest.

VIII. CONCLUSION

For all the foregoing reasons, the Settling Parties urge the Commission to approve the attached TY 2016 Settlement Agreement and Bilateral GRC Settlements without modification. As discussed, the Settling Parties have obtained substantial information on the strengths and weaknesses of each other's position in this proceeding. Armed with that information, the Settling Parties believe strongly that the TY 2016 Settlement Agreement and their respective Bilateral GRC Settlements accomplishes a mutually acceptable outcome of this proceeding. Consequently, the Settling Parties respectfully request that the Commission grant this motion and:

1. adopt the attached TY 2016 Settlement Agreement as reasonable in light of the whole record, consistent with law and in the public interest;

2. authorize SoCalGas to modify rates for service rendered on and after January 1, 2016, consistent with the terms of the TY 2016 Settlement Agreement;
3. adopt the attached Bilateral GRC Settlements as reasonable in light of the whole record, consistent with law and in the public interest; and
4. grant such other and further relief as the Commission finds just and reasonable.

SoCalGas represents that it has been authorized by the Settling Parties to sign this Motion on their behalf, consistent with Rule 1.8(d) of the Commission's Rules of Practice and Procedure.

Respectfully submitted,

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September 11, 2015

Attachment 1

TY 2016 Settlement Agreement (including Appendix)

**SETTLEMENT AGREEMENT REGARDING
SOUTHERN CALIFORNIA GAS COMPANY'S TEST YEAR 2016
GENERAL RATE CASE REVENUE REQUIREMENT,
INCLUDING ATTRITION YEARS 2017 AND 2018**

I. INTRODUCTION

Pursuant to Rule 12.1 of the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission"), Southern California Gas Company ("SoCalGas" or "SCG"), Office of Ratepayer Advocates ("ORA"), Utility Workers Union of America ("UWUA"), Department of Defense and All Other Federal Executive Agencies ("FEA"), The Utility Reform Network ("TURN"), the Utility Consumers' Action Network ("UCAN"), Environmental Defense Fund ("EDF"), and Joint Minority Parties ("JMP") (collectively referred to hereafter as "Settling Parties") enter into this Settlement Agreement Regarding SoCalGas' Test Year ("TY") 2016 General Rate Case ("GRC") Revenue Requirement, Including Attrition Years 2017 and 2018 ("TY 2016 Settlement Agreement").

II. SETTLEMENT COMPLIES WITH COMMISSION REQUIREMENTS

This TY 2016 Settlement Agreement provides an overall TY 2016 revenue requirement (and attrition year escalation rates for 2017 and 2018) that Settling Parties believe will allow SoCalGas to operate and manage its system safely, reliably, and efficiently, while keeping customer rates reasonable for the next GRC cycle. The Settling Parties recognize that there is risk involved in litigation and that the Commission, based on the entirety of the record, could reach outcomes that are not fully aligned with any individual party's litigated positions. Accordingly, the Settling Parties have vigorously argued their positions, and have reached compromise positions that they believe are appropriate in light of the litigation risks and have the support of the evidentiary record. In particular, the level of revenue requirements agreed to in this TY 2016 Settlement Agreement reflects the Settling Parties' best judgments as to the totality of all parties' positions and risks on revenue requirements, and their agreement herein is explicitly based on final settled amounts summarized below and detailed in the attached Appendix.

III. SETTLEMENT TERMS AND CONDITIONS

Pursuant to this TY 2016 Settlement Agreement, SoCalGas' authorized revenue requirement for TY 2016 will be \$2,219 million. For the attrition years 2017 and 2018, the Settling Parties have agreed to escalation rates of 3.5% for each year. These settlement figures are supported in detail by the attached Appendix, which represents the full body of the settlement terms and is comprised of the following documents:

- Settlement Terms, which provides a breakdown of the settlement amounts by functional area;
- Joint Settlement Comparison Exhibit, which, pursuant to Rule 12.1(a) of the Commission's Rules of Practice and Procedure, provides a detailed description of how

individual account settlement values relate to SoCalGas' and ORA's litigation positions; and

- Summary of Earnings table, which presents the major categories of expense, revenue and rate base.¹

IV. GENERAL PROVISIONS AND RESERVATIONS

In consideration of the mutual obligations, covenants and conditions contained herein, the Settling Parties agree to all of the above terms and conditions as well as the terms set forth in the attached Appendix as a complete and final resolution of all revenue requirement-related issues among them in this proceeding, in addition to miscellaneous terms specified in the Appendix that are not directly tied to the revenue requirement. The Settling Parties, by signing this TY 2016 Settlement Agreement, acknowledge that they pledge support for Commission approval and subsequent implementation of all the provisions of this TY 2016 Settlement Agreement. The Settling Parties agree to perform diligently and in good faith all actions required or implied hereunder, including the execution of any other documents required to effectuate the terms of this TY 2016 Settlement Agreement, and the preparation of exhibits for, and presentation of witnesses at any required hearings to obtain the approval and adoption of this TY 2016 Settlement Agreement by the Commission. The Settling Parties will not contest in this proceeding or in any other forum, or in any manner before this Commission, the recommendations establishing revenue requirements for 2016, 2017 and 2018 contained in this TY 2016 Settlement Agreement.

A. COMPROMISE OF DISPUTED CLAIMS

The Settling Parties agree that this TY 2016 Settlement Agreement represents a compromise of their respective revenue requirement-related (and including several miscellaneous terms that are not directly tied to the revenue requirement) positions in this proceeding. No individual term of this TY 2016 Settlement Agreement is assented to by any Party, except in consideration of the other Settling Parties' assent to all other terms.

B. REGULATORY APPROVAL

Settling Parties acknowledge that the positions expressed in this TY 2016 Settlement Agreement were reached after consideration of all positions advanced in all the testimony sponsored in the proceeding by all Settling Parties and declare and mutually agree that the terms and conditions herein are reasonable, consistent with the law, and in the public interest. Accordingly, the Settling Parties shall use their best efforts to obtain Commission approval of this TY 2016 Settlement Agreement and shall jointly request that the Commission adopt this TY 2016 Settlement Agreement in its entirety and without modification.

C. INCORPORATION OF COMPLETE SETTLEMENT AGREEMENT

This TY 2016 Settlement Agreement embodies the entire understanding of the Settling

¹ All three documents referenced here are included, in the order indicated, as a comprehensive Appendix document titled, *Joint Settlement Comparison Exhibit of Southern California Company*, for purposes of efficiency of presentation.

Parties with respect to the matters described herein, and, except as described herein, supersedes and cancels any and all prior oral or written TY 2016 Settlement Agreements, principles, negotiations, statements, representations or understandings among the Settling Parties. This TY 2016 Settlement Agreement is to be treated as a complete package and not as a collection of separate TY 2016 Settlement Agreements on discrete issues. To accommodate the interests related to various issues, the Settling Parties acknowledge that changes, concessions or compromises by one or more Settling Parties in one section of this TY 2016 Settlement Agreement could result in changes, concessions or compromises by one or more Settling Parties in other sections of this TY 2016 Settlement Agreement. Consequently, the Settling Parties agree to oppose any modification of this TY 2016 Settlement Agreement not agreed to by all Settling Parties. Any Party signing this TY 2016 Settlement Agreement may withdraw from this TY 2016 Settlement Agreement if the Commission modifies, deletes from, or adds to the disposition of the matters settled herein. However, the Settling Parties agree to negotiate in good faith with regard to any Commission-ordered changes, in order to restore the balance of benefits and burdens, and to exercise the right to withdraw if such negotiations are unsuccessful.

D. MODIFICATION OF SETTLEMENT AGREEMENT

The terms and conditions of this TY 2016 Settlement Agreement may only be modified in writing subscribed to by the Settling Parties.

E. NON-PRECEDENTIAL

This TY 2016 Settlement Agreement represents a compromise between the Settling Parties, consistent with Rule 12.5 of the Commission's Rules of Practice and Procedure, and should not be considered precedent in any future proceeding before this Commission. The Settling Parties have assented to the terms of this TY 2016 Settlement Agreement only for the purpose of arriving at the compromise herein. Each Party expressly reserves its right to advocate, in other current and future proceedings, or in the event that this TY 2016 Settlement Agreement is rejected by the Commission, positions, principles, assumptions, arguments and methodologies which may be different than those underlying this TY 2016 Settlement Agreement.

F. NON-WAIVER

It is understood and agreed that no failure or delay by any Party hereto in exercising any right, power or privilege hereunder shall operate as a waiver hereof, nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right, power or privilege.

G. GOVERNING LAW

This TY 2016 Settlement Agreement shall be interpreted, governed and construed under the laws of the State of California, including Commission decisions, orders and rulings, as if executed and to be performed wholly within the State of California.

H. ENTIRE SETTLEMENT AGREEMENT

This TY 2016 Settlement Agreement and all other supporting documents, exhibits, and schedules referred to in this TY 2016 Settlement Agreement constitute(s) the final, complete, and exclusive statement of the terms of the TY 2016 Settlement Agreement among the Settling Parties pertaining to the subject matter of this TY 2016 Settlement Agreement and supersedes all prior and contemporaneous understandings of the Settling Parties. This TY 2016 Settlement Agreement may not be contradicted by evidence of any prior or contemporaneous statements or TY 2016 Settlement Agreements. No Party has been induced to enter into this TY 2016 Settlement Agreement by, nor is any party relying on, any representation, understanding, TY 2016 Settlement Agreement, commitment or warranty outside those expressly set forth in this TY 2016 Settlement Agreement.

I. CAPTIONS AND PARAGRAPH HEADINGS

Captions and paragraph headings used herein are for convenience only and are not a part of this TY 2016 Settlement Agreement and shall not be used in construing it.

J. EXECUTION

This TY 2016 Settlement Agreement may be executed in counterparts by the Settling Parties with the same effect as if all the Settling Parties had signed one and the same document. All such counterparts shall be deemed to be an original and shall together constitute one and the same TY 2016 Settlement Agreement.

K. EFFECTIVE DATE

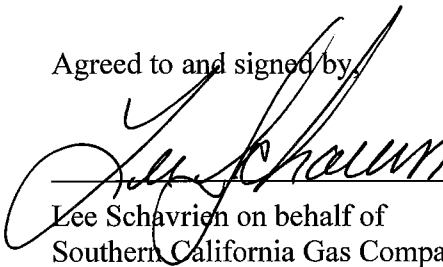
The Agreement is effective upon Commission approval, through December 31, 2018 or December 31, 2019, should the Commission adopt a three-year attrition period. This provision does not constitute any party's support for, or opposition to, the three-year attrition proposal.

L. ATTACHMENTS

The Appendix to this TY 2016 Settlement Agreement is part of the agreement of the Settling Parties and is incorporated herein by reference.

V. SIGNATURES

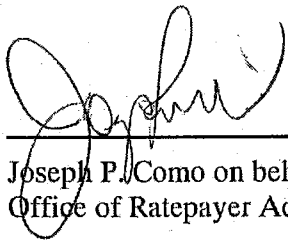
Agreed to and signed by,



Lee Schavrien on behalf of
Southern California Gas Company

9-10-15

Date



Joseph P. Como on behalf of
Office of Ratepayer Advocates

9/10/15

Date

William Julian on behalf of
Utility Workers of America

Date

Donald Kelly on behalf of
Utility Consumers' Action Network

Date

Robert Finkelstein on behalf of
The Utility Reform Network

Date

Timothy O'Connor on behalf of
Environmental Defense Fund

Date

Rita Liotta on behalf of
Department of Defense and
All Other Federal Executive Agencies

Date

Faith Bautista on behalf of
Joint Minority Parties

Date

Joseph P. Como on behalf of
Office of Ratepayer Advocates

Date



William Julian on behalf of
Utility Workers of America

September 20, 2015

Date

Donald Kelly on behalf of
Utility Consumers' Action Network

Date

Robert Finkelstein on behalf of
The Utility Reform Network

Date

Timothy O'Connor on behalf of
Environmental Defense Fund

Date

Rita Liotta on behalf of
Department of Defense and
All Other Federal Executive Agencies

Date

Faith Bautista on behalf of
Joint Minority Parties

Date

Joseph P. Como on behalf of
Office of Ratepayer Advocates

Date

William Julian on behalf of
Utility Workers of America

Date

Donald Kelly

Donald Kelly on behalf of
Utility Consumers' Action Network

9/10/15

Date

Robert Finkelstein on behalf of
The Utility Reform Network

Date

Timothy O'Connor on behalf of
Environmental Defense Fund

Date

Rita Liotta on behalf of
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Faith Bautista on behalf of
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Joseph P. Como on behalf of
Office of Ratepayer Advocates

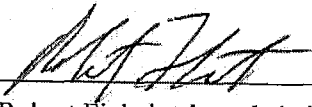
Date

William Julian on behalf of
Utility Workers of America

Date

Donald Kelly on behalf of
Utility Consumers' Action Network

Date



Robert Finkelstein on behalf of
The Utility Reform Network

Date

9/10/15

Timothy O'Connor on behalf of
Environmental Defense Fund

Date

Rita Liotta on behalf of
Department of Defense and
All Other Federal Executive Agencies

Date

Faith Bautista on behalf of
Joint Minority Parties

Date

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Office of Ratepayer Advocates

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Utility Workers of America

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Date



9/10/15

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Date

Robert Finkelstein on behalf of
The Utility Reform Network

Date

Timothy O'Connor on behalf of
Environmental Defense Fund

Date

Rita Liotta

10 Sept 2015

Rita Liotta on behalf of
Department of Defense and
All Other Federal Executive Agencies

Date

Faith Bautista on behalf of
Joint Minority Parties

Date

Joseph P. Como on behalf of
Office of Ratepayer Advocates

Date

William Julian on behalf of
Utility Workers of America

Date

Donald Kelly on behalf of
Utility Consumers' Action Network

Date

Robert Finkelstein on behalf of
The Utility Reform Network

Date

Timothy O'Connor on behalf of
Environmental Defense Fund

Date

Rita Liotta on behalf of
Department of Defense and
All Other Federal Executive Agencies

Date

Faith Bautista

9/10/15

Faith Bautista on behalf of
Joint Minority Parties

Date

Application of San Diego Gas & Electric Company (U 902)	
M) for Authority, Among Other Things, to Increase Rates)	Application No. 14-11-003
and Charges for Electric and Gas Service Effective on)	(Filed November 14, 2014)
<u>January 1, 2016</u>)	
Application of Southern California Gas Company (U 904)	
G) for Authority to Update its Gas Revenue Requirement)	Application No. 14-11-004
and Base Rates Effective on January 1, 2016)	(Filed November 14, 2014)
_____)	

JOINT SETTLEMENT COMPARISON EXHIBIT
of SOUTHERN CALIFORNIA GAS COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

SEPTEMBER 2015



SETTLEMENT COMPARISON EXHIBIT OF SOUTHERN CALIFORNIA GAS COMPANY

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- I. Introduction
- II. Exhibit B¹ – Settlement Agreement Terms Between Southern California Gas Company and Office of Ratepayer Advocates
- III. Detailed Comparison Analysis, with a separate table of contents and index
- IV. Appendices
 - A. Settlement Terms Cross Reference
 - B. Summary Of Earnings tables

¹ Exhibit B contains the terms of settlement between SoCalGas and ORA. SDG&E and ORA have also reached a settlement, the terms of which are contained in a document titled, “Exhibit A.”

I. INTRODUCTION

This Settlement Comparison Exhibit presents the settlement terms as of the date of service between Southern California Gas Company (SoCalGas) and the Office of Ratepayer Advocates (ORA). This exhibit is presented in a format similar to the previously served Litigation Comparison Exhibit.

This Settlement Comparison Exhibit consists of these sections:

- Exhibit B – Settlement Agreement Terms Between Southern California Gas Company and Office of Ratepayer Advocates
- Detailed Comparison analysis with a separate table of contents and index
- Appendices, containing additional information including Summary of Earnings tables

With respect to the Detailed Comparison, in a number of instances the settlement terms aggregated several individual issues (such as collections of capital projects), resulting in showing a settlement total value only. If additional detail exists it can be found in the index following the Detailed Comparison and appendices.

Values shown in the Detailed Comparison are based on the March 15, 2015 filing. End-of-hearings changes or corrections made by SoCalGas are described in ‘Notes’ sections on the detail pages but are not reflected in the values depicted in the tables themselves. Moreover, SoCalGas and ORA negotiated these settlement terms independently from the Update Testimony served in August 2015, and that Update Testimony does not subsequently alter any of the settlement terms. Notwithstanding, for reference purposes only, the updates noted in the Update Testimony are also described in the ‘Notes’ sections where applicable.

**II. Exhibit B – Settlement Agreement Terms Between Southern California Gas Company
and Office of Ratepayer Advocates**

EXHIBIT B

**SETTLEMENT AGREEMENT TERMS BETWEEN
SOUTHERN CALIFORNIA GAS COMPANY
AND
OFFICE OF RATEPAYER ADVOCATES**

Settlement Agreement Terms between SoCalGas and ORA (Parties) on
SoCalGas General Rate Case (A.14-11-003 / A.14-11-004)

SoCalGas Expenses

Gas Distribution Expenses

1. Field Operation and Maintenance Expenses

Parties stipulate to a forecast of Field Operation and Maintenance expenses of \$ 101.960 million for 2016.

Locate and Mark: Parties stipulate to an \$ 11.577 million forecast.

Main Maintenance: Parties stipulate to the SoCalGas forecast of \$ 18.900 million.

Field Support: Parties stipulate to ORA forecast of \$ 21.457 million.

Parties did not have any differences in forecasts for Leak Survey, Measurement and Regulation, Cathodic Protection, Service Maintenance and Tools, Fittings and Materials.

2. Asset Management

Parties stipulate to a compromise forecast of \$ 10.200 million.

3. Operations Management and Training

Parties stipulate to a compromise forecast of \$ 14.000 million for 2016.

4. Regional Public Affairs

Parties have no dispute and agree to a forecast of \$ 4.316 million for 2016.

5. Operations Leadership and Support

Parties stipulate to the ORA forecast of \$ 4.384 million for total shared services.

6. Total Gas Distribution O&M

Parties stipulate to a Total Non-Shared O&M expense forecast of \$130.476 million and a Shared O&M forecast of \$ 4.384 million.

Gas Transmission, Underground Storage, Gas Engineering and Pipeline Integrity Expenses

Non-Shared O&M Expenses for TY 2016

Parties stipulate to a compromise forecast for Non-Shared Gas Transmission Expenses of \$ 35.585 million.

Parties stipulate to a compromise forecast for Non-Shared Underground Storage Expenses of \$ 38.380 million.

Parties stipulate to the SoCalGas forecast for Non-Shared Gas Engineering Expenses of \$ 14.950 million.

Parties have no dispute for Non-Shared Pipeline Integrity Expenses and agree to a forecast of \$97.154 million.

Shared O&M Expenses for TY 2016

Parties stipulate to the SoCalGas forecast for Shared Gas Transmission Expenses of \$ 5.292 million.

Parties stipulate to the SoCalGas forecast for Shared Gas Engineering Expenses of \$ 19.178 million.

Customer Services Expenses

Non-Shared O&M Expenses for TY 2016

Parties stipulate to a compromise forecast of \$ 321.588 million for SoCalGas Non-Shared Expenses.

- Parties stipulate to a compromise forecast of \$ 192.858 million for Customer Services Field and Meter Reading.
- Parties stipulate to a compromise forecast of \$ 96.128 million for Customer Service Office Operations.
- Parties stipulate to a compromise forecast of \$ 21.202 million for Customer Service Information.
- Parties stipulate to a compromise forecast of \$ 11.400 million for Customer Service Technology, Policies and Solutions.

Shared O&M Expenses for TY 2016

Parties stipulate to a compromise forecast of \$ 16.838 million for SoCalGas Shared Expenses.

- Parties stipulate to a compromise forecast of \$ 2.000 million for Customer Services Field and Meter Reading.
- Parties have no dispute and agree to a forecast of \$ 6.032 million for Customer Service Office Operations.
- Parties have no dispute and agree to a forecast of \$ 3.398 million for Customer Service Information.
- Parties stipulate to a compromise forecast of \$ 5.408 million for Customer Service Technology, Policies and Solutions.

Information Technology

Non-Shared O&M Expenses

- Parties stipulate to the SoCalGas labor forecast of \$ 5.924 million.
- Parties have no dispute and agree to a non-labor forecast of \$ 1.715 million.

Shared O&M Expenses

- Parties stipulate to a compromise labor forecast of \$ 12.600 million.
- Parties have no dispute and agree to a non-labor forecast of \$ 1.916 million.

Support Services

Non-Shared O&M Support Services Expenses

Parties stipulate to a forecast of \$ 112.528 million for Non-Shared O&M Support Services Expenses.

Parties stipulate to a forecast of \$ 20.242 million for Non-Shared Supply Management Expenses.

- Parties stipulate to a compromise forecast of \$ 2.000 million for Supply Management – Op. Strategy and Analysis.
- Parties stipulate to the ORA forecast of \$ 11.858 million for Logistics and Shops.
- Parties have no dispute and agree to a forecast of \$1.729 million for Procurement.
- Parties agree to the SoCalGas forecast of \$ 1.529 million for Supplier Diversity.
- Parties have no dispute and agree to a forecast of \$ 3.126 million for Document Management & Office Services.

Parties stipulate to a forecast of \$ 81.076 million for Non-Shared Fleet Services & Facility Operations Expenses.

Parties have no dispute and agree to a forecast of \$ 2.190 million for Real Estate.

Parties stipulate to a forecast of \$ 9.020 million for Non-Shared Environmental Expenses.

- Parties stipulate to the ORA forecast of \$ 3.520 million for Environmental Compliance.
- Parties stipulate to a compromise forecast of \$5.500 million for NERBA.

Shared O&M Support Services Expenses

Parties stipulate to a compromise forecast of \$ 21.808 million for Shared O&M Support Services Expenses.

Parties have no dispute and agree to a forecast of \$ 3.479 million for Shared Fleet Services & Facility Operations.

Parties stipulate to a forecast of \$ 15.421 million for Shared Real Estate Expenses.

- Parties stipulate to a compromise forecast of \$ 14.000 million for Gas Company Tower Rents.
- Parties stipulate to the SoCalGas forecast of \$ 1.421 million for Microwave Tower Rents.

Parties stipulate to the ORA forecast of \$ 2.908 million for Shared Environmental Expenses.

Administrative and General Expenses

Expenses in ORA – 18

Non-Shared Expenses

Parties stipulate to a compromise forecast of \$ 46.625 million for SoCalGas Non-Shared Expenses.

- Parties have no dispute and agree to a forecast of \$ 3.624 million for Offices of President & CEO, COO and VP of HR.
- Parties stipulate to a compromise forecast of \$ 18.500 million for Human Resources Department.
- Parties stipulate to a compromise forecast of \$ 24.500 million for Workers' Compensation and Long-Term Disability.

Shared Expenses

Parties have no dispute and agree to a forecast of \$ 2.049 million for Human Resources Department.

Expenses in ORA – 19

Non-Shared Expenses

Parties stipulate to the SoCalGas forecast of \$ 22.797 million for SoCalGas Non-Shared Expenses.

- Parties have no dispute and agree to a forecast of \$ 0.724 million for Regulatory Affairs, \$ 14.271 million for Accounting & Finance, and \$ 6.283 million for Legal Expenses.
- Parties stipulate to the SoCalGas forecast of \$ 1.519 million for External Affairs & Employee Communications.

Shared Expenses

Parties have no dispute and agree to a forecast of \$ 6.442 million.

Meals and Entertainment

Parties stipulate to the ORA proposed adjustment of (\$ 0.693) million for Meals and Entertainment.

Expenses in ORA-17

Compensation Expenses

Parties stipulate to a compromise forecast of \$ 26.973 million for SoCalGas Total Compensation Expenses.

- For purposes of settlement, Parties stipulate to a compromise forecast of \$ 25.000 million for Variable Pay / Incentive Compensation Program. This stipulation does not resolve any policy issues regarding variable pay compensation.
- Parties stipulate to the ORA forecast of \$ 0 for Long-Term Incentive Plan.
- Parties have no dispute and agree to a forecast of \$ 1.291 million for the Spot Cash Program and \$ 0.682 million for the Employee Recognition Program.

Parties stipulate to a compromise forecast of \$ 95.892 million for SoCalGas Health Benefits Expenses.

- Parties stipulate to a compromise forecast of \$ 88.000 million for Medical Expenses.
- Parties stipulate to the ORA updated forecast for Dental, Vision, Wellness, EAP and Mental Health expenses which totals \$7.892 million.

Parties stipulate to a compromise forecast of \$ 0.435 million for SoCalGas Supplemental Pension and to the ORA forecast of \$ 0 for Nonqualified Retirement Savings Plan.

Corporate Center Expenses

Allocation to SoCalGas is \$ 48.500 million.

Other – Enterprise Risk Management

Parties stipulate to a compromise forecast of \$ 1.000 million for SoCalGas Risk Management Expenses.

Escalation

Parties stipulate to the use of ORA's escalation forecasts from R/O model.

Capital Expenditures and Working Cash related issues for SoCalGas

Capital Expenditures

1. Gas Distribution Capital Expenditures

Parties stipulate to ORA's 2014 capital expenditure forecast of \$ 247.447 million.

Parties stipulate to SoCalGas' 2015 capital expenditure forecast \$ 271.848 million.

Parties have no dispute and agree to the SoCalGas and ORA 2016 capital expenditure forecast of \$ 273.616 million.

2. Underground Storage Capital Expenditures

Parties stipulate to ORA's 2014 capital expenditure forecast of \$ 71.069 million.

Parties have no dispute and agree to the SoCalGas and ORA's 2015 capital expenditure forecast of \$ 74.270 million.

Parties have no dispute and agree to the SoCalGas and ORA's 2016 capital expenditure forecast of \$ 90.523 million.

3. Gas Transmission and Engineering

Parties stipulate to ORA's 2014 capital expenditure forecast of \$ 47.059 million.

Parties stipulate to a compromise 2015 capital expenditure forecast of \$ 98.662 million.

Parties stipulate to a compromise 2016 capital expenditure forecast of \$ 146.730 million.

4. Pipeline Integrity (TIMP and DIMP)

Parties stipulate to ORA's 2014 capital expenditure forecast of \$ 51.155 million.

Parties have no dispute and agree to the SoCalGas and ORA's 2015 capital expenditure forecast of \$ 48.637 million.

Parties have no dispute and agree to the SoCalGas and ORA's 2016 capital expenditure forecast of \$ 125.184 million.

5. Fleet Services & Facility Operations

Parties stipulate to ORA's 2014 capital expenditure forecast of \$ 27.628 million.

Parties stipulate to SoCalGas 2015 capital expenditure forecast of \$ 36.050 million.

Parties stipulate to SoCalGas 2016 capital expenditure forecast of \$ 38.011 million.

6. IT Capital Expenditures

Parties stipulate to ORA's 2014 capital expenditure forecast of \$ 79.709 million.

Parties stipulate to SoCalGas 2015 capital expenditure forecast of \$ 119.916 million.

Parties have no dispute and agree to the ORA and SoCalGas 2016 capital expenditure forecast of \$104.796 million.

Working Cash Issues

Parties agree to the ORA forecast for Cash Balances of \$ 0.

Parties agree to the ORA forecast for revenue lag days of 41.55.

Parties agree to the ORA forecast for federal income tax lag days of 37.50.

Parties agree to the ORA forecast for state income tax lag days of 20.60.

For purpose of settlement the Parties stipulate to the ORA revenue requirement adjustment of \$3.072 million, which in this instance only matches amounts as if customer deposits were treated as a source of debt. This stipulation does not resolve the policy issue of whether customer deposits are to be henceforth treated as a source of debt.

Post Test Year Ratemaking

Parties stipulate to the ORA proposal of a 3.5% increase in 2017 and 3.5% in 2018.

Other Issues

Parties agree to continue SoCalGas' balancing treatment for the following programs:

- Pension: two-way balanced with Tier 2 filing.
- Post-Retirement Benefits Other than Pensions (PBOP): two-way balanced with Tier 2 filing.
- New Environment Regulation Balancing Account (NERBA): two-way balanced with Tier 2 filing.
- Research Development & Deployment (RD&D): one-way with Tier 2 filing.

Parties agree to ORA's forecasted payroll tax rate of 7.58%.

Parties agree to ORA's forecasted uncollectible rate of 0.298%.

Parties agree to ORA's miscellaneous revenues forecast for the following items:

- Service establishment charges: \$25.467million
- Reconnect charges: \$1.537 million
- Residential limited parts program: \$2.057 million

- Third party revenues: \$1.159 million

Parties agree to continuation of SoCalGas's existing, currently authorized, Z-factor mechanism.

III. Detailed Comparison Analysis

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Chapter 1

Reports and References

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

Hearing Exhibit #	Party	Original Exhibit #	Description	Witness
	SDG&E	Exh No:SDG&E-42	UPDATED RESULTS OF OPERATIONS REPORT	Nguyen, Khai
	SCG	Exh No:SCG-40	UPDATED RESULTS OF OPERATIONS REPORT	Nguyen, Khai
Exh 1	SCG	Exh No:SCG-01-R	SOCALGAS POLICY OVERVIEW	Lane, J. Bret
Exh 2	SDG&E	Exh No:SDG&E-01-R	SDG&E POLICY OVERVIEW	Winn, Caroline A. and Drury, Scott D.
Exh 13	SCG	Exh No:SCG-02	RISK MANAGEMENT AND POLICY	Day, Diana
Exh 15	SDG&E	Exh No:SDG&E-02	RISK MANAGEMENT AND POLICY	Day, Diana
Exh 17	SDG&E	Exh No:SDG&E-43	RESPONSE TO SAFETY & ENFORCEMENT DIVISION (SED) REPORT	Day, Diana
Exh 17	SCG	Exh No:SCG-41	RESPONSE TO SAFETY & ENFORCEMENT DIVISION (SED) REPORT	Day, Diana
Exh 18	SDG&E-SCG	Exh No:SDG&E-202/SCG	RISK MANAGEMENT AND POLICY	Day, Diana
Exh 19	SCG	Exh No:SCG-03	GAS OPERATIONS RISK POLICY	Schneider, Douglas M.
Exh 21	SDG&E	Exh No:SDG&E-03	ELECTRIC OPERATIONS RISK POLICY AND GAS OPERATIONS RISK POLICY	Geier, David L. and Schneider, Douglas M.
Exh 25	SCG	Exh No:SCG-07	GAS ENGINEERING	Stanford, Raymond K
Exh 28	SCG	Exh No:SCG-207	GAS ENGINEERING AND GAS TRANSMISSION CAPITAL	Stanford, Raymond K
Exh 29	SDG&E	Exh No:SDG&E-06	GAS ENGINEERING	Stanford, Raymond K
Exh 32	SDG&E	Exh No:SDG&E-206	GAS ENGINEERING AND GAS TRANSMISSION CAPITAL	Stanford, Raymond K
Exh 33	SCGC	SCGC	Direct Testimony of C. Yap on behalf of SCGC	C. Yap
Exh 35	SCG	Exh No:SCG-05	GAS TRANSMISSION O&M	Musich, Beth
Exh 38	SCG	Exh No:SCG-205	GAS TRANSMISSION O&M	Musich, Beth
Exh 40	SDG&E	Exh No:SDG&E-05	GAS TRANSMISSION O&M	Musich, Beth
Exh 43	SDG&E	Exh No:SDG&E-205	GAS TRANSMISSION O&M	Musich, Beth
Exh 45	SCG	Exh No:SCG-06	UNDERGROUND STORAGE	Baker, Phillip E.
Exh 48	SCG	Exh No:SCG-206	UNDERGROUND STORAGE	Baker, Phillip E.
Exh 49	SCG	Exh No:SCG-08	TIMP & DIMP	Martinez, Maria T.
Exh 52	SCG	Exh No:SCG-208	TIMP & DIMP	Martinez, Maria T.
Exh 53	SDG&E	Exh No:SDG&E-07	TIMP & DIMP	Martinez, Maria T.

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

Hearing Exhibit #	Party	Original Exhibit #	Description	Witness
Exh 56	SDG&E	Exh No:SDG&E-207	TIMP & DIMP	Martinez, Maria T.
Exh 58	SCG	Exh No:SCG-04-R	GAS DISTRIBUTION	Ayala, Frank
Exh 61	SCG	Exh No:SCG-204	GAS DISTRIBUTION	Ayala, Frank
Exh 62	SDG&E	Exh No:SDG&E-04	GAS DISTRIBUTION	Ayala, Frank
Exh 65	SDG&E	Exh No:SDG&E-204	GAS DISTRIBUTION	Ayala, Frank
Exh 70	SDG&E	Exh No:SDG&E-10-R	ELECTRIC DISTRIBUTION O&M	Woldemariam, Jonathan T.
Exh 72	SDG&E	Exh No:SDG&E-210	ELECTRIC DISTRIBUTION O&M	Woldemariam, Jonathan T.
Exh 74	SDG&E	Exh No:SDG&E-11	ELECTRIC GENERATION	La Peter, Carl
Exh 77	SDG&E	Exh No:SDG&E-211	ELECTRIC GENERATION	La Peter, Carl
Exh 80	SDG&E	Exh No:SDG&E-12-R	SONGS	DeMarco, Michael L.
Exh 83	SDG&E	Exh No:SDG&E-212	SONGS	DeMarco, Michael L.
Exh 84	SDG&E	Exh No:SDG&E-08	ELECTRIC & FUEL PROCUREMENT	Garcia, Sue E
Exh 86	SDG&E	Exh No:SDG&E-13	CS - FIELD	Franke, Sara A.
Exh 88	SDG&E	Exh No:SDG&E-213	CS - FIELD	Franke, Sara A.
Exh 89	SCG	Exh No:SCG-10	CS - FIELD & METER READING	Franke, Sara A.
Exh 91	SCG	Exh No:SCG-210	CS - FIELD & METER READING	Franke, Sara A.
Exh 92	SCG	Exh No:SCG-35-R	POST-TEST YEAR RATEMAKING	Van der Leeden, Ronald M.
Exh 94	SCG	Exh No:SCG-235	POST-TEST YEAR RATEMAKING	Van der Leeden, Ronald M.
Exh 95	SDG&E	Exh No:SDG&E-37-R	POST-TEST YEAR RATEMAKING	Hrna, Sandra K.
Exh 97	SDG&E	Exh No:SDG&E-237	POST-TEST YEAR RATEMAKING	Hrna, Sandra K.
Exh 101	SDG&E	Exh No:SDG&E-14	CS - OPERATIONS, INFORMATION & TECHNOLOGIES	Baugh, Bradley M.
Exh 104	SDG&E	Exh No:SDG&E-214	CS - OPERATIONS, INFORMATION & TECHNOLOGIES	Baugh, Bradley M.
Exh 106	SCG	Exh No:SCG-23-R	PRES/COO, HR, WORKERS COMP & DISABILITY	Serrano, Mark L.
Exh 108	SCG	Exh No:SCG-223	HUMAN RESOURCES, DISABILITY & WORKERS COMP	Serrano, Mark L.
Exh 110	SCG	Exh No:SCG-11	CS - OFFICE OPERATIONS	Goldman, Evan D.
Exh 113	SCG	Exh No:SCG-211	CS - OFFICE OPERATIONS	Goldman, Evan D.
Exh 115	SCG	Exh No:SCG-12-R	CS - INFORMATION	Ayres, Ann D.
Exh 117	SCG	Exh No:SCG-212	CS - INFORMATION	Ayres, Ann D.
Exh 119	SCG	Exh No:SCG-09	PROCUREMENT	Chang, Ibtissam T

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

Hearing Exhibit #	Party	Original Exhibit #	Description	Witness
Exh 121	SDG&E	Exh No:SDG&E-24	HR, SAFETY, DISABILITY, & WORKERS COMP	Edgar, Sarah E
Exh 123	SDG&E	Exh No:SDG&E-224	HR, SAFETY, DISABILITY, & WORKERS COMP	Edgar, Sarah E
Exh 124	SCG	Exh No:SCG-39	ADVANCED METERING INFRASTRUCTURE POLICY	Garcia, Rene F.
Exh 125	SCG	Exh No:SCG-239	ADVANCED METERING INFRASTRUCTURE POLICY	Garcia, Rene F.
Exh 127	SCG	Exh No:SCG-14	SUPPLY MANAGEMENT	Hobbs, Richard D.
Exh 129	SCG	Exh No:SCG-214	SUPPLY MANAGEMENT	Hobbs, Richard D.
Exh 131	SDG&E	Exh No:SDG&E-15	SUPPLY MANAGEMENT & SUPPLIER DIVERSITY	Furbush, Sydney L.
Exh 133	SDG&E	Exh No:SDG&E-215	SUPPLY MANAGEMENT & SUPPLIER DIVERSITY	Furbush, Sydney L.
Exh 134	SDG&E	Exh No:SDG&E-09-R	ELECTRIC DISTRIBUTION CAPITAL	Jenkins, John D.
Exh 136	SDG&E	Exh No:SDG&E-209	ELECTRIC DISTRIBUTION CAPITAL	Jenkins, John D.
Exh 148	SCG	Exh No:SCG-18-R	INFORMATION TECHNOLOGY	Olmsted, Christopher R.
Exh 151	SCG	Exh No:SCG-218	INFORMATION TECHNOLOGY	Olmsted, Christopher R.
Exh 153	SDG&E	Exh No:SDG&E-19-R-A	INFORMATION TECHNOLOGY	Mikovits, Stephen J.
Exh 156	SDG&E	Exh No:SDG&E-219	INFORMATION TECHNOLOGY	Mikovits, Stephen J.
Exh 162	SCG	Exh No:SCG-15	FLEET & FACILITY OPERATIONS	Herrera, Carmen L.
Exh 165	SCG	Exh No:SCG-215	FLEET SERVICES & FACILITY OPERATIONS	Herrera, Carmen L.
Exh 166	SDG&E	Exh No:SDG&E-16	FLEET SERVICES	Herrera, Carmen L.
Exh 168	SDG&E	Exh No:SDG&E-216	FLEET SERVICES	Herrera, Carmen L.
Exh 174	SDG&E	Exh No:SDG&E-18	ENVIRONMENTAL	Pearson, R. Scott
Exh 176	SDG&E	Exh No:SDG&E-218	ENVIRONMENTAL	Pearson, R. Scott
Exh 177	SCG	Exh No:SCG-17-R	ENVIRONMENTAL	Tracy, Jill
Exh 179	SCG	Exh No:SCG-217	ENVIRONMENTAL	Tracy, Jill
Exh 182	SCG	Exh No:SCG-36-R	COMPLIANCE	Shimansky, Gregory D
Exh 183	SDG&E	Exh No:SDG&E-38-R	COMPLIANCE	Shimansky, Gregory D

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

Hearing Exhibit #	Party	Original Exhibit #	Description	Witness
Exh 184	SDG&E-SCG	Exh No:SDG&E-243/SCG	RESULT OF EXAMINATION AND OTHER FINANCIAL ISSUES	Shimansky, Gregory D
Exh 185	SCG	Exh No:SCG-13-R	CS - TECHNOLOGIES, POLICIES & SOLUTIONS	Reed, Jeffrey G.
Exh 187	SCG	Exh No:SCG-213	CS - TECHNOLOGIES, POLICIES & SOLUTIONS	Reed, Jeffrey G.
Exh 189	SCG	Exh No:SCG-37-R	REVENUES AT PRESENT AND PROPOSED RATES	Lenart, Gary G
Exh 190	SDG&E	Exh No:SDG&E-40-R	REVENUES AT PRESENT AND PROPOSED RATES	Lenart, Gary G
Exh 191	SCG	Exh No:SCG-21	COMPENSATION, HEALTH, & WELFARE	Robinson, Debbie
Exh 193	SDG&E	Exh No:SDG&E-22	COMPENSATION, HEALTH, & WELFARE	Robinson, Debbie
Exh 195	SDG&E-SCG	Exh No:SDG&E-222/SCG	COMPENSATION AND BENEFITS	Robinson, Debbie S.
Exh 200	SDG&E-SCG	Exh No:SDG&E-242/SCG	FINANCIAL COMPONENTS OF SHORT TERM INCENTIVE COMPENSATION	Schlax, Robert
Exh 203	SDG&E	Exh No:SDG&E-39-R	ELECTRIC REVENUES AND RATES	Fang, Cynthia
Exh 204	SDG&E	Exh No:SDG&E-239	ELECTRIC REVENUES AND RATES	Fang, Cynthia
Exh 208	SCG	Exh No:SCG-20	CORPORATE CENTER - INSURANCE	Carbon, Katherine
Exh 210	SDG&E	Exh No:SDG&E-21	CORPORATE CENTER - INSURANCE	Carbon, Katherine
Exh 212	SDG&E-SCG	Exh No:SDG&E-221/SCG	CORPORATE CENTER - INSURANCE	Carbon, Katherine
Exh 218	SCG	Exh No:SCG-34-R	SUMMARY OF EARNINGS	Nguyen, Khai
Exh 219	SDG&E	Exh No:SDG&E-36-R	SUMMARY OF EARNINGS	Nguyen, Khai
Exh 220	SCG	Exh No:SCG-19	CORPORATE CENTER - GENERAL ADMINISTRATION	Devine, Hannah L.
Exh 222	SDG&E	Exh No:SDG&E-20	CORPORATE CENTER - GENERAL ADMINISTRATION	Devine, Hannah L.
Exh 224	SDG&E-SCG	Exh No:SDG&E-220/SCG	CORPORATE CENTER - GENERAL ADMINISTRATION	Devine, Hannah L.
Exh 228	SCG	Exh No:SCG-32-R	MISCELLANEOUS REVENUES	Somerville, Michelle A.
Exh 230	SCG	Exh No:SCG-232	MISCELLANEOUS REVENUES	Somerville, Michelle A.
Exh 231	SDG&E	Exh No:SDG&E-34-R	MISCELLANEOUS REVENUES	Somerville, Michelle A.
Exh 233	SDG&E	Exh No:SDG&E-234	MISCELLANEOUS REVENUES	Somerville, Michelle A.

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

Hearing Exhibit #	Party	Original Exhibit #	Description	Witness
Exh 234	SDG&E	Exh No:SDG&E-30-R	WORKING CASH	Lewis, Jack S
Exh 236	SDG&E	Exh No:SDG&E-230	WORKING CASH	Lewis, Jack S
Exh 241	SCG	Exh No:SCG-29-R	WORKING CASH	Foster, Michael W.
Exh 243	SCG	Exh No:SCG-229	WORKING CASH	Foster, Michael W.
Exh 244	SCG	Exh No:SCG-28-R	TAXES	Reeves, Ragan G.
Exh 246	SCG	Exh No:SCG-228	TAXES	Reeves, Ragan G.
Exh 247	SDG&E	Exh No:SDG&E-29-R	TAXES	Reeves, Ragan G.
Exh 249	SDG&E	Exh No:SDG&E-229	TAXES	Reeves, Ragan G.
Exh 250	SCG	Exh No:SCG-33	REGULATORY ACCOUNTS	Austria, Reginald M.
Exh 252	SCG	Exh No:SCG-233	REGULATORY ACCOUNTS	Austria, Reginald M.
Exh 253	SDG&E	Exh No:SDG&E-35	REGULATORY ACCOUNTS	Jasso, Norma G.
Exh 254	SDG&E	Exh No:SDG&E-235	REGULATORY ACCOUNTS	Jasso, Norma G.
Exh 256	SDG&E	Exh No:SDG&E-31	ELECTRIC CUSTOMERS AND SALES	Schiermeyer, Kenneth E
Exh 258	SDG&E	Exh No:SDG&E-231	ELECTRIC CUSTOMERS AND SALES	Schiermeyer, Kenneth E
Exh 259	SDG&E	Exh No:SDG&E-25-R	REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL	Deremer, Kenneth J
Exh 261	SDG&E	Exh No:SDG&E-225	REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL	Deremer, Kenneth J
Exh 266	SDG&E	Exh No:SDG&E-240	ELECTRIC RELIABILITY PERFORMANCE INCENTIVES	Withers, Mason
Exh 267	SCG	Exh No:SCG-16	REAL ESTATE	Seifert, James Carl
Exh 269	SCG	Exh No:SCG-216	REAL ESTATE	Seifert, James Carl
Exh 270	SDG&E	Exh No:SDG&E-17	REAL ESTATE, LAND SERVICES AND FACILITIES	Seifert, James Carl
Exh 273	SDG&E	Exh No:SDG&E-217	REAL ESTATE AND FACILITIES	Seifert, James Carl
Exh 277	SCG	Exh No:SCG-22	PENSION & PBOPs	Sarkaria, David I
Exh 280	SDG&E	Exh No:SDG&E-23	PENSION & PBOPs	Sarkaria, David I
Exh 283	SCG	Exh No:SCG-24-R	REG AFF/A&F/LEGAL/EXT AFF	Gonzales, Ramon
Exh 285	SCG	Exh No:SCG-224	REG AFF/A&F/LEGAL/EXT AFF	Gonzales, Ramon

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

Hearing Exhibit #	Party	Original Exhibit #	Description	Witness
Exh 287	SCG	Exh No:SCG-25-R	SHARED SVCS AND SHARED ASSETS BILLING POL AND PROCESS	Diancin, Mark A.
Exh 290	SDG&E	Exh No:SDG&E-26-R	SHARED SVCS AND SHARED ASSETS BILLING POL AND PROCESS	Diancin, Mark A.
Exh 293	SDG&E	Exh No:SDG&E-27-R	RATE BASE	Aragon, Jesse S.
Exh 295	SDG&E	Exh No:SDG&E-28-R	DEPRECIATION	Wieczorek, Robert J
Exh 298	SCG	Exh No:SCG-26-R	RATE BASE	Yee, Garry G
Exh 300	SCG	Exh No:SCG-27-R	DEPRECIATION	Ngai, Flora
Exh 303	SCG	Exh No:SCG-31	ESCALATION	Wilder, Scott R
Exh 305	SDG&E	Exh No:SDG&E-33	ESCALATION	Wilder, Scott R
Exh 307	SCG	Exh No:SCG-38-R	REASSIGNMENT RATES	Stein, Jeff
Exh 309	SDG&E	Exh No:SDG&E-41-R	SEGMENTATION & REASSIGNMENT RATES	Stein, Jeff
Exh 311	SDG&E-SCG	Exh No:SDG&E-241/SCG	TOTAL COMPENSATION STUDY	Beal, Rick
Exh 312	EDF	EDF	Opening Testimony of T. O'Connor on behalf of EDF	T. O'Connor
Exh 313	EDF	EDF	Rebuttal Testimony of T. O'Connor on behalf of EDF	T. O'Connor
Exh 314	FEA	FEA	Direct Testimony of R. Smith on behalf of FEA	R. Smith
Exh 316	JMP	JMP	Testimony of F. Bautista, M. Whitlock and T. Martinez on behalf of JMP	F. Bautista, M. Whitlock, T. Martinez
Exh 317	MGRA	MGRA	Direct Testimony of J. Mitchell on behalf of MGRA	J. Mitchell
Exh 319	SDCAN	SDCAN	Prepared Testimony of M. Shames on behalf of SDCAN	M. Shames
Exh 320	UWUA	UWUA-1	Utility Workers Union of America - 1	C. Wood
Exh 321	UWUA	UWUA-2	Utility Workers Union of America - 2	J. Acosta
Exh 322	UWUA	UWUA-3	Utility Workers Union of America - 3	R. Downs
Exh 323	UWUA	UWUA-4	Utility Workers Union of America - 4	D. Sherman
Exh 324	UWUA	UWUA-5	Utility Workers Union of America - 5	P. Carriera
Exh 325	UWUA	UWUA-6	Utility Workers Union of America - 6	D. Brown
Exh 326	UWUA	UWUA-7	Utility Workers Union of America - 7	D. Kick
Exh 327	UWUA	UWUA-8	Utility Workers Union of America - 8	E. Hofmann
Exh 328	UWUA	UWUA-9	Utility Workers Union of America - 9	M. Barber
Exh 329	UWUA	UWUA-10	Utility Workers Union of America - 10	J. Simon
Exh 331	ORA	ORA-5	SDG&E - Electric Distribution Expenses	E. Jaeger

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

Hearing Exhibit #	Party	Original Exhibit #	Description	Witness
Exh 333	ORA	ORA-17	Compensation, Incentives, Benefits, Pension, and Postretirement Benefits Other Than Pension	S. Hunter
Exh 337	CCUE	CCUE	Prepared Testimony of D. Marcus on behalf of CCUE	D. Marcus
Exh 340	CCUE	CCUE	Rebuttal Testimony of D. Marcus on behalf of CCUE	D. Marcus
Exh 345	UCAN	UCAN	Testimony of R. Sulpizio on behalf of UCAN	R. Sulpizio
Exh 347	UCAN	UCAN	Testimony of Kobor-Norin-Fulmer on behalf of UCAN	B. Kobor, L. Norin, M. Fulmer
Exh 350	ORA	ORA-10	SoCalGas - Gas Distribution	D. Phan
Exh 353	ORA	ORA-13	Customer Services	T. Godfrey
Exh 358	SCG	Exh No:SCG-30	CUSTOMERS	Payan, Rose-Marie
Exh 360	SCG	Exh No:SCG-230	CUSTOMERS	Payan, Rose-Marie
Exh 362	SDG&E	Exh No:SDG&E-32	CUSTOMERS	Payan, Rose-Marie
Exh 364	SDG&E	Exh No:SDG&E-232	CUSTOMERS	Payan, Rose-Marie
Exh 366	ORA	ORA-1	Executive Summary	C. Tang
Exh 367	ORA	ORA-2	Summary of Earnings, Segmentation and Reassignment Rates	J. Oh
Exh 369	ORA	ORA-3	Customers, Sales, Cost Escalation	T. Renaghan
Exh 371	ORA	ORA-4	Miscellaneous Revenues	M. Kanter
Exh 374	ORA	ORA-6	SDG&E - Electric Distribution Capital Expenditures Part 1 of 2	G. Wilson
Exh 376	ORA	ORA-7	SDG&E - Electric Distribution Capital Expenditures Part 2 of 2	S. Logan
Exh 377	ORA	ORA-8	SDG&E - Electric Generation and SONGS	M. Loy
Exh 378	ORA	ORA-9	SDG&E - Gas Distribution, Transmission, Engineering, and Pipeline Integrity	G. Ezekwo
Exh 379	ORA	ORA-11	SoCalGas - Gas Transmission, Underground Storage, Engineering, and Pipeline Integrity	K. C. Lee
Exh 381	ORA	ORA-12	Risk Management and Procurement	T. Burns
Exh 383	ORA	ORA-14	Supply Management & Supplier Diversity, Fleet Services, Real Estate, Land Services & Facilities, and Environmental Services	S. Chia
Exh 385	ORA	ORA-15	Information Technology	P. Morse

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

Hearing Exhibit #	Party	Original Exhibit #	Description	Witness
Exh 387	ORA	ORA-16	Corporate Center – Shared Services & Shared Assets	J. Oh
Exh 389	ORA	ORA-18	Administrative & General Expenses Part 1 of 2	L. Laserson
Exh 391	ORA	ORA-19	Administrative & General Expenses Part 2 of 2	G. Dunham
Exh 393	ORA	ORA-20	Depreciation Expense and Reserve	M. Karie
Exh 394	ORA	ORA-21	Taxes	M. Campbell
Exh 396	ORA	ORA-22	Working Cash and Rate Base	K. McNabb
Exh 398	ORA	ORA-23	Post-Test Year Ratemaking and SCG Advanced Metering Infrastructure Policy	C. Tang
Exh 399	ORA	ORA-24	Report on the Results of Examination for SDG&E and SCG Test Year 2016 GRC	M. Waterworth, G. Novack, J. Lee, F. Hadiprodjo
Exh 400	TURN	TURN	Direct Testimony of W. B. Marcus on behalf of TURN	W. B. Marcus
Exh 402	TURN	TURN	Direct Testimony of J. Sugar on behalf of TURN	J. Sugar
Exh 404	TURN	TURN	Direct Testimony of G. Jones on behalf of TURN	G. Jones
Exh 408	TURN	TURN	Direct Testimony of E. Borden on behalf of TURN	E. Borden

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

Party	Original Exhibit #	Hearing Exhibit #	Description	Witness
SDG&E	Exh No:SDG&E-01-R	Exh 2	SDG&E POLICY OVERVIEW	Winn, Caroline A. and Drury, Scott D.
SDG&E	Exh No:SDG&E-02	Exh 15	RISK MANAGEMENT AND POLICY	Day, Diana
SDG&E	Exh No:SDG&E-03	Exh 21	ELECTRIC OPERATIONS RISK POLICY AND GAS OPERATIONS RISK POLICY	Geier, David L. and Schneider, Douglas M.
SDG&E	Exh No:SDG&E-04	Exh 62	GAS DISTRIBUTION	Ayala, Frank
SDG&E	Exh No:SDG&E-05	Exh 40	GAS TRANSMISSION O&M	Musich, Beth
SDG&E	Exh No:SDG&E-06	Exh 29	GAS ENGINEERING	Stanford, Raymond K
SDG&E	Exh No:SDG&E-07	Exh 53	TIMP & DIMP	Martinez, Maria T.
SDG&E	Exh No:SDG&E-08	Exh 84	ELECTRIC & FUEL PROCUREMENT	Garcia, Sue E
SDG&E	Exh No:SDG&E-09-R	Exh 134	ELECTRIC DISTRIBUTION CAPITAL	Jenkins, John D.
SDG&E	Exh No:SDG&E-10-R	Exh 70	ELECTRIC DISTRIBUTION O&M	Woldemariam, Jonathan T.
SDG&E	Exh No:SDG&E-11	Exh 74	ELECTRIC GENERATION	La Peter, Carl
SDG&E	Exh No:SDG&E-12-R	Exh 80	SONGS	DeMarco, Michael L.
SDG&E	Exh No:SDG&E-13	Exh 86	CS - FIELD	Franke, Sara A.
SDG&E	Exh No:SDG&E-14	Exh 101	CS - OPERATIONS, INFORMATION & TECHNOLOGIES	Baugh, Bradley M.
SDG&E	Exh No:SDG&E-15	Exh 131	SUPPLY MANAGEMENT & SUPPLIER DIVERSITY	Furbush, Sydney L.
SDG&E	Exh No:SDG&E-16	Exh 166	FLEET SERVICES	Herrera, Carmen L.
SDG&E	Exh No:SDG&E-17	Exh 270	REAL ESTATE, LAND SERVICES AND FACILITIES	Seifert, James Carl
SDG&E	Exh No:SDG&E-18	Exh 174	ENVIRONMENTAL	Pearson, R. Scott
SDG&E	Exh No:SDG&E-19-R-A	Exh 153	INFORMATION TECHNOLOGY	Mikovits, Stephen J.
SDG&E	Exh No:SDG&E-20	Exh 222	CORPORATE CENTER - GENERAL ADMINISTRATION	Devine, Hannah L.
SDG&E	Exh No:SDG&E-21	Exh 210	CORPORATE CENTER - INSURANCE	Carbon, Katherine
SDG&E	Exh No:SDG&E-22	Exh 193	COMPENSATION, HEALTH, & WELFARE	Robinson, Debbie
SDG&E	Exh No:SDG&E-23	Exh 280	PENSION & PBOPs	Sarkaria, David I
SDG&E	Exh No:SDG&E-24	Exh 121	HR, SAFETY, DISABILITY, & WORKERS COMP	Edgar, Sarah E

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

Party	Original Exhibit #	Hearing Exhibit #	Description	Witness
SDG&E	Exh No:SDG&E-25-R	Exh 259	REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL	Deremer, Kenneth J
SDG&E	Exh No:SDG&E-26-R	Exh 290	SHARED SVCS AND SHARED ASSETS BILLING POL AND PROCESS	Diancin, Mark A.
SDG&E	Exh No:SDG&E-27-R	Exh 293	RATE BASE	Aragon, Jesse S.
SDG&E	Exh No:SDG&E-28-R	Exh 295	DEPRECIATION	Wieczorek, Robert J
SDG&E	Exh No:SDG&E-29-R	Exh 247	TAXES	Reeves, Ragan G.
SDG&E	Exh No:SDG&E-30-R	Exh 234	WORKING CASH	Lewis, Jack S
SDG&E	Exh No:SDG&E-31	Exh 256	ELECTRIC CUSTOMERS AND SALES	Schiermeyer, Kenneth E
SDG&E	Exh No:SDG&E-32	Exh 362	CUSTOMERS	Payan, Rose-Marie
SDG&E	Exh No:SDG&E-33	Exh 305	ESCALATION	Wilder, Scott R
SDG&E	Exh No:SDG&E-34-R	Exh 231	MISCELLANEOUS REVENUES	Somerville, Michelle A.
SDG&E	Exh No:SDG&E-35	Exh 253	REGULATORY ACCOUNTS	Jasso, Norma G.
SDG&E	Exh No:SDG&E-36-R	Exh 219	SUMMARY OF EARNINGS	Nguyen, Khai
SDG&E	Exh No:SDG&E-37-R	Exh 95	POST-TEST YEAR RATEMAKING	Hrna, Sandra K.
SDG&E	Exh No:SDG&E-38-R	Exh 183	COMPLIANCE	Shimansky, Gregory D
SDG&E	Exh No:SDG&E-39-R	Exh 203	ELECTRIC REVENUES AND RATES	Fang, Cynthia
SDG&E	Exh No:SDG&E-40-R	Exh 190	REVENUES AT PRESENT AND PROPOSED RATES	Lenart, Gary G
SDG&E	Exh No:SDG&E-41-R	Exh 309	SEGMENTATION & REASSIGNMENT RATES	Stein, Jeff
SDG&E	Exh No:SDG&E-42		UPDATED RESULTS OF OPERATIONS REPORT	Nguyen, Khai
SDG&E	Exh No:SDG&E-43	Exh 17	RESPONSE TO SAFETY & ENFORCEMENT DIVISION (SED) REPORT	Day, Diana
SDG&E	Exh No:SDG&E-204	Exh 65	GAS DISTRIBUTION	Ayala, Frank
SDG&E	Exh No:SDG&E-205	Exh 43	GAS TRANSMISSION O&M	Musich, Beth
SDG&E	Exh No:SDG&E-206	Exh 32	GAS ENGINEERING AND GAS TRANSMISSION CAPITAL	Stanford, Raymond K
SDG&E	Exh No:SDG&E-207	Exh 56	TIMP & DIMP	Martinez, Maria T.
SDG&E	Exh No:SDG&E-209	Exh 136	ELECTRIC DISTRIBUTION CAPITAL	Jenkins, John D.
SDG&E	Exh No:SDG&E-210	Exh 72	ELECTRIC DISTRIBUTION O&M	Woldemariam, Jonathan T.
SDG&E	Exh No:SDG&E-211	Exh 77	ELECTRIC GENERATION	La Peter, Carl

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

Party	Original Exhibit #	Hearing Exhibit #	Description	Witness
SDG&E	Exh No:SDG&E-212	Exh 83	SONGS	DeMarco, Michael L.
SDG&E	Exh No:SDG&E-213	Exh 88	CS - FIELD	Franke, Sara A.
SDG&E	Exh No:SDG&E-214	Exh 104	CS - OPERATIONS, INFORMATION & TECHNOLOGIES	Baugh, Bradley M.
SDG&E	Exh No:SDG&E-215	Exh 133	SUPPLY MANAGEMENT & SUPPLIER DIVERSITY	Furbush, Sydney L.
SDG&E	Exh No:SDG&E-216	Exh 168	FLEET SERVICES	Herrera, Carmen L.
SDG&E	Exh No:SDG&E-217	Exh 273	REAL ESTATE AND FACILITIES	Seifert, James Carl
SDG&E	Exh No:SDG&E-218	Exh 176	ENVIRONMENTAL	Pearson, R. Scott
SDG&E	Exh No:SDG&E-219	Exh 156	INFORMATION TECHNOLOGY	Mikovits, Stephen J.
SDG&E	Exh No:SDG&E-224	Exh 123	HR, SAFETY, DISABILITY, & WORKERS COMP	Edgar, Sarah E
SDG&E	Exh No:SDG&E-225	Exh 261	REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL	Deremer, Kenneth J
SDG&E	Exh No:SDG&E-229	Exh 249	TAXES	Reeves, Ragan G.
SDG&E	Exh No:SDG&E-230	Exh 236	WORKING CASH	Lewis, Jack S
SDG&E	Exh No:SDG&E-231	Exh 258	ELECTRIC CUSTOMERS AND SALES	Schiermeyer, Kenneth E
SDG&E	Exh No:SDG&E-232	Exh 364	CUSTOMERS	Payan, Rose-Marie
SDG&E	Exh No:SDG&E-234	Exh 233	MISCELLANEOUS REVENUES	Somerville, Michelle A.
SDG&E	Exh No:SDG&E-235	Exh 254	REGULATORY ACCOUNTS	Jasso, Norma G.
SDG&E	Exh No:SDG&E-237	Exh 97	POST-TEST YEAR RATEMAKING	Hrna, Sandra K.
SDG&E	Exh No:SDG&E-239	Exh 204	ELECTRIC REVENUES AND RATES	Fang, Cynthia
SDG&E	Exh No:SDG&E-240	Exh 266	ELECTRIC RELIABILITY PERFORMANCE INCENTIVES	Withers, Mason
SCG	Exh No:SCG-01-R	Exh 1	SOCALGAS POLICY OVERVIEW	Lane, J. Bret
SCG	Exh No:SCG-02	Exh 13	RISK MANAGEMENT AND POLICY	Day, Diana
SCG	Exh No:SCG-03	Exh 19	GAS OPERATIONS RISK POLICY	Schneider, Douglas M.
SCG	Exh No:SCG-04-R	Exh 58	GAS DISTRIBUTION	Ayala, Frank
SCG	Exh No:SCG-05	Exh 35	GAS TRANSMISSION O&M	Musich, Beth
SCG	Exh No:SCG-06	Exh 45	UNDERGROUND STORAGE	Baker, Phillip E.
SCG	Exh No:SCG-07	Exh 25	GAS ENGINEERING	Stanford, Raymond K

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

Party	Original Exhibit #	Hearing Exhibit #	Description	Witness
SCG	Exh No:SCG-08	Exh 49	TIMP & DIMP	Martinez, Maria T.
SCG	Exh No:SCG-09	Exh 119	PROCUREMENT	Chang, Ibtissam T
SCG	Exh No:SCG-10	Exh 89	CS - FIELD & METER READING	Franke, Sara A.
SCG	Exh No:SCG-11	Exh 110	CS - OFFICE OPERATIONS	Goldman, Evan D.
SCG	Exh No:SCG-12-R	Exh 115	CS - INFORMATION	Ayres, Ann D.
SCG	Exh No:SCG-13-R	Exh 185	CS - TECHNOLOGIES, POLICIES & SOLUTIONS	Reed, Jeffrey G.
SCG	Exh No:SCG-14	Exh 127	SUPPLY MANAGEMENT	Hobbs, Richard D.
SCG	Exh No:SCG-15	Exh 162	FLEET & FACILITY OPERATIONS	Herrera, Carmen L.
SCG	Exh No:SCG-16	Exh 267	REAL ESTATE	Seifert, James Carl
SCG	Exh No:SCG-17-R	Exh 177	ENVIRONMENTAL	Tracy, Jill
SCG	Exh No:SCG-18-R	Exh 148	INFORMATION TECHNOLOGY	Olmsted, Christopher R.
SCG	Exh No:SCG-19	Exh 220	CORPORATE CENTER - GENERAL ADMINISTRATION	Devine, Hannah L.
SCG	Exh No:SCG-20	Exh 208	CORPORATE CENTER - INSURANCE	Carbon, Katherine
SCG	Exh No:SCG-21	Exh 191	COMPENSATION, HEALTH, & WELFARE	Robinson, Debbie
SCG	Exh No:SCG-22	Exh 277	PENSION & PBOPs	Sarkaria, David I
SCG	Exh No:SCG-23-R	Exh 106	PRES/COO, HR, WORKERS COMP & DISABILITY	Serrano, Mark L.
SCG	Exh No:SCG-24-R	Exh 283	REG AFF/A&F/LEGAL/EXT AFF	Gonzales, Ramon
SCG	Exh No:SCG-25-R	Exh 287	SHARED SVCS AND SHARED ASSETS BILLING POL AND PROCESS	Diancin, Mark A.
SCG	Exh No:SCG-26-R	Exh 298	RATE BASE	Yee, Garry G
SCG	Exh No:SCG-27-R	Exh 300	DEPRECIATION	Ngai, Flora
SCG	Exh No:SCG-28-R	Exh 244	TAXES	Reeves, Ragan G.
SCG	Exh No:SCG-29-R	Exh 241	WORKING CASH	Foster, Michael W.
SCG	Exh No:SCG-30	Exh 358	CUSTOMERS	Payan, Rose-Marie
SCG	Exh No:SCG-31	Exh 303	ESCALATION	Wilder, Scott R
SCG	Exh No:SCG-32-R	Exh 228	MISCELLANEOUS REVENUES	Somerville, Michelle A.

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

Party	Original Exhibit #	Hearing Exhibit #	Description	Witness
SCG	Exh No:SCG-33	Exh 250	REGULATORY ACCOUNTS	Austria, Reginald M.
SCG	Exh No:SCG-34-R	Exh 218	SUMMARY OF EARNINGS	Nguyen, Khai
SCG	Exh No:SCG-35-R	Exh 92	POST-TEST YEAR RATEMAKING	Van der Leeden, Ronald M.
SCG	Exh No:SCG-36-R	Exh 182	COMPLIANCE	Shimansky, Gregory D
SCG	Exh No:SCG-37-R	Exh 189	REVENUES AT PRESENT AND PROPOSED RATES	Lenart, Gary G
SCG	Exh No:SCG-38-R	Exh 307	REASSIGNMENT RATES	Stein, Jeff
SCG	Exh No:SCG-39	Exh 124	ADVANCED METERING INFRASTRUCTURE POLICY	Garcia, Rene F.
SCG	Exh No:SCG-40		UPDATED RESULTS OF OPERATIONS REPORT	Nguyen, Khai
SCG	Exh No:SCG-41	Exh 17	RESPONSE TO SAFETY & ENFORCEMENT DIVISION (SED) REPORT	Day, Diana
SCG	Exh No:SCG-204	Exh 61	GAS DISTRIBUTION	Ayala, Frank
SCG	Exh No:SCG-205	Exh 38	GAS TRANSMISSION O&M	Musich, Beth
SCG	Exh No:SCG-206	Exh 48	UNDERGROUND STORAGE	Baker, Phillip E.
SCG	Exh No:SCG-207	Exh 28	GAS ENGINEERING AND GAS TRANSMISSION CAPITAL	Stanford, Raymond K
SCG	Exh No:SCG-208	Exh 52	TIMP & DIMP	Martinez, Maria T.
SCG	Exh No:SCG-210	Exh 91	CS - FIELD & METER READING	Franke, Sara A.
SCG	Exh No:SCG-211	Exh 113	CS - OFFICE OPERATIONS	Goldman, Evan D.
SCG	Exh No:SCG-212	Exh 117	CS - INFORMATION	Ayres, Ann D.
SCG	Exh No:SCG-213	Exh 187	CS - TECHNOLOGIES, POLICIES & SOLUTIONS	Reed, Jeffrey G.
SCG	Exh No:SCG-214	Exh 129	SUPPLY MANAGEMENT	Hobbs, Richard D.
SCG	Exh No:SCG-215	Exh 165	FLEET SERVICES & FACILITY OPERATIONS	Herrera, Carmen L.
SCG	Exh No:SCG-216	Exh 269	REAL ESTATE	Seifert, James Carl
SCG	Exh No:SCG-217	Exh 179	ENVIRONMENTAL	Tracy, Jill
SCG	Exh No:SCG-218	Exh 151	INFORMATION TECHNOLOGY	Olmsted, Christopher R.
SCG	Exh No:SCG-223	Exh 108	HUMAN RESOURCES, DISABILITY & WORKERS COMP	Serrano, Mark L.
SCG	Exh No:SCG-224	Exh 285	REG AFF/A&F/LEGAL/EXT AFF	Gonzales, Ramon

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

Party	Original Exhibit #	Hearing Exhibit #	Description	Witness
SCG	Exh No:SCG-228	Exh 246	TAXES	Reeves, Ragan G.
SCG	Exh No:SCG-229	Exh 243	WORKING CASH	Foster, Michael W.
SCG	Exh No:SCG-230	Exh 360	CUSTOMERS	Payan, Rose-Marie
SCG	Exh No:SCG-232	Exh 230	MISCELLANEOUS REVENUES	Somerville, Michelle A.
SCG	Exh No:SCG-233	Exh 252	REGULATORY ACCOUNTS	Austria, Reginald M.
SCG	Exh No:SCG-235	Exh 94	POST-TEST YEAR RATEMAKING	Van der Leeden, Ronald M.
SCG	Exh No:SCG-239	Exh 125	ADVANCED METERING INFRASTRUCTURE POLICY	Garcia, Rene F.
SDG&E-SCG	Exh No:SDG&E-202/SCG	Exh 18	RISK MANAGEMENT AND POLICY	Day, Diana
SDG&E-SCG	Exh No:SDG&E-220/SCG	Exh 224	CORPORATE CENTER - GENERAL ADMINISTRATION	Devine, Hannah L.
SDG&E-SCG	Exh No:SDG&E-221/SCG	Exh 212	CORPORATE CENTER - INSURANCE	Carbon, Katherine
SDG&E-SCG	Exh No:SDG&E-222/SCG	Exh 195	COMPENSATION AND BENEFITS	Robinson, Debbie S.
SDG&E-SCG	Exh No:SDG&E-241/SCG	Exh 311	TOTAL COMPENSATION STUDY	Beal, Rick
SDG&E-SCG	Exh No:SDG&E-242/SCG	Exh 200	FINANCIAL COMPONENTS OF SHORT TERM INCENTIVE COMPENSATION	Schlax, Robert
SDG&E-SCG	Exh No:SDG&E-243/SCG	Exh 184	RESULT OF EXAMINATION AND OTHER FINANCIAL ISSUES	Shimansky, Gregory D
ORA	ORA-1	Exh 366	Executive Summary	C. Tang
ORA	ORA-2	Exh 367	Summary of Earnings, Segmentation and Reassignment Rates	J. Oh
ORA	ORA-3	Exh 369	Customers, Sales, Cost Escalation	T. Renaghan
ORA	ORA-4	Exh 371	Miscellaneous Revenues	M. Kanter
ORA	ORA-5	Exh 331	SDG&E - Electric Distribution Expenses	E. Jaeger
ORA	ORA-6	Exh 374	SDG&E - Electric Distribution Capital Expenditures Part 1 of 2	G. Wilson
ORA	ORA-7	Exh 376	SDG&E - Electric Distribution Capital Expenditures Part 2 of 2	S. Logan
ORA	ORA-8	Exh 377	SDG&E - Electric Generation and SONGS	M. Loy
ORA	ORA-9	Exh 378	SDG&E - Gas Distribution, Transmission, Engineering, and Pipeline Integrity	G. Ezekwo
ORA	ORA-10	Exh 350	SoCalGas - Gas Distribution	D. Phan

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

Party	Original Exhibit #	Hearing Exhibit #	Description	Witness
ORA	ORA-11	Exh 379	SoCalGas - Gas Transmission, Underground Storage, Engineering, and Pipeline Integrity	K. C. Lee
ORA	ORA-12	Exh 381	Risk Management and Procurement	T. Burns
ORA	ORA-13	Exh 353	Customer Services	T. Godfrey
ORA	ORA-14	Exh 383	Supply Management & Supplier Diversity, Fleet Services, Real Estate, Land Services & Facilities, and Environmental Services	S. Chia
ORA	ORA-15	Exh 385	Information Technology	P. Morse
ORA	ORA-16	Exh 387	Corporate Center – Shared Services & Shared Assets	J. Oh
ORA	ORA-17	Exh 333	Compensation, Incentives, Benefits, Pension, and Postretirement Benefits Other Than Pension	S. Hunter
ORA	ORA-18	Exh 389	Administrative & General Expenses Part 1 of 2	L. Laserson
ORA	ORA-19	Exh 391	Administrative & General Expenses Part 2 of 2	G. Dunham
ORA	ORA-20	Exh 393	Depreciation Expense and Reserve	M. Karie
ORA	ORA-21	Exh 394	Taxes	M. Campbell
ORA	ORA-22	Exh 396	Working Cash and Rate Base	K. McNabb
ORA	ORA-23	Exh 398	Post-Test Year Ratemaking and SCG Advanced Metering Infrastructure Policy	C. Tang
ORA	ORA-24	Exh 399	Report on the Results of Examination for SDG&E and SCG Test Year 2016 GRC	M. Waterworth, G. Novack, J. Lee, F. Hadiprodjo
UCAN	UCAN	Exh 347	Testimony of Kobor-Norin-Fulmer on behalf of UCAN	B. Kobor, L. Norin, M. Fulmer
UCAN	UCAN	Exh 345	Testimony of R. Sulpizio on behalf of UCAN	R. Sulpizio
TURN	TURN	Exh 408	Direct Testimony of E. Borden on behalf of TURN	E. Borden
TURN	TURN	Exh 404	Direct Testimony of G. Jones on behalf of TURN	G. Jones
TURN	TURN	Exh 400	Direct Testimony of W. B. Marcus on behalf of TURN	W. B. Marcus
TURN	TURN	Exh 402	Direct Testimony of J. Sugar on behalf of TURN	J. Sugar
SDCAN	SDCAN	Exh 319	Prepared Testimony of M. Shames on behalf of SDCAN	M. Shames
MGRA	MGRA	Exh 317	Direct Testimony of J. Mitchell on behalf of MGRA	J. Mitchell

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

Party	Original Exhibit #	Hearing Exhibit #	Description	Witness
CCUE	CCUE	Exh 337	Prepared Testimony of D. Marcus on behalf of CCUE	D. Marcus
CCUE	CCUE	Exh 340	Rebuttal Testimony of D. Marcus on behalf of CCUE	D. Marcus
FEA	FEA	Exh 314	Direct Testimony of R. Smith on behalf of FEA	R. Smith
JMP	JMP	Exh 316	Testimony of F. Bautista, M. Whitlock and T. Martinez on behalf of JMP	F. Bautista, M. Whitlock, T. Martinez
SCGC	SCGC	Exh 33	Direct Testimony of C. Yap on behalf of SCGC	C. Yap
EDF	EDF	Exh 312	Opening Testimony of T. O'Connor on behalf of EDF	T. O'Connor
EDF	EDF	Exh 313	Rebuttal Testimony of T. O'Connor on behalf of EDF	T. O'Connor
UWUA	UWUA-1	Exh 320	Utility Workers Union of America - 1	C. Wood
UWUA	UWUA-2	Exh 321	Utility Workers Union of America - 2	J. Acosta
UWUA	UWUA-3	Exh 322	Utility Workers Union of America - 3	R. Downs
UWUA	UWUA-4	Exh 323	Utility Workers Union of America - 4	D. Sherman
UWUA	UWUA-5	Exh 324	Utility Workers Union of America - 5	P. Carriera
UWUA	UWUA-6	Exh 325	Utility Workers Union of America - 6	D. Brown
UWUA	UWUA-7	Exh 326	Utility Workers Union of America - 7	D. Kick
UWUA	UWUA-8	Exh 327	Utility Workers Union of America - 8	E. Hofmann
UWUA	UWUA-9	Exh 328	Utility Workers Union of America - 9	M. Barber
UWUA	UWUA-10	Exh 329	Utility Workers Union of America - 10	J. Simon

Chapter 2

Differences Between SoCalGas and ORA

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

1. SCG-02 (Exh 13) - RISK MANAGEMENT AND POLICY

a. O&M - SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2RM00A-USS.ALL	(2,592)	2A1-a1

CHAPTER 2A1-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-02
Area: RISK MANAGEMENT AND POLICY
Witness: Day, Diana L.

SHARED SERVICES O&M

Subject: Risk Management
Workpaper: 2RM00A-USS.ALL

SoCalGas Position: SCG is requesting \$2.592 million in O&M expenses for TY 2016.

Exhibit SCG-02, p. DD-10

ORA Position: Based on ORA's review of SCG's testimony and workpapers, the SED discovery and SED Staff Report, and the results of ORA's discovery and analysis, ORA recommends \$0 for TY 2016 for SoCalGas, since SoCalGas has reported \$0 for 2014 adjusted recorded O&M expenses and the ERM program is funded on a shared basis. The proposed "top-heavy" ERM management structure argues against recommending additional funding for TY 2016 O&M.

Exhibit ORA-12, p.9

Settlement: Please refer to Exhibit B, page B-6, section "Administrative and General Expenses: Expenses in ORA-17" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

	Labor	NLbr	NSE	Total
SCG				
2200-8962.000	807	1,785	0	2,592
Total	807	1,785	0	2,592
ORA				
2200-8962.000	0	0	0	0
Total	0	0	0	0
Difference				
2200-8962.000	-807	-1,785	0	-2,592
Total	-807	-1,785	0	-2,592
Settlement				
2RM00A-USS.ALL	311	689	0	1,000
Total	311	689	0	1,000

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

2. SCG-04-R (Exh 58) - GAS DISTRIBUTION

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2GD000.000	(3,438)	2A2-a1
2. 2GD000.002	(1,484)	2A2-a2
3. 2GD000.003	(4,687)	2A2-a3
4. 2GD001.000	(1,369)	2A2-a4
5. 2GD004.000	(3,811)	2A2-a5

CHAPTER 2A2-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

NONSHARED O&M

Subject: Field O&M - Field Support
Workpaper: 2GD000.000

SoCalGas Position: For 2016, SoCalGas requests \$24.895 million, an increase of \$6.358 million above the 2013 recorded amount of \$18.537 million. SoCalGas uses the five-year (2009-2013) linear trend, which results in an amount of \$21.729 million, as the base amount for 2016. To this base amount, the utility adds an additional \$3.166 million, to arrive at the total forecast of \$24.895 million. A breakdown of the incremental increase is shown below.

- 1) 8 Administrative Advisors for \$618,000 over the base forecast.
- 2) 4 Field Instructors by 2016 for \$412,000.
- 3) \$1.948 million to expand its Operator Qualification program to add approximately 36,100 incremental training hours to qualify Gas Distribution field employees in the new Operator Qualification elements.
- 4) \$188,000 to provide training for 465 employees on electronic leak survey handheld device.

Exhibit SCG-04-R, p. FBA-42. 46-47
Exhibit SCG-04-WP, p. 64

ORA Position: ORA recommends \$21.457 million for Field Support. This is based on using the 2014 recorded expenses for Field Support, \$19.446 million, as the base amount. This provides for an increase above the 2013 base year to account for some growth in the test year. To this base amount, ORA recommends adding \$1.948 million for Field Operator Qualification Training plus \$63,000 for the training of employees on electronic handheld leak detectors. ORA 's recommendation of \$21.457 million is \$3.438 million lower than SoCalGas' request of \$24.895 million for Field Support.

Exhibit ORA-10 p.16

Settlement: Please refer to Exhibit B, page B-2, section "Gas Distribution Expenses: Field Operation and Maintenance Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Note: There is a discrepancy of \$0.030M between the settled amount (\$101.960M) and the amount in the RO model (\$101.990M) for Field Operation and Maintenance.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	21,012	18,110	-2,902	18,110
NonLabor	3,883	3,347	-536	3,347

CHAPTER 2A2-a1

Nonstandard	0	0	0	0
TOTAL	24,895	21,457	-3,438	21,457

CHAPTER 2A2-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

NONSHARED O&M

Subject: Field O&M - Locate & Mark
Workpaper: 2GD000.002

SoCalGas Position: SoCalGas requests \$12.449 million for the activities in this work group. SoCalGas' 2016 forecast is based on using the three-year (2011-2013) historical linear trend, which results in a \$1.407 million increase above the 2013 base year amount of \$11.042 million. SoCalGas' forecast is driven by an anticipated increase in Locate and Mark work activities due to projected non-farm employment growth and improved economic conditions in the test year period.

Exhibit SCG-04-R, p. FBA-15, 18

ORA Position: ORA does not oppose the projected growth in the test year period, although ORA projects a lower growth level compared to SoCalGas. ORA disagrees with SoCalGas' method of using the three-year (2011-2013) historical linear trend. ORA notes that the three year trend provides a higher value for 2016 than the five year trend. While ORA does not oppose using a linear trend to forecast test year expenses for Locate and Mark in this GRC, ORA believes that data from as many years as possible should be used for a more reliable forecast. Instead of using three years of expense data, ORA recommends an approach using the 5-year linear trend of expenses from 2009-2013. The ORA 5-year trend forecast is \$10.966 million, which is \$1.483 million lower than SoCalGas' forecast of \$12.449 million.

Exhibit ORA-10, p. 7-8

Settlement: Please refer to Exhibit B, page B-2, section "Gas Distribution Expenses: Field Operation and Maintenance Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Note: There is a discrepancy of \$0.030M between the settled amount (\$101.960M) and the amount in the RO model(\$101.990M) for Field Operation and Maintenance.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	11,535	10,160	-1,375	10,708
NonLabor	915	806	-109	849
Nonstandard	0	0	0	0
TOTAL	12,450	10,966	-1,484	11,557

CHAPTER 2A2-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

NONSHARED O&M

Subject: Field O&M - Main Maintenance
Workpaper: 2GD000.003

SoCalGas Position: SoCalGas requests \$18.900 million, an increase of \$8.071 million above the 2013 adjusted recorded amount of \$10.829 million. SoCalGas states that Main Maintenance costs have experienced an upward trend associated with multiple work drivers, and the utility does not see this trend reversing. Therefore, SoCalGas uses a five-year (2009-2013) historical linear trend to forecast the base expense for Main Maintenance. SoCalGas' linear trend method leads to a trended increase in 2014 and 2015, and ultimately a base amount of \$16.885 million in 2016, which includes a damage credit amount of \$1.134 million and derived from a 5-year (2009-2013) average of credits received from third parties. To this trended growth forecast, SoCalGas requests an additional increase of \$2.015 million for main leak evaluation and repair work for a total of \$18.900 million for 2016

Exhibit SCG-04-R, p. FBA-31,34, 35, 44, 50

ORA Position: Commission should adopt ORA's recommendation of \$14.213 million. SoCalGas' method of trending the 2009-2013 some cost elements and not others to forecast an overall test year expense amount is inappropriate. ORA does not dispute the notion that there will be an increase in Main Maintenance expense as a result of expected growth in general construction. However, SoCalGas should use all the expense elements, including both recorded costs and damage credits, in its application of the linear trend. The damage credit is tied to Main Maintenance, and excluding it from the growth forecast is inappropriate.

Exhibit ORA-10, p. 11-12

Note: ORA accepted SoCalGas' proposed number during evidentiary hearings, see July 14, 2015 transcript, pg 2982.

Settlement: Please refer to Exhibit B, page B-2, section "Gas Distribution Expenses: Field Operation and Maintenance Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Note: There is a discrepancy of \$0.030M between the settled amount (\$101.960M) and the amount in the RO model (\$101.990M) for Field Operation and Maintenance.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	12,684	9,539	-3,145	12,684
NonLabor	6,216	4,674	-1,542	6,216
Nonstandard	0	0	0	0

CHAPTER 2A2-a3

TOTAL	18,900	14,213	-4,687	18,900
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CHAPTER 2A2-a4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

NONSHARED O&M

Subject: Asset Management
Workpaper: 2GD001.000

SoCalGas Position: SoCalGas requests \$10.827 million, an increase of \$3.278 million above the 2013 recorded amount of \$7.549 million for 2016. SoCalGas' 2016 forecast amount of \$10.827 million is based on a five-year (2009-2013) historical linear trend, resulting in an increase of \$2.598 million. To this base level, SoCalGas proposes an additional increase of \$412,000 for 4 Compliance Technical Advisors and \$268,000 for Administrative Control Clerks.

Exhibit SCG-04-R, p. FBA-50

ORA Position: ORA opposes SoCalGas' forecast because it is excessive. SoCalGas' forecast method, a five-year historical trend, already takes into consideration the expected growth in labor and non-labor expenses for this category. ORA recommends a lower forecast amount of \$9.458 million for 2016. This amount is based on taking SoCalGas' 2014 recorded expenses for Asset Management, which were \$8.778 million, plus the \$412,000 for 4 Compliance Technical Advisors and \$268,000 for 4 Administrative Control Clerks SoCalGas requests for 2016. This recommendation takes into account the most recent spending level (2014 recorded), and is \$1.228 million higher than the 2013 base year recorded expenses. ORA also allowed for the 8 positions SoCalGas requests. ORA's recommendation of \$9.458 million is \$1.369 million lower than SoCalGas' requested \$10.827 million.

Exhibit ORA-10, p. 18

Settlement: Please refer to Exhibit B, page B-2, section "Gas Distribution Expenses: Asset Management" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	9,820	8,578	-1,242	9,251
NonLabor	1,007	880	-127	949
Nonstandard	0	0	0	0
TOTAL	10,827	9,458	-1,369	10,200

CHAPTER 2A2-a5

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

NONSHARED O&M

Subject: Operations Management & Training
Workpaper: 2GD004.000

SoCalGas Position: SoCalGas requests \$15.644 million in 2016 for this work category. SoCalGas' forecast is based on the 2013 adjusted recorded expenses plus incremental costs totaling an increase of \$5.693 million.

Exhibit SCG-04-R, p. FBA-57

ORA Position: ORA recommends \$11.834 million, which is \$3.810 million lower than SoCalGas' request of \$15.644 million for 2015.

Exhibit ORA-10, p. 19

Settlement: Please refer to Exhibit B, page B-2, section "Gas Distribution Expenses: Operations Management Training" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	13,144	9,942	-3,202	11,762
NonLabor	2,501	1,892	-609	2,238
Nonstandard	0	0	0	0
TOTAL	15,645	11,834	-3,811	14,000

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

2. SCG-04-R (Exh 58) - GAS DISTRIBUTION

b. O&M - SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2GD00A-USS.ALL	(3,528)	2A2-b1

CHAPTER 2A2-b1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

SHARED SERVICES O&M

Subject: Operations Leadership & Support
Workpaper: 2GD00A-USS.ALL

SoCalGas Position: SoCalGas requests \$7.909 million, an increase of \$4.500 million, above the 2013 recorded amount of \$3.409 million, for Operations Leadership and Support for 2016

Exhibit SCG-04-R, p. FBA-76

ORA Position: ORA recommends \$4.381 million for Operation Leadership and Support. This is \$3.528 million lower than SoCalGas' request of \$7.909 million.

Exhibit ORA-10, p. 35

Note: Uncontested amounts in the following workpapers are not included in the numbers displayed below.

2200-0305.000	\$0.913 million
2200-2144.000	\$0.279 million
2200-2344.000	\$0.278 million
2200-2345.000	\$0.774 million
Total	\$2.244 million

Settlement: Please refer to Exhibit B, page B-2, section "Gas Distribution Expenses: Operations Leadership and Support" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A2-b1

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-0431.000	795	4,088	0	4,883
2200-2023.000	323	33	0	356
2200-2360.000	411	18	0	429
Total	1,529	4,139	0	5,668

ORA	Labor	NLbr	NSE	Total
2200-0431.000	1,259	96	0	1,355
2200-2023.000	323	33	0	356
2200-2360.000	411	18	0	429
Total	1,993	147	0	2,140

Difference	Labor	NLbr	NSE	Total
2200-0431.000	464	-3,992	0	-3,528
2200-2023.000	0	0	0	0
2200-2360.000	0	0	0	0
Total	464	-3,992	0	-3,528

Settlement	Labor	NLbr	NSE	Total
2GD00A-USS.ALL	1,993	146	0	2,139
Total	1,993	146	0	2,139

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

2. SCG-04-R (Exh 58) - GAS DISTRIBUTION

c. CAPITAL

Project	ORA vs. SoCalGas (2014+2015+2016)	Reference
1. 00151.0.ALL	(1,180)	2A2-c1
2. 00163.0.ALL	(16,659)	2A2-c2
3. 00173.0.ALL	(3,671)	2A2-c3
4. 00251.0.ALL	10,654	2A2-c4
5. 00252.0.ALL	(28,931)	2A2-c5
6. 00254.0.ALL	1,430	2A2-c6
7. 00256.0.ALL	(18)	2A2-c7
8. 00261.0.ALL	13	2A2-c8
9. 00262.0.ALL	(424)	2A2-c9
10. 00264.0.ALL	(2,490)	2A2-c10
11. 00265.0.ALL	895	2A2-c11
12. 00267.0.ALL	(1,066)	2A2-c12
13. 00725.0.ALL	(7,857)	2A2-c13
14. 00903.0.ALL	(10,148)	2A2-c14

CHAPTER 2A2-c1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: New Business
Budget Code: 00151.0.ALL

SoCalGas Position: SoCalGas requests \$24.190 million, \$28.636 million, and \$32.493 million in New Business (NB) expenditures for 2014-2016. This includes NB Construction, NB Trench Reimbursements, and NB Forfeitures. SoCalGas forecasts NB Construction costs to be \$29.713 million in 2014, \$34.159 million in 2015, and \$38.016 million in 2016. The NB Trench Reimbursements are funds SoCalGas uses to reimburse customers who provide their own trench. SoCalGas uses the five-year (2009-2013) average historical cost for the amount of \$887,000 each year from 2014-2016. The NB Forfeitures is a credit amount to SoCalGas from new business customers for the cost of unused and/or underutilized facilities constructed at their request. The annual amount for 2014-2016 is (\$6.410 million). This annual amount is the historical 5-year (2009-2013) average recorded forfeitures.

Exhibit SCG-04-R, p. FBA-89

ORA Position: ORA recommends adopting the 2014 recorded spending amount of \$25.868 million for the 2014 forecast for New Business. This 2014 amount consists of \$30.648 million for New Business Construction, \$557,000 for New Business Trench Reimbursements, and a credit of \$5.337 million for New Business Forfeitures. For 2015, ORA disputes SoCalGas' forecast amount of \$28.636 million, and recommends \$24.886 million. This 2015 amount consists of \$30.409 million for New Business Construction, \$887,000 for New Business Trench Reimbursements, and a credit of \$6.410 million for New Business Forfeitures. ORA accepts SoCalGas' forecast of \$32.493 million for 2016.

Exhibit ORA-10, p.43-44

Note: *There is a discrepancy between ORA's testimony and ORA's RO Model that may be due to an input error. ORA's testimony shows 2015 forecast of \$24.886 million while the RO model shows \$25.773 million. The 2015 difference between SCG and ORA forecast should be <\$3,750> million instead of <\$2,863> million shown in table below.

**For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

Settlement: Please refer to Exhibit B, page B-6, section "Capital Expenditures: Gas Distribution Capital Expenditures" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A2-c1

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
001510.001	101,888
A01510.001	2,661
B01510.001	-19,230
Total	85,319

ORA	2014-2016 Total
001510.001	99,965
A01510.001	2,331
B01510.001	-18,157
Total	84,139

Difference	2014-2016 Total
001510.001	-1,923
A01510.001	-330
B01510.001	1,073
Total	-1,180

Settlement	2014-2016 Total
00151.0.ALL	87,002
Total	87,002

CHAPTER 2A2-c2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Measurement and Regulation Devices
Budget Code: 00163.0.ALL

SoCalGas Position: SoCalGas forecasts a total of \$37.231 million for 2014, \$38.190 million for 2015, and \$40.063 million for 2016 for Measurement and Regulation Devices.

Exhibit SCG-04-R, p. FBA-124

ORA Position: ORA recommends \$29.785 million for 2014, \$33.644 million for 2015 and \$40.063 million for 2016.

Exhibit ORA-10, p.58

Note: *In some of the tables in ORA's testimony, the 2014 forecast for this workgroup was shown to be \$29.864 million, and in others areas of the testimony, it was shown to be \$29.785 million. This discrepancy was corrected in Exhibit ORA-10-E, where ORA's 2014 forecast is shown to be \$29.785 million (ORA-10-E, p.3 and p.58).

**Table below does not reflect ORA's subsequent update to the 2015 forecast during evidentiary hearings. ORA's revised forecast was \$33.6 million for 2015, a reduction of \$4.546M from SCG's 2015 request.

Hearing Transcript for July 14, 2015, Volume 27, pages 2982-2983

***For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Settlement: Please refer to Exhibit B, page B-6, section "Capital Expenditures: Gas Distribution Capital Expenditures" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A2-c2

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
001630.001	80,934
001640.001	27,586
001810.001	2,646
002800.001	4,318
Total	115,484

ORA	2014-2016 Total
001630.001	68,593
001640.001	23,272
001810.001	2,947
002800.001	4,013
Total	98,825

Difference	2014-2016 Total
001630.001	-12,341
001640.001	-4,314
001810.001	301
002800.001	-305
Total	-16,659

Settlement	2014-2016 Total
00163.0.ALL	108,038
Total	108,038

CHAPTER 2A2-c3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Cathodic Protection Capital
Budget Code: 00173.0.ALL

SoCalGas Position: SoCalGas requests \$8.047 million, \$9.168 million, and \$9.168 million for 2014-2016, respectively. These forecasts consist of a base amount of \$3.791 million, which is the 5-year (2009-2013) average recorded Cathodic Protection expenditures, plus incremental amounts of \$4.256 million in 2014 and \$5.377 million each year for 2015 and 2016.

Exhibit SCG-04-R, p. FBA-110

ORA Position: ORA recommends adopting the 2014 recorded spending amount of \$4.377million for the 2014 forecast. This amount is \$3.671 million lower than SoCalGas' forecast of \$8.048 million. ORA does not take issue with SoCalGas' forecasts of \$9.169 million each year for 2015 and 2016.

Exhibit ORA-10, p.53

Note: For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

Settlement: Please refer to Exhibit B, page B-6, section "Capital Expenditures: Gas Distribution Capital Expenditures" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A2-c3

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
001730.001	11,376
001730.002	15,010
Total	26,386

ORA	2014-2016 Total
001730.001	7,584
001730.002	15,131
Total	22,715

Difference	2014-2016 Total
001730.001	-3,792
001730.002	121
Total	-3,671

Settlement	2014-2016 Total
00173.0.ALL	22,715
Total	22,715

CHAPTER 2A2-c4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Pressure Betterments
Budget Code: 00251.0.ALL

SoCalGas Position: SoCalGas forecasts \$27.561 million for 2014, \$23.445 million for 2015, and \$16.009 million for 2016 for Pressure Betterment. SoCalGas' forecasts are based on forecasts of incremental costs above a historical average of routine costs, comprising: (1) annual amounts of \$12.389 million each of the years 2014 through 2016 for Routine Betterment, which is based on historical five-year (2009-2013) average recorded routine Pressure Betterment expenditures; and (2) added to the Routine expenditures are incremental amounts of \$15.172 million for 2014, \$11.056 million for 2015 and \$3.620 million for 2016. There are 3 Non-Routine Betterment projects SoCalGas proposes to carry out from 2014-2016: (1) South Bay Cities Pressure Betterment, (2) Arvin Pressure Betterment, and (3) Orange County Pressure Betterment.

Exhibit SCG-04-R, p. FBA-92

ORA Position: ORA recommends adopting the 2014 recorded expenditures for the 2014 revenue forecast. ORA's recommendation is \$10.654 million above SoCalGas' proposal for 2014. ORA accepts SoCalGas' forecasts for 2015 and 2016 for Pressure Betterment.

Exhibit ORA-10, p.45

Note: *The Orange County Pressure Betterment (002810.003) is not reflected in the totals because since it was uncontested.

**For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

Settlement: Please refer to Exhibit B, page B-6, section "Capital Expenditures: Gas Distribution Capital Expenditures" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A2-c4

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
002510.001	37,167
002810.001	6,212
002810.002	16,396
Total	59,775

ORA	2014-2016 Total
002510.001	42,082
002810.001	22,882
002810.002	5,465
Total	70,429

Difference	2014-2016 Total
002510.001	4,915
002810.001	16,670
002810.002	-10,931
Total	10,654

Settlement	2014-2016 Total
00251.0.ALL	70,429
Total	70,429

CHAPTER 2A2-c5

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Main Replacements
Budget Code: 00252.0.ALL

SoCalGas Position: SoCalGas requests \$47.233 million per year for 2014, 2015, and 2016. SoCalGas' forecast is based on the five year (2009-2013) historical average. This approach allows SoCalGas to capture historical spending under a variety of conditions that reflect fluctuations in labor and non-labor expenditures associated with this work category.

Exhibit SCG-04-R, p. FBA-99-100

ORA Position: ORA recommends adopting the 2014 recorded expenditure of \$28.497 million for 2014 and does not oppose SoCalGas' forecast for 2016. For the 2015 Main Replacements forecast, ORA recommends the Commission use the average of the most recent three year (2012-2014) recorded expenditures. The 3-year (2012-2014) average is \$37.038 million. This amount and methodology should be adopted because it captures the fluctuations of the expenditures in this work category while incorporating and reflecting SoCalGas' most recent spending in Main Replacement.

Exhibit ORA-10, p.48

Note: For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

Settlement: Please refer to Exhibit B, page B-6, section "Capital Expenditures: Gas Distribution Capital Expenditures" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A2-c5

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
002520.001	141,699
Total	141,699

ORA	2014-2016 Total
002520.001	112,768
Total	112,768

Difference	2014-2016 Total
002520.001	-28,931
Total	-28,931

Settlement	2014-2016 Total
00252.0.ALL	122,963
Total	122,963

CHAPTER 2A2-c6

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Main & Service Abandonments
Budget Code: 00254.0.ALL

SoCalGas Position: SoCalGas requests \$3.582 million each year for 2014 through 2016. SoCalGas' forecast is based on the five-year (2009-2013) average of recorded spending on Main and Service Abandonments. The 2014 recorded expenditure for this work category was \$5.012 million.

Exhibit SCG-04-R, p. FBA-105

ORA Position: ORA recommends the Commission adopt the 2014 recorded spending amount of \$5.012 million for 2014. ORA does not take issue with SoCalGas' proposed funding for 2015 and 2016.

Exhibit ORA-10, p.51

Note: For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

Settlement: Please refer to Exhibit B, page B-6, section "Capital Expenditures: Gas Distribution Capital Expenditures" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
002540.001	10,746
Total	10,746

ORA	2014-2016 Total
002540.001	12,176
Total	12,176

Difference	2014-2016 Total
002540.001	1,430
Total	1,430

Settlement	2014-2016 Total
00254.0.ALL	12,176
Total	12,176

CHAPTER 2A2-c7

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Service Replacements
Budget Code: 00256.0.ALL

SoCalGas Position: SoCalGas requests \$22.217 million for 2014, \$15.899 million for 2015 and \$15.109 million for 2016 for Service Replacements. SoCalGas' requests consist of a base forecast amount of \$15.108 million each year plus an incremental increase of \$7.108 million in 2014 and \$790,000 in 2015 for its leak reduction effort.

Exhibit SCG-04-R, p. FBA-101

ORA Position: ORA recommends using the 2014 recorded expenditures amount of \$22.199 million for the 2014 forecast, and the SoCalGas proposed \$15.899 million for 2015 and \$15.109 million for 2016. SoCalGas' forecasts for 2015 and 2016 are reasonable and comparable to recent historical spending and should be adopted.

Exhibit ORA-10, p.50

Note: *In testimony, ORA adopts SoCalGas' 2015 forecast. ORA's RO Model shows differences for individual project sub-accounts, but the amounts are offsetting and net to a total difference of \$0 for 2015.

**For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

Settlement: Please refer to Exhibit B, page B-6, section "Capital Expenditures: Gas Distribution Capital Expenditures" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A2-c7

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
002560.001	45,327
002560.002	7,898
Total	53,225

ORA	2014-2016 Total
002560.001	53,207
002560.002	0
Total	53,207

Difference	2014-2016 Total
002560.001	7,880
002560.002	-7,898
Total	-18

Settlement	2014-2016 Total
00256.0.ALL	53,207
Total	53,207

CHAPTER 2A2-c8

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Pipeline Relocations - Freeway
Budget Code: 00261.0.ALL

SoCalGas Position: SoCalGas requests an annual amount of \$10.301 million for 2014-2016.

Exhibit SCG-04-R, p. FBA-114

ORA Position: SoCalGas' 2014 recorded expenditures for work activities tracked under Pipeline Relocations-Freeway was \$10.314 million. ORA recommends adopting the 2014 recorded amount as the 2014 forecast. SoCalGas' forecasts for 2015- 2016 are reasonable and ORA does not dispute the utility's proposals.

Exhibit ORA-10, p.55

Note: For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

Settlement: Please refer to Exhibit B, page B-6, section "Capital Expenditures: Gas Distribution Capital Expenditures" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A2-c8

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
002610.001	29,838
002610.002	1,065
Total	30,903

ORA	2014-2016 Total
002610.001	30,206
002610.002	710
Total	30,916

Difference	2014-2016 Total
002610.001	368
002610.002	-355
Total	13

Settlement	2014-2016 Total
00261.0.ALL	30,916
Total	30,916

CHAPTER 2A2-c9

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Pipeline Relocations - Franchise
Budget Code: 00262.0.ALL

SoCalGas Position: SoCalGas requests \$18.472 million for 2014, \$20.128 million for 2015, and \$21.783 million for 2016.

Exhibit SCG-04-R, p. FBA-117

ORA Position: ORA recommends adopting the 2014 recorded expenditure amount of \$18.872 million as the 2014 forecast. This amount is \$400,000 higher than the SoCalGas' proposed amount of \$18.472 million. ORA does not dispute SoCalGas' proposed funding for 2015 and 2016.

Exhibit ORA-10, p.56

Note: *ORA's testimony states that ORA does not dispute SoCalGas' proposed funding for 2015 and 2016 but the table below shows a 2015 reduction which may be due to a calculation error in ORA's RO Model. ORA's 2015 forecast should be \$20.128 million, no reduction from SCG forecast.

**For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

Settlement: Please refer to Exhibit B, page B-6, section "Capital Expenditures: Gas Distribution Capital Expenditures" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A2-c9

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
002620.001	54,529
002620.002	5,854
Total	60,383

ORA	2014-2016 Total
002620.001	57,847
002620.002	2,112
Total	59,959

Difference	2014-2016 Total
002620.001	3,318
002620.002	-3,742
Total	-424

Settlement	2014-2016 Total
00262.0.ALL	60,783
Total	60,783

CHAPTER 2A2-c10

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Other Distribution Capital Projects and Meter Guards
Budget Code: 00264.0.ALL

SoCalGas Position: SoCalGas requests \$3.867 million each year for 2014-2016 for Other Distribution Capital Projects and meter guards. Of this total, SoCalGas allocates \$3.042 million to Other Distribution Capital Projects and \$825,000 to meter guards each year.

Exhibit SCG-04-R, p. FBA-119

ORA Position: In 2014, SoCalGas recorded a total of \$2.622 million for Other Distribution Capital Projects and meter guards. This amount captures the most recent expenditures incurred for projects and reflects the current level of construction activity. ORA recommends the Commission adopt SoCalGas' 2014 recorded total of \$2.622 million and use that same funding level for 2015. ORA's recommendation mirrors SoCalGas' forecast in that the utility proposes the same amount of funding for 2014 and 2015, albeit a different, and higher, amount from ORA's. ORA does not dispute SoCalGas' proposed funding for 2016.

Exhibit ORA-10, p.57-58

Note: For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

Settlement: Please refer to Exhibit B, page B-6, section "Capital Expenditures: Gas Distribution Capital Expenditures" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A2-c10

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
002640.001	2,475
002700.001	6,006
002700.002	3,120
Total	11,601

ORA	2014-2016 Total
002640.001	1,599
002700.001	6,472
002700.002	1,040
Total	9,111

Difference	2014-2016 Total
002640.001	-876
002700.001	466
002700.002	-2,080
Total	-2,490

Settlement	2014-2016 Total
00264.0.ALL	10,356
Total	10,356

CHAPTER 2A2-c11

Southern California Gas Company
 2016 Test Year GRC A-14-11-004
 ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Regulator Stations
Budget Code: 00265.0.ALL

SoCalGas Position: SoCalGas requests \$5.554 million each year for 2014 through 2016. This forecast is the 5-year average of 2009-2013 recorded expenditures.

Exhibit SCG-04-R, p. FBA-109

ORA Position: ORA recommends adopting the 2014 amount of \$6.449 million for 2014. ORA does not dispute SoCalGas' funding request for Regulator Stations for 2015 and 2016.

Exhibit ORA-10, p.52

Note: For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

Settlement: Please refer to Exhibit B, page B-6, section "Capital Expenditures: Gas Distribution Capital Expenditures" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
002650.001	16,662
Total	16,662
ORA	2014-2016 Total
002650.001	17,557
Total	17,557
Difference	2014-2016 Total
002650.001	895
Total	895
Settlement	2014-2016 Total
00265.0.ALL	17,557
Total	17,557

CHAPTER 2A2-c12

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Supply Line Replacements
Budget Code: 00267.0.ALL

SoCalGas Position: SoCalGas requests \$4.267 million each year for 2014, 2015, and 2016. SoCalGas' forecast is based on the historical average of recorded expenditures for years 2009-2013.

Exhibit SCG-04-R, p. FBA-98

ORA Position: ORA recommends \$3.734 million for 2014 and 2015. ORA's recommendation is based on using SoCalGas' 2014 recorded expenditures for Supply Line Replacement. ORA's recommendation is comparable to the last 5 years of historical spending while reflecting the most current spending in this category, and should capture the typical fluctuations in supply line projects from year to year. ORA's recommendation of \$3.734 million is \$533,000 lower than SoCalGas' forecast of \$4.267 million, for 2014 and 2015. ORA accepts SoCalGas' forecast for 2016.

Exhibit ORA-10, p.47

Note: For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

Settlement: Please refer to Exhibit B, page B-6, section "Capital Expenditures: Gas Distribution Capital Expenditures" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A2-c12

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
002670.001	12,801
Total	12,801

ORA	2014-2016 Total
002670.001	11,735
Total	11,735

Difference	2014-2016 Total
002670.001	-1,066
Total	-1,066

Settlement	2014-2016 Total
00267.0.ALL	12,268
Total	12,268

CHAPTER 2A2-c13

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Capital Tools
Budget Code: 00725.0.ALL

SoCalGas Position: SoCalGas requests \$8.169 million for 2014, \$8.129 million for 2015 and \$10.964 million for 2016 for Capital Tools. SoCalGas used a linear trend forecasting methodology to forecast the expenditures of routine tool purchases for 2014 of \$2.710 million, 2015 of \$3.115 million, and 2016 of \$3.519 million. For Non-Routine tool purchases, SoCalGas proposes (1) \$3.133 million to replace combustible gas indicator equipment in 2014, (2) \$2.417 million to replace multi-gas detector equipment, and \$271,000 for a field training facility improvement in 2015, and (3) \$4.429 million to replace existing leak detection equipment, and \$1.271 million to purchase GIS-based leak survey trackers in 2016. Along with these tools, SoCalGas also requests \$2.326 million per year in 2014 and 2015 and \$1.745 million in 2016 to replace mobile data terminals.

Exhibit SCG-04-R, p. FBA-133

ORA Position: In 2014, SoCalGas spent \$2.322 million on Capital Tools. ORA recommends adopting this amount as the 2014 forecast for rate base. ORA does not dispute SoCalGas' proposal for 2016. ORA recommends a lower amount of \$6.119 million for 2015. ORA's recommendation is based on using the 2014 recorded spending, \$2.322 million, as the forecast base and 50% funding, or \$1.209 million, for multi-gas detector and calibration replacements. ORA accepts SoCalGas' request of \$271,000 for the construction of a bathroom at its field training facility and \$2.326 million for the replacement of 1,100 mobile data terminals.

Exhibit ORA-10, p.67

Note: *ORA revised the 2015 forecast for this work group in Errata testimony. ORA's revised forecast for 2015 is \$6.128 million.

Exhibit ORA-10-E, p. 66

**For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

***Leak Survey Detector Equipment (009060.001) and GIS-Based Leak Survey Tracker (009060.004) are not reflected in the totals below since they were uncontested.

CHAPTER 2A2-c13

Settlement: Please refer to Exhibit B, page B-6, section "Capital Expenditures: Gas Distribution Capital Expenditures" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
007250.001	9,344
00725A.001	6,397
009060.002	2,417
009060.003	3,133
009060.005	271
Total	21,562
ORA	2014-2016 Total
007250.001	10,379
00725A.001	3,326
009060.002	0
009060.003	0
009060.005	0
Total	13,705
Difference	2014-2016 Total
007250.001	1,035
00725A.001	-3,071
009060.002	-2,417
009060.003	-3,133
009060.005	-271
Total	-7,857
Settlement	2014-2016 Total
00725.0.ALL	15,715
Total	15,715

CHAPTER 2A2-c14

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Field Capital Support
Budget Code: 00903.0.ALL

SoCalGas Position: SoCalGas requests \$53.734 million, \$53.448 million, and \$53.222 million for 2014-2016, respectively. The level of support activities can fluctuate with the level of capital construction activity. Generally, the greater the volume of construction activity, the larger the support costs. Due to this relationship, the forecast expenditures for the budget category of Field Capital Support is based on the level of historical costs as a percentage of construction costs incurred.

Exhibit SCG-04-R, p. FBA-139, 141

ORA Position: ORA recommends adopting the 2014 recorded amount of \$49.097 million as the 2014 forecast. ORA does not take issue with SoCalGas' proposal for 2016. For 2015, ORA recommends \$47.937 million. This number is based on using the 30% SoCalGas' labor to total projected capital construction cost for 2015, and applying this ratio to ORA's 2015 capital construction forecast of \$159.790 million. ORA's forecast for 2015 is \$5.511 million lower than SoCalGas' forecast of \$53.448 million.

Exhibit ORA-10, p.69

Note: *ORA's corrected recommendation for 2015 is \$48.600 million. See Hearing Transcript for July 14, 2015, Volume 27, page 2983.

**For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

Settlement: Please refer to Exhibit B, page B-6, section "Capital Expenditures: Gas Distribution Capital Expenditures" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A2-c14

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
009030.001	160,404
Total	160,404

ORA	2014-2016 Total
009030.001	150,256
Total	150,256

Difference	2014-2016 Total
009030.001	-10,148
Total	-10,148

Settlement	2014-2016 Total
00903.0.ALL	155,767
Total	155,767

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

3. SCG-05 (Exh 35) - GAS TRANSMISSION

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2GT000.000	(882)	2A3-a1
2. 2GT001.000	(210)	2A3-a2
3. 2GT002.000	(50)	2A3-a3

CHAPTER 2A3-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-05
Area: GAS TRANSMISSION
Witness: Musich-Barry, Elizabeth A.

NONSHARED O&M

Subject: Pipeline Operations
Workpaper: 2GT000.000

SoCalGas Position: SoCalGas requests \$22.502 million, an increase of \$5.216 million above the 2013 recorded amount of \$17.286 million for 2016.

Exhibit SCG-05, p. JLD-6

ORA Position: ORA does not oppose SCG's forecast of the post-PSEP related O&M costs in this rate case. However, ORA recommends some small adjustments in the following areas:

Cathodic Protection: ORA's forecast is \$0.390 million lower than SCG's forecast, or approximately a 50 percent reduction to the requested amount in Cathodic Protection. ORA believes SoCalGas' reduction in Capital spending in the CP area during 2015 reduces SoCalGas' O&M funding in the CP area for TY2016.

Operator Qualification: a reduction of \$0.320 million (50 percent) because ORA believes the program can be more effectively run at a more gradual pace.

Critical Pipeline Facilities Security: a reduction of \$0.172 million because SCG's data response to the ORA data request indicates an overestimate by SCG of \$0.172 million.

Exhibit ORA-11, p. 6

Note: Critical Pipeline Facilities Security: SoCalGas acknowledged in its rebuttal, the correct reduction amount should be \$0.182M. SoCalGas does not contest this reduction.

Settlement: Please refer to Exhibit B, page B-3, section "Gas Transmission, Underground Storage, Gas Engineering, and Pipeline Integrity Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	12,267	11,711	-556	12,208
NonLabor	4,112	3,786	-326	4,092
Nonstandard	6,123	6,123	0	6,094
TOTAL	22,502	21,620	-882	22,394

CHAPTER 2A3-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-05
Area: GAS TRANSMISSION
Witness: Musich-Barry, Elizabeth A.

NONSHARED O&M

Subject: Compressor Station Operations
Workpaper: 2GT001.000

SoCalGas Position: SoCalGas requests \$10.013 million, an increase of \$0.973 million above the 2013 recorded amount of \$9.040 million for 2016.

Exhibit SCG-05, p. JLD-6

ORA Position: ORA recommends some small adjustments in the following areas:

Ventura Station Compression Upgrade: ORA reduces SCG's request by \$0.090 million (50 percent) because ORA believed a significant part of the station will be in the change-out mode with a capital spending plan of nearly \$30 million.

Operator Qualification: a reduction of \$0.120 million (50 percent) because ORA believes the program can be more effectively run at a more gradual pace.

Exhibit ORA-11, p. 6

Settlement: Please refer to Exhibit B, page B-3, section "Gas Transmission, Underground Storage, Gas Engineering, and Pipeline Integrity Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	5,188	4,978	-210	5,163
NonLabor	4,748	4,748	0	4,725
Nonstandard	77	77	0	77
TOTAL	10,013	9,803	-210	9,965

CHAPTER 2A3-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-05
Area: GAS TRANSMISSION
Witness: Musich-Barry, Elizabeth A.

NONSHARED O&M

Subject: Field Engineering and Technical Support
Workpaper: 2GT002.000

SoCalGas Position: SoCalGas requests \$3.242 million, an increase of \$0.699 million above the 2013 recorded amount of \$2.543 million for 2016.

Exhibit SCG-05, p. JLD-6

ORA Position: ORA recommends some small adjustments in the following areas:

Operator Qualification: ORA recommends a forecast lower by \$0.050 million (50 percent) of the request because ORA believes the program can be more effectively run at a more gradual pace.

Exhibit ORA-11, p. 6

Settlement: Please refer to Exhibit B, page B-3, section "Gas Transmission, Underground Storage, Gas Engineering, and Pipeline Integrity Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	709	664	-45	706
NonLabor	155	150	-5	154
Nonstandard	2,378	2,378	0	2,367
TOTAL	3,242	3,192	-50	3,227

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

3. SCG-05 (Exh 35) - GAS TRANSMISSION

b. O&M - SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2GT00A-USS.ALL	(30)	2A3-b1
2. 2GT00C-USS.ALL	(100)	2A3-b2
3. 2GT00D-USS.ALL	(208)	2A3-b3

CHAPTER 2A3-b1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-05
Area: GAS TRANSMISSION
Witness: Musich-Barry, Elizabeth A.

SHARED SERVICES O&M

Subject: Director Gas Transmission Operations
Workpaper: 2GT00A-USS.ALL

SoCalGas Position: SoCalGas requests \$0.344 million, an increase of \$0.027 million above the 2013 recorded amount of \$0.317 million for 2016.

Exhibit SCG-05, p. JLD-29

ORA Position: In shared operation, SCG forecasts test year expenses of \$5.292 million, which is 46 percent above the 2013 recorded \$3.624 million. For 2014, SCG forecasted \$3.929 million, but the adjusted-recorded amount was \$3.591 million, which is \$0.338 million lower. ORA recommends reducing SCG's 2016 forecast by this \$0.338 million because ORA believes that the underspending will continue into 2016. Therefore, the ORA recommendation for 2016 is \$4.954 million.

Exhibit ORA-11, p. 7

Note: SoCalGas test year forecast of \$5.292 million is comprised of the following workpapers:
Director Gas Transmission: \$0.344 million
Gas Transmission Manager: \$0.413 million
Technical Services Manager: \$0.949 million
Gas Control and SCADA: \$3.586 million

ORA proposes reductions to the following areas:
Director Gas Transmission: reduction of \$0.030 million
Technical Services Manager: reduction of \$0.100 million
Gas Control and SCADA: reduction of \$0.208 million

Settlement: Please refer to Exhibit B, page B-3, section "Gas Transmission, Underground Storage, Gas Engineering, and Pipeline Integrity Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A3-b1

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-0253.000	318	26	0	344
Total	318	26	0	344

ORA	Labor	NLbr	NSE	Total
2200-0253.000	288	26	0	314
Total	288	26	0	314

Difference	Labor	NLbr	NSE	Total
2200-0253.000	-30	0	0	-30
Total	-30	0	0	-30

Settlement	Labor	NLbr	NSE	Total
2GT00A-USS.ALL	318	26	0	344
Total	318	26	0	344

CHAPTER 2A3-b2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-05
Area: GAS TRANSMISSION
Witness: Musich-Barry, Elizabeth A.

SHARED SERVICES O&M

Subject: Gas Transmission Technical Services Manager
Workpaper: 2GT00C-USS.ALL

SoCalGas Position: SoCalGas requests \$0.949 million, an increase of \$0.506 million above the 2013 recorded amount of \$0.443 million for 2016.

Exhibit SCG-05, p. JLD-29

ORA Position: In shared operation, SCG forecasts test year expenses of \$5.292 million, which is 46 percent above the 2013 recorded \$3.624 million. For 2014, SCG forecasted \$3.929 million, but the adjusted-recorded amount was \$3.591 million, which is \$0.338 million lower. ORA recommends reducing SCG's 2016 forecast by this \$0.338 million because ORA believes that the underspending will continue into 2016. Therefore, the ORA recommendation for 2016 is \$4.954 million.

Exhibit ORA-11, p. 7

Note: SoCalGas test year forecast of \$5.292 million is comprised of the following workpapers:
Director Gas Transmission: \$0.344 million
Gas Transmission Manager: \$0.413 million
Technical Services Manager: \$0.949 million
Gas Control and SCADA: \$3.586 million

ORA proposes reductions to the following areas:
Director Gas Transmission: reduction of \$0.030 million
Technical Services Manager: reduction of \$0.100 million
Gas Control and SCADA: reduction of \$0.208 million

Settlement: Please refer to Exhibit B, page B-3, section "Gas Transmission, Underground Storage, Gas Engineering, and Pipeline Integrity Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A3-b2

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-2172.000	819	130	0	949
Total	819	130	0	949

ORA	Labor	NLbr	NSE	Total
2200-2172.000	819	30	0	849
Total	819	30	0	849

Difference	Labor	NLbr	NSE	Total
2200-2172.000	0	-100	0	-100
Total	0	-100	0	-100

Settlement	Labor	NLbr	NSE	Total
2GT00C-USS.ALL	819	130	0	949
Total	819	130	0	949

CHAPTER 2A3-b3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-05
Area: GAS TRANSMISSION
Witness: Musich-Barry, Elizabeth A.

SHARED SERVICES O&M

Subject: Gas Control and SCADA Operations Group
Workpaper: 2GT00D-USS.ALL

SoCalGas Position: SoCalGas requests \$3.586 million, an increase of \$1.210 million above the 2013 recorded amount of \$2.376 million for 2016.

Exhibit SCG-05, p. JLD-29

ORA Position: In shared operation, SCG forecasts test year expenses of \$5.292 million, which is 46 percent above the 2013 recorded \$3.624 million. For 2014, SCG forecasted \$3.929 million, but the adjusted-recorded amount was \$3.591 million, which is \$0.338 million lower. ORA recommends reducing SCG's 2016 forecast by this \$0.338 million because ORA believes that the underspending will continue into 2016. Therefore, the ORA recommendation for 2016 is \$4.954 million.

Exhibit ORA-11, p. 7

Note: SoCalGas test year forecast of \$5.292 million is comprised of the following workpapers:
Director Gas Transmission: \$0.344 million
Gas Transmission Manager: \$0.413 million
Technical Services Manager: \$0.949 million
Gas Control and SCADA: \$3.586 million

ORA proposes reductions to the following areas:
Director Gas Transmission: reduction of \$0.030 million
Technical Services Manager: reduction of \$0.100 million
Gas Control and SCADA: reduction of \$0.208 million

Settlement: Please refer to Exhibit B, page B-3, section "Gas Transmission, Underground Storage, Gas Engineering, and Pipeline Integrity Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A3-b3

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-2289.000	2,724	862	0	3,586
Total	2,724	862	0	3,586

ORA	Labor	NLbr	NSE	Total
2200-2289.000	2,566	812	0	3,378
Total	2,566	812	0	3,378

Difference	Labor	NLbr	NSE	Total
2200-2289.000	-158	-50	0	-208
Total	-158	-50	0	-208

Settlement	Labor	NLbr	NSE	Total
2GT00D-USS.ALL	2,724	862	0	3,586
Total	2,724	862	0	3,586

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

4. SCG-06 (Exh 45) - UNDERGROUND STORAGE

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2US000.000	(3,807)	2A4-a1

CHAPTER 2A4-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-06
Area: UNDERGROUND STORAGE
Witness: Baker, Phillip E.

NONSHARED O&M

Subject: Underground Storage
Workpaper: 2US000.000

SoCalGas Position: SoCalGas requests \$34.101 million, an increase of \$3.420 million above the 2013 recorded amount of \$30.681 million for 2016. A five-year trending methodology using 2009 to 2013 adjusted-recorded expenses for labor and non-labor was used to forecast the TY2016 O&M for routine Storage operations, since historical O&M costs have been increasing at a relatively consistent rate.

Exhibit SCG-06, p. PEB-8

ORA Position: ORA recommends Routine Spending on Underground Storage for 2016 be set at \$30.295 million based on the most recent five-year average, as compared to SCG's forecast of \$34.101 million.

Exhibit ORA-11, p. 9

Settlement: Please refer to Exhibit B, page B-3, section "Gas Transmission, Underground Storage, Gas Engineering, and Pipeline Integrity Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	14,207	12,621	-1,586	13,457
NonLabor	19,894	17,673	-2,221	18,843
Nonstandard	0	0	0	0
TOTAL	34,101	30,294	-3,807	32,300

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

4. SCG-06 (Exh 45) - UNDERGROUND STORAGE

b. CAPITAL

Project	ORA vs. SoCalGas (2014+2015+2016)	Reference
1. 00411.0.ALL	4,067	2A4-b1
2. 00412.0.ALL	(2,578)	2A4-b2
3. 00413.0.ALL	(3,800)	2A4-b3
4. 00414.0.ALL	5,054	2A4-b4
5. 00419.0.ALL	(3,104)	2A4-b5

CHAPTER 2A4-b1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-06
Area: UNDERGROUND STORAGE
Witness: Baker, Phillip E.

CAPITAL EXPENDITURES

Project: GT Stor Comp Sta Add/Rpls / Externally Driven
Budget Code: 00411.0.ALL

SoCalGas Position: SCG forecasted for Underground Storage a total of \$71.429 million for 2014, \$74.270 million for 2015, and \$90.523 million for 2016.

Exhibit SCG-06, p. PEB-25

ORA Position: ORA recommends adopting the adjusted-recorded amount of \$71.069 million for 2014, and agrees with SCG's forecasts of \$74.270 million for 2015 and \$90.523 million for 2016.

GT Stor Comp Sta Add/Rpls / Externally Driven: \$4.067 million
GT Stor Wells / Externally Driven: <\$2.578> million
GT Stor Pipelines / Externally Driven: <\$3.800> million
GT Stor Purifi Equip / Externally Driven: \$5.054 million
GT Stor Aux Equip & Infrastr / Externally Driven : <\$3.104> million
Total Reduction: : <\$0.361> million

Exhibit ORA-11, p. 11

Settlement: Please refer to Exhibit B, page B-7, section "Capital Expenditures: Underground Storage Capital Expenditures" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A4-b1

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
00411A.001	2,525
00411B.001	20,846
Total	23,371

ORA	2014-2016 Total
00411A.001	3,869
00411B.001	23,569
Total	27,438

Difference	2014-2016 Total
00411A.001	1,344
00411B.001	2,723
Total	4,067

Settlement	2014-2016 Total
00411.0.ALL	27,438
Total	27,438

CHAPTER 2A4-b2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-06
Area: UNDERGROUND STORAGE
Witness: Baker, Phillip E.

CAPITAL EXPENDITURES

Project: GT Stor Wells / Externally Driven
Budget Code: 00412.0.ALL

SoCalGas Position: SCG forecasted for Underground Storage a total of \$71.429 million for 2014, \$74.270 million for 2015, and \$90.523 million for 2016.

Exhibit SCG-06, p. PEB-25

ORA Position: ORA recommends adopting the adjusted-recorded amount of \$71.069 million for 2014, and agrees with SCG's forecasts of \$74.270 million for 2015 and \$90.523 million for 2016.

GT Stor Comp Sta Add/Rpls / Externally Driven: \$4.067 million
GT Stor Wells / Externally Driven: <\$2.578> million
GT Stor Pipelines / Externally Driven: <\$3.800> million
GT Stor Purifi Equip / Externally Driven: \$5.054 million
GT Stor Aux Equip & Infrastr / Externally Driven : <\$3.104> million
Total Reduction: : <\$0.361> million

Exhibit ORA-11, p. 11

Settlement: Please refer to Exhibit B, page B-7, section "Capital Expenditures: Underground Storage Capital Expenditures" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A4-b2

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
00412A.001	3,582
00412B.001	12,123
00412C.001	5,421
00412D.001	5,121
00412E.001	1,656
00412F.001	528
00412G.001	11,145
00412H.001	4,217
00412J.001	38,956
00412N.001	14,759
00412U.001	2,008
00412V.001	2,796
00412W.001	2,923
Total	105,235

ORA	2014-2016 Total
00412A.001	3,768
00412B.001	11,604
00412C.001	4,097
00412D.001	3,439
00412E.001	1,257
00412F.001	352
00412G.001	7,430
00412H.001	2,010
00412J.001	46,754
00412N.001	13,462
00412U.001	2,796
00412V.001	3,308
00412W.001	2,380
Total	102,657

Difference	2014-2016 Total
00412A.001	186
00412B.001	-519
00412C.001	-1,324
00412D.001	-1,682
00412E.001	-399
00412F.001	-176
00412G.001	-3,715
00412H.001	-2,207
00412J.001	7,798
00412N.001	-1,297
00412U.001	788
00412V.001	512
00412W.001	-543
Total	-2,578

Settlement	2014-2016 Total
00412.0.ALL	102,657
Total	102,657

CHAPTER 2A4-b3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-06
Area: UNDERGROUND STORAGE
Witness: Baker, Phillip E.

CAPITAL EXPENDITURES

Project: GT Stor Pipelines / Externally Driven
Budget Code: 00413.0.ALL

SoCalGas Position: SCG forecasted for Underground Storage a total of \$71.429 million for 2014, \$74.270 million for 2015, and \$90.523 million for 2016.

Exhibit SCG-06, p. PEB-25

ORA Position: ORA recommends adopting the adjusted-recorded amount of \$71.069 million for 2014, and agrees with SCG's forecasts of \$74.270 million for 2015 and \$90.523 million for 2016.

GT Stor Comp Sta Add/Rpls / Externally Driven: \$4.067 million
GT Stor Wells / Externally Driven: <\$2.578> million
GT Stor Pipelines / Externally Driven: <\$3.800> million
GT Stor Purifi Equip / Externally Driven: \$5.054 million
GT Stor Aux Equip & Infrastr / Externally Driven : <\$3.104> million
Total Reduction: : <\$0.361> million

Exhibit ORA-11, p. 11

Settlement: Please refer to Exhibit B, page B-7, section "Capital Expenditures: Underground Storage Capital Expenditures" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A4-b3

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
00413A.001	2,466
00413B.001	4,031
00413D.001	1,010
00413E.001	1,970
00413K.001	3,031
00413L.001	9,052
Total	21,560
ORA	2014-2016 Total
00413A.001	2,467
00413B.001	3,612
00413D.001	1,045
00413E.001	1,172
00413K.001	2,526
00413L.001	6,938
Total	17,760
Difference	2014-2016 Total
00413A.001	1
00413B.001	-419
00413D.001	35
00413E.001	-798
00413K.001	-505
00413L.001	-2,114
Total	-3,800
Settlement	2014-2016 Total
00413.0.ALL	17,760
Total	17,760

CHAPTER 2A4-b4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-06
Area: UNDERGROUND STORAGE
Witness: Baker, Phillip E.

CAPITAL EXPENDITURES

Project: GT Stor Purifi Equip / Externally Driven
Budget Code: 00414.0.ALL

SoCalGas Position: SCG forecasted for Underground Storage a total of \$71.429 million for 2014, \$74.270 million for 2015, and \$90.523 million for 2016.

Exhibit SCG-06, p. PEB-25

ORA Position: ORA recommends adopting the adjusted-recorded amount of \$71.069 million for 2014, and agrees with SCG's forecasts of \$74.270 million for 2015 and \$90.523 million for 2016.

GT Stor Comp Sta Add/Rpls / Externally Driven: \$4.067 million
GT Stor Wells / Externally Driven: <\$2.578> million
GT Stor Pipelines / Externally Driven: <\$3.800> million
GT Stor Purifi Equip / Externally Driven: \$5.054 million
GT Stor Aux Equip & Infrastr / Externally Driven : <\$3.104> million
Total Reduction: : <\$0.361> million

Exhibit ORA-11, p. 11

Settlement: Please refer to Exhibit B, page B-7, section "Capital Expenditures: Underground Storage Capital Expenditures" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A4-b4

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
00414B.001	3,054
00414E.001	4,086
00414F.001	4,073
00414J.001	12,793
Total	24,006

ORA	2014-2016 Total
00414B.001	4,353
00414E.001	6,858
00414F.001	2,041
00414J.001	15,808
Total	29,060

Difference	2014-2016 Total
00414B.001	1,299
00414E.001	2,772
00414F.001	-2,032
00414J.001	3,015
Total	5,054

Settlement	2014-2016 Total
00414.0.ALL	29,060
Total	29,060

CHAPTER 2A4-b5

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-06
Area: UNDERGROUND STORAGE
Witness: Baker, Phillip E.

CAPITAL EXPENDITURES

Project: GT Stor Aux Equip & Infrastr / Externally Driven
Budget Code: 00419.0.ALL

SoCalGas Position: SCG forecasted for Underground Storage a total of \$71.429 million for 2014, \$74.270 million for 2015, and \$90.523 million for 2016.

Exhibit SCG-06, p. PEB-25

ORA Position: ORA recommends adopting the adjusted-recorded amount of \$71.069 million for 2014, and agrees with SCG's forecasts of \$74.270 million for 2015 and \$90.523 million for 2016.

GT Stor Comp Sta Add/Rpls / Externally Driven: \$4.067 million
GT Stor Wells / Externally Driven: <\$2.578> million
GT Stor Pipelines / Externally Driven: <\$3.800> million
GT Stor Purifi Equip / Externally Driven: \$5.054 million
GT Stor Aux Equip & Infrastr / Externally Driven : <\$3.104> million
Total Reduction: : <\$0.361> million

Exhibit ORA-11, p. 11

Settlement: Please refer to Exhibit B, page B-7, section "Capital Expenditures: Underground Storage Capital Expenditures" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A4-b5

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
00419A.001	3,031
00419E.001	1,010
00419F.001	2,424
00419M.001	28,803
Total	35,268

ORA	2014-2016 Total
00419A.001	2,389
00419E.001	71
00419F.001	1,328
00419M.001	28,376
Total	32,164

Difference	2014-2016 Total
00419A.001	-642
00419E.001	-939
00419F.001	-1,096
00419M.001	-427
Total	-3,104

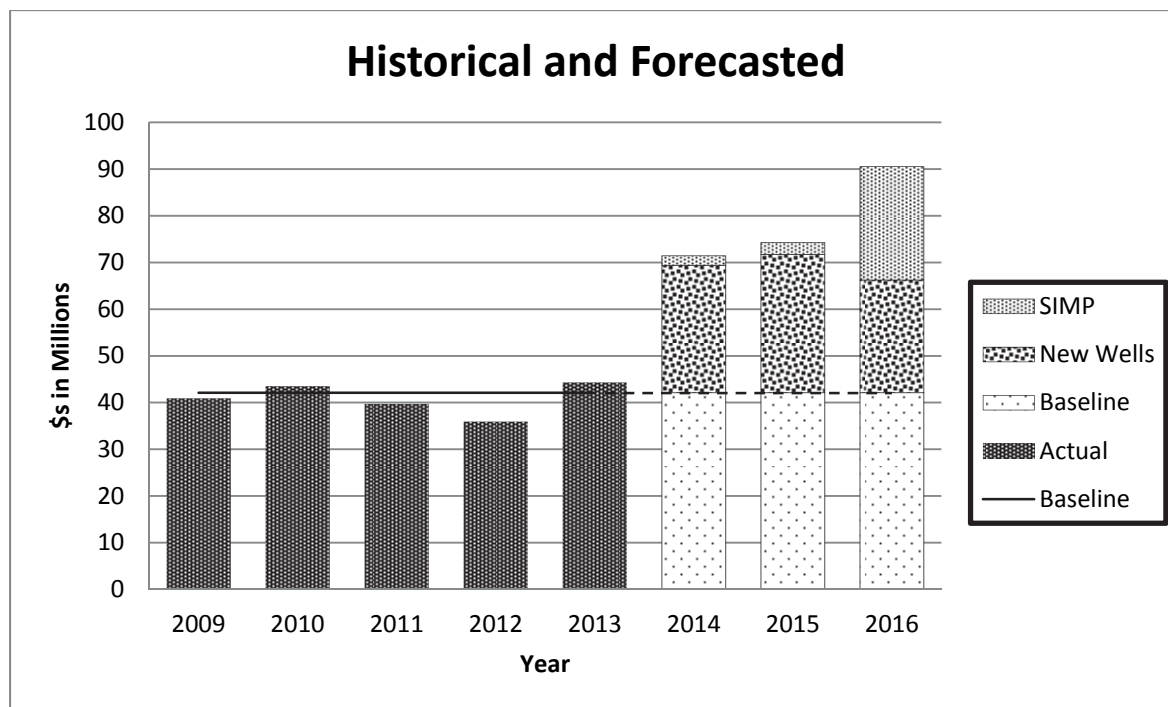
Settlement	2014-2016 Total
00419.0.ALL	32,164
Total	32,164

Table PEB-10
Southern California Gas Company
Capital Expenditures Summary of Costs
(Thousands of \$2013)

Category Description	2013 Recorded	2014 Estimated	2015 Estimated	2016 Estimated
Storage Compressors	\$8,991	\$7,790	\$7,790	\$7,790
Storage Wells	\$10,976	\$31,890	\$34,360	\$36,977
Storage Integrity Management Program	\$0	\$2,008	\$2,510	\$24,272
Storage Pipelines	\$4,005	\$6,546	\$10,083	\$4,931
Storage Purification Systems	\$9,284	\$8,796	\$7,605	\$7,605
Storage Auxiliary Systems	\$11,058	\$14,398	\$11,922	\$8,948
Total Capital:	\$44,313	\$71,429	\$74,270	\$90,523

Figure PEB-6 below presents the Total Capital summary of Table PEB-10 in a graphical format.

Figure PEB-6
Southern California Gas Company
Historical and Forecasted Total Capital by Year



Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

5. SCG-07 (Exh 25) - GAS ENGINEERING

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2EN000.000	(1,455)	2A5-a1
2. 2EN001.000	(342)	2A5-a2
3. 2EN002.000	(283)	2A5-a3
4. 2EN003.000	(222)	2A5-a4
5. 2EN004.000	(343)	2A5-a5

CHAPTER 2A5-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-07
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

NONSHARED O&M

Subject: Gas Engineering
Workpaper: 2EN000.000

SoCalGas Position: SoCalGas requests \$8.223 million, an increase of \$2.061 million above the 2013 recorded amount of \$6.162 million for 2016.

\$8.223 million Gas Engineering
\$1.613 million Land & Right of Way
\$1.945 million Major Projects
\$1.951 million Emergency Services
\$1.218 million Public Awareness
\$14.950 million Total Request

Exhibit SCG-07, p. RKS-8

ORA Position: SCG shows in its Workpapers that it forecasts O&M expenses of \$13.224 million for 2014, which is \$2.645 million above the 2014 adjusted-recorded. The historical data shows that the 2014 adjusted-recorded data is generally consistent with the data from 2009 to 2013. ORA recommends that for non-shared operations, the SCG's requested incremental increases from 2014 to 2016 be allowed, but adjusted to reflect the use of the 2014 recorded-adjusted amount instead of the 2014 forecast as the baseline for the incremental increases. ORA recommends a reduction of \$1.455 million to Gas Engineering.

<\$1.455> million Gas Engineering
<\$0.283> million Land & Right of Way
<\$0.342> million Major Projects
<\$0.222> million Public Awareness
<\$0.343> million Emergency Services
<\$2.645> million Total Reduction

Exhibit ORA-11, p. 13-14

Note: Land & Right of Way is grouped under subgroup Gas Engineering in the testimony (SCG-07), there is a difference of \$0.007 million in subgroup Gas Engineering when comparing SCG-07 table RKS-4 to the workpaper group. This difference is offset in the Land & Right of Way workpaper group.

Settlement: Please refer to Exhibit B, page B-3, section "Gas Transmission, Underground Storage, Gas Engineering, and Pipeline Integrity Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A5-a1

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	6,503	5,352	-1,151	6,503
NonLabor	1,727	1,423	-304	1,727
Nonstandard	0	0	0	0
TOTAL	8,230	6,775	-1,455	8,230

CHAPTER 2A5-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-07
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

NONSHARED O&M

Subject: Major Projects
Workpaper: 2EN001.000

SoCalGas Position: For Major Projects, SoCalGas requests \$1.945 million, an increase of \$1.456 million above the 2013 recorded amount of \$0.489 million for 2016.

\$8.223 million Gas Engineering
\$1.613 million Land & Right of Way
\$1.945 million Major Projects
\$1.951 million Emergency Services
\$1.218 million Public Awareness
\$14.950 million Total Request

Exhibit SCG-07, p. RKS-8

ORA Position: SCG shows in its Workpapers that it forecasts O&M expenses of \$13.224 million for 2014, which is \$2.645 million above the 2014 adjusted-recorded. The historical data shows that the 2014 adjusted-recorded data is generally consistent with the data from 2009 to 2013. ORA recommends that for non-shared operations, the SCG's requested incremental increases from 2014 to 2016 be allowed, but adjusted to reflect the use of the 2014 recorded-adjusted amount instead of the 2014 forecast as the baseline for the incremental increases. ORA recommends a reduction of \$0.342 million to Major Projects.

<\$1.455> million Gas Engineering
<\$0.283> million Land & Right of Way
<\$0.342> million Major Projects
<\$0.222> million Public Awareness
<\$0.343> million Emergency Service
<\$2.645> million Total Reduction

Exhibit ORA-11, p. 13-14

Note: ORA's position and reductions for Gas Engineering O&M workpapers do not correlate to ORA's recommendation to use 2014 recorded-adjusted as the base plus allows the incremental increases from 2014 to 2016. One example is workpaper Major Projects which resulted in 2014 recorded-adjusted higher than SoCalGas' 2014 forecast. Hence, the TY2016 for workpapers like Major Projects should not be a reduction if the incremental increases are allowed for workpapers where the 2014 recorded-adjusted values were higher than SoCalGas' 2014 forecast.

Settlement: Please refer to Exhibit B, page B-3, section "Gas Transmission, Underground Storage, Gas Engineering, and Pipeline Integrity Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A5-a2

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	1,318	1,085	-233	1,318
NonLabor	627	518	-109	627
Nonstandard	0	0	0	0
TOTAL	1,945	1,603	-342	1,945

CHAPTER 2A5-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-07
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

NONSHARED O&M

Subject: Land Services and Right of Way
Workpaper: 2EN002.000

SoCalGas Position: SoCalGas requests \$1.613 million, an increase of \$0.278 million above the 2013 recorded amount of \$1.335 million for 2016.

\$8.223 million Gas Engineering
\$1.613 million Land & Right of Way
\$1.945 million Major Projects
\$1.951 million Emergency Services
\$1.218 million Public Awareness
\$14.950 million Total Request

Exhibit SCG-07, p. RKS-8

ORA Position: SCG shows in its Workpapers that it forecasts O&M expenses of \$13.224 million for 2014, which is \$2.645 million above the 2014 adjusted-recorded. The historical data shows that the 2014 adjusted-recorded data is generally consistent with the data from 2009 to 2013. ORA recommends that for non-shared operations, the SCG's requested incremental increases from 2014 to 2016 be allowed, but adjusted to reflect the use of the 2014 recorded-adjusted amount instead of the 2014 forecast as the baseline for the incremental increases. ORA recommends a reduction of \$0.283 million to Land & Right of Way.

<\$1.455> million Gas Engineering
<\$0.283> million Land & Right of Way
<\$0.342> million Major Projects
<\$0.222> million Public Awareness
<\$0.343> million Emergency Services
<\$2.645> million Total Reduction

Exhibit ORA-11, p. 13-14

Note: Land & Right of Way is grouped under subgroup Gas Engineering in the testimony (SCG-07), there is a difference of \$0.007 million in subgroup Gas Engineering when comparing SCG-07 table RKS-4 to the workpaper group. This difference is offset in the Land & Right of Way workpaper group.

Settlement: Please refer to Exhibit B, page B-3, section "Gas Transmission, Underground Storage, Gas Engineering, and Pipeline Integrity Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A5-a3

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	574	472	-102	574
NonLabor	1,034	853	-181	1,034
Nonstandard	0	0	0	0
TOTAL	1,608	1,325	-283	1,608

CHAPTER 2A5-a4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-07
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

NONSHARED O&M

Subject: Public Awareness
Workpaper: 2EN003.000

SoCalGas Position: SoCalGas requests \$1.218 million, an increase of \$0.439 million above the 2013 recorded amount of \$0.779 million for 2016.

\$8.223 million Gas Engineering
\$1.613 million Land & Right of Way
\$1.945 million Major Projects
\$1.951 million Emergency Services
\$1.218 million Public Awareness
\$14.950 million Total Request

Exhibit SCG-07, p. RKS-8

ORA Position: SCG shows in its Workpapers that it forecasts O&M expenses of \$13.224 million for 2014, which is \$2.645 million above the 2014 adjusted-recorded. The historical data shows that the 2014 adjusted-recorded data is generally consistent with the data from 2009 to 2013. ORA recommends that for non-shared operations, the SCG's requested incremental increases from 2014 to 2016 be allowed, but adjusted to reflect the use of the 2014 recorded-adjusted amount instead of the 2014 forecast as the baseline for the incremental increases. ORA recommends a reduction of \$0.222 million to Public Awareness.

<\$1.455> million Gas Engineering
<\$0.283> million Land & Right of Way
<\$0.342> million Major Projects
<\$0.222> million Public Awareness
<\$0.343> million Emergency Services
<\$2.645> million Total Reduction

Exhibit ORA-11, p. 13-14

Settlement: Please refer to Exhibit B, page B-3, section "Gas Transmission, Underground Storage, Gas Engineering, and Pipeline Integrity Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	0	0	0	0
NonLabor	1,218	996	-222	1,218
Nonstandard	0	0	0	0
TOTAL	1,218	996	-222	1,218

CHAPTER 2A5-a5

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-07
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

NONSHARED O&M

Subject: Emergency Services
Workpaper: 2EN004.000

SoCalGas Position: SoCalGas requests \$1.951 million, an increase of \$0.826 million above the 2013 recorded amount of \$1.125 million for 2016.

\$8.223 million Gas Engineering
\$1.613 million Land & Right of Way
\$1.945 million Major Projects
\$1.951 million Emergency Services
\$1.218 million Public Awareness
\$14.950 million Total Request

Exhibit SCG-07, p. RKS-8

ORA Position: SCG shows in its Workpapers that it forecasts O&M expenses of \$13.224 million for 2014, which is \$2.645 million above the 2014 adjusted-recorded. The historical data shows that the 2014 adjusted-recorded data is generally consistent with the data from 2009 to 2013. ORA recommends that for non-shared operations, the SCG's requested incremental increases from 2014 to 2016 be allowed, but adjusted to reflect the use of the 2014 recorded-adjusted amount instead of the 2014 forecast as the baseline for the incremental increases. ORA recommends a reduction of \$0.343 million to Emergency Services.

<\$1.455> million Gas Engineering
<\$0.283> million Land & Right of Way
<\$0.342> million Major Projects
<\$0.222> million Public Awareness
<\$0.343> million Emergency Services
<\$2.645> million Total Reduction

Exhibit ORA-11, p. 13-14

Settlement: Please refer to Exhibit B, page B-3, section "Gas Transmission, Underground Storage, Gas Engineering, and Pipeline Integrity Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	1,548	1,274	-274	1,548
NonLabor	403	334	-69	403
Nonstandard	0	0	0	0
TOTAL	1,951	1,608	-343	1,951

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

5. SCG-07 (Exh 25) - GAS ENGINEERING

b. O&M - SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2EN00A-USS.ALL	(2,209)	2A5-b1
2. 2EN00B-USS.ALL	(115)	2A5-b2
3. 2EN00C-USS.ALL	(68)	2A5-b3
4. 2EN00D-USS.ALL	(50)	2A5-b4

CHAPTER 2A5-b1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-07
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

SHARED SERVICES O&M

Subject: General Engineering
Workpaper: 2EN00A-USS.ALL

SoCalGas Position: SoCalGas requests \$17.346 million, an increase of \$3.696 million above the 2013 recorded amount of \$13.650 million for 2016.

\$17.346 million Gas Engineering
\$0.901 million Pipeline Design & Gas Standards
\$0.536 million Pipeline Safety & Compliance
\$0.395 million Public Awareness
\$19.178 million Total Request

Exhibit SCG-07, p. RKS-29

ORA Position: SoCalGas' requested amount for shared operation is \$19.178 million as compared to the 2013 adjusted-recorded amount of \$14.826 million. For shared operation, SCG forecasts O&M expenses of \$17.434 million for 2014, which is \$2.441 million over the 2014 adjusted-recorded. ORA recommends that the SCG's requested incremental increases from 2014 to 2016 be allowed, but adjusted to reflect the use of the 2014 recorded-adjusted amount instead of the 2014 forecast as the baseline for the incremental increases. ORA recommends a reduction of \$2.209 million to General Engineering.

<\$2.209> million General Engineering
<\$0.115> million Pipeline Design & Gas Standards
<\$0.068> million Pipeline Safety & Compliance
<\$0.050> million Public Awareness
<\$2.442> million Total Reduction

Exhibit ORA-11, p. 13-14

Settlement: Please refer to Exhibit B, page B-3, section "Gas Transmission, Underground Storage, Gas Engineering, and Pipeline Integrity Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A5-b1

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-0225.000	410	75	0	485
2200-0300.000	420	20	0	440
2200-0302.000	180	8	0	188
2200-0303.000	922	120	0	1,042
2200-0306.000	1,376	601	0	1,977
2200-0308.000	0	480	0	480
2200-0309.000	515	229	0	744
2200-0310.000	1,040	256	0	1,296
2200-0311.000	849	104	0	953
2200-0312.000	996	171	0	1,167
2200-0318.000	252	182	0	434
2200-0321.000	442	36	0	478
2200-0323.000	30	5	0	35
2200-0799.000	610	413	0	1,023
2200-1178.000	1,536	316	0	1,852
2200-2022.000	966	130	0	1,096
2200-2248.000	583	126	0	709
2200-2376.000	1,368	759	0	2,127
2200-2377.000	799	22	0	821
Total	13,294	4,053	0	17,347

ORA	Labor	NLbr	NSE	Total
2200-0225.000	358	65	0	423
2200-0300.000	367	17	0	384
2200-0302.000	157	7	0	164
2200-0303.000	804	105	0	909
2200-0306.000	1,200	524	0	1,724
2200-0308.000	0	419	0	419
2200-0309.000	450	200	0	650
2200-0310.000	908	224	0	1,132
2200-0311.000	741	91	0	832
2200-0312.000	870	149	0	1,019
2200-0318.000	220	159	0	379
2200-0321.000	386	31	0	417
2200-0323.000	26	4	0	30
2200-0799.000	533	361	0	894
2200-1178.000	1,340	275	0	1,615
2200-2022.000	843	113	0	956
2200-2248.000	509	110	0	619
2200-2376.000	1,193	662	0	1,855
2200-2377.000	697	20	0	717
Total	11,602	3,536	0	15,138

Difference	Labor	NLbr	NSE	Total
2200-0225.000	-52	-10	0	-62
2200-0300.000	-53	-3	0	-56
2200-0302.000	-23	-1	0	-24
2200-0303.000	-118	-15	0	-133
2200-0306.000	-176	-77	0	-253
2200-0308.000	0	-61	0	-61
2200-0309.000	-65	-29	0	-94
2200-0310.000	-132	-32	0	-164
2200-0311.000	-108	-13	0	-121
2200-0312.000	-126	-22	0	-148
2200-0318.000	-32	-23	0	-55

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2200-0321.000	-56	-5	0	-61
2200-0323.000	-4	-1	0	-5
2200-0799.000	-77	-52	0	-129
2200-1178.000	-196	-41	0	-237
2200-2022.000	-123	-17	0	-140
2200-2248.000	-74	-16	0	-90
2200-2376.000	-175	-97	0	-272
2200-2377.000	-102	-2	0	-104
Total	-1,692	-517	0	-2,209

Settlement	Labor	NLbr	NSE	Total
2EN00A-USS.ALL	13,291	4,053	0	17,344
Total	13,291	4,053	0	17,344

CHAPTER 2A5-b2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-07
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

SHARED SERVICES O&M

Subject: Pipeline Design & Gas Standards
Workpaper: 2EN00B-USS.ALL

SoCalGas Position: SoCalGas requests \$0.901 million, an increase of \$0.164 million above the 2013 recorded amount of \$0.737 million for 2016.

\$17.346 million Gas Engineering
\$0.901 million Pipeline Design & Gas Standards
\$0.536 million Pipeline Safety & Compliance
\$0.395 million Public Awareness
\$19.178 million Total Request

Exhibit SCG-07, p. RKS-29

ORA Position: SoCalGas' requested amount for shared operation is \$19.178 million as compared to the 2013 adjusted-recorded amount of \$14.826 million. For shared operation, SCG forecasts O&M expenses of \$17.434 million for 2014, which is \$2.441 million over the 2014 adjusted-recorded. ORA recommends that the SCG's requested incremental increases from 2014 to 2016 be allowed, but adjusted to reflect the use of the 2014 recorded-adjusted amount instead of the 2014 forecast as the baseline for the incremental increases. ORA recommends a reduction of \$0.115 million to Pipeline Design & Gas Standards.

<\$2.209> million General Engineering
<\$0.115> million Pipeline Design & Gas Standards
<\$0.068> million Pipeline Safety & Compliance
<\$0.050> million Public Awareness
<\$2.442> million Total Reduction

Exhibit ORA-11, p. 13-14

Settlement: Please refer to Exhibit B, page B-3, section "Gas Transmission, Underground Storage, Gas Engineering, and Pipeline Integrity Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A5-b2

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-0322.000	793	109	0	902
Total	793	109	0	902

ORA	Labor	NLbr	NSE	Total
2200-0322.000	692	95	0	787
Total	692	95	0	787

Difference	Labor	NLbr	NSE	Total
2200-0322.000	-101	-14	0	-115
Total	-101	-14	0	-115

Settlement	Labor	NLbr	NSE	Total
2EN00B-USS.ALL	793	109	0	902
Total	793	109	0	902

CHAPTER 2A5-b3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-07
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

SHARED SERVICES O&M

Subject: Pipeline Safety & Compliance
Workpaper: 2EN00C-USS.ALL

SoCalGas Position: SoCalGas requests \$0.536 million, an increase of \$0.270 million above the 2013 recorded amount of \$0.266 million for 2016.

\$17.346 million Gas Engineering
\$0.901 million Pipeline Design & Gas Standards
\$0.536 million Pipeline Safety & Compliance
\$0.395 million Public Awareness
\$19.178 million Total Request

Exhibit SCG-07, p. RKS-29

ORA Position: SoCalGas' requested amount for shared operation is \$19.178 million as compared to the 2013 adjusted-recorded amount of \$14.826 million. For shared operation, SCG forecasts O&M expenses of \$17.434 million for 2014, which is \$2.441 million over the 2014 adjusted-recorded. ORA recommends that the SCG's requested incremental increases from 2014 to 2016 be allowed, but adjusted to reflect the use of the 2014 recorded-adjusted amount instead of the 2014 forecast as the baseline for the incremental increases. ORA recommends a reduction of \$0.068 million to Pipeline Safety & Compliance.

<\$2.209> million General Engineering
<\$0.115> million Pipeline Design & Gas Standards
<\$0.068> million Pipeline Safety & Compliance
<\$0.050> million Public Awareness
<\$2.442> million Total Reduction

Exhibit ORA-11, p. 13-14

Settlement: Please refer to Exhibit B, page B-3, section "Gas Transmission, Underground Storage, Gas Engineering, and Pipeline Integrity Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A5-b3

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-2473.000	441	94	0	535
Total	441	94	0	535

ORA	Labor	NLbr	NSE	Total
2200-2473.000	385	82	0	467
Total	385	82	0	467

Difference	Labor	NLbr	NSE	Total
2200-2473.000	-56	-12	0	-68
Total	-56	-12	0	-68

Settlement	Labor	NLbr	NSE	Total
2EN00C-USS.ALL	442	94	0	536
Total	442	94	0	536

CHAPTER 2A5-b4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-07
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

SHARED SERVICES O&M

Subject: Public Awareness
Workpaper: 2EN00D-USS.ALL

SoCalGas Position: SoCalGas requests \$0.395 million, an increase of \$0.221 million above the 2013 recorded amount of \$0.174 million for 2016.

\$17.346 million Gas Engineering
\$0.901 million Pipeline Design & Gas Standards
\$0.536 million Pipeline Safety & Compliance
\$0.395 million Public Awareness
\$19.178 million Total Request

Exhibit SCG-07, p. RKS-29

ORA Position: SoCalGas' requested amount for shared operation is \$19.178 million as compared to the 2013 adjusted-recorded amount of \$14.826 million. For shared operation, SCG forecasts O&M expenses of \$17.434 million for 2014, which is \$2.441 million over the 2014 adjusted-recorded. ORA recommends that the SCG's requested incremental increases from 2014 to 2016 be allowed, but adjusted to reflect the use of the 2014 recorded-adjusted amount instead of the 2014 forecast as the baseline for the incremental increases. ORA recommends a reduction of \$0.050 million to Public Awareness.

<\$2.209> million General Engineering
<\$0.115> million Pipeline Design & Gas Standards
<\$0.068> million Pipeline Safety & Compliance
<\$0.050> million Public Awareness
<\$2.442> million Total Reduction

Exhibit ORA-11, p. 13-14

Settlement: Please refer to Exhibit B, page B-3, section "Gas Transmission, Underground Storage, Gas Engineering, and Pipeline Integrity Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A5-b4

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-2417.000	245	150	0	395
Total	245	150	0	395

ORA	Labor	NLbr	NSE	Total
2200-2417.000	214	131	0	345
Total	214	131	0	345

Difference	Labor	NLbr	NSE	Total
2200-2417.000	-31	-19	0	-50
Total	-31	-19	0	-50

Settlement	Labor	NLbr	NSE	Total
2EN00D-USS.ALL	245	150	0	395
Total	245	150	0	395

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

5. SCG-07 (Exh 25) - GAS ENGINEERING

c. CAPITAL

Project	ORA vs. SoCalGas (2014+2015+2016)	Reference
1. 00301.0.ALL	(29,791)	2A5-c1

CHAPTER 2A5-c1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-07
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

CAPITAL EXPENDITURES

Project: GT Capital New Add/CP/M&R Stations/Aux/Storage & Transmission Buildings
Budget Code: 00301.0.ALL

SoCalGas Position: SoCalGas' total capital expenditures request for 2014 is \$64.102 million, for 2015 is \$103.795 million, and for 2016 is \$141.595 million. The significant increases forecasted for 2015 and 2016 are primarily due to SCG's requests for compressor station upgrades and compressor change-outs, cathodic protection upgrades, and transmission building upgrades and enhancements.

Exhibit SCG-07, p. RKS-50

ORA Position: ORA recommends \$47.059 million for 2014, \$86,881 million for 2015, and \$145,756 million for 2016. ORA supports many of the projects to enhance safety and system reliability, such as in the areas of cathodic protection, compressor station upgrades, measurement and regulation (M&R) station enhancements, and storage and transmission building upgrades and enhancements. ORA recommends adopting the 2014 adjusted-recorded expenditures in all categories.

In Cathodic Protection, ORA recommends capital expenditures for 2015 at \$2 million, a reduction of \$6.986 million.

In M&R Stations, ORA recommends capital expenditures of \$5.985 million for 2015 and \$8.347 million for 2016.

In Auxiliary Equipment, ORA recommends 2015 capital expenditures at \$8.201 million, ORA does not oppose SCG's forecast of \$6.879 million for 2016.

Note: ORA position continued: In Storage Buildings and Transmission Buildings, ORA recommends SCG stretch out both projects into 2016 with half the work done in 2015 and the rest done in 2016. With this plan, ORA recommends that the capital expenditures for Storage Building be \$0.795 million in 2015 and \$0.819 million in 2016, and for Transmission Building, the expenditures would be \$4.340 million in 2015 and \$4.351 million in 2016.

Exhibit ORA-11, p. 15-19

*ORA's 2014 recommendations for Compressor Stations is updated to to \$7.510 million and M&R Stations to \$7.724 million.

SEU-ORA-DR-11, Question 1

**SoCalGas adopts ORA's capital recommendation for 2014.

CHAPTER 2A5-c1

Settlement:

Please refer to Exhibit B, page B-7, section “Capital Expenditures: Gas Transmission and Engineering” of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A5-c1

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
00301A.001	15,105
00301F.001	24,430
003020.001	3,074
003020.002	13,820
00305A.001	1,544
00305B.001	5,013
00305E.001	6,178
00305J.001	606
00308A.001	1,543
00308B.001	16,902
00308C.001	8,290
00309A.001	1,274
00309C.001	9,717
00309D.001	2,676
00309D.002	5,353
003130.001	672
003130.002	678
00314A.001	3,090
00314A.002	2,331
00314C.001	1,661
00314D.001	284
00314D.002	1,136
00314F.001	1,096
00314H.001	2,029
00314I.001	409
003160.001	19,304
006170.001	447
006320.001	1,637
006330.001	9,170
007300.001	1,455
007360.001	2,061
009080.001	6,722
Total	169,707

ORA	2014-2016 Total
00301A.001	9,191
00301F.001	12,425
003020.001	4,836
003020.002	10,771
00305A.001	1,012
00305B.001	4,101
00305E.001	3,440
00305J.001	6,516
00308A.001	337
00308B.001	11,766
00308C.001	5,852
00309A.001	749
00309C.001	11,281
00309D.001	282
00309D.002	3,998
003130.001	454
003130.002	452
00314A.001	9,153
00314A.002	0
00314C.001	1,106

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00314D.001	27
00314D.002	0
00314F.001	893
00314H.001	932
00314I.001	5,439
003160.001	12,773
006170.001	651
006320.001	1,614
006330.001	9,022
007300.001	1,452
007360.001	2,387
009080.001	7,004
Total	139,916

Difference	2014-2016 Total
00301A.001	-5,914
00301F.001	-12,005
003020.001	1,762
003020.002	-3,049
00305A.001	-532
00305B.001	-912
00305E.001	-2,738
00305J.001	5,910
00308A.001	-1,206
00308B.001	-5,136
00308C.001	-2,438
00309A.001	-525
00309C.001	1,564
00309D.001	-2,394
00309D.002	-1,355
003130.001	-218
003130.002	-226
00314A.001	6,063
00314A.002	-2,331
00314C.001	-555
00314D.001	-257
00314D.002	-1,136
00314F.001	-203
00314H.001	-1,097
00314I.001	5,030
003160.001	-6,531
006170.001	204
006320.001	-23
006330.001	-148
007300.001	-3
007360.001	326
009080.001	282
Total	-29,791

Settlement	2014-2016 Total
00301.0.ALL	152,669
Total	152,669

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

6. SCG-08 (Exh 49) - TIMP & DIMP

a. CAPITAL

Project	ORA vs. SoCalGas (2014+2015+2016)	Reference
1. 00276.0.ALL	(1,303)	2A6-a1
2. 00277.0.ALL	(1,164)	2A6-a2
3. 00312.0.ALL	580	2A6-a3

CHAPTER 2A6-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-08
Area: TIMP & DIMP
Witness: Martinez, Maria T.

CAPITAL EXPENDITURES

Project: Projs to Sup Trans. - PIP
Budget Code: 00276.0.ALL

SoCalGas Position: SoCalGas forecasted capital expenditures of \$3.048 million for 2014, \$3.048 million for 2015, and \$5.080 million for 2016. The forecast method developed for this cost category is zero-based.

Exhibit SCG-08, p. MTM-20-21

ORA Position: ORA recommends adopting the 2014 adjusted-recorded TIMP expenditures of \$1.745 million. ORA accepts SCG's forecast of \$3.048 million for 2015 and \$5.080 million for 2016

Exhibit ORA-11, p. 24

Note: TIMP is comprised of two sub-workpaper groups.

(In million dollars)

2014	2015	2016	
3.048	3.048	5.080	Projs to Sup Trans. - PIP (BC 276)
34.834	20.269	45.721	GT PL Rpls / Externally Driven (BC 312)
37.882	23.317	50.801	Total TIMP

Settlement: Please refer to Exhibit B, page B-7, section "Capital Expenditures: Pipeline Integrity (TIMP and DIMP)" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
002760.001	11,176
Total	11,176

ORA	2014-2016 Total
002760.001	9,873
Total	9,873

Difference	2014-2016 Total
002760.001	-1,303
Total	-1,303

Settlement	2014-2016 Total
00276.0.ALL	9,873
Total	9,873

CHAPTER 2A6-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-08
Area: TIMP & DIMP
Witness: Martinez, Maria T.

CAPITAL EXPENDITURES

Project: Distribution Integrity Management
Budget Code: 00277.0.ALL

SoCalGas Position: SoCalGas forecasted capital expenditures of \$15.160 million for 2014, \$25.320 million for 2015, and \$74.383 million for 2016. The forecast method developed for this cost category is zero-based.

Exhibit SCG-08, p. MTM-21-23

ORA Position: ORA supports this program to replace these older or more vulnerable distribution lines. ORA recommends adopting the 2014 adjusted-recorded DIMP expenditures of \$13.996 million, and accepts SCG's forecast of \$25.320 million for 2015 and \$74.383 million for 2016.

Exhibit ORA-11, p. 24

Settlement: Please refer to Exhibit B, page B-7, section "Capital Expenditures: Pipeline Integrity (TIMP and DIMP)" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
002770.001	114,863
Total	114,863
ORA	2014-2016 Total
002770.001	113,699
Total	113,699
Difference	2014-2016 Total
002770.001	-1,164
Total	-1,164
Settlement	2014-2016 Total
00277.0.ALL	113,699
Total	113,699

CHAPTER 2A6-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-08
Area: TIMP & DIMP
Witness: Martinez, Maria T.

CAPITAL EXPENDITURES

Project: GT PL Rpls / Externally Driven
Budget Code: 00312.0.ALL

SoCalGas Position: SoCalGas forecasted capital expenditures of \$34.834 million for 2014, \$20.269 million for 2015, and \$45.721 million for 2016. The forecast method developed for this cost category is zero-based.

Exhibit SCG-08, p. MTM-20-21

ORA Position: ORA recommends adopting the 2014 adjusted-recorded TIMP expenditures of \$37.159 million. ORA accepts SCG's forecast of \$23.317 million for 2015 and \$50.801 million for 2016

Exhibit ORA-11, p. 24

Note: TIMP is comprised of two sub-workpaper groups.

(In million dollars)

2014	2015	2016	
3.048	3.048	5.080	Projs to Sup Trans. - PIP (BC 276)
34.834	20.269	45.721	GT PL Rpls / Externally Driven (BC 312)
37.882	23.317	50.801	Total TIMP

Settlement: Please refer to Exhibit B, page B-7, section "Capital Expenditures: Pipeline Integrity (TIMP and DIMP)" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
P03120.001	100,824
Total	100,824

ORA	2014-2016 Total
P03120.001	101,404
Total	101,404

Difference	2014-2016 Total
P03120.001	580
Total	580

Settlement	2014-2016 Total
00312.0.ALL	101,404
Total	101,404

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

7. SCG-10 (Exh 89) - CS - FIELD & METER READING

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2FC001.000	(15,225)	2A7-a1
2. 2FC002.000	(1,124)	2A7-a2
3. 2FC004.000	(1,590)	2A7-a3

CHAPTER 2A7-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-10
Area: CS - FIELD & METER READING
Witness: Franke, Sara

NONSHARED O&M

Subject: Customer Services Field - Operations
Workpaper: 2FC001.000

SoCalGas Position: SoCalGas forecasts \$127.945 million for Customer Services Field (CSF) -Operations expenses, an increase of \$22.037 million over 2013 adjusted-recorded expenses of \$105.908 million. SoCalGas utilized an activity based forecast of order volumes. The order volume forecasts for each individual work order type take into consideration the nature of the specific order type, variables impacting order volumes and order volume patterns during the period from 2005-2013. SoCalGas then added expenses for various incremental activities including the Meter Set Assembly (MSA) Inspection Program, new enhanced customer education and appliance safety checks and customer outreach safety checks, and improved field technician training.

Exhibit SCG-10, pp. SAF-6-10, SAF-23

ORA Position: ORA used a six year average (2009-2014) as a basis and adjusted for proposed activities to calculate its estimate of \$112.720 million for SCG's expenses. ORA recommends incremental funding of \$1.738 million over 2013 recorded expense levels for expanded Appliance Safety Checks, enhanced Customer Education, and Customer Outreach Safety Checks.

Exhibit ORA-13, pp. 45-61 for SCG's CSF Operations

Note: SoCalGas' forecast for its CSF Operations includes incremental funding for expanded Appliance Safety Checks, enhanced Customer Education, and Customer Outreach Safety Checks. ORA recommends that SoCalGas should conduct pilot programs to track customers' interest and related costs so that more specific details can be provided to the Commission for review and analysis. In SoCalGas' next GRC, SoCalGas should be ordered to provide specific details on the program.

Exhibit ORA-13, pp. 54, 56-57

Settlement: Please refer to Exhibit B, page B-3, section "Customer Services Expenses: Non-Shared O&M expenses for TY 2016" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	120,942	105,384	-15,558	112,190
NonLabor	7,003	7,336	333	7,810
Nonstandard	0	0	0	0
TOTAL	127,945	112,720	-15,225	120,000

CHAPTER 2A7-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-10
Area: CS - FIELD & METER READING
Witness: Franke, Sara

NONSHARED O&M

Subject: Customer Services Field - Supervision
Workpaper: 2FC002.000

SoCalGas Position: SoCalGas forecasts \$13.388 million for CSF-Supervision expenses, an increase of \$2.270 million over 2013 adjusted-recorded expenses of \$11.118 million. SoCalGas utilized a zero-based forecast methodology in order to appropriately maintain the desired span of control. SoCalGas' forecasted expense is based on maintaining the 2013 average employee-to-supervisor ratio of 12:1 for field technicians and 20:1 for MSA inspection personnel.

Exhibit SCG-10, pp. SAF-24-25

ORA Position: ORA utilized a five-year average (2009-2013) as a basis to calculate its estimate of \$12.264 million for SCG's expenses.

Exhibit ORA-13, pp. 61-64 for SCG's CSF Supervision

Settlement: Please refer to Exhibit B, page B-3, section "Customer Services Expenses: Non-Shared O&M expenses for TY 2016" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates..

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	12,158	11,124	-1,034	12,158
NonLabor	1,230	1,140	-90	1,230
Nonstandard	0	0	0	0
TOTAL	13,388	12,264	-1,124	13,388

CHAPTER 2A7-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-10
Area: CS - FIELD & METER READING
Witness: Franke, Sara

NONSHARED O&M

Subject: Customer Services Field - Support
Workpaper: 2FC004.000

SoCalGas Position: SoCalGas forecasts \$12.623 million for TY 2016 CSF-Support expenses. SoCalGas' forecast is an increase of \$2.865 million over 2013 adjusted-recorded expenses of \$9.758 million. SoCalGas utilized a five-year average methodology to forecast its TY 2016 expenses, and then added funding for additional positions to support new programs.

Exhibit SCG-10, p. SAF-27

ORA Position: ORA utilized SCG's 2013 adjusted-recorded expenses of \$9.758 million as a basis for its estimate of \$11.033 million and added incremental funding for proposed TY 2016 activities of \$1.275 million.

Exhibit ORA-13, pp. 65-69 for SCG's CSF Support

Note: SoCalGas accepted ORA's proposed funding level of \$13,333 (versus \$40,000) for the one-time purchase of new audio visual equipment, resulting in a 2016 forecast reduction of -\$26,670.

Exhibit SCG-210, p. SAF-75

Settlement: Please refer to Exhibit B, page B-3, section "Customer Services Expenses: Non-Shared O&M expenses for TY 2016" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	10,980	9,587	-1,393	10,980
NonLabor	1,643	1,446	-197	1,643
Nonstandard	0	0	0	0
TOTAL	12,623	11,033	-1,590	12,623

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

7. SCG-10 (Exh 89) - CS - FIELD & METER READING

b. O&M - SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2FC00A-USS.ALL	(669)	2A7-b1

CHAPTER 2A7-b1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-10
Area: CS - FIELD & METER READING
Witness: Franke, Sara

SHARED SERVICES O&M

Subject: Customer Service Field
Workpaper: 2FC00A-USS.ALL

SoCalGas Position: SoCalGas forecasts \$2.406 million for its Customer Services Field shared O&M expenses for TY 2016. SoCalGas' forecast is an increase of \$0.835 million over its 2013 adjusted-recorded expenses of \$1.571 million. SoCalGas utilized a five-year average methodology to forecast its TY 2016 shared expenses plus incremental expenses for additional positions.

Exhibit SCG-10, pp. SAF-44-47

ORA Position: ORA utilized a five-year average (2009-2013) as a basis for its estimate of \$1.737 million for SCG's expenses.

Exhibit ORA-13, pp. 69-71 for SCG's CSF Shared Expenses

Settlement: Please refer to Exhibit B, page B-3, section "Customer Services Expenses: Shared O&M Expenses for TY 2016" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

	Labor	NLbr	NSE	Total
SCG				
2200-0942.000	2,275	131	0	2,406
Total	2,275	131	0	2,406
ORA				
2200-0942.000	1,634	103	0	1,737
Total	1,634	103	0	1,737
Difference				
2200-0942.000	-641	-28	0	-669
Total	-641	-28	0	-669
Settlement				
2FC00A-USS.ALL	1,882	118	0	2,000
Total	1,882	118	0	2,000

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

8. SCG-11 (Exh 110) - CS - OFFICE OPERATIONS

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 200000.000	(3,702)	2A8-a1
2. 200001.000	(1,191)	2A8-a2
3. 200006.000	(758)	2A8-a3

CHAPTER 2A8-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-11
Area: CS - OFFICE OPERATIONS
Witness: Goldman, Evan D.

NONSHARED O&M

Subject: CCC - Operations
Workpaper: 200000.000

SoCalGas Position: SCG forecasts \$34.924 million for its Customer Contact Center - Operations (CCC) O&M expenses (Labor of \$34.531 million and Non-Labor of \$0.393 million). SCG's forecast of \$34.924 million is an increase of \$3.701 million over 2013 adjusted-recorded expenses of \$31.223 million. SCG utilized its 2013 adjusted-recorded expenses as a basis and then adjusted for proposed activities to calculate its TY 2016 forecast.

Exhibit SCG-11 p. EDG-10

ORA Position: SCG's incremental funding of \$3.701 million includes \$1.259 million for California Alternate Rates for Energy (CARE) program enrollment activities. SCG is also requesting funding for CARE enrollment in its Low Income Programs proceeding.

Exhibit ORA-13, pp. 74-78 for SCG's Customer Contact Center - Operations

Settlement: Please refer to Exhibit B, page B-3, section "Customer Services Expenses: Non-Shared O&M expenses for TY 2016" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	34,531	30,875	-3,656	34,531
NonLabor	393	347	-46	393
Nonstandard	0	0	0	0
TOTAL	34,924	31,222	-3,702	34,924

CHAPTER 2A8-a2

Southern California Gas Company
 2016 Test Year GRC A-14-11-004
 ORA Differences to SoCalGas Requests

Exhibit No.: SCG-11
Area: CS - OFFICE OPERATIONS
Witness: Goldman, Evan D.

NONSHARED O&M

Subject: CCC - Support
Workpaper: 200001.000

SoCalGas Position: SCG forecasts \$10.381 million for its Customer Contact Center - Support (CCC) O&M expenses (Labor of \$6.923 million and Non-Labor of \$3.458 million). SCG's forecast of \$10.381 million is an increase of \$1.191 million over 2013 adjusted-recorded expenses of \$9.190 million. SCG utilized its 2013 adjusted recorded expenses as a basis and then adjusted for proposed activities to calculate its TY 2016 forecast.

Exhibit SCG-11 p. EDG-23-24

ORA Position: ORA utilized SCG's 2013 adjusted-recorded expenses as a basis for its estimate of \$9.190 million (Labor of \$6.015 million and Non-Labor of \$3.175 million) for SCG's Customer Contact Center - Support O&M expenses. ORA's estimate is \$1.191 million less than SCG's forecast.

Exhibit ORA-13, p. 78-79

Note: A reduction to the base year 2013 and TY 2016 forecast is being made in the amount of \$0.500K to non-labor expenses to remove costs that were identified while responding to data request TURN-SEU-DR-04, question 6 that should have been excluded.

Exhibit SCG-211, p. EDG-20

Settlement: Please refer to Exhibit B, page B-3, section "Customer Services Expenses: Non-Shared O&M expenses for TY 2016" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	6,923	6,015	-908	6,015
NonLabor	3,458	3,175	-283	3,175
Nonstandard	0	0	0	0
TOTAL	10,381	9,190	-1,191	9,190

CHAPTER 2A8-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-11
Area: CS - OFFICE OPERATIONS
Witness: Goldman, Evan D.

NONSHARED O&M

Subject: Customer Service Other Office Ops and Technology
Workpaper: 200006.000

SoCalGas Position: SCG forecasts \$4.502 million for its Customer Service - Other Office Operations and Technology O&M expenses (Labor of \$3.582 million and Non-Labor of \$0.920 million). SCG's forecast of \$4.501 million is an increase of \$1.171 million over 2013 adjusted-recorded expenses of \$3.331 million. SCG utilized its 2013 adjusted-recorded expenses as a basis and then adjusted for proposed activities to calculate its TY 2016 forecast.

Exhibit SCG-11 p. EDG-46

ORA Position: ORA utilized SCG's 2014 adjusted-recorded expenses as a basis for its estimate of \$3.744 million (Labor of \$2.718 million and Non-Labor of \$1.026 million) for SCG's Customer Service - Other Office Operations and Technology O&M expenses. ORA's estimate is \$0.758 million less than SCG's forecast and is \$0.413 more than SCG's 2013 adjusted-recorded expenses.

Since ORA used 2014 adjusted-recorded expenses as a basis for its estimate, the figure is unaffected by SoCalGas's base year and TY 2016 adjustment of \$12.650K.

Exhibit ORA-13, p. 80

Note: A reduction to the base year 2013 and TY 2016 forecast is being made in the amount of \$12.650K to non-labor expenses to remove costs that were identified while responding to data request TURN-SEU-DR-04, question 6, that should have been excluded.

Exhibit SCG-211, p EDG-25

Settlement: Please refer to Exhibit B, page B-3, section "Customer Services Expenses: Non-Shared O&M expenses for TY 2016" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	3,582	2,718	-864	2,718
NonLabor	920	1,026	106	1,026
Nonstandard	0	0	0	0
TOTAL	4,502	3,744	-758	3,744

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

9. SCG-12-R (Exh 115) - CS - INFORMATION

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2IN001.000	(2,254)	2A9-a1
2. 2IN002.000	(1,057)	2A9-a2
3. 2IN004.000	(2,242)	2A9-a3

CHAPTER 2A9-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-12-R
Area: CS - INFORMATION
Witness: Ayres, Ann D.

NONSHARED O&M

Subject: CI-Customer Engagement & Insights
Workpaper: 2IN001.000

SoCalGas Position: SCG forecasts \$8.891 million for its Customer Engagement & Insights O&M expenses (Labor of \$2.458 million and Non-Labor of \$6.433 million). SCG's forecast of \$8.891 million is an increase of \$2.972 million over 2013 adjusted-recorded expenses of \$5.919 million. SCG utilized a five year average (2009-2013) as a basis and then added incremental funding above the five year average for proposed activities to calculate its TY 2016 forecast.

Exhibit SCG-12-R p. ADA-11

ORA Position: ORA utilized a five year average as a basis for its estimate of \$6.637 million (Labor of \$1.644 million and Non-Labor of \$4.993 million) for SCG's Customer Engagement & Insights O&M expenses. ORA's estimate is \$2.253 million less than SCG's forecast and is \$0.718 million more than SCG's 2013 adjusted-recorded expenses

Exhibit ORA-13, p. 86

Settlement: Please refer to Exhibit B, page B-3, section "Customer Services Expenses: Non-Shared O&M expenses for TY 2016" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	2,458	1,644	-814	1,907
NonLabor	6,433	4,993	-1,440	5,793
Nonstandard	0	0	0	0
TOTAL	8,891	6,637	-2,254	7,700

CHAPTER 2A9-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-12-R
Area: CS - INFORMATION
Witness: Ayres, Ann D.

NONSHARED O&M

Subject: CI-Customer Assistance
Workpaper: 2IN002.000

SoCalGas Position: SCG forecasts \$4.253 million for its Customer Assistance O&M expenses (Labor of \$0.178 million and Non-Labor of \$4.075 million). SCG's forecast of \$4.253 million is an increase of \$1.419 million over 2013 adjusted recorded expenses of \$2.834 million. SCG utilized a five year average (2009-2013) as a basis and then added incremental funding above the five year average for proposed activities to calculate its TY 2016 forecast.

Exhibit SCG-12-R p. ADA-31

ORA Position: ORA used a five year average (2009-2013) as a basis for its estimate of \$3.196 million (Labor of \$0.178 million and Non-Labor of \$3.018 million) for SCG's Customer Assistance O&M expenses. ORA's estimate is \$1.057 million less than SCG's forecast.

Exhibit ORA-13, p. 89

Settlement: Please refer to Exhibit B, page B-3, section "Customer Services Expenses: Non-Shared O&M expenses for TY 2016" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	178	178	0	178
NonLabor	4,075	3,018	-1,057	4,075
Nonstandard	0	0	0	0
TOTAL	4,253	3,196	-1,057	4,253

CHAPTER 2A9-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-12-R
Area: CS - INFORMATION
Witness: Ayres, Ann D.

NONSHARED O&M

Subject: CI-Segment Services
Workpaper: 2IN004.000

SoCalGas Position: SCG forecasts \$9.413 million for its Segment Services O&M expenses (Labor of \$6.564 million and Non-Labor of \$2.849 million). SCG's forecast of \$9.413 million is an increase of \$2.894 million over 2013 adjusted-recorded expenses. SCG utilized a five year average (2009-2013) as the basis and then added incremental funding above the five year average for proposed activities to calculate its TY 2016 forecast.

Exhibit SCG-12-R p. ADA-41

ORA Position: ORA used SCG's 2014 adjusted-recorded expenses as a basis for its estimate of \$7.171 million (Labor of \$5.362 million and Non-Labor of \$1.809 million) for SCG's Segment Services O&M expenses. ORA's estimate is \$2.242 million less than SCG's forecast

Exhibit ORA-13, p. 92

Settlement: Please refer to Exhibit B, page B-3, section "Customer Services Expenses: Non-Shared O&M expenses for TY 2016" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	6,564	5,362	-1,202	5,362
NonLabor	2,849	1,809	-1,040	1,809
Nonstandard	0	0	0	0
TOTAL	9,413	7,171	-2,242	7,171

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

10. SCG-13-R (Exh 185) - CS - TECHNOLOGIES, POLICIES & SOLUTIONS

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2RD001.001	(2,330)	2A10-a1

CHAPTER 2A10-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-13-R
Area: CS - TECHNOLOGIES, POLICIES & SOLUTIONS
Witness: Reed, Jeffrey G.

NONSHARED O&M

Subject: R-RD&D CS TECHNOLOGY DEVELOPMENT
Workpaper: 2RD001.001

SoCalGas Position: SoCalGas forecasts \$12.715 million (\$1.575 million labor and \$11.140 million non-labor) for its non-shared Research, Development & Demonstration (RD&D) O&M expenses for TY 2016, which results in an increase of \$4.635 million over 2013 adjusted-recorded expenses of \$8.080 million. SoCalGas utilized a zero-based cost forecast methodology to develop its TY 2016 forecast. RD&D costs are recorded in a one-way balancing account.

Exhibit SCG-13-R, pp. JGR-4-7

ORA Position: ORA's estimate for SoCalGas' non-shared RD&D O&M expenses is \$10.385 million (labor of \$1.304 million and non-labor of \$9.081 million). ORA utilized a five-year average (2009-2013) as a basis to calculate its estimate for RD&D expenses. ORA's estimate is \$2.330 million less than SoCalGas' TY 2016 forecast and is \$2.305 million more than 2013 adjusted-recorded expenses. ORA's estimate of \$10.385 million is \$1.903 million more than 2014 adjusted-recorded expenses of \$8.483 million.

Exhibit ORA-13, p. 97

Settlement: Please refer to Exhibit B, page B-3, section "Customer Services Expenses: Non-Shared O&M expenses for TY 2016" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	1,575	1,304	-271	1,431
NonLabor	11,140	9,081	-2,059	9,969
Nonstandard	0	0	0	0
TOTAL	12,715	10,385	-2,330	11,400

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

10. SCG-13-R (Exh 185) - CS - TECHNOLOGIES, POLICIES & SOLUTIONS

b. O&M - SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2RD00A-USS.ALL	(4,006)	2A10-b1
2. 2RD00B-USS.ALL	(730)	2A10-b2

CHAPTER 2A10-b1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-13-R
Area: CS - TECHNOLOGIES, POLICIES & SOLUTIONS
Witness: Reed, Jeffrey G.

SHARED SERVICES O&M

Subject: Policy and Environmental Solutions
Workpaper: 2RD00A-USS.ALL

SoCalGas Position: SoCalGas forecasts \$4.006 million for its Policy and Environmental Solutions (P&ES) O&M expenses (labor of \$1.940 million and non-labor of \$2.066 million). SoCalGas utilized a base year forecast with incremental funding based on a zero-based methodology to calculate its TY 2016 forecast.

Exhibit SCG-13-R, p. JGR-20

ORA Position: ORA recommends zero ratepayer funding in TY 2016 for SoCalGas' P&ES group.

If the Commission does not adopt ORA's recommendation of zero funding for the P&ES group, ORA recommends that the Commission adopt SoCalGas' 2013 adjusted-recorded expenses of \$2.344 million as an expense level for TY 2016 activities. If the Commission adopts the 2013 expense level for TY 2016, ORA also recommends that SoCalGas be required to specifically identify and track all activities (time and employee hours) and costs incurred for efforts to educate policymakers and assist in the development of reasoned legislation.

Exhibit ORA-13, pp. 102-104

Settlement: Please refer to Exhibit B, page B-3, section "Customer Services Expenses: Shared O&M Expenses for TY 2016" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A10-b1

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-2288.000	637	199	0	836
2200-2396.000	1,303	1,867	0	3,170
Total	1,940	2,066	0	4,006

ORA	Labor	NLbr	NSE	Total
2200-2288.000	0	0	0	0
2200-2396.000	0	0	0	0
Total	0	0	0	0

Difference	Labor	NLbr	NSE	Total
2200-2288.000	-637	-199	0	-836
2200-2396.000	-1,303	-1,867	0	-3,170
Total	-1,940	-2,066	0	-4,006

Settlement	Labor	NLbr	NSE	Total
2RD00A-USS.ALL	1,051	949	0	2,000
Total	1,051	949	0	2,000

CHAPTER 2A10-b2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-13-R
Area: CS - TECHNOLOGIES, POLICIES & SOLUTIONS
Witness: Reed, Jeffrey G.

SHARED SERVICES O&M

Subject: Natural Gas Vehicle Program
Workpaper: 2RD00B-USS.ALL

SoCalGas Position: SoCalGas forecasts \$2.272 million for its Natural Gas Vehicle Program O&M expenses (labor of \$1.111 million and non-labor of \$1.161 million). SoCalGas' forecast of \$2.272 million is an increase of \$0.839 million over 2013 adjusted-recorded expenses of \$1.432 million. SoCalGas utilized a base year forecast plus zero-based increment to calculate its TY 2016 forecast.

Exhibit SCG-13-R, pp. JGR-29-31

ORA Position: ORA utilized a five-year average (2009-2013) as a basis for its estimate of \$1.542 million for SoCalGas' Natural Gas Vehicle Program O&M expenses. ORA's estimate is \$0.730 million less than SoCalGas' forecast.

Exhibit ORA-13, p. 105

Settlement: Please refer to Exhibit B, page B-3, section "Customer Services Expenses: Shared O&M Expenses for TY 2016" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-0234.000	1,111	1,161	0	2,272
Total	1,111	1,161	0	2,272

ORA	Labor	NLbr	NSE	Total
2200-0234.000	651	891	0	1,542
Total	651	891	0	1,542

Difference	Labor	NLbr	NSE	Total
2200-0234.000	-460	-270	0	-730
Total	-460	-270	0	-730

Settlement	Labor	NLbr	NSE	Total
2RD00B-USS.ALL	651	891	0	1,542
Total	651	891	0	1,542

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

11. SCG-14 (Exh 127) - SUPPLY MANAGEMENT

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2SS001.000	(621)	2A11-a1
2. 2SS002.000	(240)	2A11-a2
3. 2SS003.000	336	2A11-a3
4. 2SS007.000	(373)	2A11-a4
5. 2SS010.000	(1,187)	2A11-a5

CHAPTER 2A11-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-14
Area: SUPPLY MANAGEMENT
Witness: Hobbs, Richard D.

NONSHARED O&M

Subject: LOGISTICS & SHOPS - POOL WAREHOUSING
Workpaper: 2SS001.000

SoCalGas Position: SCG is requesting \$12.383 million for TY 2016 which is \$962,000 or eight percent above 2013 recorded Non-Shared O&M expenses for Logistics and Shops. Logistics and Shops maintain inventory levels in SCG’s warehouse and storerooms to support day-to-day operations.

This work group is comprised of three sub-workpapers.
\$7.061 million Logistics & Shops - Pool Warehousing
\$3.536 million Fabrication & Tool Repair
\$1.786 million Meter Shops & Records
\$12,383 million Total Request

Exhibit SCG-14, pp. RDH-3

ORA Position: ORA is recommending the use of the 2013 recorded Non-Shared O&M expense for Logistics and Shops of \$11.858 million to forecast TY 2016 Non-Shared O&M expense for Logistics and Shops. ORA’s recommendation is \$525,000 or four percent less than SCG’s TY 2016 Non-Shared O&M expense for Logistics and Shops. ORA’s recommendation is \$453,000 above the 2014 recorded expense of \$11.405 million for Non-Shared O&M expenses for Logistics and Shops. ORA recommends no additional funding above the 2013 recorded Non- Shared O&M expenses.

Increase/Decrease by workpaper:
<\$0.621> million Logistics & Shops - Pool Warehousing
<\$0.240> million Fabrication & Tool Repair
\$0.336 million Meter Shops & Records
\$<0.525> million Total Change

Exhibit ORA-14, p. 48-49

Settlement: Please refer to Exhibit B, page B-4, section “Support Services: Non-Shared O&M Support Services Expenses” of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	6,626	6,070	-556	6,070
NonLabor	435	370	-65	370
Nonstandard	0	0	0	0
TOTAL	7,061	6,440	-621	6,440

CHAPTER 2A11-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-14
Area: SUPPLY MANAGEMENT
Witness: Hobbs, Richard D.

NONSHARED O&M

Subject: FABRICATION & TOOL REPAIR
Workpaper: 2SS002.000

SoCalGas Position: SCG is requesting \$12.383 million for TY 2016 which is \$962,000 or eight percent above 2013 recorded Non-Shared O&M expenses for Logistics and Shops. Logistics and Shops maintain inventory levels in SCG's warehouse and storerooms to support day-to-day operations.

This work group is comprised of three sub-workpapers.
\$7.061 million Logistics & Shops - Pool Warehousing
\$3.536 million Fabrication & Tool Repair
\$1.786 million Meter Shops & Records
\$12,383 million Total Request

Exhibit SCG-14, pp. RDH-3

ORA Position: ORA is recommending the use of the 2013 recorded Non-Shared O&M expense for Logistics and Shops of \$11.858 million to forecast TY 2016 Non-Shared O&M expense for Logistics and Shops. ORA's recommendation is \$525,000 or four percent less than SCG's TY 2016 Non-Shared O&M expense for Logistics and Shops. ORA's recommendation is \$453,000 above the 2014 recorded expense of \$11.405 million for Non-Shared O&M expenses for Logistics and Shops. ORA recommends no additional funding above the 2013 recorded Non- Shared O&M expenses.

Increase/Decrease by workpaper:
<\$0.621> million Logistics & Shops - Pool Warehousing
<\$0.240> million Fabrication & Tool Repair
\$0.336 million Meter Shops & Records
\$<0.525> million Total Change

Exhibit ORA-14, p. 48-49

Settlement: Please refer to Exhibit B, page B-4, section "Support Services: Non-Shared O&M Support Services Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	1,325	1,227	-98	1,227
NonLabor	2,211	2,069	-142	2,069
Nonstandard	0	0	0	0
TOTAL	3,536	3,296	-240	3,296

CHAPTER 2A11-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-14
Area: SUPPLY MANAGEMENT
Witness: Hobbs, Richard D.

NONSHARED O&M

Subject: METER SHOPS & RECORDS
Workpaper: 2SS003.000

SoCalGas Position: SCG is requesting \$12.383 million for TY 2016 which is \$962,000 or eight percent above 2013 recorded Non-Shared O&M expenses for Logistics and Shops. Logistics and Shops maintain inventory levels in SCG’s warehouse and storerooms to support day-to-day operations.

This work group is comprised of three sub-workpapers.
\$7.061 million Logistics & Shops - Pool Warehousing
\$3.536 million Fabrication & Tool Repair
\$1.786 million Meter Shops & Records
\$12,383 million Total Request

Exhibit SCG-14, pp. RDH-3

ORA Position: ORA is recommending the use of the 2013 recorded Non-Shared O&M expense for Logistics and Shops of \$11.858 million to forecast TY 2016 Non-Shared O&M expense for Logistics and Shops. ORA’s recommendation is \$525,000 or four percent less than SCG’s TY 2016 Non-Shared O&M expense for Logistics and Shops. ORA’s recommendation is \$453,000 above the 2014 recorded expense of \$11.405 million for Non-Shared O&M expenses for Logistics and Shops. ORA recommends no additional funding above the 2013 recorded Non- Shared O&M expenses.

Increase/Decrease by workpaper:
<\$0.621> million Logistics & Shops - Pool Warehousing
<\$0.240> million Fabrication & Tool Repair
\$0.336 million Meter Shops & Records
\$<0.525> million Total Change

Exhibit ORA-14, p. 48-49

Settlement: Please refer to Exhibit B, page B-4, section “Support Services: Non-Shared O&M Support Services Expenses” of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	1,365	1,701	336	1,701
NonLabor	421	421	0	421
Nonstandard	0	0	0	0
TOTAL	1,786	2,122	336	2,122

CHAPTER 2A11-a4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-14
Area: SUPPLY MANAGEMENT
Witness: Hobbs, Richard D.

NONSHARED O&M

Subject: DIVERSE BUSINESS ENTERPRISES
Workpaper: 2SS007.000

SoCalGas Position: SCG is requesting \$1.529 million for TY 2016 which is \$210,000 or 16 percent above 2013 recorded Non-Shared O&M expense for Supplier Diversity. The Supplier Diversity program is consistent with General Order 156 which sets forth a goal that at least 21.5% of a utility's supplier spend must be with woman-owned, minority and disabled veteran businesses enterprises (WMDVBEs).

Exhibit SCG-14, pp. RDH-3, 8

ORA Position: ORA uses the three-year average (2012 to 2014) of recorded Non-Shared O&M expenses, equal to \$1.155 million, to forecast TY 2016 expenses which is \$374,000 or 25 percent less than SCG's forecast for Supplier Diversity. ORA's forecast is consistent with the 2014 recorded Non-Shared O&M expenses of \$1.010 million for Supplier Diversity. ORA is recommending that the Commission reject SCG's proposed increase of \$210,000.

Exhibit ORA-14, p. 51

Settlement: Please refer to Exhibit B, page B-4, section "Support Services: Non-Shared O&M Support Services Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	432	430	-2	432
NonLabor	1,096	725	-371	1,096
Nonstandard	0	0	0	0
TOTAL	1,528	1,155	-373	1,528

CHAPTER 2A11-a5

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-14
Area: SUPPLY MANAGEMENT
Witness: Hobbs, Richard D.

NONSHARED O&M

Subject: SUPPLY CHAIN STRATEGY AND BUSINESS SUPPORT
Workpaper: 2SS010.000

SoCalGas Position: SCG is requesting \$2.457 million for TY 2016 which is \$1.187 million or 93.5 percent above 2013 recorded Non-Shared O&M expenses for Supply Management Operations, Strategy & Support. Supply Management Operations, Strategy & Support develops, plans, and directs the implementation of all supply chain business processes associated with the scheduling and acquiring adequate materials and services for SCG. SCG started with the base year recorded Non-Shared O&M expenses and added incremental adjustments to forecast TY 2016.

This work group is comprised of two sub-workpapers:
\$1.923 million Supply Chain Strategy and Business Support
\$0.533 million Supply Management Director
\$2.456 million Total Request

Exhibit SCG-14, pp. RDH-3

ORA Position: ORA is recommending \$1.270 million for TY 2016 which is the same as the 2013 recorded expense, and \$1.187 million or 48 percent less than SCG’s request for Non-Shared O&M expenses for Supply Management Operations, Strategy & Support. ORA recommends using the 2013 recorded Non-Shared O&M expenses to forecast TY 2016 Non-Shared O&M expenses for Supply Management Operations, Strategy & Support because it is comparable to the 2014 recorded Non-Shared O&M expense of \$1.296 million.

Exhibit ORA-14, p. 44

Note: Uncontested amount of \$0.533 million for Supply Management Director is not included in numbers below.

Settlement: Please refer to Exhibit B, page B-4, section “Support Services: Non-Shared O&M Support Services Expenses” of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	508	326	-182	508
NonLabor	1,415	410	-1,005	958
Nonstandard	0	0	0	0
TOTAL	1,923	736	-1,187	1,466

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

12. SCG-15 (Exh 162) - FLEET & FACILITY OPERATIONS

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2RF002.000	(2,879)	2A12-a1
2. 2RF002.001	(1,419)	2A12-a2
3. 2RF003.001	(3,408)	2A12-a3
4. 2RF003.002	(866)	2A12-a4
5. 2RF003.003	(527)	2A12-a5
6. 2RF003.004	(890)	2A12-a6

CHAPTER 2A12-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-15
Area: FLEET & FACILITY OPERATIONS
Witness: Herrera, Carmen L.

NONSHARED O&M

Subject: Maintenance Operations
Workpaper: 2RF002.000

SoCalGas Position: SCG is requesting \$14.477 million in TY 2016 which is \$2.811 million or 24 percent above 2013 recorded expense for Vehicle Servicing & Repairs. SCG forecasts vehicle maintenance costs and fleet services maintenance and operations based on a three-year historical average (2011 to 2013).

Exhibit SCG-15, p. CLH-13

ORA Position: ORA is recommending \$11.598 million for TY 2016 which is \$2.879 million or 20 percent less than SCG's forecast for Vehicle Servicing & Repairs. ORA recommends using a three-year historical average but using the recorded years of 2012 to 2014 as this most recent recorded data represents SCG's current operations. ORA's recommendation of \$11.598 million is comparable to 2013 recorded expenses and is \$592,000 above 2014 recorded expenses for Vehicle Servicing & Repairs.

Exhibit ORA-14, p. 60

Settlement: Please refer to Exhibit B, page B-4, section "Support Services: Non-Shared O&M Support Services Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	7,218	6,974	-244	7,817
NonLabor	7,259	4,624	-2,635	5,183
Nonstandard	0	0	0	0
TOTAL	14,477	11,598	-2,879	13,000

CHAPTER 2A12-a2

Southern California Gas Company
 2016 Test Year GRC A-14-11-004
 ORA Differences to SoCalGas Requests

Exhibit No.: SCG-15
Area: FLEET & FACILITY OPERATIONS
Witness: Herrera, Carmen L.

NONSHARED O&M

Subject: Maintenance Operations
Workpaper: 2RF002.001

SoCalGas Position: SCG is requesting \$13.149 million for TY 2016 which is \$789,000 or six percent above 2013 recorded for Maintenance Operations-Automotive Fuels. SCG forecasts Automotive Fuels based on a three-year historical average (2011 to 2013).

Exhibit SCG-15, p. CLH-13

ORA Position: ORA is recommending \$11.730 million for TY 2016 which is \$1.419 million or 11 percent less than SCG’s forecast for Automotive Fuels. ORA recommends using a three-year historical average, but using the recorded years of 2012 to 2014 as this most recent recorded data represents SCG’s current operations. ORA’s recommendation of \$11.730 million is \$1.165 million above 2014 recorded expenses for Automotive Fuels.

Exhibit ORA-14, p. 60

Settlement: Please refer to Exhibit B, page B-4, section “Support Services: Non-Shared O&M Support Services Expenses” of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	0	0	0	0
NonLabor	13,149	11,730	-1,419	12,400
Nonstandard	0	0	0	0
TOTAL	13,149	11,730	-1,419	12,400

CHAPTER 2A12-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-15
Area: FLEET & FACILITY OPERATIONS
Witness: Herrera, Carmen L.

NONSHARED O&M

Subject: Amortization
Workpaper: 2RF003.001

SoCalGas Position: SCG is forecasting fleet amortization costs of \$30.751 million for TY 2016 which is \$16.153 million or 110 percent above 2013 recorded expenses. SCG states that fleet amortization is the annual repayment of principal for the fleet leases composed of active lease obligations for vehicles in the fleet at year-end 2013 and new lease obligations for replacements or additions to the fleet requested by operating departments.

Exhibit SCG-15, p. CLH-8

ORA Position: ORA is recommending fleet amortization costs of \$27.343 million which is \$3.408 million or 11 percent less than SCG's forecast. ORA used the 77 percent that SoCalGas purchased out of the fleet units it forecasted in 2014 to forecast the TY 2016 amortization costs. ORA's recommendation for fleet amortization cost for TY 2016 is \$12.745 million or 87 percent above 2013 recorded expenses.

Exhibit ORA-14, p. 54

Settlement: Please refer to Exhibit B, page B-4, section "Support Services: Non-Shared O&M Support Services Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	0	0	0	0
NonLabor	0	0	0	0
Nonstandard	30,751	27,343	-3,408	30,246
TOTAL	30,751	27,343	-3,408	30,246

CHAPTER 2A12-a4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-15
Area: FLEET & FACILITY OPERATIONS
Witness: Herrera, Carmen L.

NONSHARED O&M

Subject: Interest
Workpaper: 2RF003.002

SoCalGas Position: SCG is requesting \$3.767 million for the interest costs of fleet services for TY 2016 which is \$2.296 million or 156 percent above 2013 recorded interest costs. SCG determined interest costs by multiplying the monthly outstanding balances with the London Interbank Offered Rate contained in the Global Insight Forecast for the payment month and then summed for the year.

Exhibit SCG-15, p. CLH-8

ORA Position: ORA is recommending \$2.901 million for interest cost for TY 2016 which is \$866,000 or 23 percent less than SCG's forecast. ORA recommends using the 77 percent of the fleet units that SCG purchased out of the fleet units forecasted in 2014 to forecast the TY 2016 interest expense. ORA recommends taking 77 percent of the interest expenses that SCG forecasts for 2016 which is \$2.901 million.

Exhibit ORA-14, p. 56-57

Settlement: Please refer to Exhibit B, page B-4, section "Support Services: Non-Shared O&M Support Services Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	0	0	0	0
NonLabor	0	0	0	0
Nonstandard	3,767	2,901	-866	3,400
TOTAL	3,767	2,901	-866	3,400

CHAPTER 2A12-a5

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-15
Area: FLEET & FACILITY OPERATIONS
Witness: Herrera, Carmen L.

NONSHARED O&M

Subject: Salvage
Workpaper: 2RF003.003

SoCalGas Position: SCG is requesting vehicle salvage proceeds of \$1.248 million for TY 2016 which is \$2,000 less than the 2013 recorded salvage. Salvage is the recovery of the residual value of assets being retired from the fleet. Salvage proceeds received at auction are credited against amortization expenses to determine total asset ownership costs. SCG forecasts to salvage 500 units in TY 2016. SCG forecasts salvage proceeds of \$2,500 per unit based on the three-year average of the per unit salvage achieved.

Exhibit SCG-15, p. CLH-8

ORA Position: ORA is recommending vehicle salvage proceeds of \$1.775 million for TY 2016 which is \$527,000 or 42 percent more than SCG's forecast. ORA recommends using the three-year average (2012 to 2014) of recorded total vehicle salvage proceeds to forecast TY 2016 vehicle salvage proceeds.

Exhibit ORA-14, p. 57

Settlement: Please refer to Exhibit B, page B-4, section "Support Services: Non-Shared O&M Support Services Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	0	0	0	0
NonLabor	0	0	0	0
Nonstandard	-1,248	-1,775	-527	-1,248
TOTAL	-1,248	-1,775	-527	-1,248

CHAPTER 2A12-a6

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-15
Area: FLEET & FACILITY OPERATIONS
Witness: Herrera, Carmen L.

NONSHARED O&M

Subject: License Fees
Workpaper: 2RF003.004

SoCalGas Position: SCG is requesting \$3.869 million for TY 2016 which is \$2.044 million or 112 percent above 2013 recorded costs for License Fees. SCG says that license fees are comprised of three components: an annual registration fee and an annual weight fee, both of which are generally fixed for the life of the vehicle. The annual vehicle license fee uses the scalar factor of original vehicle sale price and renewal age to determine the annual renewal fee. License fees are a factor of fleet composition and age and that it is complex to forecast license fees individually for each vehicle each year. Therefore, SCG says it used the ratio of base year amortization payments to license fees of 13 percent to approximate future license payments.

Exhibit SCG-15, p. CLH-8

ORA Position: ORA is recommending \$2.979 million for TY 2016 which is \$890,000 or 23 percent less than SCG's forecast for License Fees. ORA recommends using the 77 percent of the fleet units that SCG purchased out of the fleet units forecasted in 2014 to forecast the TY 2016 license expense. ORA recommends taking 77 percent of the license expenses that SCG forecasts for 2016 which is \$2.979 million.

Exhibit ORA-14, p. 58-59

Settlement: Please refer to Exhibit B, page B-4, section "Support Services: Non-Shared O&M Support Services Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	0	0	0	0
NonLabor	0	0	0	0
Nonstandard	3,869	2,979	-890	3,500
TOTAL	3,869	2,979	-890	3,500

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

12. SCG-15 (Exh 162) - FLEET & FACILITY OPERATIONS

b. CAPITAL

Project	ORA vs. SoCalGas (2014+2015+2016)	Reference
1. 00653.0.ALL	(11,530)	2A12-b1

CHAPTER 2A12-b1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-15
Area: FLEET & FACILITY OPERATIONS
Witness: Herrera, Carmen L.

CAPITAL EXPENDITURES

Project: Fleet & Facility Operations' Capital Projects
Budget Code: 00653.0.ALL

SoCalGas Position: SCG is requesting capital expenditures of \$31.097 million in 2014, \$36.050 million in 2015, and \$38.011 million in 2016 for Fleet Services and Facility Operations.

ORA Position: ORA uses SCG's 2014 recorded capital expenditures of \$27.628 million to forecast the 2014 capital expenditures. ORA's recommendation is \$3.469 million or 11 percent less than SCG's 2014 forecast. ORA is recommending capital expenditures of \$33 million in 2015 which is \$3.050 million or 8.5 percent less than SCG's 2015 capital expenditure forecast. ORA is recommending capital expenditures of \$33 million in 2016 which is \$5.011 million or 13 percent less than SCG's 2016 capital expenditure forecast. ORA is recommending using SCG's five year average (2010 to 2014) of capital expenditures of \$33 million to forecast 2015 and 2016.

Note: The following uncontested amounts are not included in the numbers displayed below.

Year	Amount (in m\$)
2014	\$1.850
2015	\$6.959
2016	\$9.191

Settlement: Please refer to Exhibit B, page B-7, section "Capital Expenditures: Fleet Services & Facility Operations" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A12-b1

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
006530.001	54,198
00653B.001	5,900
00653B.002	2,980
00653B.003	6,000
00653C.002	2,505
00653C.003	1,450
00653D.001	925
00653D.002	275
00712A.001	575
00712B.001	1,102
00716A.001	250
00716B.001	3,395
00716C.004	350
00734A.001	1,600
00734A.003	5,655
Total	87,160

ORA	2014-2016 Total
006530.001	52,093
00653B.001	1,408
00653B.002	1,000
00653B.003	4,418
00653C.002	5,032
00653C.003	1,207
00653D.001	1,241
00653D.002	33
00712A.001	688
00712B.001	660
00716A.001	202
00716B.001	2,336
00716C.004	133
00734A.001	460
00734A.003	4,719
Total	75,630

Difference	2014-2016 Total
006530.001	-2,105
00653B.001	-4,492
00653B.002	-1,980
00653B.003	-1,582
00653C.002	2,527
00653C.003	-243
00653D.001	316
00653D.002	-242
00712A.001	113
00712B.001	-442
00716A.001	-48
00716B.001	-1,059
00716C.004	-217
00734A.001	-1,140
00734A.003	-936
Total	-11,530

CHAPTER 2A12-b1

Settlement	2014-2016 Total
00653.0.ALL	83,691
Total	83,691

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

13. SCG-16 (Exh 267) - REAL ESTATE

a. O&M - SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2RE00A-USS.ALL	(1,559)	2A13-a1
2. 2RE00B-USS.ALL	(154)	2A13-a2

CHAPTER 2A13-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-16
Area: REAL ESTATE
Witness: Seifert, James C.

SHARED SERVICES O&M

Subject: GCT RENTS
Workpaper: 2RE00A-USS.ALL

SoCalGas Position: SoCalGas requests \$15.002 million for TY 2016 for the activities in this work group using a zero-based forecast. Real Estate (“RE”) is responsible for the real property asset management and lease administration of real estate for a portfolio of 2.0 million square feet of building space. The GCT rent represents the largest lease within the portfolio. The cost increases are based upon the annual escalation in the base rent and certain operating expenses such as parking. Variable expenses such as utilities, insurance and landlord provided maintenance for the GCT are zero based.

Exhibit SCG-16, pages JCS-2 and 4

ORA Position: ORA proposes \$13.443 million for TY 2016 for the activities in this work group, which represents a reduction of \$1.559 million from SoCalGas’ forecast. ORA is recommending \$14.710 million for TY 2016 for SoCalGas’ Shared Expenses Request which is \$1.713 million or 10 percent less than SCG’s request for Shared O&M expenses for Real Estate. ORA recommends using the three-year average (2012 to 2014) of recorded Shared Real Estate expenses to forecast the TY 2016 expenses. During 2012 to 2014, the Shared Real Estate recorded expenses have been at approximately the same level.

Exhibit ORA-14, page 62

Settlement: Please refer to Exhibit B, page B 4-5, section “Support Services: Shared O&M Support Services Expenses” of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A13-a1

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-0618.000	0	0	15,002	15,002
Total	0	0	15,002	15,002

ORA	Labor	NLbr	NSE	Total
2200-0618.000	0	0	13,443	13,443
Total	0	0	13,443	13,443

Difference	Labor	NLbr	NSE	Total
2200-0618.000	0	0	-1,559	-1,559
Total	0	0	-1,559	-1,559

Settlement	Labor	NLbr	NSE	Total
2RE00A-USS.ALL	0	0	14,000	14,000
Total	0	0	14,000	14,000

CHAPTER 2A13-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-16
Area: REAL ESTATE
Witness: Seifert, James C.

SHARED SERVICES O&M

Subject: SCG MICROWAVE RENTS
Workpaper: 2RE00B-USS.ALL

SoCalGas Position: SoCalGas requests \$1.421 million for TY 2016 for the activities in this work group using a zero-based forecast. Real Estate ("RE") is responsible for the real property asset management and lease administration of real estate for a portfolio of 2.0 million square feet of building space. Telecom (Microwave) rents have experienced increases on the order of 10% per year until recently when we have experienced a lesser rate of increase. Accordingly, in this category I have used a modified forecast value that is based upon modest (3% annual) inflation more accurately reflect likely future costs.

Exhibit SCG-16, pages JCS-2 and 4

ORA Position: ORA proposes \$1.267 million for TY 2016 for the activities in this work group, which represents a reduction of \$0.154 million from SoCalGas' forecast. ORA is recommending \$14.710 million for TY 2016 for SoCalGas' Shared Expenses Request which is \$1.713 million or 10 percent less than SCG's request for Shared O&M expenses for Real Estate. ORA recommends using the three-year average (2012 to 2014) of recorded Shared Real Estate expenses to forecast the TY 2016 expenses. During 2012 to 2014, the Shared Real Estate recorded expenses have been at approximately the same level.

Exhibit ORA-14, page 62

Settlement: Please refer to Exhibit B, page B 4-5, section "Support Services: Shared O&M Support Services Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A13-a2

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-2284.000	0	0	1,421	1,421
Total	0	0	1,421	1,421

ORA	Labor	NLbr	NSE	Total
2200-2284.000	0	0	1,267	1,267
Total	0	0	1,267	1,267

Difference	Labor	NLbr	NSE	Total
2200-2284.000	0	0	-154	-154
Total	0	0	-154	-154

Settlement	Labor	NLbr	NSE	Total
2RE00B-USS.ALL	0	0	1,421	1,421
Total	0	0	1,421	1,421

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

14. SCG-17-R (Exh 177) - ENVIRONMENTAL

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2EV000.000	(104)	2A14-a1
2. 2EV000.001	(797)	2A14-a2

CHAPTER 2A14-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-17-R
Area: ENVIRONMENTAL
Witness: Tracy, Jill

NONSHARED O&M

Subject: ENVIRONMENTAL
Workpaper: 2EV000.000

SoCalGas Position: The compliance activities in this non-shared O&M cost category include management of hazardous waste and TSDF operations, oversight of daily environmental compliance activities and permits, and support for sustainability and compliance with all operations and maintenance activities and associated facilities. A base year forecasting methodology plus incremental cost pressures was used to forecast labor and non-labor for this cost category.

Exhibit SCG-17-R, pages JT-4 to 5

ORA Position: ORA is recommending \$3.520 million for TY 2016 which is \$215,000 or six percent less than SCG's request for Non-Shared O&M expenses for Environmental Compliance. ORA disagrees with SCG's request for \$267,000 to pay for consulting fees to renew the hazardous waste permits for two Treatment, Storage and Disposal Facilities (TSDFs). ORA is recommending an adjustment of \$215,000 for the consulting fee to renew the hazardous waste permit for two TSDFs. ORA is recommending \$52,000 for the consulting fee for the TSDFs' hazardous waste permits.

Exhibit ORA-14, pages 64-65

Note: SoCalGas does not oppose ORA's reduction to Environmental Compliance for consulting fees related to two Treatment, Storage and Disposal Facilities by \$104K.

Exhibit SCG-217, page JT-2

Settlement: Please refer to Exhibit B, page B-4, section "Support Services: Non-Shared O&M Support Services Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	2,153	2,153	0	2,091
NonLabor	1,472	1,368	-104	1,429
Nonstandard	0	0	0	0
TOTAL	3,625	3,521	-104	3,520

CHAPTER 2A14-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-17-R
Area: ENVIRONMENTAL
Witness: Tracy, Jill

NONSHARED O&M

Subject: RNERBA - AB32 Fees Subpart W MS4 and LDAR
Workpaper: 2EV000.001

SoCalGas Position: SoCalGas requests \$5.903 million for TY 2016 for the activities in this work group using a base year recorded forecast plus incremental upward pressures. In the 2012 GRC, the Commission approved the NERBA as a two-way balancing account, and adopted cost forecasts for the costs SoCalGas proposed to record in the NERBA. The currently authorized NERBA costs include (1) AB32 Administration Fees; (2) Gas Cap and Trade related costs; and (3) Subpart W costs. SoCalGas is Requesting authorization to continue the New Environmental Regulatory Balancing Account (NERBA) with three proposed updates: the removal of Cap and Trade related costs and the addition of two new environmental costs associated with forecasted activities.

Exhibit SCG-17-R, pages JT-iii and 7-8

ORA Position: ORA recommends using the three-year average (2012 to 2014) to forecast TY 2016 as the Non-Shared recorded expenses for NERBA are decreasing from 2012 to 2014. ORA recommends \$5.107 million for TY 2016 which is \$796,000 or 14 percent less than SCG's request for Non-Shared expenses for NERBA. ORA's TY 2016 recommendation is \$962,000 or 23 percent above 2014 recorded Non-Shared expenses for NERBA and should provide funding for any incremental work in 2016.

Exhibit ORA-14, pages 64 and 66

Settlement: Please refer to Exhibit B, page B-4, section "Support Services: Non-Shared O&M Support Services Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	154	66	-88	71
NonLabor	783	17	-766	18
Nonstandard	4,966	5,023	57	5,411
TOTAL	5,903	5,106	-797	5,500

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

14. SCG-17-R (Exh 177) - ENVIRONMENTAL

b. O&M - SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2EV00A-USS.ALL	(560)	2A14-b1

CHAPTER 2A14-b1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-17-R
Area: ENVIRONMENTAL
Witness: Tracy, Jill

SHARED SERVICES O&M

Subject: Environmental Programs
Workpaper: 2EV00A-USS.ALL

SoCalGas Position: The compliance activities in this shared service O&M cost category includes labor cost associated with day-to-day environmental compliance activities in water quality environmental permitting, conducting project screening for potential environmental impacts, and providing compliance guidance and oversight. A base year forecast methodology plus incremental upward pressures was used to determine cost requirements.

Exhibit SCG-17-R, pages JT-12 to 13

ORA Position: ORA is recommending \$2.580 million for TY 2016 which is \$560,000 or 18 percent less than SCG's request for Shared O&M expense for Environmental Programs. ORA disagrees with SCG's requests for incremental funding for Water Quality Programmatic Permits and for the GHG and Environmental Sustainability Management Tool Project. Additionally, SCG's forecast of \$122,000 for the GHG and Environmental Sustainability Management Tool Project should be amortized over the three year GRC cycle, which equals \$41,000 annually.

Exhibit ORA-14, pages 68-69

Note: SoCalGas does not oppose ORA's reduction for shared services O&M, which is a reduction for Environmental Programs by \$560K.

Exhibit SCG-217, page JT-4

Settlement: Please refer to Exhibit B, page B 4-5, section "Support Services: Shared O&M Support Services Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A14-b1

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-2176.000	1,783	1,357	0	3,140
Total	1,783	1,357	0	3,140

ORA	Labor	NLbr	NSE	Total
2200-2176.000	1,498	1,082	0	2,580
Total	1,498	1,082	0	2,580

Difference	Labor	NLbr	NSE	Total
2200-2176.000	-285	-275	0	-560
Total	-285	-275	0	-560

Settlement	Labor	NLbr	NSE	Total
2EV00A-USS.ALL	1,465	1,115	0	2,580
Total	1,465	1,115	0	2,580

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

15. SCG-18-R (Exh 148) - INFORMATION TECHNOLOGY

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2IT001.000	(74)	2A15-a1
2. 2IT002.000	(116)	2A15-a2
3. 2IT003.000	(2)	2A15-a3

CHAPTER 2A15-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-18-R
Area: INFORMATION TECHNOLOGY
Witness: Olmsted, Christopher R.

NONSHARED O&M

Subject: IT Applications NSS
Workpaper: 2IT001.000

SoCalGas Position: SoCalGas is requesting \$2.853 million in TY 2016 for non-shared Applications expense, which is equal to BY 2013 adjusted-recorded expenses for this cost category.

Exhibit SCG-18-R, p. CRO-13

ORA Position: ORA's recommendations for SoCalGas' IT O&M expenses are based on a holistic analysis of IT labor and non-labor costs. ORA did not use individual workpapers nor did they categorize their position by shared or non-shared costs.

ORA recommends \$16.8 million for total combined non-shared and shared IT labor, which is equal to SoCalGas' 2013 adjusted-recorded labor plus an incremental \$0.1 million for Information Security (IS) labor. ORA accepts SoCalGas' TY 2016 non-labor forecast of \$3.631 million.

Exhibit ORA-15, pp. 23-24

Settlement: Please refer to Exhibit B, page B-4, section "Information Technology: Non-Shared O&M Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	2,282	2,208	-74	2,282
NonLabor	571	571	0	571
Nonstandard	0	0	0	0
TOTAL	2,853	2,779	-74	2,853

CHAPTER 2A15-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-18-R
Area: INFORMATION TECHNOLOGY
Witness: Olmsted, Christopher R.

NONSHARED O&M

Subject: IT Infrastructure NSS
Workpaper: 2IT002.000

SoCalGas Position: SoCalGas is requesting \$4.456 million in TY 2016 for non-shared Infrastructure expense, which is equal to BY 2013 Base Year adjusted-recorded expenses for this cost category plus adjustments.

Exhibit SCG-18-R, p. CRO-14

ORA Position: ORA's recommendations for SoCalGas' IT O&M expenses are based on a holistic analysis of IT labor and non-labor costs. ORA did not use individual workpapers nor did they categorize their position by shared or non-shared costs.

ORA recommends \$16.8 million for total combined non-shared and shared IT labor, which is equal to SoCalGas' 2013 adjusted-recorded labor plus an incremental \$0.1 million for Information Security (IS) labor. ORA accepts SoCalGas' TY 2016 non-labor forecast of \$3.631 million.

Exhibit ORA-15, pp. 23-24

Settlement: Please refer to Exhibit B, page B-4, section "Information Technology: Non-Shared O&M Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	3,571	3,455	-116	3,571
NonLabor	885	885	0	885
Nonstandard	0	0	0	0
TOTAL	4,456	4,340	-116	4,456

CHAPTER 2A15-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-18-R
Area: INFORMATION TECHNOLOGY
Witness: Olmsted, Christopher R.

NONSHARED O&M

Subject: IT Support
Workpaper: 2IT003.000

SoCalGas Position: SoCalGas is requesting \$0.331 million in TY 2016 for non-shared IT Support expense, which is equal to BY 2013 adjusted-recorded expenses for this cost category plus adjustments.

Exhibit SCG-18-R, p. CRO-14

ORA Position: ORA's recommendations for SoCalGas' IT O&M expenses are based on a holistic analysis of IT labor and non-labor costs. ORA did not use individual workpapers nor did they categorize their position by shared or non-shared costs.

ORA recommends \$16.8 million for total combined non-shared and shared IT labor, which is equal to SoCalGas' 2013 adjusted-recorded labor plus an incremental \$0.1 million for Information Security (IS) labor. ORA accepts SoCalGas' TY 2016 non-labor forecast of \$3.631 million.

Exhibit ORA-15, pp. 23-24

Settlement: Please refer to Exhibit B, page B-4, section "Information Technology: Non-Shared O&M Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	71	69	-2	71
NonLabor	260	260	0	260
Nonstandard	0	0	0	0
TOTAL	331	329	-2	331

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

15. SCG-18-R (Exh 148) - INFORMATION TECHNOLOGY

b. O&M - SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2IT00A-USS.ALL	(1,538)	2A15-b1
2. 2IT00B-USS.ALL	(1,248)	2A15-b2
3. 2IT00D-USS.ALL	(43)	2A15-b3

CHAPTER 2A15-b1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-18-R
Area: INFORMATION TECHNOLOGY
Witness: Olmsted, Christopher R.

SHARED SERVICES O&M

Subject: Applications
Workpaper: 2IT00A-USS.ALL

SoCalGas Position: SoCalGas is requesting \$8.260 million in TY 2016 for shared Applications expense, which is equal to BY 2013 adjusted-recorded expenses for this cost category plus adjustments.

Exhibit SCG-18-R, p. CRO-16

ORA Position: ORA's recommendations for SoCalGas' IT O&M expenses are based on a holistic analysis of IT labor and non-labor costs. ORA did not use individual workpapers nor did they categorize their position by shared or non-shared costs.

ORA recommends \$16.8 million for total combined non-shared and shared IT labor, which is equal to SoCalGas' 2013 adjusted-recorded labor plus an incremental \$0.1 million for Information Security (IS) labor. ORA accepts SoCalGas' TY 2016 non-labor forecast of \$3.631 million.

Exhibit ORA-15, pp. 23-24

Settlement: Please refer to Exhibit B, page B-4, section "Information Technology: Shared O&M Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A15-b1

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-2405.000	666	184	0	850
2200-2418.000	1,058	108	0	1,166
2200-2444.000	335	9	0	344
2200-2445.000	1,866	243	0	2,109
2200-2446.000	292	20	0	312
2200-2447.000	912	70	0	982
2200-2451.000	1,156	181	0	1,337
2200-2452.000	363	118	0	481
2200-2468.000	16	1	0	17
2200-2470.000	571	91	0	662
Total	7,235	1,025	0	8,260

ORA	Labor	NLbr	NSE	Total
2200-2405.000	524	184	0	708
2200-2418.000	833	108	0	941
2200-2444.000	264	9	0	273
2200-2445.000	1,469	243	0	1,712
2200-2446.000	230	20	0	250
2200-2447.000	718	70	0	788
2200-2451.000	910	181	0	1,091
2200-2452.000	286	118	0	404
2200-2468.000	13	1	0	14
2200-2470.000	450	91	0	541
Total	5,697	1,025	0	6,722

Difference	Labor	NLbr	NSE	Total
2200-2405.000	-142	0	0	-142
2200-2418.000	-225	0	0	-225
2200-2444.000	-71	0	0	-71
2200-2445.000	-397	0	0	-397
2200-2446.000	-62	0	0	-62
2200-2447.000	-194	0	0	-194
2200-2451.000	-246	0	0	-246
2200-2452.000	-77	0	0	-77
2200-2468.000	-3	0	0	-3
2200-2470.000	-121	0	0	-121
Total	-1,538	0	0	-1,538

Settlement	Labor	NLbr	NSE	Total
2IT00A-USS.ALL	6,481	1,024	0	7,505
Total	6,481	1,024	0	7,505

CHAPTER 2A15-b2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-18-R
Area: INFORMATION TECHNOLOGY
Witness: Olmsted, Christopher R.

SHARED SERVICES O&M

Subject: Infrastructure
Workpaper: 2IT00B-USS.ALL

SoCalGas Position: SoCalGas is requesting \$6.650 million in TY 2016 for shared Infrastructure expense, which is equal to BY 2013 adjusted-recorded expenses for this cost category plus adjustments.

Exhibit SCG-18-R, p. CRO-17

ORA Position: ORA's recommendations for SoCalGas' IT O&M expenses are based on a holistic analysis of IT labor and non-labor costs. ORA did not use individual workpapers nor did they categorize their position by shared or non-shared costs.

ORA recommends \$16.8 million for total combined non-shared and shared IT labor, which is equal to SoCalGas' 2013 adjusted-recorded labor plus an incremental \$0.1 million for Information Security (IS) labor. ORA accepts SoCalGas' TY 2016 non-labor forecast of \$3.631 million.

Exhibit ORA-15, pp. 23-24

Settlement: Please refer to Exhibit B, page B-4, section "Information Technology: Shared O&M Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A15-b2

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-2047.000	46	0	0	46
2200-2372.000	513	64	0	577
2200-2406.000	901	360	0	1,261
2200-2453.000	217	4	0	221
2200-2455.000	806	14	0	820
2200-2456.000	213	0	0	213
2200-2457.000	146	4	0	150
2200-2458.000	105	6	0	111
2200-2459.000	186	1	0	187
2200-2460.000	222	5	0	227
2200-2463.000	798	6	0	804
2200-2464.000	715	19	0	734
2200-2466.000	740	22	0	762
2200-2467.000	130	5	0	135
2200-2495.000	132	270	0	402
Total	5,870	780	0	6,650

ORA	Labor	NLbr	NSE	Total
2200-2047.000	36	0	0	36
2200-2372.000	404	64	0	468
2200-2406.000	709	360	0	1,069
2200-2453.000	171	4	0	175
2200-2455.000	635	14	0	649
2200-2456.000	168	0	0	168
2200-2457.000	115	4	0	119
2200-2458.000	83	6	0	89
2200-2459.000	146	1	0	147
2200-2460.000	175	5	0	180
2200-2463.000	628	6	0	634
2200-2464.000	563	19	0	582
2200-2466.000	583	22	0	605
2200-2467.000	102	5	0	107
2200-2495.000	104	270	0	374
Total	4,622	780	0	5,402

Difference	Labor	NLbr	NSE	Total
2200-2047.000	-10	0	0	-10
2200-2372.000	-109	0	0	-109
2200-2406.000	-192	0	0	-192
2200-2453.000	-46	0	0	-46
2200-2455.000	-171	0	0	-171
2200-2456.000	-45	0	0	-45
2200-2457.000	-31	0	0	-31
2200-2458.000	-22	0	0	-22
2200-2459.000	-40	0	0	-40
2200-2460.000	-47	0	0	-47
2200-2463.000	-170	0	0	-170
2200-2464.000	-152	0	0	-152
2200-2466.000	-157	0	0	-157
2200-2467.000	-28	0	0	-28
2200-2495.000	-28	0	0	-28
Total	-1,248	0	0	-1,248

Settlement	Labor	NLbr	NSE	Total
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CHAPTER 2A15-b2

2IT00B-USS.ALL	5,257	779	0	6,036
Total	5,257	779	0	6,036

CHAPTER 2A15-b3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-18-R
Area: INFORMATION TECHNOLOGY
Witness: Olmsted, Christopher R.

SHARED SERVICES O&M

Subject: IT Support
Workpaper: 2IT00D-USS.ALL

SoCalGas Position: SoCalGas is requesting \$0.288 million in TY 2016 for shared IT Support expense, which is equal to BY 2013 adjusted-recorded expenses for this cost category plus adjustments.

Exhibit SCG-18-R, p. CRO-19

ORA Position: ORA's recommendations for SoCalGas' IT O&M expenses are based on a holistic analysis of IT labor and non-labor costs. ORA did not use individual workpapers nor did they categorize their position by shared or non-shared costs.

ORA recommends \$16.8 million for total combined non-shared and shared IT labor, which is equal to SoCalGas' 2013 adjusted-recorded labor plus an incremental \$0.1 million for Information Security (IS) labor. ORA accepts SoCalGas' TY 2016 non-labor forecast of \$3.631 million.

Exhibit ORA-15, pp. 23-24

Note: Uncontested amounts in the following workpaper is not included in the numbers displayed below.

2200-2166.000 \$0.019 million

Settlement: Please refer to Exhibit B, page B-4, section "Information Technology: Shared O&M Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A15-b3

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-2313.000	75	33	0	108
2200-2319.000	0	13	0	13
2200-2496.000	127	20	0	147
Total	202	66	0	268

ORA	Labor	NLbr	NSE	Total
2200-2313.000	59	33	0	92
2200-2319.000	0	13	0	13
2200-2496.000	100	20	0	120
Total	159	66	0	225

Difference	Labor	NLbr	NSE	Total
2200-2313.000	-16	0	0	-16
2200-2319.000	0	0	0	0
2200-2496.000	-27	0	0	-27
Total	-43	0	0	-43

Settlement	Labor	NLbr	NSE	Total
21T00D-USS.ALL	181	66	0	247
Total	181	66	0	247

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

15. SCG-18-R (Exh 148) - INFORMATION TECHNOLOGY

c. CAPITAL

Project	ORA vs. SoCalGas (2014+2015+2016)	Reference
1. 00750.0.ALL	(44,121)	2A15-c1

CHAPTER 2A15-c1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-18-R
Area: INFORMATION TECHNOLOGY
Witness: Olmsted, Christopher R.

CAPITAL EXPENDITURES

Project: IT Capital Projects
Budget Code: 00750.0.ALL

SoCalGas Position: SoCalGas is requesting capital expenditures of \$103.739 million in 2014, \$119.916 million in 2015, and \$104.796 million in 2016 for Information Technology. These amounts include both business unit-sponsored IT capital projects and IT Division-sponsored IT capital projects.

Exhibit SCG-18-R, pp. CRO-19-20

ORA Position: ORA recommends utilizing adjusted-recorded 2014 capital expenditures of \$79.709 million, which is \$24.030 million less than SoCalGas' 2014 forecast. ORA recommends 2015 capital expenditures of \$99.824 million, which is \$20.092 million less than SoCalGas' 2015 forecast. ORA does not oppose SoCalGas' 2016 capital expenditures forecast of \$104.796 million.

Note: The amounts in the following table reflect only those projects where a disallowance has been recommended by ORA.

Settlement: Please refer to Exhibit B, page B-7, section "Capital Expenditures: IT Capital Expenditures" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A15-c1

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014-2016 Total
00750A.001	801
00751A.001	17
00754C.001	956
00756C.001	162
00760A.001	1,166
00760C.001	1,818
00760F.001	1,133
00762B.001	778
00762C.001	1,148
00762D.001	662
00764A.001	582
00764B.001	374
00764C.001	904
00764D.001	693
00764E.001	1,154
00764J.001	1,720
00766B.001	851
00766B.002	692
00768A.001	802
00770A.001	1,353
00770AB.001	1,409
00770AC.001	978
00770AD.001	520
00770AE.001	2,898
00770AF.001	214
00770AG.001	4,520
00770AH.001	786
00770AI.001	849
00770B.001	1,110
00770C.001	3,073
00770E.001	829
00770F.001	1,050
00770H.001	341
00772A.002	12,208
00772B.001	1,500
00772D.001	10,092
00772E.001	675
00772H.001	8,536
00772H.002	7,536
00772J.001	244
00772Q.001	338
00772S.001	377
00772U.001	149
00772V.001	536
00772W.001	2,797
00772X.001	4,661
00773A.001	243
00773A.002	450
00774A.001	3,753
00774B.003	913
00774C.001	2,985
00774G.001	2,789
00774J.001	1,761
00774K.001	485
00774K.002	40
00774L.001	6,353

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00774L.002	1,089
00774L.003	432
00774M.001	1,689
00774N.001	1,420
00774N.002	322
00775A.001	6,917
00776A.001	10,217
00776A.003	250
00776B.001	1,294
00776B.002	600
00776B.003	825
00776C.001	1,660
00776C.002	98
00776D.001	411
00776D.002	642
00776G.001	2,372
00776O.001	826
00776P.001	1,154
00776Q.001	934
00776R.001	577
00776S.001	567
00776U.001	977
00776U.002	270
00776V.001	1,493
00776V.002	465
00776W.001	1,158
00776X.001	3,179
00776Y.001	733
00777B.001	132
00777D.001	2,675
00777E.001	2,244
00777E.002	625
00778A.001	4,539
00778B.001	509
00778B.002	195
00778B.003	1,480
00778E.001	1,470
00778E.002	100
00780A.001	3,247
00780A.003	458
00780C.001	453
00784A.001	4,127
00784A.003	370
00784B.001	291
00786A.001	1,831
00786A.002	425
00786C.001	783
00788A.001	770
00810B.001	12,564
Total	187,623

ORA	2014-2016 Total
00750A.001	0
00751A.001	-385
00754C.001	1,147
00756C.001	168
00760A.001	477
00760C.001	2,146

CHAPTER 2A15-c1

00760F.001	1,041
00762B.001	1,957
00762C.001	1,262
00762D.001	609
00764A.001	1,021
00764B.001	255
00764C.001	439
00764D.001	1,111
00764E.001	913
00764J.001	1,706
00766B.001	191
00766B.002	89
00768A.001	384
00770A.001	1,089
00770AB.001	1,948
00770AC.001	1,304
00770AD.001	478
00770AE.001	2,116
00770AF.001	-104
00770AG.001	3,748
00770AH.001	633
00770AI.001	545
00770B.001	87
00770C.001	577
00770E.001	878
00770F.001	700
00770H.001	-108
00772A.002	2,203
00772B.001	1,890
00772D.001	7,614
00772E.001	593
00772H.001	3,536
00772H.002	2,532
00772J.001	325
00772Q.001	193
00772S.001	331
00772U.001	136
00772V.001	601
00772W.001	2,235
00772X.001	679
00773A.001	906
00773A.002	0
00774A.001	4,263
00774B.003	801
00774C.001	2,116
00774G.001	2,453
00774J.001	2,007
00774K.001	434
00774K.002	0
00774L.001	7,649
00774L.002	0
00774L.003	0
00774M.001	1,681
00774N.001	2,201
00774N.002	0
00775A.001	6,931
00776A.001	10,821
00776A.003	0
00776B.001	1,490

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00776B.002	0
00776B.003	0
00776C.001	1,099
00776C.002	0
00776D.001	0
00776D.002	0
00776G.001	3,383
00776O.001	-2,202
00776P.001	983
00776Q.001	653
00776R.001	715
00776S.001	503
00776U.001	3,526
00776U.002	0
00776V.001	2,275
00776V.002	0
00776W.001	737
00776X.001	3,333
00776Y.001	3,330
00777B.001	756
00777D.001	2,591
00777E.001	2,783
00777E.002	0
00778A.001	1,951
00778B.001	2,181
00778B.002	0
00778B.003	0
00778E.001	1,083
00778E.002	20
00780A.001	1,666
00780A.003	0
00780C.001	0
00784A.001	4,276
00784A.003	0
00784B.001	268
00786A.001	1,971
00786A.002	0
00786C.001	259
00788A.001	451
00810B.001	9,868
Total	143,502

Difference	2014-2016 Total
00750A.001	-801
00751A.001	-402
00754C.001	191
00756C.001	6
00760A.001	-689
00760C.001	328
00760F.001	-92
00762B.001	1,179
00762C.001	114
00762D.001	-53
00764A.001	439
00764B.001	-119
00764C.001	-465
00764D.001	418
00764E.001	-241

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00764J.001	-14
00766B.001	-660
00766B.002	-603
00768A.001	-418
00770A.001	-264
00770AB.001	539
00770AC.001	326
00770AD.001	-42
00770AE.001	-782
00770AF.001	-318
00770AG.001	-772
00770AH.001	-153
00770AI.001	-304
00770B.001	-1,023
00770C.001	-2,496
00770E.001	49
00770F.001	-350
00770H.001	-449
00772A.002	-10,005
00772B.001	390
00772D.001	-2,478
00772E.001	-82
00772H.001	-5,000
00772H.002	-5,004
00772J.001	81
00772Q.001	-145
00772S.001	-46
00772U.001	-13
00772V.001	65
00772W.001	-562
00772X.001	-3,982
00773A.001	663
00773A.002	-450
00774A.001	510
00774B.003	-112
00774C.001	-869
00774G.001	-336
00774J.001	246
00774K.001	-51
00774K.002	-40
00774L.001	1,296
00774L.002	-1,089
00774L.003	-432
00774M.001	-8
00774N.001	781
00774N.002	-322
00775A.001	14
00776A.001	604
00776A.003	-250
00776B.001	196
00776B.002	-600
00776B.003	-825
00776C.001	-561
00776C.002	-98
00776D.001	-411
00776D.002	-642
00776G.001	1,011
00776O.001	-3,028
00776P.001	-171

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00776Q.001	-281
00776R.001	138
00776S.001	-64
00776U.001	2,549
00776U.002	-270
00776V.001	782
00776V.002	-465
00776W.001	-421
00776X.001	154
00776Y.001	2,597
00777B.001	624
00777D.001	-84
00777E.001	539
00777E.002	-625
00778A.001	-2,588
00778B.001	1,672
00778B.002	-195
00778B.003	-1,480
00778E.001	-387
00778E.002	-80
00780A.001	-1,581
00780A.003	-458
00780C.001	-453
00784A.001	149
00784A.003	-370
00784B.001	-23
00786A.001	140
00786A.002	-425
00786C.001	-524
00788A.001	-319
00810B.001	-2,696
Total	-44,121

Settlement	2014-2016 Total
00750.0.ALL	163,593
Total	163,593

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

16. SCG-19 (Exh 220) - CORPORATE CENTER - GENERAL ADMINISTRATION

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2SE000.001	(2,437)	2A16-a1

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Southern California Gas Company
 2016 Test Year GRC A-14-11-004
 ORA Differences to SoCalGas Requests

Exhibit No.: SCG-19
Area: CORPORATE CENTER - GENERAL ADMINISTRATION
Witness: Devine, Hannah L.

NONSHARED O&M

Subject: SECC OUTSIDE SERVICES - F923.1 and F923.4
Workpaper: 2SE000.001

SoCalGas Position: SoCalGas requests \$49.235 million in 2013 dollars, or \$51.299 million in 2016 (updated) dollars, for allocations of Sempra’s TY 2016 Corporate Center Shared Services. This includes allocated and directly-assigned expenses for functions that are not otherwise performed at the utility, in the area of Finance, Legal & Governance, Human Resources, External Affairs, Facilities/Assets (including Depreciation), and related Pension & Benefits.

Exhibit SCG-19, Pages PRW 1-2 and 8

The SCG position has been updated. Please refer to the Update Testimony of SDG&E and SoCalGas filed on August 17, 2015.

ORA Position: ORA recommends basing TY 2016 on the overall percentage of SoCalGas allocations from Corporate Center Total, using a three-year recent average (2012-2014) including ORA’s audit adjustments. This results in \$47.3 million in 2013 dollars allocated to SoCalGas (ORA did not calculate the escalated amount in 2016 dollars). ORA’s recommendation is a decrease of \$2 million (in 2013 dollars) to SoCalGas.

Exhibit ORA-16, pages 7-8

Note: The proposed TY2016 Forecast below does not include Corporate Center’s standard escalation. Because of the variety of standard and non-standard costs, Corporate Center calculates and provides a total escalated allocation to the utilities as “non-standard” so they are not escalated a second time.

Proposed TY2016 Forecast (in thousands of 2013 dollars):

Non-Standard/Total	49,235 (SCG)	47,267(ORA)	-1,968(Difference)
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Settlement: Please refer to Exhibit B, page B-6, section “Administrative and General Expenses: Expenses in ORA-17” of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Note: There is a discrepancy of \$0.083M between settled amount (\$48.500M) and the amount in the RO model (\$48.583M)

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	0	0	0	0
NonLabor	0	0	0	0

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Nonstandard	49,821	47,384	-2,437	46,628
TOTAL	49,821	47,384	-2,437	46,628

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

17. SCG-21 (Exh 191) - COMPENSATION, HEALTH, & WELFARE

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2CP000.000	(32,277)	2A17-a1
2. 2CP000.002	(7,592)	2A17-a2
3. 2PB000.000	(2,590)	2A17-a3
4. 2PB000.001	(123)	2A17-a4
5. 2PB000.002	4	2A17-a5
6. 2PB000.003	(483)	2A17-a6
7. 2PB000.004	(23)	2A17-a7
8. 2PB000.005	(383)	2A17-a8
9. 2PB000.006	94	2A17-a9
10. 2PB000.007	(12)	2A17-a10
11. 2PB000.012	(870)	2A17-a11
12. 2PB000.022	(529)	2A17-a12
13. 2PB000.023	(216)	2A17-a13

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Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: COMPENSATION-VARIABLE PAY
Workpaper: 2CP000.000

SoCalGas Position: SoCalGas requests \$49.213 million for TY 2016 for the activities in this work group using a zero-based forecast. The ORA and SCG jointly selected Towers Watson to conduct the competitive compensation and benefits analysis. SCG's total compensation (defined as base salaries, target short-term incentives, long term incentives and benefits) is within 2.6 percent of market. Compensation professionals, including Towers Watson, typically consider a range of plus or minus 10 percent of the average of the external market data to be competitive and broader ranges are common and expected for long-term incentive plans and benefits. SCG is requesting recovery of variable pay based on target performance. If actual ICP performance exceeds target performance, the differential is funded by shareholders and is not recoverable in rates.

Exhibit SCG-21, page DSR-6-10
Exhibit SCG-21-WP, page 6

ORA Position: ORA proposes \$16.936 million for TY 2016 for the activities in this work group, which represents a reduction of \$32.277 million. ORA states that incentive criteria tied to financial goals are clearly shareholder oriented. ORA recommends that ratepayers should not be responsible for funding the 60% of each company's executive ICP request related to financial goals. In addition, because both ratepayers and shareholders may both benefit from employees being motivated to meet operational and individual goals, the remaining portion of ICP expense should be shared. ORA recommends ratepayers fund 50% of the remaining ICP expense.

Exhibit ORA-17, pages 9-12

Settlement: Please refer to Exhibit B, page B-6, section "Administrative and General Expenses: Expenses in ORA-17" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	49,213	16,936	-32,277	25,000
NonLabor	0	0	0	0
Nonstandard	0	0	0	0
TOTAL	49,213	16,936	-32,277	25,000

CHAPTER 2A17-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: COMPENSATION - LONG-TERM INCENTIVE PROGRAM
Workpaper: 2CP000.002

SoCalGas Position: SoCalGas requests \$7.592 million for TY 2016 for the activities in this work group using a zero-based forecast. Long-term incentives are an integral component of a competitive compensation program for key management and executive employees. Consistent with the external labor market, SCG’s compensation philosophy ties a greater portion of pay to company performance at higher levels of responsibility. The actual compensation realized by participants is dependent on Sempra Energy’s performance. Long-term incentives awards are granted under the Sempra Energy Long Term Incentive Plan, in the form of performance-based restricted stock units and service-based restricted stock units. Long-term incentive plan costs are based on the accounting expense incurred for awards issued to SCG employees.

Exhibit SCG-21, pages DSR 10-11
Exhibit SCG-21-WP, page 14

ORA Position: ORA proposes \$0 for TY 2016 for the activities in this work group, which represents a reduction of \$7.592 million. ORA states that the long term incentives, comprising stock options, are clearly shareholder-related expenses and are not an appropriate ratepayer expense. Stock-based compensation is tied to financial performance of the company over a period of four years this clearly aligns management interests with the interests of shareholders, and the LTIP payout is essentially a premium paid for financial performance. Another consideration is the cost to ratepayers, who see little benefit from LTIP programs, but who face increased costs if the LTIP program is included in rates.
Exhibit ORA-17, pages 5 and 12

Settlement: Please refer to Exhibit B, page B-6, section “Administrative and General Expenses: Expenses in ORA-17” of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	0	0	0	0
NonLabor	0	0	0	0
Nonstandard	7,592	0	-7,592	0
TOTAL	7,592	0	-7,592	0

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Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: HEALTH BENEFITS - MEDICAL
Workpaper: 2PB000.000

SoCalGas Position: SoCalGas requests \$89.763 million for TY 2016 the activities in this work group using a zero-based forecast. This reflects forecasted medical rate escalation as well as anticipated changes in headcount. Healthcare costs continue to increase at rates much higher than general inflation. The medical trend forecast was prepared by Towers Watson, SCG’s actuary and benefits broker. Towers Watson considered California and national data and prepared a forecast specifically for SCG taking into account workforce demographics, historical utilization data, and medical plan design. The projected aggregate rate increase for 2016 is 7.8 percent.

Exhibit SCG-21, pages DSR-15-20
Exhibit SCG-21-WP, page 37

The SCG position has been updated. Please refer to the Update Testimony of SDG&E and SoCalGas filed on August 17, 2015.

ORA Position: ORA proposes \$87.173 million (revised Errata amount) for TY 2016 for the activities in this work group, which represents a reduction of \$2.590 million. ORA used the actual, adjusted recorded 2014 health benefit expense as the basis for its recommendations. ORA divided each company’s 2014 actual expense by the 2014 actual FTE count to arrive at a program cost per person, escalated the program costs, and then multiplied the 2016 program cost by each company’s estimated 2016 FTE count to arrive at ORA’s TY estimate. ORA recommends using the Berkeley Healthcare Forum’s California-specific forecast for medical escalation rates.

Exhibit ORA-17, pages 15-17
Exhibit ORA-17-E, page 4

Note: ORA's request for TY 2016 has been updated to reflect changes provided in the Errata filing, dated July 10, 2015. ORA's original request in its testimony was \$85.725 million.

Settlement: Please refer to Exhibit B, page B-6, section “Administrative and General Expenses: Expenses in ORA-17” of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	0	0	0	0
NonLabor	0	0	0	0
Nonstandard	89,763	87,173	-2,590	88,000

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TOTAL	89,763	87,173	-2,590	88,000
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Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: HEALTH BENEFITS - DENTAL
Workpaper: 2PB000.001

SoCalGas Position: SoCalGas requests \$4.625 million for TY 2016 for the activities in this work group using a zero-based forecast. SCG offers two dental plans to its employees and their eligible dependents: Delta Dental Plan and Met Life Safeguard Dental Plan. 2016 costs are based on 2015 premiums adjusted for projected inflation and changes in projected headcount.

Exhibit SCG-21, pages DSR-22-23
Exhibit SCG-21-WP, page 48

ORA Position: ORA proposes \$4.502 million (revised Errata amount) for TY 2016 for the activities in this work group, which represents a reduction of \$0.123 million. ORA used the actual, adjusted recorded 2014 health benefit expense as the basis for its recommendations. ORA's use of 2014 actual, adjusted recorded expense results in an ORA TY estimate of \$4.502 million.

Exhibit ORA-17, pages 15 and 19
Exhibit ORA-17-E, page 4

Note: ORA's request for TY 2016 has been updated to reflect changes provided in the Errata filing, dated July 10, 2015. ORA's original request in its testimony was \$4.427 million.

Settlement: Please refer to Exhibit B, page B-6, section "Administrative and General Expenses: Expenses in ORA-17" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	0	0	0	0
NonLabor	0	0	0	0
Nonstandard	4,625	4,502	-123	4,502
TOTAL	4,625	4,502	-123	4,502

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Southern California Gas Company
 2016 Test Year GRC A-14-11-004
 ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: HEALTH BENEFITS - VISION
Workpaper: 2PB000.002

SoCalGas Position: SoCalGas requests \$0.590 million for TY 2016 for the activities in this work group using a zero-based forecast. SCG offers employees vision coverage under the Vision Service Plan (“VSP”). VSP is experience rated and future premiums are based on the prior year’s utilization history. 2016 costs per covered employee are forecasted based on 2015 premiums adjusted for projected inflation and changes in projected headcount.

Exhibit SCG-21, page DSR-23
 Exhibit SCG-21-WP, page 55

ORA Position: ORA proposes \$0.594 million (revised Errata amount) for TY 2016 for the activities in this work group, which represents an increase of \$0.004 million. ORA used the actual, adjusted recorded 2014 health benefit expense as the basis for its recommendations. ORA’s use of 2014 actual, adjusted recorded expense results in an ORA TY estimate of \$0.594 million.

Exhibit ORA-17, pages 15 and 19
 Exhibit ORA-17-E, page 4

Note: ORA’s request for TY 2016 has been updated to reflect changes provided in the Errata filing, dated July 10, 2015. ORA’s original request in its testimony was \$0.583 million.

Settlement: Please refer to Exhibit B, page B-6, section “Administrative and General Expenses: Expenses in ORA-17” of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	0	0	0	0
NonLabor	0	0	0	0
Nonstandard	590	594	4	594
TOTAL	590	594	4	594

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Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: HEALTH BENEFITS - WELLNESS
Workpaper: 2PB000.003

SoCalGas Position: SoCalGas requests \$0.842 million for TY 2016. The objective of the SoCalGas wellness program is to improve employee health and productivity. Wellness programs promote healthy lifestyle changes and illness prevention, facilitate early detection and management of illness and disease, and help ensure that employees diagnosed with health conditions receive optimal and effective treatment.

Exhibit SCG-21, page 24 and 26
Exhibit SCG-21-WP, page 63

ORA Position: ORA proposes \$0.359 million (revised Errata amount) for TY 2016 for the activities in this work group, which represents a decrease of \$0.483 million. ORA used the actual, adjusted recorded 2014 health benefit expense as the basis for its recommendations. ORA's use of 2014 actual, adjusted recorded expense results in an ORA TY estimate of \$0.359 million.

Exhibit ORA-17, pages 15 and 20
Exhibit ORA-17-E, page 4

Note: ORA's request for TY 2016 has been updated to reflect changes provided in the Errata filing, dated July 10, 2015. ORA's original request in its testimony was \$0.353 million.

Settlement: Please refer to Exhibit B, page B-6, section "Administrative and General Expenses: Expenses in ORA-17" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	0	0	0	0
NonLabor	0	0	0	0
Nonstandard	842	359	-483	359
TOTAL	842	359	-483	359

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Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: HEALTH BENEFITS - EMPLOYEE ASSISTANCE PROGRAM (EAP)
Workpaper: 2PB000.004

SoCalGas Position: SoCalGas requests \$0.927 million for TY 2016 for the activities in this work group using a zero-based forecast. SCG is required by the Drug Free Workplace Act of 1988 and the Department of Transportation (“DOT”) to have an EAP program available to its employees. EAP provides employees and their eligible dependents with cost-effective, confidential counseling and treatment services for various personal problems that may have a negative impact on job performance. The cost forecast is based on actual 2013 claims paid indexed for projected headcount changes and assuming that premiums follow the same escalation trend as medical premiums.

Exhibit SCG-21, pages DSR-26-27
Exhibit SCG-21-WP, page 71

ORA Position: ORA proposes \$0.904 million (revised Errata amount) for TY 2016 for the activities in this work group, which represents a decrease of \$0.023 million. ORA used the actual, adjusted recorded 2014 health benefit expense as the basis for its recommendations. ORA’s use of 2014 actual, adjusted recorded expense results in an ORA TY estimate of \$0.904 million.

Exhibit ORA-17, pages 15 and 20
Exhibit ORA-17-E, page 4

Note: ORA’s request for TY 2016 has been updated to reflect changes provided in the Errata filing, dated July 10, 2015. ORA’s original request in its testimony was \$0.889 million.

Settlement: Please refer to Exhibit B, page B-6, section “Administrative and General Expenses: Expenses in ORA-17” of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	0	0	0	0
NonLabor	0	0	0	0
Nonstandard	927	904	-23	904
TOTAL	927	904	-23	904

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Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: HEALTH BENEFITS - MENTAL HEALTH
Workpaper: 2PB000.005

SoCalGas Position: SoCalGas requests \$1.916 million for TY 2016 for the activities in this work group using a zero-based forecast. Mental health and substance abuse services include individual counseling sessions for issues such as psychological and emotional conditions, life management, all addictions, job-related problems, and relationship issues. The cost forecast is based on actual 2013 claims paid indexed for projected headcount changes and assuming that premiums follow the same escalation trend as medical premiums.

Exhibit SCG-21, pages DSR-26-27

Exhibit SCG-21-WP, page 78

ORA Position: ORA proposes \$1.533 million (revised Errata amount) for TY 2016 for the activities in this work group, which represents a decrease of \$0.383 million. ORA used the actual, adjusted recorded 2014 health benefit expense as the basis for its recommendations. ORA's use of 2014 actual, adjusted recorded expense and the Berkeley Healthcare Forum's California-specific medical escalation rates results in an ORA TY estimate of \$1.533 million.

Exhibit ORA-17, pages 15 and 20

Exhibit ORA-17-E, page 4

Note: ORA's request for TY 2016 has been updated to reflect changes provided in the Errata filing, dated July 10, 2015. ORA's original request in its testimony was \$1.507 million.

Settlement: Please refer to Exhibit B, page B-6, section "Administrative and General Expenses: Expenses in ORA-17" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	0	0	0	0
NonLabor	0	0	0	0
Nonstandard	1,916	1,533	-383	1,533
TOTAL	1,916	1,533	-383	1,533

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Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: WELFARE BENEFITS - LIFE INSURANCE
Workpaper: 2PB000.006

SoCalGas Position: SoCalGas requests \$2.107 million for TY 2016 for the activities in this work group using a zero-based forecast. SCG provides employees with basic life insurance coverage equal to one times annual pay (base salary plus ICP, if applicable). Coverage is adjusted each year to reflect increases or decreases in employee pay. The premium per \$1,000 of coverage is based on the actual 2014 rate. Projected 2016 costs are adjusted for wage and headcount escalation.

Exhibit SCG-21, page DSR-28
Exhibit SCG-21-WP, page 101

ORA Position: ORA proposes \$2.201 million (revised Errata amount) for TY 2016 for the activities in this work group, which represents an increase of \$0.094 million. ORA analyzed the historical expenses for both companies and does not dispute them or the proposed escalation rates. ORA's use of 2014 actual, adjusted recorded expense results in an ORA TY estimate of \$2.201 million.

Exhibit ORA-17, page 22
Exhibit ORA-17-E, page 5

Note: ORA's request for TY 2016 has been updated to reflect changes provided in the Errata filing, dated July 10, 2015. ORA's original request in its testimony was \$2.164 million.

Settlement: Please refer to Exhibit B, page B-6, section "Administrative and General Expenses: Expenses in ORA-17" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	0	0	0	0
NonLabor	0	0	0	0
Nonstandard	2,107	2,201	94	2,201
TOTAL	2,107	2,201	94	2,201

CHAPTER 2A17-a10

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: WELFARE BENEFITS - AD&D INSURANCE
Workpaper: 2PB000.007

SoCalGas Position: SoCalGas requests \$0.074 million for TY 2016 for the activities in this work group using a zero-based forecast. SCG provides employees with basic Accidental Death and Dismemberment insurance coverage equal to one times annual pay (base salary plus ICP, if applicable). Coverage is adjusted each year to reflect increases or decreases in employee pay. AD&D insurance provides a level of protection and additional security to employees and their families in the event of a tragic accident.

Exhibit SCG-21, page DSR-28
Exhibit SCG-21-WP, page 87

ORA Position: ORA proposes \$0.062 million (revised Errata amount) for TY 2016 for the activities in this work group, which represents a decrease of \$0.012 million. ORA's use of 2014 actual, adjusted recorded expense results in an ORA TY estimate of \$0.062 million.

Exhibit ORA-17, page 22
Exhibit ORA-17-E, page 5

Note: ORA's request for TY 2016 has been updated to reflect changes provided in the Errata filing, dated July 10, 2015. ORA's original request in its testimony was \$0.061 million.

Settlement: Please refer to Exhibit B, page B-6, section "Administrative and General Expenses: Expenses in ORA-17" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	0	0	0	0
NonLabor	0	0	0	0
Nonstandard	74	62	-12	62
TOTAL	74	62	-12	62

CHAPTER 2A17-a11

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: RETIREMENT BENEFITS-SUPPLEMENTAL PENSION
Workpaper: 2PB000.012

SoCalGas Position: SoCalGas requests \$0.870 million for TY 2016 for the activities in this work group using a zero-based forecast. SCG offers two supplemental pension plans, the Supplemental Executive Retirement Plan, which covers a small number of senior executives, and the Cash Balance Restoration Plan. The Cash Balance Restoration Plan restores benefits for employees whose earnings or benefits exceed the limitations established by the Employee Retirement and Income Security Act. The plan merely restores benefits that would otherwise be lost due to statutory limits under broad based retirement plans. Cost forecasts represent the projected benefit payments. As with other contingent cash flows, the amount and timing of future benefit payments are based on actuarial assumptions such as the lump sum rate, future salary increases, and mortality and retirement rates.

Exhibit SCG-21, p DSR-30-31
SCG-21-WP, p 124

ORA Position: ORA proposes \$0 for TY 2016 for the activities in this work group, which represents a decrease of \$0.870 million. ORA opposes the inclusion of any supplemental executive benefits in revenue requirements. Neither company has offered sufficient evidence to support ratepayers funding these supplemental costs. These officers also provide value to shareholders. The amount contributed to the pension plan by ratepayers serves to provide sufficient retirement program benefits and does not need to be further supplemented and enhanced to provide even higher retirement benefits and to support a highly enhanced retirement salary. If Sempra wants to fund the costs associated with any supplemental executive benefits, it can do so from shareholder funds.

Exhibit ORA-17, pages 23 and 25

Settlement: Please refer to Exhibit B, page B-6, section "Administrative and General Expenses: Expenses in ORA-17" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	0	0	0	0
NonLabor	0	0	0	0
Nonstandard	870	0	-870	435
TOTAL	870	0	-870	435

CHAPTER 2A17-a12

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: OTHER BENEFIT PROGRAMS - SPECIAL EVENTS
Workpaper: 2PB000.022

SoCalGas Position: SoCalGas requests \$0.529 million for TY 2016 for the activities in this work group using a zero-based forecast. Special Events night is a long-standing benefit highly valued by employees at all levels. It is the one time a year when employees from union and management ranks from all around the company gather in one place. The event site varies each year and has included Knott's Berry Farm, Disneyland or Sea World.

Exhibit SCG-21, page DSR-36
Exhibit SCG-21-WP, page 178

ORA Position: ORA proposes \$0 for TY 2016 for the activities in this work group, which represents a decrease of \$0.529 million. This is a supererogatory employee benefit program that does not provide a clear and identifiable benefit to ratepayers and is not necessary to operate the utility business.

Exhibit ORA-17, page 27

Settlement: Please refer to Exhibit B, page B-6, section "Administrative and General Expenses: Expenses in ORA-17" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	0	0	0	0
NonLabor	0	0	0	0
Nonstandard	529	0	-529	0
TOTAL	529	0	-529	0

CHAPTER 2A17-a13

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: RETIREMENT BENEFITS-NONQUALIFIED RETIREMENT SAVINGS PLAN
Workpaper: 2PB000.023

SoCalGas Position: SoCalGas requests \$0.216 million for TY 2016 for the activities in this work group using a zero-based forecast. The nonqualified retirement savings plan, or deferred compensation plan, allows pre-tax contributions for employees subject to IRS compensation and contribution limits. Company matching contributions under the plan are identical to company matching contributions under the RSP.

Exhibit SCG-21, page DSR-30

Exhibit SCG-21-WP, page 116

ORA Position: ORA proposes \$0 for TY 2016 for the activities in this work group, which represents a decrease of \$0.216 million. This deferred compensation plan benefits certain highly-paid management employees who are subject to IRS compensation and contribution limits in the 401(k) retirement savings plan. ORA is opposed to having ratepayers bear the costs of benefit programs in excess of federal limits and which serve to further enhance benefits to higher compensated employees. Neither company has demonstrated that these enhanced benefits are necessary to attract and retain skilled employees nor supported the reasonableness of ratepayer funding the costs associated with supplemental benefits beyond traditional funding levels and limitations. Accordingly, ORA recommends that the Commission deny ratepayer funding for the Nonqualified Savings Plan contributions in the 2016 TY.

Exhibit ORA-17, pages 23-24

Settlement: Please refer to Exhibit B, page B-6, section "Administrative and General Expenses: Expenses in ORA-17" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	0	0	0	0
NonLabor	0	0	0	0
Nonstandard	216	0	-216	0
TOTAL	216	0	-216	0

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

18. SCG-23-R (Exh 106) - PRES/COO, HR, WORKERS COMP & DISABILITY

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2HR004.000	(266)	2A18-a1
2. 2HR005.000	(121)	2A18-a2
3. 2HR006.000	(5,053)	2A18-a3
4. 2HR006.001	(3,168)	2A18-a4
5. 2HR007.000	(185)	2A18-a5

CHAPTER 2A18-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-23-R
Area: PRES/COO, HR, WORKERS COMP & DISABILITY
Witness: Serrano, Mark L.

NONSHARED O&M

Subject: SCG Director HR Services
Workpaper: 2HR004.000

SoCalGas Position: SoCalGas requests \$4.757 million for TY 2016 for the activities in this work group using a base year recorded forecast plus incrementals. The HR Services department is comprised of four work units, including: Client Services, Staffing, Personnel Research & Workforce Planning and HR Projects & Compensation. Added to the base year are incremental work elements not reflected in the base forecast that are necessary to adequately fund HR Services activities in TY 2016: new hire employment process; a workforce readiness advisor; two additional workforce planning staff positions and license software; and two additional external staffing personnel.

In comparing ORA's written analysis to its summary tables for non-shared service costs, SoCalGas believes both ORA Table 18-3 and Table 18-7 understate ORA's 2016 forecast.

Exhibit SCG-23-R, pages MLS-9-13
Exhibit SCG-23-WP, pages 21-23

ORA Position: ORA proposes \$4.491 million for TY 2016 for the activities in this work group, which represents a reduction of \$0.266 million to SoCalGas' 2016 forecast. For workforce readiness, ORA recommends \$0 for the new Workforce Readiness Advisor in 2016. ORA states when current employees actually do start to retire, rather than just being eligible, then the utility should consider hiring the new Workforce Readiness Advisor. For workforce planning, ORA recommends \$246,000 for this area, which is \$80,000 less than SCG's test year forecast of \$326,000. For external staffing, ORA recommends \$131,000 for External Staffing, which is \$80,000 less than SCG's TY request of \$211,000. ORA states that if there is enough of a need then SCG can make the proposal to hire another one in its next rate cycle.

Exhibit ORA-18, pages 16-18

Settlement: Please refer to Exhibit B, page B-5, section "Administrative and General Expenses: Expenses in ORA-18" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	3,173	2,907	-266	2,907
NonLabor	1,584	1,584	0	1,584
Nonstandard	0	0	0	0
TOTAL	4,757	4,491	-266	4,491

CHAPTER 2A18-a1

Exhibit No: SCG-23-R

Area: PRES/COO, HR, WORKERS COMP & DISABILITY

Witness: Serrano, Mark L.

<u>Workpaper</u>	<u>Workpaper Description</u>	<u>SCG</u>	<u>ORA</u>	<u>Diff</u>
2HR001.000	SCG Pres & CEO, COO & VP of HR	3,624	3,624	-
2HR003.000	SCG Director Perf &Orgnl Strategy	1,350	1,350	-
2HR004.000	SCG Director HR Services	4,757	4,491	(266)
2HR005.000	SCG Director Labor Relations North	1,860	1,739	(121)
2HR006.000	SCG Director Sfty Wellness & Dis Svcs	11,443	6,390	(5,053)
2HR006.001	SCG Workers Comp & LTD	26,426	23,258	(3,168)
2HR007.000	SCG Director Org Effectiveness	2,441	2,256	(185)
	Total	<u>48,277</u>	<u>39,484</u>	<u>(8,793)</u>

Note: There is a discrepancy between ORA's RO model and testimony. ORA testimony recommends a total of \$16.176 million while RO model shows \$16.226 million.

CHAPTER 2A18-a2

Southern California Gas Company
 2016 Test Year GRC A-14-11-004
 ORA Differences to SoCalGas Requests

Exhibit No.: SCG-23-R
Area: PRES/COO, HR, WORKERS COMP & DISABILITY
Witness: Serrano, Mark L.

NONSHARED O&M

Subject: SCG Director Labor Relations-North
Workpaper: 2HR005.000

SoCalGas Position: SoCalGas requests \$1.860 million for TY 2016 for the activities in this work group using a base year recorded forecast plus incrementals. The Labor Relations staff is responsible for the labor strategy, union relations, Collective Bargaining Agreement (“CBA”) negotiations, contract administration, grievances, mediations, arbitrations, and National Labor Relations Board (“NLRB”) actions. Added to the base year are incremental work elements not reflected in the base forecast that are necessary to adequately fund Labor Relations activities in TY 2016: CBA negotiations that did not occur in Base Year - 2013; additional Labor Relations Advisor; and labor relations staff training. The Labor Relations department has historically maintained a significant backlog of grievance and arbitration cases awaiting resolution.

Exhibit SCG-23-R, page MLS 13-14
 Exhibit SCG-23-WP, pages 29-30

ORA Position: ORA proposes \$1.739 million for TY 2016 for the activities in this work group, which represents a reduction of \$0.121 million to SoCalGas’ 2016 forecast. ORA recommends \$0 for a new Labor Relations Advisor. SCG has not given any indication in its testimony or workpapers of any changes to how labor negotiations are currently handled and ORA sees no reason for an additional employee.

Exhibit ORA-18, pages 18-19

Settlement: Please refer to Exhibit B, page B-5, section “Administrative and General Expenses: Expenses in ORA-18” of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	1,611	1,490	-121	1,490
NonLabor	249	249	0	249
Nonstandard	0	0	0	0
TOTAL	1,860	1,739	-121	1,739

CHAPTER 2A18-a2

Exhibit No: SCG-23-R

Area: PRES/COO, HR, WORKERS COMP & DISABILITY

Witness: Serrano, Mark L.

<u>Workpaper</u>	<u>Workpaper Description</u>	<u>SCG</u>	<u>ORA</u>	<u>Diff</u>
2HR001.000	SCG Pres & CEO, COO & VP of HR	3,624	3,624	-
2HR003.000	SCG Director Perf & Orgnl Strategy	1,350	1,350	-
2HR004.000	SCG Director HR Services	4,757	4,491	(266)
2HR005.000	SCG Director Labor Relations North	1,860	1,739	(121)
2HR006.000	SCG Director Sfty Wellness & Dis Svcs	11,443	6,390	(5,053)
2HR006.001	SCG Workers Comp & LTD	26,426	23,258	(3,168)
2HR007.000	SCG Director Org Effectiveness	2,441	2,256	(185)
Total		<u>48,277</u>	<u>39,484</u>	<u>(8,793)</u>

Note: There is a discrepancy between ORA's RO model and testimony. ORA testimony recommends a total of \$16.176 million while RO model shows \$16.226 million.

CHAPTER 2A18-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-23-R
Area: PRES/COO, HR, WORKERS COMP & DISABILITY
Witness: Serrano, Mark L.

NONSHARED O&M

Subject: SCG Director Sfty Wellness & Dis Svcs
Workpaper: 2HR006.000

SoCalGas Position: SoCalGas requests \$11.443 million for TY 2016 for the activities in this work group using a base year recorded forecast plus incrementals. The services provided by the Safety, Wellness and Disability Services ("SW&DS") department extend from pre-employment health testing through the end of employment at SCG. Added to the base year are incremental work elements not reflected in the base forecast that are necessary to adequately fund SW&DS activities in TY 2016: safety committee member training; expand the existing one-day defensive driver training course to three days; defensive driver coaching with "refresher" training; an in-depth safety orientation for people who are new to supervision; provide drivers with real-time in-vehicle safety feedback; and a Field Safety Advisor position.

Exhibit SCG-23-R, page MLS 18-23
Exhibit SCG-23-WP, page 44

ORA Position: ORA proposes \$6.390 million for TY 2016 for the activities in this work group, which represents a reduction of \$5.053 million to SoCalGas' 2016 forecast. ORA believes that new driver training has been operating efficiently with what it has been doing thus far and believes expanding this program from one day to three days is excessive, especially given the lack of support for the need of 2 additional days. ORA recommends that SCG run a pilot program for defensive driver training first, before launching a full blown program. If SCG decides to include this program in its next GRC cycle, SCG should provide the cost benefit analysis. ORA recommends that this project wait until next GRC cycle when the results of the pilot program can be considered along with a cost benefit analysis.

Note: ORA Position continued - ORA recommends \$0 for the Program Administrator: ORA does not see the need to staff one extra position to assist in promoting topics that can impact employee safety and prevent employee illness and injury when the company has already been doing so already. ORA recommends that only 1 Claims Examiner be hired in 2016 to start, and then if there is enough of a need hire another Claims Examiner and a Claims associate in SCG's next rate cycle.

Exhibit ORA-18, pages 21-25

*SoCalGas made the following reductions in Rebuttal Testimony: reduce the cost forecast for an ECS Claims Examiner (\$0.077 million) and reducing Defensive Driver Refresher Training costs (\$1.326 million). This reduces SoCalGas' request from \$11.443 million to \$10.046 million.

CHAPTER 2A18-a3

Settlement:

Please refer to Exhibit B, page B-5, section "Administrative and General Expenses: Expenses in ORA-18" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	7,001	4,161	-2,840	5,664
NonLabor	4,442	2,229	-2,213	3,000
Nonstandard	0	0	0	0
TOTAL	11,443	6,390	-5,053	8,664

CHAPTER 2A18-a3

Exhibit No: SCG-23-R

Area: PRES/COO, HR, WORKERS COMP & DISABILITY

Witness: Serrano, Mark L.

<u>Workpaper</u>	<u>Workpaper Description</u>	<u>SCG</u>	<u>ORA</u>	<u>Diff</u>
2HR001.000	SCG Pres & CEO, COO & VP of HR	3,624	3,624	-
2HR003.000	SCG Director Perf & Orgnl Strategy	1,350	1,350	-
2HR004.000	SCG Director HR Services	4,757	4,491	(266)
2HR005.000	SCG Director Labor Relations North	1,860	1,739	(121)
2HR006.000	SCG Director Sfty Wellness & Dis Svcs	11,443	6,390	(5,053)
2HR006.001	SCG Workers Comp & LTD	26,426	23,258	(3,168)
2HR007.000	SCG Director Org Effectiveness	2,441	2,256	(185)
Total		<u>48,277</u>	<u>39,484</u>	<u>(8,793)</u>

Note: There is a discrepancy between ORA's RO model and testimony. ORA testimony recommends a total of \$16.176 million while RO model shows \$16.226 million.

CHAPTER 2A18-a4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-23-R
Area: PRES/COO, HR, WORKERS COMP & DISABILITY
Witness: Serrano, Mark L.

NONSHARED O&M

Subject: Workers Comp and Long Term Disability
Workpaper: 2HR006.001

SoCalGas Position: SoCalGas requests \$26.426 million for TY 2016 for the activities in this work group using a zero-based forecast. Workers' Compensation benefits are mandated benefits provided to employees working in the State of California who are injured on the job. Employees who are injured on the job receive benefits through SCG's self-insured Workers' Compensation program. The primary drivers for the increase in Workers' Compensation costs are labor and non-labor escalation and medical premium escalation described in the testimony of witness Scott Wilder (Ex. SCG-31). The TY2016 Workers' Compensation cost forecast is based on a 3-year historical average of Workers' Compensation costs, escalated for the aforementioned factors. The LTD cost forecast is based upon the Base Year 2013 cost forecast methodology.

Exhibit SCG-23-R, page MLS 25-26
Exhibit SCG-23-WP, page 53

ORA Position: ORA proposes \$23.258 million for TY 2016 for the activities in this work group, which represents a reduction of \$3.168 million to SoCalGas' 2016 forecast. The adjusted recorded expenses during the 2009-2014 period indicates a degree of variability in expenses from one year to the next. After calculating 3-year, 4-year, and 5-year averages, ORA concludes it is reasonable to recommend SCG's highest recorded amount of \$23.3 million, incurred in 2011, during the 2009-2014 time frame.

Exhibit ORA-18, page 25

Settlement: Please refer to Exhibit B, page B-5, section "Administrative and General Expenses: Expenses in ORA-18" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	0	0	0	0
NonLabor	0	0	0	0
Nonstandard	26,426	23,258	-3,168	24,500
TOTAL	26,426	23,258	-3,168	24,500

CHAPTER 2A18-a5

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-23-R
Area: PRES/COO, HR, WORKERS COMP & DISABILITY
Witness: Serrano, Mark L.

NONSHARED O&M

Subject: SCG Director Org Effectiveness
Workpaper: 2HR007.000

SoCalGas Position: SoCalGas requests \$2.441 million for TY 2016 for the activities in this work group using a base year recorded forecast plus incrementals. The Organizational Effectiveness ("OE") department provides leadership, organizational and employee development programs, instructional design services, and knowledge transfer and management programs for SCG. OE consists of four work units providing services to SCG: Organizational Development, Employee Development, Instructional Design & Technology and Knowledge Transfer & Management. Added to the base year are incremental work elements not reflected in the base forecast that are necessary to adequately fund OE activities in TY 2016: Workforce Knowledge Transfer incremental staff and software; organizational health activities; and employee development program enhancements.

Exhibit SCG-23-R, pages MLS 14-16
Exhibit SCG-23-WP, page 36

ORA Position: ORA proposes \$2.256 million for TY 2016 for the activities in this work group, which represents a reduction of \$0.185 million. ORA does not dispute the need for new software. However, SCG has been managing its knowledge transfer positions effectively without the need for an additional Knowledge Transfer Advisor. ORA recommends that only 1 Employee Development Advisor be hired in 2016 to start. If there is enough of a need SCG can make the proposal to hire another one in its next rate cycle.

Exhibit ORA-18, pages 19-20

Settlement: Please refer to Exhibit B, page B-5, section "Administrative and General Expenses: Expenses in ORA-18" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	1,633	1,448	-185	1,448
NonLabor	808	808	0	808
Nonstandard	0	0	0	0
TOTAL	2,441	2,256	-185	2,256

CHAPTER 2A18-a5

Exhibit No: SCG-23-R

Area: PRES/COO, HR, WORKERS COMP & DISABILITY

Witness: Serrano, Mark L.

<u>Workpaper</u>	<u>Workpaper Description</u>	<u>SCG</u>	<u>ORA</u>	<u>Diff</u>
2HR001.000	SCG Pres & CEO, COO & VP of HR	3,624	3,624	-
2HR003.000	SCG Director Perf &Orgnl Strategy	1,350	1,350	-
2HR004.000	SCG Director HR Services	4,757	4,491	(266)
2HR005.000	SCG Director Labor Relations North	1,860	1,739	(121)
2HR006.000	SCG Director Sfty Wellness & Dis Svcs	11,443	6,390	(5,053)
2HR006.001	SCG Workers Comp & LTD	26,426	23,258	(3,168)
2HR007.000	SCG Director Org Effectiveness	2,441	2,256	(185)
Total		<u>48,277</u>	<u>39,484</u>	<u>(8,793)</u>

Note: There is a discrepancy between ORA's RO model and testimony. ORA testimony recommends a total of \$16.176 million while RO model shows \$16.226 million.

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

19. SCG-24-R (Exh 283) - REG AFF/A&F/LEGAL/EXT AFF

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2AG002.000	(3,782)	2A19-a1
2. 2AG011.000	(160)	2A19-a2

CHAPTER 2A19-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-24-R
Area: REG AFF/A&F/LEGAL/EXT AFF
Witness: Gonzales, Ramon

NONSHARED O&M

Subject: ACCOUNTING OPERATIONS
Workpaper: 2AG002.000

SoCalGas Position: This work group consists of two reductions unrelated to Accounting Operations: Meals and Entertainment (M&E) and Customer Deposits (Working Cash). SoCalGas did not specifically forecast M&E as a line item expense in this rate case; rather, M&E expenses are embedded in its 2016 revenue requirement forecast. M&E expenses are job-related expenses include travel, meals, and other expenses associated with establishing, maintaining and enhancing business relationships that provide value back to utility customers. Customer Deposits are excluded as a working cash item because the utility pays interest at the Federal Reserve published prime non-financial 3-month commercial paper rate. This treatment is consistent with SP U-16 whereby interest bearing accounts are excluded from working cash.

SCG-224, page RG-5
SCG-29-R, page MWF-10

ORA Position: ORA proposes a reduction of \$3.782 million to this work group, a combination reductions for Meals and Entertainment and Customer Deposits. ORA recommends reducing TY expenses by \$692,873 (in 2013 dollars) based on 2013 recorded costs, as a proxy for the amount of Meals and Entertainment expenses embedded in SCG's TY forecast. ORA states that SoCalGas has not demonstrated that the meals and entertainment expenses serve a useful business-related purpose. ORA proposes a \$3.072 million reduction to SoCalGas' Revenue Requirement for Customer Deposits. ORA recommends that the treatment the Commission adopted in its D.14-08-032 for Customer Deposits be extended to SoCalGas in this GRC. ORA recommends that the Commission treat Customer Deposits as a source of long-term debt and reduce the revenue requirements for Customer Deposits by imputing financing costs based on short-term interest rates.

Note: Exhibit ORA-19, pages 3 and 21-22
Exhibit ORA-22, page 20

The ORA adjustment of \$3.782 million is a combination of a \$0.693 million reduction for Meals and Entertainment and \$3.072 million reduction for Customer Deposits. \$0.017 million is unaccounted for and may be due to a calculation error.

Settlement: Please refer to Exhibit B, page B-5, section "Administrative and General Expenses: Expenses in ORA-19" and page B-8, section "Working Cash Issues" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

CHAPTER 2A19-a1

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	3,554	3,554	0	3,554
NonLabor	492	492	0	492
Nonstandard	0	-3,782	-3,782	-3,782
TOTAL	4,046	264	-3,782	264

CHAPTER 2A19-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-24-R
Area: REG AFF/A&F/LEGAL/EXT AFF
Witness: Gonzales, Ramon

NONSHARED O&M

Subject: MEDIA & EMPLOYEE COMMUNICATIONS
Workpaper: 2AG011.000

SoCalGas Position: SoCalGas requests \$1.023 million for the activities in this work group based on the 3-year average (2011-2013) of historical costs adjusted for three additional FTE's.

Exhibit SCG-24-R, page RG-27
Exhibit SCG-24-WP, page 64

ORA Position: ORA proposes \$0.863 million for the activities in this work group, which represents a reduction of \$0.160 million. ORA states that given that SoCalGas did not conduct any formal studies or workload analyses for the three proposed incremental positions in the Media & Employee Communications Department, ORA opposes ratepayer funding for the costs associated with the Intranet Designer / Programmer and the Social Media / Videographer Communications Specialist which SoCalGas proposes to hire in 2015 and 2016, respectively.

Exhibit ORA-19, pages 18 and 20

Settlement: Please refer to Exhibit B, page B-5, section "Administrative and General Expenses: Expenses in ORA-19" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
Labor	860	710	-150	860
NonLabor	163	153	-10	163
Nonstandard	0	0	0	0
TOTAL	1,023	863	-160	1,023

Chapter 2 - ORA vs. SoCalGas

Part B - Capital-Related Costs

1. SCG-28-R (Exh 244) - TAXES

Issue #	Subject	Reference
1. SCG28.000	Payroll Tax	2B1-a1
2. SCG28.001	Tax Updates	2B1-a2

CHAPTER 2B1-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-28-R
Area: TAXES
Witness: Reeves, Ragan G.
Subject: Payroll Tax

Issue Description: Composite payroll tax rates

SoCalGas Position: Payroll taxes were estimated by applying a tax rate on TY 2016 O&M and capital labor covered under this filing up to a maximum wage base. Payroll Taxes are comprised of: Federal Insurance Contributions Act ("FICA"); Federal Unemployment Tax Act ("FUTA"); and California State Unemployment Insurance ("SUI"). The SoCalGas TY 2016 composite payroll tax rate is 7.63%.

SCG-28-R, pages RGR-1 to 2

The SCG position has been updated. Please refer to the Update Testimony of SDG&E and SoCalGas filed on August 17, 2015.

ORA Position: ORA recommends that Sempra update and use the current Old-Age, Survivors, and Disability Insurance ("OASDI") amount of \$118,500 to calculate 2015 taxes instead of its forecast OASDI wage base of \$119,100. ORA recommends using the OASDI wage base amount of \$118,500 for TY 2016 until there is an approved adjustment to the provision of the Social Security Act for 2016. Since the Unemployment Insurance ("UI") rate schedule and amount of taxable wages are determined annually by the month of December; ORA recommends using the current 2015 3.4% UI tax rate until the new UI tax rate is approved for 2016. ORA's TY 2016 composite payroll tax rate is 7.58%, a decrease of 0.05% to SoCalGas' composite payroll tax rate.

ORA-21, pages 2, 6 and 7

Settlement: Please refer to Appendix "SOE Tables".

CHAPTER 2B1-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-28-R
Area: TAXES
Witness: Reeves, Ragan G.
Subject: Tax Updates

Issue Description: Bonus depreciation - Timing of Tax Updates

SoCalGas Position: SoCalGas notes that the Rate Case Plan already includes a mechanism for SoCalGas to update its testimony to reflect changes in the relevant tax laws. SoCalGas will follow the procedures and deadlines set forth in the Rate Case Plan and Scoping Memo for updating its forecasts to reflect tax law changes, including tax-extender legislation, extension of bonus depreciation, or other tax-related law changes that occur prior to the closing of the record in this GRC.

Exhibit SCG-228, pages RGR-2 to 3

ORA Position: ORA observes in the event the temporary extension of Bonus Depreciation, the temporary 100 percent expensing for certain business assets under ATRA and/or TIPA, and any changes or modifications to the tax provisions of the tax law code must be appropriately adjusted to the forecast prior to a final Commission decision.

ORA-21, page 10

Settlement: The settlement does not address the merits of the parties' arguments or prejudice any party's ability to raise this issue again in an upcoming GRC.

Chapter 2 - ORA vs. SoCalGas

Part B - Capital-Related Costs

2. SCG-29-R (Exh 241) - WORKING CASH

Issue #	Subject	Reference
1. SCG29.000	Working Cash	2B2-a1

CHAPTER 2B2-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-29-R
Area: WORKING CASH
Witness: Foster, Michael W.
Subject: Working Cash

Issue Description: Working Cash Adjustments

SoCalGas Position: SoCalGas requests \$79.879 million for TY 2016 for the activities in this work group. SoCalGas' request for working cash is in compliance with California Public Utilities Commission ("CPUC") Standard Practice ("SP") U-16, based on 2013 as-recorded costs and Test Year ("TY") 2016 forecasts. Working cash is a means to compensate investors for providing funds that are committed to the business for paying operating expenses in advance of receipt of the offsetting revenues from customers.

Exhibit SCG-29-R, page MWF-1

ORA Position: ORA recommends a Working Cash Requirement for SoCalGas of \$(2.135) million, which is \$82.014 million lower than SoCalGas' request of \$79.879 million. SoCalGas' Cash Balances should be excluded from the Working Cash calculations. 41.55 should be adopted as the revenue Lag Days for SoCalGas' Working Cash Calculation in contrast to the utility's request for 42 days. 37.50 should be adopted for SoCalGas' Federal Income Tax (FIT) Lag Days in contrast to the utility's request for (724.93) days. 20.60 should be adopted for SoCalGas' California Corporate Franchise Tax (CCFT) Lag Days in contrast to the utility's request for (573.92) days. Customer deposits should be treated as a source of debt, resulting in a \$3.072 million reduction to SoCalGas' Revenue Requirement. This recommendation is consistent with the policy adopted by the Commission for PG&E in D.14-08-032.

Exhibit ORA-22, page 4

Settlement: Parties agree to the ORA forecast for Cash Balances of \$ 0.
Parties agree to the ORA forecast for revenue lag days of 41.55.
Parties agree to the ORA forecast for federal income tax lag days of 37.50.
Parties agree to the ORA forecast for state income tax lag days of 20.60.

Please refer to Exhibit B, page B-8, section "Working Cash Issues" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Proposed TY2016 Forecast

<u>Year</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
2016	79,879	-2,135	-82,014	-2,204
TOTAL	79,879	-2,135	-82,014	-2,204

Chapter 2 - ORA vs. SoCalGas

Part B - Capital-Related Costs

3. SCG-30 (Exh 358) - CUSTOMERS

Issue #	Subject	Reference
1. SCG30.000	Customers	2B3-a1

CHAPTER 2B3-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-30
Area: CUSTOMERS
Witness: Payan, Rosemarie
Subject: Customers

Issue Description: Active meter forecast

SoCalGas Position: Year-average total active customers are forecasted to increase from 5.606 million in 2013 to 5.712 million in 2016. This represents a total three-year increase of 103,791 customers, and a compound annual growth rate of 0.61 percent. The total customer count comprises forecasts by customer class: three sectors of residential, total commercial, and total industrial. SoCalGas uses econometric and statistical techniques to develop quarterly-data forecasts of residential, commercial and industrial customers.

Exhibit SCG-30, pages RMP-1 to 2
Exhibit SCG-230, Corrected SCG-30-WP

ORA Position: ORA proposes 5.694 million customers in 2016, a 0.018 million decrease from SoCalGas' forecast. ORA also developed econometric models to forecast customers to the residential, commercial, and industrial classes of service. ORA adopted SoCalGas' approach of developing separate models for the residential single-family, the residential multi-family and residential master meter, commercial, and industrial classes of service.

Exhibit ORA-3, pages 6 and 19

Note: See attachment for comparison table - Exhibit ORA-3, page 6, Table 3-2.

Settlement: The settlement does not address the merits of the parties' arguments or prejudice any party's ability to raise this issue again in an upcoming GRC.

CHAPTER 2B3-a1

1 Table 3-1 compares ORA's and SDG&E's forecasts of gas customers³ for
 2 2014-2016:

3 **Table 3-1**
 4 **Comparison of ORA's and SDG&E's Forecasts of Gas**
 5 **Customers for 2014-2016**

Description	ORA Recommended			SDG&E Proposed ⁴		
	2014	2015	2016	2014	2015	2016
Residential	836,758	846,823	857,029	838,671	848,964	861,283
Commercial & Industrial	30,176	30,294	30,451	30,085	30,067	30,121
NGV	25	25	25	25	25	25
Electric Generation	70	74	77	70	74	77
Total Customers	867,029	877,216	887,582	868,851	879,130	891,506

6 Table 3-2 compares ORA's and SoCalGas' forecasts of gas customers for
 7 2014-2016:

8 **Table 3-2**
 9 **Comparison of ORA's and SoCalGas' Forecasts of**
 10 **Customers for 2014-2016**

Description	ORA Recommended			SoCalGas Proposed ⁵		
	2014	2015	2016	2014	2015	2016
Residential Single-Family	3,624,369	3,643,378	3,669,092	3,626,418	3,645,823	3,667,359
Residential Multi-Family	1,748,672	1,761,402	1,776,868	1,752,150	1,771,533	1,796,593
Residential Master Meter	40,661	40,454	40,248	40,661	40,454	40,248
Commercial	187,754	187,623	188,056	188,058	188,470	188,979
Industrial	19,062	19,334	19,525	19,018	19,159	19,238
Total Customers	5,620,518	5,652,191	5,693,789	5,626,305	5,665,439	5,712,414

11

12

³ SoCalGas defines customers as Active Meters.

⁴ Ex. SDG&E-32, p. RMP-3.

⁵ Corrected SCG-30-WP, April 10, 2015.

Chapter 2 - ORA vs. SoCalGas

Part B - Capital-Related Costs

4. SCG-31 (Exh 303) - ESCALATION

Issue #	Subject	Reference
1. SCG31.000	Escalation	2B4-a1

CHAPTER 2B4-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-31
Area: ESCALATION
Witness: Wilder, Scott R.
Subject: Escalation

Issue Description: Escalation - Rates

SoCalGas Position: Per the Commission's Rate Case Plan, D.07-07-004, the escalation factors will be updated after hearings and before implementation, based on the same indexes used in original presentation during hearings.

Cost escalators were used to inflation-adjust costs from 2013 nominal dollars into TY 2016 nominal dollars, using escalation series from Global Insight's Utility Cost Information Service ("UCIS). The SoCalGas forecast incorporates escalators from IHS Global Insight's 4th Quarter 2013 Power Planner forecast released in February 2014.

Exhibit SCG-31, page SRW-1

The SCG position has been updated. Please refer to the Update Testimony of SDG&E and SoCalGas filed on August 17, 2015.

ORA Position: ORA adopts SoCalGas' labor, non-labor, and shared services escalation methodology. ORA uses a more recent Global Insight Power Planner forecast, specifically 4th quarter 2014.

Exhibit ORA-3, pages 35-36
Exhibit ORA-3-E-R

Settlement: Parties stipulate to the use of ORA's escalation forecasts from R/O model.

Please refer to Exhibit B, page B-6, section "Administrative and General Expenses: Expenses in ORA-17" of the Settlement Agreement Terms between San Diego Gas & Electric Company and Office of Ratepayer Advocates.

Chapter 2 - ORA vs. SoCalGas

Part B - Capital-Related Costs

5. SCG-32-R (Exh 228) - MISCELLANEOUS REVENUES

Issue #	Subject	Reference
1. SCG32.000	Service Establishment Charges	2B5-a1
2. SCG32.001	Reconnection Charge Revenues	2B5-a2
3. SCG32.002	Residential Limited Parts Program	2B5-a3
4. SCG32.003	Line Item Billing (Third Party Services)	2B5-a4

CHAPTER 2B5-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-32-R
Area: MISCELLANEOUS REVENUES
Witness: Somerville, Michelle A.
Subject: Service Establishment Charges

Issue Description: Service Establishment Charges Forecast

SoCalGas Position: SoCalGas requests \$24.875 million for TY 2016 for service establishment charges using a four-year average forecast adjusted for certain factors. The Service Establishment Charge ("SEC") is \$25 for all customers, except electric generation and wholesale customers, to establish gas service pursuant to SoCalGas' California Public Utilities Commission ("Commission" or "CPUC")-approved Tariff Rule 10. The 2016 forecast is based on the four-year historical average (2010-2013) adjusted for the annual customer growth factors for the period 2014-2016. This forecast methodology utilizes the available, applicable historical data and excludes the unusual activity in 2009 due to the economic downturn.

Exhibit SCG-32-R, page MAS-3

ORA Position: ORA proposes \$25.467 million for TY 2016 for service establishment charges, which represents an increase of \$0.592 million to SoCalGas' forecast. ORA uses a 5 year historical average going back to 2009. Additionally, ORA estimates the ratio of annual Service Establishment Charge revenues to annual total customer counts using Ratio Estimation.

Exhibit ORA-4, page 11

Settlement: Please refer to Appendix "SOE Tables".

Proposed TY2016 Forecast

<u>Year</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
2016	24,875	25,467	592	25,468
TOTAL	24,875	25,467	592	25,468

CHAPTER 2B5-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-32-R
Area: MISCELLANEOUS REVENUES
Witness: Somerville, Michelle A.
Subject: Reconnection Charge Revenues

Issue Description: Reconnection Charge Revenues Forecast

SoCalGas Position: SoCalGas requests \$1.498 million for TY 2016 for reconnection charge revenues using a five-year average forecast adjusted for certain factors. The Reconnection Charge is \$16 to re-establish service subsequent to the closing of a customer account for non-payment pursuant to SoCalGas' Commission-approved Tariff Rule 10. The 2016 estimate is based on the five-year historical average (2009-2013) adjusted for the annual customer growth factors for the period 2014-2016.

Exhibit SCG-32-R, page MAS-3

ORA Position: ORA proposes \$1.537 million for TY 2016 for reconnection charge revenues, which represents an increase of \$0.039 million to SoCalGas' forecast. ORA computes the quotient of the historical average of Reconnection Charge revenues divided by the historical average of customer counts to get the scaling factor of 0.03%. This scaling factor is used to scale SCG's customer test year total population estimate to get ORA's test year estimate of \$1,537,000 for Reconnection Charge revenues.

Exhibit ORA-4, page 14

Settlement: Please refer to Appendix "SOE Tables".

Proposed TY2016 Forecast

<u>Year</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
2016	1,498	1,537	39	1,537
TOTAL	1,498	1,537	39	1,537

CHAPTER 2B5-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-32-R
Area: MISCELLANEOUS REVENUES
Witness: Somerville, Michelle A.
Subject: Residential Limited Parts Program

Issue Description: Residential Limited Parts Program Forecast

SoCalGas Position: SoCalGas requests \$2.030 million for TY 2016 for the residential limited parts program using historical averaging forecasts. The residential parts program provides limited parts replacement for residential-type gas appliances (such as ranges, water heaters, and space heaters). The 2016 forecast is based on the five-year historical average (2009-2013) percentage yield of residential parts sales orders per customer service field order, multiplied by the customer service field forecasted orders, multiplied by the three-year historical average (2011-2013) of recorded miscellaneous revenues per sales order.

Exhibit SCG-32-R, page MAS-4

ORA Position: ORA proposes \$2.057 million for TY 2016 for the residential limited parts revenues, which represents an increase of \$0.027 million to SoCalGas' forecast. ORA computes the quotient of the historical average of residential parts program revenues divided by the historical average of customer counts to get the scaling factor of 0.04%. Taking the test year as an example, this scaling factor is used to scale SCG's customer test year total population estimate to get ORA's test year estimate of \$2,057,000 for residential parts program revenues.

Exhibit ORA-4, page 15

Settlement: Please refer to Appendix "SOE Tables".

Proposed TY2016 Forecast

<u>Year</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
2016	2,030	2,057	27	2,057
TOTAL	2,030	2,057	27	2,057

CHAPTER 2B5-a4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-32-R
Area: MISCELLANEOUS REVENUES
Witness: Somerville, Michelle A.
Subject: Line Item Billing (Third Party Services)

Issue Description:

SoCalGas Position: SoCalGas requests \$0.213 million for TY 2016 for line item billing using first quarter 2014 recorded values plus adjustments. This service is offered to third parties providing energy-related and home safety-related products and/or services to residential and small commercial industrial customers within SoCalGas' service territory. The forecasting method for line item billing is based on 2014 recorded values through the first quarter, plus projections for remainder of 2014, minus 20% customer attrition due to vendor's name change in the third quarter of 2014, minus 10% customer attrition due to non-payment during heating season, minus 20% customer attrition due to vendor's engagement with other local utilities/cannibalization of the market.

Exhibit SCG-32-R, page MAS-10

ORA Position: ORA proposes \$1.159 million for TY 2016 for third party services, which represents an increase of \$0.946 million to SoCalGas' forecast. SCG has not given any justification for its attrition estimates on the residential side other than that these revenues are "primarily dependent on external factors." ORA recommends maintaining the 2013 value of \$1,118,000 as its residential estimate for revenues from third party services for the years 2014 to 2016.

Exhibit ORA-4, page 17

Settlement: Please refer to Appendix "SOE Tables".

Proposed TY2016 Forecast

<u>Year</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>	<u>Settlement</u>
2016	213	1,159	946	1,159
TOTAL	213	1,159	946	1,159

Chapter 2 - ORA vs. SoCalGas

Part B - Capital-Related Costs

6. SCG-33 (Exh 250) - REGULATORY ACCOUNTS

Issue #	Subject	Reference
1. SCG33.002	Storage Integrity Management Program (SIMP) Balancing Account	2B6-a1

CHAPTER 2B6-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-33
Area: REGULATORY ACCOUNTS
Witness: Austria, Reginald M.
Subject: Storage Integrity Management Program (SIMP) Balancing Account

Issue Description:

SoCalGas Position: For the newly proposed SIMP Balancing Account (SIMPBA), SoCalGas is proposing the program be subject to two-way balancing, as described by the Storage witness, Phillip Baker (SCG-06). In addition, two-way balancing will enable SoCalGas to recover its full capital revenue requirement, otherwise, a significant and compounding undercollection would be left stranded.

Exhibit SCG-233, page RMA-5

ORA Position: ORA supports SoCalGas' proposal to create the SIMP to improve safety at the storage fields. However, ORA opposes SoCalGas' proposal to create a two-way balancing account. ORA recommends SIMP costs be subject to a one-way balancing account.

Exhibit ORA-11, Page 8

Settlement: The settlement does not address the merits of the parties' arguments or prejudice any party's ability to raise this issue again in an upcoming GRC.

Chapter 2 - ORA vs. SoCalGas

Part C - Other

1. SCG-06 (Exh 45) - UNDERGROUND STORAGE

Issue #	Subject	Reference
1. SCG06.000	SIMP	2C1-a1

CHAPTER 2C1-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-06
Area: UNDERGROUND STORAGE
Witness: Baker, Phillip E.

Subject: SIMP
SCG06.000

SoCalGas Position: SCG requests that the SIMP costs receive two-way balancing account treatment.

Exhibit SCG-06, p. PEB-iv

ORA Position: ORA recommends that the SIMP costs receive a one-way balancing account treatment to better protect the ratepayers instead of SCG's proposed two-way balancing account treatment.

Exhibit ORA-11, p. 8

Settlement: The settlement does not address the merits of the parties' arguments or prejudice any party's ability to raise this issue again in an upcoming GRC.

Chapter 2 - ORA vs. SoCalGas

Part C - Other

2. SCG-11 (Exh 110) - CS - OFFICE OPERATIONS

Issue #	Subject	Reference
1. SCG11A.001	Uncollectible Rate	2C2-a1

CHAPTER 2C2-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-11
Area: CS - OFFICE OPERATIONS
Witness: Goldman, Evan D.

Subject: Uncollectible Rate
SCG11A.001

SoCalGas Position: SoCalGas is requesting to increase the authorized uncollectible expense rate from the current authorized rate of 0.278% to 0.312%. SoCalGas' proposed rate is based on a five-year average of actual write-off for the period of 2009 through 2013.

Exhibit SCG-11, p. EDG-78

ORA Position: ORA recommends a TY 2016 uncollectible expense rate of .298% based on a three year (20011-2013) average.

Exhibit ORA-13, p. 82

Settlement: Please refer to Appendix "SOE Tables".

Chapter 2 - ORA vs. SoCalGas

Part C - Other

3. SCG-18-R (Exh 148) - INFORMATION TECHNOLOGY

Issue #	Subject	Reference
1. SCG18A.001	O&M and Capital in Next GRC	2C3-a1

CHAPTER 2C3-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-18-R
Area: INFORMATION TECHNOLOGY
Witness: Olmsted, Christopher R.

Subject: O&M and Capital in Next GRC
SCG18A.001

SoCalGas Position: The Risk Decision, D.14-12-025, adopts a Risk Spending Accountability Report requirement, which will have the effect of tracking risk-related spending, including spending on cybersecurity and risk management, in some fashion. SoCalGas believes any discussions concerning the tracking of cybersecurity and risk management costs are better suited to occur during the SMAP and RAMP proceedings, instead of the GRC.

Exhibit SCG-218, p. CRO-13, lines 27 to p. CRO-14, line 5

ORA Position: ORA recommends as part of SoCalGas' next GRC filing to track O&M expenses and capital expenditures for Cybersecurity and Risk Management in the four areas presented in this TY 2016 GRC: Governance and Compliance, Awareness and Outreach, Security Engineering and Security Operations. In doing so, parties in SoCalGas' next GRC will have better understanding and clarity on how funds are spent.

Exhibit ORA-15, p. 31, line 22 to p. 32, line 3

Settlement: The settlement does not address the merits of the parties' arguments or prejudice any party's ability to raise this issue again in an upcoming GRC.

Chapter 2 - ORA vs. SoCalGas

Part C - Other

4. SCG-21 (Exh 191) - COMPENSATION, HEALTH, & WELFARE

Issue #	Subject	Reference
1. SCG21A.003	Total Compensation Study	2C4-a1

CHAPTER 2C4-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

Subject: Total Compensation Study
SCG21A.003

SoCalGas Position: A total compensation study was conducted as part of SCG's 2016 General Rate Case ("GRC") submission in compliance with Commission decisions D.87-12-066, D.89-12-057, and D.96-01-011. The study was conducted to evaluate SCG's total compensation relative to the external labor market.

SCG-21, page DSR-3

ORA Position: Some states provide ratepayer funding for compensation at the median average, or the 50th percentile, meaning that half of the comparator companies pay more and half pay less. ORA recommends that Sempra ratepayers should fund no more than the median average.

Exhibit ORA-17, page 7

Settlement: The settlement does not address the merits of the parties' arguments or prejudice any party's ability to raise this issue again in an upcoming GRC.

Chapter 2 - ORA vs. SoCalGas

Part C - Other

5. SCG-35-R (Exh 92) - POST-TEST YEAR RATEMAKING

Issue #	Subject	Reference
1. SCG35.000	PTY - Primary Attrition Mechanism	2C5-a1
2. SCG35.001	PTY - Alternate Ratemaking Mechanism	2C5-a2
3. SCG35.002	PTY - Bonus Depreciation	2C5-a3
4. SCG35.003	PTY - GRC Term	2C5-a4
5. SCG35.004	PTY - Z-Factor Mechanism	2C5-a5

CHAPTER 2C5-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-35-R
Area: POST-TEST YEAR RATEMAKING
Witness: Van Der Leeden, Ronald M.

Subject: PTY - Primary Attrition Mechanism
SCG35.000

SoCalGas Position: SoCalGas proposes a PTY ratemaking mechanism to adjust its authorized revenue requirement in the post-test years by applying separate attrition adjustments for O&M expenses (including a separate attrition adjustment for medical expenses), capital-related costs and exogenous cost changes. Using the current GI 2017 and 2018 forecasted utility cost escalation factors, SoCalGas' proposal would result in attrition year revenue requirement increases of \$125 million (5.3%) in 2017 and \$94 million (3.8%) in 2018.

Exhibit SCG-35-R, page RMV-1

ORA Position: ORA proposes post-test year increases of 3.5% per year for 2017, 2018, and 2019, for both utilities. ORA's recommended percentage factors are guided by: a recent forecast of the All-Urban Consumer Price Index (CPI or CPI-U), equal to 2.2% for 2017, 2.2% for 2018, and 2.3% for 2019; attrition increases adopted by the Commission in recent GRCs; and more specifically, the most recent post-test year increase adopted for the Sempra Utilities in D.13-05-010, which provided an additional 75 basis points above CPI.

Exhibit ORA-23-A, pages 15-16

Note: Please see PTY - Alternate Ratemaking Mechanism for more information on this subject.

Settlement: Parties stipulate to the ORA proposal of a 3.5% increase in 2017 and 3.5% in 2018.

Please refer to Exhibit B, page B-8, section "Post Test Year Ratemaking" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

The settlement does not address the merits of the parties' arguments or prejudice any party's ability to raise this issue again in an upcoming GRC.

CHAPTER 2C5-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-35-R
Area: POST-TEST YEAR RATEMAKING
Witness: Van Der Leeden, Ronald M.

Subject: PTY - Alternate Ratemaking Mechanism
SCG35.001

SoCalGas Position: SoCalGas proposes a PTY ratemaking mechanism to adjust its authorized revenue requirement in the post-test years by applying separate attrition adjustments for O&M expenses (including a separate attrition adjustment for medical expenses), capital-related costs and exogenous cost changes. Using the current GI 2017 and 2018 forecasted utility cost escalation factors, SoCalGas' proposal would result in attrition year revenue requirement increases of \$125 million (5.3%) in 2017 and \$94 million (3.8%) in 2018.

Exhibit SCG-35-R, page RMV-1

ORA Position: If the Commission does not adopt ORA's primary recommendation, then the Commission should adopt ORA's alternate recommendations. ORA recommends that limits be placed on how much the escalation rates can be automatically adjusted. ORA recommends a cap which limits such changes to no more than 200 basis points (2.00%) above the currently forecasted rates if/when the Sempra Utilities update rates in September of the year prior to the target post-test year. ORA recommends medical costs are escalated by 5.0% in 2017, 4.3% in 2018, and 3.6% in 2019, based upon a recent IHS forecast of group health insurance escalation rates. If the Commission concludes that Global Insight's forecasted medical escalation rates are insufficient, then ORA recommends an alternative rate of 6.6%, which is consistent with ORA's test year forecast of medical escalation in this GRC.

Note: ORA recommends using the 2014 recorded capital additions, and the Commission-adopted 2015 and 2016 capital additions forecasts, in calculating the 7- year average instead of SoCalGas' 2014-2016 forecasts.

Exhibit ORA-23-A, pages 18-22

Please see PTY - Primary Attrition Mechanism for more information on this subject.

Settlement: Please refer to Exhibit B, page B-8, section "Post Test Year Ratemaking" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

The settlement does not address the merits of the parties' arguments or prejudice any party's ability to raise this issue again in an upcoming GRC.

CHAPTER 2C5-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-35-R
Area: POST-TEST YEAR RATEMAKING
Witness: Van Der Leeden, Ronald M.

Subject: PTY - Bonus Depreciation
SCG35.002

SoCalGas Position: SCG has modeled the impacts of bonus depreciation only for 2014.

ORA Position: If provisions for bonus depreciation are extended into any years beyond 2014, through the end of this rate case cycle, the Sempra Utilities should be required to make the appropriate revenue requirement adjustments to reflect the impacts from bonus depreciation so that the benefits are flowed through to ratepayers. The full benefits should be included in SDG&E's and SoCalGas' post-test year advice letters.

Exhibit ORA-23-A, page 18

Settlement: Please refer to Exhibit B, page B-8, section "Post Test Year Ratemaking" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

The settlement does not address the merits of the parties' arguments or prejudice any party's ability to raise this issue again in an upcoming GRC.

CHAPTER 2C5-a4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-35-R
Area: POST-TEST YEAR RATEMAKING
Witness: Van Der Leeden, Ronald M.

Subject: PTY - GRC Term
SCG35.003

SoCalGas Position: SoCalGas proposes a three-year GRC term of 2016-2018, with its next GRC test year in 2019. Currently, PG&E and SCE are proposing that their next GRC test years will be 2017 and 2018, respectively. The TY2012 GRCs for SoCalGas, San Diego Gas & Electric ("SDG&E") and SCE were overlapping and resulted in significant procedural delays.

Exhibit SCG-35-R, page RMV-2

ORA Position: ORA recommends a 4-year GRC cycle for the Sempra Utilities (2016-2019). With a 3-year GRC cycle, test years of the initial case serve as base years for the following rate case. This presents a problem because recorded test year costs may not be representative of future costs, as utilities often initiate new programs during the test year, and initial costs may not reflect a more stable or steady-state level of expenses or expenditures. A 4-year GRC cycle allows for better utility financial and operational management of spending and investment.

Exhibit ORA-23-A, page 13

Settlement: The settlement does not address the merits of the parties' arguments or prejudice any party's ability to raise this issue again in an upcoming GRC.

CHAPTER 2C5-a5

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-35-R
Area: POST-TEST YEAR RATEMAKING
Witness: Van Der Leeden, Ronald M.

Subject: PTY - Z-Factor Mechanism
SCG35.004

SoCalGas Position: SoCalGas proposes to continue the existing Z-factor mechanism, unchanged for this 2016-2018 GRC term. The mechanism uses a series of eight criteria outlined in D.94-06-011 to identify exogenous cost changes that qualify for rate adjustments prior to the next GRC test year. SCG believes the current Z factor mechanism is effective for the test year and post-test years.
Exhibit SCG-35-R, pages RMV-7 to 8

ORA Position: ORA recommends that the mechanism be effective only during the post-test years, and not for the test year. This is consistent with ORA's recommendation in the PG&E 2014 GRC, which was adopted by the Commission.

Exhibit ORA-23-A, page 17

Settlement: The settlement does not address the merits of the parties' arguments or prejudice any party's ability to raise this issue again in an upcoming GRC.

Chapter 2 - ORA vs. SoCalGas

Part C - Other

6. SCG-36-R (Exh 182) - COMPLIANCE

Issue #	Subject	Reference
1. SCG36.001	Privileged Audits	2C6-a1

CHAPTER 2C6-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-36-R
Area: COMPLIANCE
Witness: Shimansky, Gregory D.

Subject: Privileged Audits
SCG36.001

SoCalGas Position: Certain audit reports are marked confidential and privileged, since they are protected from disclosure by the attorney client privilege and/or attorney work product doctrine. The Commission has long recognized the validity of these privileges and there should be not automatic penalty to a regulated entity for exercising its legal rights. In addition, SoCalGas takes issue with ORA's calculation of the reduction because performing these audits did not amount to an incremental expense, as one would conclude by removing the implied and calculated costs of these audits.

Exhibit SCG-242, pages GDS-3 to 4

ORA Position: ORA recommends removal of \$230,000 in total from years 2011 and 2013 - \$20,000 in 2011, and \$210,000 in 2013. ORA reviewed the Internal Audit the Sempra Utilities conducted from 2009 through 2014. Of the 62 Internal Audit reports ORA selected for review, the Applicants designated 12 reports as "Privileged". Since ORA was not permitted to review those Internal Audit reports, ORA could not determine whether the costs of those audits are justifiably assigned to ratepayers. For this reason, ORA recommends a \$756,000 (at Corporate Center) disallowance, to be adjusted in the RO Model for TY 2019.

Exhibit ORA-24, pages 3-4

Settlement: Please refer to Exhibit B, page B-6, section "Corporate Center Expenses" of the Settlement Agreement Terms between Southern California Gas Company and Office of Ratepayer Advocates.

Chapter 2 - ORA vs. SoCalGas

Part C - Other

7. SCG-39 (Exh 124) - ADVANCED METERING INFRASTRUCTURE POLICY

Issue #	Subject	Reference
1. SCG39.000	Advanced Meter Infrastructure (AMI) Policy	2C7-a1

CHAPTER 2C7-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-39
Area: ADVANCED METERING INFRASTRUCTURE POLICY
Witness: Garcia, Rene F.

Subject: Advanced Meter Infrastructure (AMI) Policy
SCG39.000

SoCalGas Position: SoCalGas proposes to file a Tier 2 advice letter seeking to revise the per meter benefit used to calculate AMI benefits if the Commission authorizes expense levels in the TY 2016 GRC that reflect AMI benefits already included in the AMI revenue requirement that is currently in rates.

Exhibit SCG-239, p. RFG-2

ORA Position: In the unlikely event that the Commission adopts TY 2016 O&M expense levels that reflect AMI benefits already included in the AMI revenue requirement, ORA does not oppose SoCalGas' proposal to file an advice letter seeking to revise the per meter benefit used to calculate AMI benefits. If this were to occur, ORA recommends that the Commission require SoCalGas to file a Tier 3 advice letter given the implications of recalculating AMI benefits.

Exhibit ORA-23-A, pp. 23-25

Settlement: The settlement does not address the merits of the parties' arguments or prejudice any party's ability to raise this issue again in an upcoming GRC.

Settlement Terms Index to Comparison Exhibit: SoCalGas
(\$ millions)

<u>Settlement Agreement Terms between SoCalGas and ORA</u>		<u>SCG Comparison Exhibit</u>			
		SoCalGas	ORA		
		<u>Forecast</u>	<u>Forecast</u>	<u>Workpaper</u>	<u>Page</u>
SoCalGas Expenses					
<u>Gas Distribution Expenses</u>					
1. Field Operation and Maintenance Expenses					
Parties stipulate to a forecast of Field Operation and Maintenance expenses of \$ 101.960 million for 2016.	101.960				
Locate and Mark: Parties stipulate to an \$ 11.577 million forecast.	11.577	12.450	10.966	2GD000.002	24
Main Maintenance: Parties stipulate to the SoCalGas forecast of \$ 18.900 million.	18.900	18.900	14.213	2GD000.003	25
Field Support: Parties stipulate to ORA forecast of \$ 21.457 million.	21.457	24.895	21.457	2GD000.000	22
Parties did not have any differences in forecasts for Leak Survey, Measurement and Regulation, Cathodic Protection, Service Maintenance and Tools, Fittings and Materials.		50.047	50.047	See Appendix B	
		<u>106.292</u>	<u>96.683</u>		
2. Asset Management					
Parties stipulate to a compromise forecast of \$ 10.200 million.	10.200	10.827	9.458	2GD001.000	27
3. Operations Management and Training					
Parties stipulate to a compromise forecast of \$ 14.000 million for 2016.	14.000	15.645	11.834	2GD004.000	28
4. Regional Public Affairs					
Parties have no dispute and agree to a forecast of \$ 4.316 million for 2016.	4.316	4.316	4.316	See Appendix B	
	<u>130.476</u>	<u>137.080</u>	<u>122.291</u>	Total Non-shared	
5. Operations Leadership and Support					
Parties stipulate to the ORA forecast of \$ 4.384 million for total shared services.	4.384	5.668	2.140	2GD00A-USS.ALL	30
		<u>2.244</u>	<u>2.244</u>	See Appendix B	
		<u>7.912</u>	<u>4.384</u>	Total Shared	
6. Total Gas Distribution O&M					
Parties stipulate to a Total Non-Shared O&M expense forecast of \$130.476 million.					
Parties stipulate to a Total Shared O&M forecast of \$ 4.384 million.					

Settlement Terms Index to Comparison Exhibit: SoCalGas
(\$ millions)

<u>Settlement Agreement Terms between SoCalGas and ORA</u>	<u>SCG Comparison Exhibit</u>			
	SoCalGas <u>Forecast</u>	ORA <u>Forecast</u>	<u>Workpaper</u>	<u>Page</u>
<u>Gas Transmission, Underground Storage, Gas Engineering and Pipeline Integrity Expenses</u>				
<u>Non-Shared O&M Expenses for TY 2016</u>				
Parties stipulate to a compromise forecast for Non-Shared Gas Transmission Expenses of \$ 35.585 million.	35.585	22.502 10.013 <u>3.242</u> 35.757	21.620 9.803 <u>3.192</u> 34.615	2GT000.000 2GT001.000 2GT002.000 60 61 62
Parties stipulate to a compromise forecast for Non-Shared Underground Storage Expenses of \$ 38.380 million.	38.380	34.101 <u>6.081</u> 40.182	30.294 <u>6.081</u> 36.375	2US000.000 See Appendix B 71
Parties stipulate to the SoCalGas forecast for Non-Shared Gas Engineering Expenses of \$ 14.950 million.	14.950	8.230 1.945 1.608 1.218 <u>1.951</u> 14.952	6.775 1.603 1.325 0.996 <u>1.608</u> 12.307	2EN000.000 2EN001.000 2EN002.000 2EN003.000 2EN004.000 85 87 89 91 92
Parties have no dispute for Non-Shared Pipeline Integrity Expenses and agree to a forecast of \$97.154 million.	97.154		See Appendix B	
<u>Shared O&M Expenses for TY 2016</u>				
Parties stipulate to the SoCalGas forecast for Shared Gas Transmission Expenses of \$ 5.292 million.	5.292	0.344 0.949 3.586 <u>0.413</u> 5.292	0.314 0.849 3.378 <u>0.413</u> 4.954	2GT00A-USS.ALL 2GT00C-USS.ALL 2GT00D-USS.ALL See Appendix B 64 66 68
Parties stipulate to the SoCalGas forecast for Shared Gas Engineering Expenses of \$ 19.178 million.	19.178	17.347 0.902 0.535 <u>0.395</u> 19.179	15.138 0.787 0.467 <u>0.345</u> 16.737	2EN00A-USS.ALL 2EN00B-USS.ALL 2EN00C-USS.ALL 2EN00D-USS.ALL 94 97 99 101

Settlement Terms Index to Comparison Exhibit: SoCalGas
(\$ millions)

<u>Settlement Agreement Terms between SoCalGas and ORA</u>		<u>SCG Comparison Exhibit</u>			
		SoCalGas	ORA	Workpaper	Page
		<u>Forecast</u>	<u>Forecast</u>		
<u>Customer Services Expenses</u>					
<u>Non-Shared O&M Expenses for TY 2016</u>					
Parties stipulate to a compromise forecast of \$ 321.588 million for SoCalGas Non-Shared Expenses.					321.588
•	Parties stipulate to a compromise forecast of \$ 192.858 million for Customer Services Field and Meter Reading.	192.858			
		127.945	112.720	2FC001.000	113
		13.388	12.264	2FC002.000	114
		12.623	11.033	2FC004.000	115
		46.846	46.846	See Appendix B	
		<u>200.802</u>	<u>182.863</u>		
•	Parties stipulate to a compromise forecast of \$ 96.128 million for Customer Service Office Operations.	96.128			
		34.924	31.222	20O000.000	119
		10.381	9.190	20O001.000	120
		4.502	3.744	20O006.000	121
		48.270	48.270	See Appendix B	
		<u>98.077</u>	<u>92.426</u>		
•	Parties stipulate to a compromise forecast of \$ 21.202 million for Customer Service Information.	21.202			
		8.891	6.637	2IN001.000	123
		4.253	3.196	2IN002.000	124
		9.413	7.171	2IN004.000	125
		2.078	2.078	See Appendix B	
		<u>24.635</u>	<u>19.082</u>		
•	Parties stipulate to a compromise forecast of \$ 11.400 million for Customer Service Technology, Policies and Solutions.	11.400			
		12.715	10.385	2RD001.001	127
<u>Shared O&M Expenses for TY 2016</u>					
Parties stipulate to a compromise forecast of \$ 16.838 million for SoCalGas Shared Expenses.					16.838
•	Parties stipulate to a compromise forecast of \$ 2.000 million for Customer Services Field and Meter Reading.	2.000			
		2.406	1.737	2FC00A-USS.ALL	117
•	Parties have no dispute and agree to a forecast of \$ 6.032 million for Customer Service Office Operations.	6.032		See Appendix B	
		6.032	6.032	See Appendix B	
•	Parties have no dispute and agree to a forecast of \$ 3.398 million for Customer Service Information.	3.398		See Appendix B	
		3.398	3.398	See Appendix B	
•	Parties stipulate to a compromise forecast of \$ 5.408 million for Customer Service Technology, Policies and Solutions.	5.408			
		4.006	0	2RD00A-USS.ALL	129
		2.272	1.542	2RD00B-USS.ALL	131
		1.866	1.866	See Appendix B	
		<u>8.144</u>	<u>3.408</u>		
		19.980	14.575	Total Shared	

Settlement Terms Index to Comparison Exhibit: SoCalGas
(\$ millions)

<u>Settlement Agreement Terms between SoCalGas and ORA</u>		<u>SCG Comparison Exhibit</u>			
		<u>SoCalGas</u>	<u>ORA</u>	<u>Workpaper</u>	<u>Page</u>
		<u>Forecast</u>	<u>Forecast</u>		
<u>Information Technology</u>					
<u>Non-Shared O&M Expenses</u>					
<ul style="list-style-type: none"> Parties stipulate to the SoCalGas labor forecast of \$ 5.924 million. 	5.924	2.282	2.208	2IT001.000	161
		3.571	3.455	2IT002.000	162
		0.071	0.069	2IT003.000	163
		5.924	5.732		
<ul style="list-style-type: none"> Parties have no dispute and agree to a non-labor forecast of \$ 1.715 million. 	1.715	0.571	0.571	2IT001.000	161
		0.885	0.885	2IT002.000	162
		0.260	0.260	2IT003.000	163
		1.716	1.716		
<u>Shared O&M Expenses</u>					
<ul style="list-style-type: none"> Parties stipulate to a compromise labor forecast of \$ 12.600 million. 	12.600	7.235	5.697	2IT00A-USS.ALL	165
		5.870	4.622	2IT00B-USS.ALL	167
		0.202	0.159	2IT00D-USS.ALL	170
		0.761	0.599	See Appendix B	
		14.068	11.077		
<ul style="list-style-type: none"> Parties have no dispute and agree to a non-labor forecast of \$ 1.916 million. 	1.916	1.025	1.025	2IT00A-USS.ALL	165
		0.780	0.780	2IT00B-USS.ALL	167
		0.066	0.066	2IT00D-USS.ALL	170
		0.046	0.046	See Appendix B	
		1.917	1.917		

Settlement Terms Index to Comparison Exhibit: SoCalGas
(\$ millions)

<u>Settlement Agreement Terms between SoCalGas and ORA</u>		<u>SCG Comparison Exhibit</u>			
		SoCalGas <u>Forecast</u>	ORA <u>Forecast</u>	<u>Workpaper</u>	<u>Page</u>
<u>Support Services</u>					
<u>Non-Shared O&M Support Services Expenses</u>					
Parties stipulate to a forecast of \$ 112.528 million for Non-Shared O&M Support Services Expenses.	112.528				
Parties stipulate to a forecast of \$ 20.242 million for Non-Shared Supply Management Expenses.	20.242				
<ul style="list-style-type: none"> • Parties stipulate to a compromise forecast of \$ 2.000 million for Supply Management – Op. Strategy and Analysis. 	2.000	1.923	0.736	2SS010.000	137
		0.534	0.534	See Appendix B	
		2.457	1.270		
<ul style="list-style-type: none"> • Parties stipulate to the ORA forecast of \$ 11.858 million for Logistics and Shops. 	11.858	7.061	6.440	2SS001.000	133
		3.536	3.296	2SS002.000	134
		1.786	2.122	2SS003.000	135
		12.383	11.858		
<ul style="list-style-type: none"> • Parties have no dispute and agree to a forecast of \$1.729 million for Procurement. • Parties agree to the SoCalGas forecast of \$ 1.529 million for Supplier Diversity. • Parties have no dispute and agree to a forecast of \$ 3.126 million for Document Management & Office Services. 	1.729 1.529 3.126	1.729 1.528 3.126	1.729 1.155 3.126	See Appendix B 2SS007.000 See Appendix B	136
Parties stipulate to a forecast of \$ 81.076 million for Non-Shared Fleet Services & Facility Operations Expenses.	81.076	14.477	11.598	2RF002.000	139
		13.149	11.730	2RF002.001	140
		30.751	27.343	2RF003.001	141
		3.767	2.901	2RF003.002	142
		-1.248	-1.775	2RF003.003	143
		3.869	2.979	2RF003.004	144
		19.778	19.778	See Appendix B	
		84.543	74.554		
Parties have no dispute and agree to a forecast of \$ 2.190 million for Real Estate.	2.190			See Appendix B	
Parties stipulate to a forecast of \$ 9.020 million for Non-Shared Environmental Services Expenses.	9.020				
<ul style="list-style-type: none"> • Parties stipulate to the ORA forecast of \$ 3.520 million for Environmental Compliance. • Parties stipulate to a compromise forecast of \$5.500 million for NERBA. 	3.520 5.500	3.625 5.903	3.521 5.106	2EV000.000 2EV000.001	155 156
		9.528	8.627		

Settlement Terms Index to Comparison Exhibit: SoCalGas
(\$ millions)

<u>Settlement Agreement Terms between SoCalGas and ORA</u>	<u>SCG Comparison Exhibit</u>			
	SoCalGas	ORA	Workpaper	Page
	<u>Forecast</u>	<u>Forecast</u>		
<u>Shared O&M Support Services Expenses</u>				
Parties stipulate to a compromise forecast of \$ 21.808 million for Shared O&M Support Services Expenses.				21.808
Parties have no dispute and agree to a forecast of \$ 3.479 million for Shared Fleet Services & Facility Operations.			See Appendix B	
				3.479
Parties stipulate to a forecast of \$ 15.421 million for Shared Real Estate Expenses.				15.421
<ul style="list-style-type: none"> • Parties stipulate to a compromise forecast of \$ 14.000 million for Gas Company Tower Rents. • Parties stipulate to the SoCalGas forecast of \$ 1.421 million for Microwave Tower Rents. 	14.000	13.443	2RE00A-USS.ALL	150
	1.421	1.267	2RE00B-USS.ALL	152
Parties stipulate to the ORA forecast of \$ 2.908 million for Shared Environmental Expenses.		2.580	2EV00A-USS.ALL	158
		0.328	See Appendix B	
	3.140	0.328		
	3.468	2.908		

Settlement Terms Index to Comparison Exhibit: SoCalGas
(\$ millions)

<u>Settlement Agreement Terms between SoCalGas and ORA</u>		<u>SCG Comparison Exhibit</u>			
		SoCalGas	ORA	Workpaper	Page
		<u>Forecast</u>	<u>Forecast</u>		
<u>Administrative and General Expenses</u>					
<u>Expenses in ORA – 18</u>					
<u>Non-Shared Expenses</u>					
Parties stipulate to a compromise forecast of \$ 46.625 million for SoCalGas Non-Shared Expenses.	46.625				
<ul style="list-style-type: none"> • Parties have no dispute and agree to a forecast of \$ 3.624 million for Offices of President & CEO, COO and VP of HR. 3.624 • Parties stipulate to a compromise forecast of \$ 18.500 million for Human Resources Department. 18.500 			See Appendix B		
		4.757	4.491	2HR004.000	199
		1.860	1.739	2HR005.000	201
		11.443	6.390	2HR006.000	203
		2.441	2.256	2HR007.000	207
		1.350	1.350	See Appendix B	
		21.851	16.226		
<ul style="list-style-type: none"> • Parties stipulate to a compromise forecast of \$ 24.500 million for Workers' Compensation and Long-Term Disability. 24.500 		26.426	23.258	2HR006.001	206
<u>Shared Expenses</u>					
Parties have no dispute and agree to a forecast of \$ 2.049 million for Human Resources Department.	2.049			See Appendix B	
<u>Expenses in ORA – 19</u>					
<u>Non-Shared Expenses</u>					
Parties stipulate to the SoCalGas forecast of \$ 22.797 million for SoCalGas Non-Shared Expenses.	22.797				
<ul style="list-style-type: none"> • Parties have no dispute and agree to a forecast of \$ 0.724 million for Regulatory Affairs, \$ 14.271 million for Accounting & Finance, and \$ 6.283 million for Legal Expenses. 21.278 • Parties stipulate to the SoCalGas forecast of \$ 1.519 million for External Affairs & Employee Communications. 1.519 			See Appendix B		
		1.023	0.863	2AG011.000	212
		0.496	0.496	See Appendix B	
		1.519	1.359		
<u>Shared Expenses</u>					
Parties have no dispute and agree to a forecast of \$ 6.442 million.				See Appendix B	
<u>Meals and Entertainment</u>					
Parties stipulate to the ORA proposed adjustment of (\$ 0.693) million for Meals and Entertainment.		0	-0.693	2AG002.000	210

Settlement Terms Index to Comparison Exhibit: SoCalGas
(\$ millions)

<u>Settlement Agreement Terms between SoCalGas and ORA</u>	<u>SCG Comparison Exhibit</u>				
	<u>SoCalGas</u> <u>Forecast</u>	<u>ORA</u> <u>Forecast</u>	<u>Workpaper</u>	<u>Page</u>	
Expenses in ORA-17					
Compensation Expenses					
Parties stipulate to a compromise forecast of \$ 26.973 million for SoCalGas Total Compensation Expenses.				26.973	
<ul style="list-style-type: none"> • For purposes of settlement, Parties stipulate to a compromise forecast of \$ 25.000 million for Variable Pay / Incentive Compensation Program. This stipulation does not resolve any policy issues regarding variable pay compensation. 	25.000	49.213	16.936	2CP000.000	184
<ul style="list-style-type: none"> • Parties stipulate to the ORA forecast of \$ 0 for Long-Term Incentive Plan. 	0	7.592	0	2CP000.002	185
<ul style="list-style-type: none"> • Parties have no dispute and agree to a forecast of \$ 1.291 million for the Spot Cash Program and \$ 0.682 million for the Employee Recognition Program. 	1.973	1.973	1.973	See Appendix B	
		58.778	18.909		
Parties stipulate to a compromise forecast of \$ 95.892 million for SoCalGas Health Benefits Expenses.					95.892
<ul style="list-style-type: none"> • Parties stipulate to a compromise forecast of \$ 88.000 million for Medical Expenses. 	88.000	89.763	87.173	2PB000-000	186
<ul style="list-style-type: none"> • Parties stipulate to the ORA updated forecast for Dental, Vision, Wellness, EAP and Mental Health expenses which totals \$7.892 million. 	7.892	4.625	4.502	2PB000.001	188
		0.590	0.594	2PB000.002	189
		0.842	0.359	2PB000.003	190
		0.927	0.904	2PB000.004	191
		1.916	1.533	2PB000.005	192
		8.900	7.892		
		98.663	95.065		
Parties stipulate to a compromise forecast of \$ 0.435 million for SoCalGas Supplemental Pension and to the ORA forecast of \$ 0 for Nonqualified Retirement Savings Plan.					0.435
		0.870	0	2PB000.012	195
		0.216	0	2PB000.023	197
		1.086	0		

Settlement Terms Index to Comparison Exhibit: SoCalGas
(\$ millions)

<u>Settlement Agreement Terms between SoCalGas and ORA</u>	<u>SCG Comparison Exhibit</u>			
	<u>SoCalGas</u>	<u>ORA</u>	<u>Workpaper</u>	<u>Page</u>
	<u>Forecast</u>	<u>Forecast</u>		
<u>Corporate Center Expenses</u>				
Allocation to SoCalGas is \$ 48.500 million.	48.500	49.821	47.384	2SE000.001
		1.955	1.955	See Appendix B
<u>Other – Enterprise Risk Management</u>				
Parties stipulate to a compromise forecast of \$ 1.000 million for SoCalGas Risk Management Expenses.	1.000	2.592	0	2RM00A-USS.ALL
				20
<u>Escalation</u>				
Parties stipulate to the use of ORA’s escalation forecasts from R/O model.				222

Settlement Terms Index to Comparison Exhibit: SoCalGas
(\$ millions)

<u>Settlement Agreement Terms between SoCalGas and ORA</u>		<u>SCG Comparison Exhibit</u>			
		SoCalGas	ORA		
		<u>Forecast</u>	<u>Forecast</u>	<u>Workpaper</u>	<u>Page</u>
Capital Expenditures and Working Cash related issues for SoCalGas					
<u>Capital Expenditures</u>					
1. Gas Distribution Capital Expenditures					
Parties stipulate to ORA's 2014 capital expenditure forecast of \$ 247.447 million.	247.447	24.190	25.873	00151.0.ALL	33
		37.231	29.785	00163.0.ALL	35
		8.048	4.377	00173.0.ALL	37
		27.561	38.215	00251.0.ALL	39
		47.233	28.497	00252.0.ALL	41
		3.582	5.012	00254.0.ALL	43
		22.217	22.199	00256.0.ALL	44
		10.301	10.314	00261.0.ALL	46
		18.472	18.872	00262.0.ALL	48
		3.867	2.622	00264.0.ALL	50
		5.554	6.449	00265.0.ALL	52
		4.267	3.734	00267.0.ALL	53
		8.169	2.322	00725.0.ALL	55
		53.734	49.097	00903.0.ALL	57
		274.426	247.368		
Parties stipulate to SoCalGas' 2015 capital expenditure forecast \$ 271.848 million.	271.848	28.636	25.773	00151.0.ALL	33
		38.190	28.977	00163.0.ALL	35
		9.169	9.169	00173.0.ALL	37
		19.825	19.825	00251.0.ALL	39
		47.233	37.038	00252.0.ALL	41
		3.582	3.582	00254.0.ALL	43
		15.899	15.899	00256.0.ALL	44
		10.301	10.301	00261.0.ALL	46
		20.128	19.304	00262.0.ALL	48
		3.867	2.622	00264.0.ALL	50
		5.554	5.554	00265.0.ALL	52
		4.267	3.734	00267.0.ALL	53
		8.129	6.119	00725.0.ALL	55
		53.448	47.937	00903.0.ALL	57
		3.620	3.620	See Appendix B	
		271.848	239.454		
Parties have no dispute and agree to the SoCalGas and ORA 2016 capital expenditure forecast of \$ 273.616 million.	273.616	See Appendix B			

Settlement Terms Index to Comparison Exhibit: SoCalGas
(\$ millions)

<u>Settlement Agreement Terms between SoCalGas and ORA</u>	<u>SCG Comparison Exhibit</u>			
	SoCalGas Forecast	ORA Forecast	Workpaper	Page
<p>2. Underground Storage Capital Expenditures</p> <p>Parties stipulate to ORA's 2014 capital expenditure forecast of \$ 71.069 million.</p>	71.069	7.791 33.898 6.546 8.796 <u>14.398</u> 71.429	11.858 31.320 2.746 13.850 <u>11.294</u> 71.068	00411.0.ALL 00412.0.ALL 00413.0.ALL 00414.0.ALL 00419.0.ALL 73 75 77 79 81
Parties have no dispute and agree to the SoCalGas and ORA's 2015 capital expenditure forecast of \$ 74.270 million.	74.270		See Appendix B	
Parties have no dispute and agree to the SoCalGas and ORA's 2016 capital expenditure forecast of \$ 90.523 million.	90.523		See Appendix B	
<p>3. Gas Transmission and Engineering</p> <p>Parties stipulate to ORA's 2014 capital expenditure forecast of \$ 47.059 million.</p>	47.059	64.102	47.062	00301.0.ALL 104
Parties stipulate to a compromise 2015 capital expenditure forecast of \$ 98.662 million.	98.662	64.376 <u>39.419</u> 103.795	47.464 <u>39.419</u> 86.883	00301.0.ALL See Appendix B 104
Parties stipulate to a compromise 2016 capital expenditure forecast of \$ 146.730 million.	146.730	41.229 <u>100.366</u> 141.595	45.390 <u>100.366</u> 145.756	00301.0.ALL See Appendix B 104
<p>4. Pipeline Integrity (TIMP and DIMP)</p> <p>Parties stipulate to ORA's 2014 capital expenditure forecast of \$ 51.155 million.</p>	51.155	3.048 15.160 <u>34.834</u> 53.042	1.745 13.996 35.414 51.155	00276.0.ALL 00277.0.ALL 00312.0.ALL 109 110 111
Parties have no dispute and agree to the SoCalGas and ORA's 2015 capital expenditure forecast of \$ 48.637 million.	48.637		See Appendix B	
Parties have no dispute and agree to the SoCalGas and ORA's 2016 capital expenditure forecast of \$ 125.184 million.	125.184		See Appendix B	

Settlement Terms Index to Comparison Exhibit: SoCalGas
(\$ millions)

<u>Settlement Agreement Terms between SoCalGas and ORA</u>	<u>SCG Comparison Exhibit</u>			
	SoCalGas <u>Forecast</u>	ORA <u>Forecast</u>	<u>Workpaper</u>	<u>Page</u>
5. Fleet Services & Facility Operations				
Parties stipulate to ORA's 2014 capital expenditure forecast of \$ 27.628 million.	27.628	29.247 1.850 <u>31.097</u>	25.778 1.850 <u>27.628</u>	00653.0.ALL See Appendix B 146
Parties stipulate to SoCalGas 2015 capital expenditure forecast of \$ 36.050 million.	36.050	29.092 6.958 <u>36.050</u>	26.042 6.958 <u>33.000</u>	00653.0.ALL See Appendix B 146
Parties stipulate to SoCalGas 2016 capital expenditure forecast of \$ 38.011 million.	38.011	28.821 9.190 <u>38.011</u>	23.810 9.190 <u>33.000</u>	00653.0.ALL See Appendix B 146
6. IT Capital Expenditures				
Parties stipulate to ORA's 2014 capital expenditure forecast of \$ 79.709 million.	79.709	103.739	79.709	00750.0.ALL 173
Parties stipulate to SoCalGas 2015 capital expenditure forecast of \$ 119.916 million.	119.916	63.549 56.366 <u>119.915</u>	43.458 56.366 <u>99.824</u>	00750.0.ALL See Appendix B 173
Parties have no dispute and agree to the ORA and SoCalGas 2016 capital expenditure forecast of \$104.796 million.	104.796			See Appendix B

Settlement Terms Index to Comparison Exhibit: SoCalGas
(\$ millions)

<u>Settlement Agreement Terms between SoCalGas and ORA</u>	<u>SCG Comparison Exhibit</u>			
	<u>SoCalGas</u> <u>Forecast</u>	<u>ORA</u> <u>Forecast</u>	<u>Workpaper</u>	<u>Page</u>
<u>Working Cash Issues</u>				
Parties agree to the ORA forecast for Cash Balances of \$ 0.				217
Parties agree to the ORA forecast for revenue lag days of 41.55.				217
Parties agree to the ORA forecast for federal income tax lag days of 37.50.				217
Parties agree to the ORA forecast for state income tax lag days of 20.60.				217
For purpose of settlement the Parties stipulate to the ORA revenue requirement adjustment of \$3.072 million, which in this instance only matches amounts as if customer deposits were treated as a source of debt. This stipulation does not resolve the policy issue of whether customer deposits are to be henceforth treated as a source of debt.	-3.072	0	-3.072	2AG002.000 210
<u>Post Test Year Ratemaking</u>				
Parties stipulate to the ORA proposal of a 3.5% increase in 2017 and 3.5% in 2018.				239

IV. APPENDICES

Appendix A. Settlement Terms Cross Reference

Settlement Terms Cross Reference

O&M Issues

(\$ in millions)

	SCG	ORA	Settlement	Page #
Gas Distribution				
1. Field Operation and Maintenance				
Locate and Mark	12.450	10.966	11.557	B-2
Main Maintenance	18.900	14.213	18.900	B-2
Field Support	24.895	21.457	21.457	B-2
Leak Survey, Measurement and Regulation, Cathodic Protection, Service Maintenance and Tools, Fittings and Materials	50.076	50.076	50.076	B-2
2. Asset Management	10.827	9.458	10.200	B-2
3. Operations Management and Training	15.645	11.834	14.000	B-2
4. Regional Public Affairs	4.316	4.316	4.316	B-2
5. Operations Leadership and Support	7.910	4.384	4.384	B-2
Gas Transmission, Underground Storage, Gas Engineering, and Pipeline Integrity				
1. Non-Shared Expenses				
Transmission	35.575	34.615	35.585	B-3
Underground Storage	40.182	36.375	38.380	B-3
Gas Engineering	14.952	12.307	14.950	B-3
Pipeline Integrity	97.154	97.154	97.154	B-3
2. Shared Expenses				
Gas Transmission	5.292	4.953	5.292	B-3
Gas Engineering	19.178	16.737	19.178	B-3
Customer Services				
1. Non-Shared Expenses				
Customer Services Field and Meter Reading	200.775	182.863	192.858	B-3
Customer Service Office Operations	98.516	92.426	96.128	B-3
Customer Service Information	24.635	19.082	21.202	B-3
Customer Service Technology, Policy, and Solutions	12.715	10.385	11.400	B-3
2. Shared Expenses				
Customer Services Field and Meter Reading	2.407	1.737	2.000	B-3
Customer Service Office Operations	6.032	6.032	6.032	B-3
Customer Service Information	3.398	3.398	3.398	B-3
Customer Service Technology, Policy, and Solutions	8.143	3.407	5.408	B-3
Information Technology				
1. Non-Shared Expenses				
Labor Forecast	5.924	5.732	5.924	B-4
Non-labor Forecast	1.715	1.715	1.715	B-4
2. Shared Expenses				
Labor Forecast	14.068	11.077	12.600	B-4
Non-labor Forecast	1.916	1.916	1.916	B-4

	SCG	ORA	Settlement	Page #
Support Services				
1. Non-Shared Expenses				
Supply Management - Op. Strategy and Analysis	2.457	1.270	2.000	B-4
Logistics and Shops	12.383	11.858	11.858	B-4
Procurement	1.729	1.729	1.729	B-4
Supplier Diversity	1.528	1.155	1.529	B-4
Documents Management & Office Services	3.126	3.126	3.126	B-4
Fleet Services and Facility Operations	84.543	74.554	81.076	B-4
Real Estate	2.190	2.190	2.190	B-4
Environmental Compliance	3.521	3.520	3.520	B-4
NERBA	5.903	5.106	5.500	B-4
2. Shared Expenses				
Fleet Services & Facility Operations	3.479	3.479	3.479	B-5
Gast Company Tower Rents	15.002	13.443	14.000	B-5
Microwave Tower Rents	1.421	1.267	1.421	B-5
Environmental	2.908	2.908	2.908	B-5
A&G				
1. Non-Shared Expenses				
Offices of President & CEO, COO, and VP of HR	3.624	3.624	3.624	B-5
Human Resources	19.605	16.226	18.500	B-5
Workers' Compensation and Long-Term Disability	26.426	23.258	24.500	B-5
2. Shared Expenses - Human Resources				
Human Resources	2.049	2.049	2.049	B-5
3. Non-Shared Expenses - Reg Affairs, A&F, Legal, External Affairs				
Regulatory Affairs	0.724	0.724	0.724	B-5
Accounting and Finance	14.105	14.271	14.271	B-5
Legal	6.283	6.283	6.283	B-5
External Affairs & Employee Communications	1.512	1.359	1.519	B-5
4. Shared Expenses - Reg Affairs, A&F, Legal, External Affairs				
Reg Affairs, A&F, Legal, External Affairs	6.442	6.442	6.442	B-5
5. Meals and Entertainment				
		-0.693	-0.693	B-5
6. Non-Shared Expenses - Compensation				
Variable Pay/Incentive Compensation Program	49.213	16.936	25.000	B-6
Long-Term Incentive Plan	7.592	0.000	0.000	B-6
Spot Cash	1.291	1.291	1.291	B-6
Employee Recognition	0.682	0.682	0.682	B-6
7. Non-Shared Expenses - Health Benefits				
Medical	93.154	85.725	88.000	B-6
Dental, Vision, Wellness, EAP, and Mental Health	8.900	7.791	7.892	B-6
Supplemental Pension	0.870	0.000	0.435	B-6
Nonqualified Retirement Savings Plan	0.216	0.000	0.000	B-6
8. Non-Shared Expenses - Corporate Center				
Corporate Center	51.300	49.339	48.500	B-6
9. Enterprise Risk Management				
	2.592	0.000	1.000	B-6

**Settlement Terms Cross Reference
Capital Issues**

(\$ in millions)	SCG 2014-2016	ORA 2014-2016	Settlement 2014-2016	Page #
Gas Distribution				
All Projects	792.832	760.438	792.911	B-6
Underground Storage				
All Projects	235.861	235.861	235.861	B-7
Gas Transmission and Engineering				
All Projects	292.452	274.508	292.452	B-7
Pipeline Integrity (TIMP and DIMP)				
All Projects	224.976	224.976	224.976	B-7
Fleet Services & Facility Operations				
All Projects	107.630	93.628	101.689	B-7
IT				
All Projects	328.449	284.329	304.419	B-7 / B-8

**Settlement Terms Cross Reference
Other Issues**

Item No	SCG Other Issues	SCG Update Filing	ORA Update Filing	Settlement	Settled with ORA	Page #
1	Escalation			Currently using ORA's escalation forecasts from RO model.	Yes	B-6
	Working Cash:					
2	Cash Balances			0	Yes	B-8
3	Revenue Lag Days	41.99	41.55	41.55	Yes	B-8
4	Federal Income Tax Lag Days	-724.93	37.5	37.5	Yes	B-8
5	State Income Tax Lag Days	-573.92	20.6	20.6	Yes	B-8
6	Customer Deposits		Treat customer deposits as a form of long term financing	Stipulate to ORA position to treat customer deposits as a form of long term financing. Revenue requirement is reduced by \$3.072 million.	Yes	B-8
7	Post-Test Year	Proposes multi-part PTY mechanism. (OM/Medical escalation plus capital related growth based on capital adds calculation)	2017 - 3.5% 2018 - 3.5%	2017 - 3.5% 2018 - 3.5%	Yes	B-8
	Other Issues:					
8	Payroll Tax Rate	7.63%	7.58%	7.58%	Yes	B-8
9	Uncollectible Rate	0.312%	0.298%	0.298%	Yes	B-8
	Miscellaneous Revenues:					
10	Service Establishment charges	\$24.875 million	\$25.467 million	\$25.467 million	Yes	B-8
11	Reconnect charges	\$1.498 million	\$1.537 million	\$1.537 million	Yes	B-8
12	Residential limited parts program	\$2.030 million	\$2.057 million	\$2.057 million	Yes	B-8
13	Third party revenues	\$0.213 million	\$1.159 million	\$1.159 million	Yes	B-9

Appendix B. Summary Of Earnings Tables

SOUTHERN CALIFORNIA GAS COMPANY
TEST YEAR 2016
SUMMARY OF EARNINGS
(Thousands of Dollars)

Line No.	Description	SCG Update 8/17 Proposed Rates	ORA Update 5/11 Proposed Rates	Settlement	Change from SCG Update	Comparison Exh. Reference
1	Base Margin	\$ 2,230,627	\$ 2,046,953	\$ 2,120,146	\$ (110,481)	
2	Miscellaneous Revenues	100,561	98,332	99,280	(1,281)	2B5
3	Revenue Requirement	\$ 2,331,187	\$ 2,145,285	\$ 2,219,426	\$ (111,762)	
<u>Operating and Maintenance Expenses</u>						
4	Gas Distribution	144,989	126,701	134,887	(10,102)	2A2
5	Transmission	40,867	39,568	40,877	10	2A3
6	Underground Storage	40,182	36,375	38,381	(1,801)	2A4
7	Engineering	131,284	126,198	131,283	(1)	2A5
8	PSEP	-	-	-	-	
9	Procurement	3,993	3,993	3,993	-	
10	Customer Services	356,620	319,330	338,423	(18,197)	2A(7,8,9,10)
11	Information Technology	23,624	20,440	22,155	(1,469)	2A15
12	Support Services	140,190	125,607	134,335	(5,855)	2A(11,12,13,14)
13	Administrative and General	433,618	356,930	377,270	(56,348)	2A(16,17,18,19)
14	Subtotal (2013\$)	\$ 1,315,366	\$ 1,155,142	\$ 1,221,604	\$ (93,762)	
15	Shared Services Adjustments	59,829	59,709	59,188	(640)	
16	Reassignments	(98,668)	(82,035)	(87,994)	10,674	
17	Escalation	58,088	51,549	54,133	(3,955)	2B4
18	Uncollectibles (0.312%)	6,824	5,981	6,195	(629)	2C2
19	Franchise Fees (1.4136%)	31,905	29,317	30,352	(1,553)	
20	Total O&M (2016\$)	\$ 1,373,344	\$ 1,219,663	\$ 1,283,479	\$ (89,866)	
21	Depreciation	409,557	401,670	403,836	(5,721)	
22	Taxes on Income	109,240	103,560	104,839	(4,401)	2B1
23	Taxes Other Than on Income	99,544	92,562	95,433	(4,111)	2B1
24	Total Operating Expenses	1,991,686	1,817,455	1,887,587	(104,099)	
25	Return	339,501	327,830	331,838	(7,663)	
26	Rate Base	4,233,180	4,087,654	4,137,633	(95,547)	2A/B
27	Rate of Return	8.02%	8.02%	8.02%	(0.00)%	
28	Derivation of Base Margin					
29	O&M Expenses (Line 20)	1,373,344	1,219,663	1,283,479	(89,866)	
30	Depreciation (Line 21)	409,557	401,670	403,836	(5,721)	
31	Taxes (Line 22+23)	208,784	196,122	200,272	(8,512)	
32	Return (Line 25)	339,501	327,830	331,838	(7,663)	
33	Revenue Requirement	2,331,187	2,145,285	2,219,426	(111,762)	
34	Less: Miscellaneous Revenues (Line 2)	100,561	98,332	99,280	(1,281)	
35	Base Margin (Line 1)	\$ 2,230,627	\$ 2,046,953	\$ 2,120,146	\$ (110,481)	

Line	Description	Reference	WorkGroup / CC	SCG	Settlement	Difference
2	Misc. Revenue	2B5	Various	100,561	99,280	(1,281)
4	O&M Expenses Gas Distribution	2A2	2GD000	81,114	76,812	(4,302)
			2GD001	10,827	10,200	(627)
			2GD002	11,788	11,788	0
			2GD003	13,390	13,390	0
			2GD004	15,645	14,000	(1,645)
			2GD005	4,315	4,315	0
			2200-0305	913	913	0
			2200-0431	4,883	1,355	(3,528)
			2200-2023	355	356	0
			2200-2144	279	279	0
			2200-2344	278	278	0
			2200-2345	774	774	0
			2200-2360	428	429	0
			Total	144,989	134,887	(10,102)
5	Transmission	2A3	2GT000	22,320	22,394	74
			2GT001	10,013	9,965	(48)
			2GT002	3,242	3,227	(15)
			2200-0253	344	344	(1)
			2200-0265	413	413	0
			2200-2172	949	949	0
			2200-2289	3,586	3,586	(0)
			Total	40,867	40,877	10
6	Underground Storage	2A4	2US000	34,101	32,300	(1,801)
			2US001	405	405	0
			2US002	5,676	5,676	0
			Total	40,182	38,381	(1,801)
7	Engineering	2A5	2EN000	8,230	8,230	0
			2EN001	1,945	1,945	0
			2EN002	1,608	1,608	0
			2EN003	1,218	1,218	0
			2EN004	1,951	1,951	0
			2TD000	97,154	97,154	0
			2200-0225	485	485	0
			2200-0300	440	439	(0)
			2200-0302	188	188	(0)
			2200-0303	1,043	1,043	0
			2200-0306	1,977	1,977	0
			2200-0308	480	480	0
			2200-0309	744	744	(0)
			2200-0310	1,297	1,296	(1)
			2200-0311	953	953	0
			2200-0312	1,167	1,167	0
			2200-0318	434	433	(1)
			2200-0321	477	477	0
			2200-0322	902	902	1
			2200-0323	35	35	(0)
			2200-0799	1,023	1,023	0
			2200-1178	1,852	1,852	(0)

Line	Description	Reference	WorkGroup / CC	SCG	Settlement	Difference
			2200-2022	1,096	1,097	1
			2200-2248	709	709	(0)
			2200-2376	2,127	2,127	0
			2200-2377	822	821	(0)
			2200-2417	395	395	0
			2200-2473	536	536	0
			Total	131,284	131,283	(1)
8	PSEP		None	0	0	0
9	Procurement		Various	3,993	3,993	0
10	Customer Services	2A(7,8,9,10)	2FC001	127,945	120,000	(7,945)
			2FC002	13,388	13,388	0
			2FC003	8,805	8,805	0
			2FC004	12,596	12,623	27
			2FC005	30,382	30,382	0
			2FC006	1,113	1,113	0
			2FC007	4,058	4,058	0
			2FC008	2,488	2,488	0
			2IN001	8,891	7,700	(1,191)
			2IN002	4,253	4,253	0
			2IN003	2,078	2,078	0
			2IN004	9,413	7,171	(2,242)
			2OO000	34,924	34,924	0
			2OO001	10,381	9,190	(1,191)
			2OO002	10,939	10,939	0
			2OO003	7,242	7,242	0
			2OO004	5,577	5,559	(18)
			2OO005	23,508	23,074	(434)
			2OO006	4,489	3,744	(745)
			2OO007	1,456	1,456	0
			2RD001	12,715	11,400	(1,315)
			2200-0942	2,407	2,000	(407)
			2200-0246	299	299	0
			2200-0328	736	736	0
			2200-0330	595	595	0
			2200-2158	726	726	0
			2200-2282	442	442	0
			2200-2329	599	599	0
			2200-0354	1,518	1,518	0
			2200-0355	3,635	3,635	0
			2200-2240	452	452	0
			2200-2247	427	427	0
			2200-0234	2,272	1,542	(730)
			2200-2229	1,201	1,200	(1)
			2200-2286	665	665	0
			2200-2288	835	653	(182)
			2200-2396	3,170	1,347	(1,824)
			Total	356,620	338,423	(18,197)
11	Information Technology	2A15	2IT001	2,853	2,853	0
			2IT002	4,456	4,456	0
			2IT003	331	331	0

Line	Description	Reference	WorkGroup / CC	SCG	Settlement	Difference
			2200-2047	47	41	(6)
			2200-2166	19	19	0
			2200-2313	108	100	(8)
			2200-2319	13	13	(0)
			2200-2372	578	524	(53)
			2200-2405	850	780	(70)
			2200-2406	1,261	1,166	(95)
			2200-2418	1,165	1,056	(110)
			2200-2444	344	309	(35)
			2200-2445	2,109	1,914	(195)
			2200-2446	312	282	(30)
			2200-2447	982	886	(95)
			2200-2451	1,337	1,216	(121)
			2200-2452	481	442	(38)
			2200-2453	221	199	(22)
			2200-2455	820	736	(84)
			2200-2456	214	191	(22)
			2200-2457	150	135	(15)
			2200-2458	111	100	(11)
			2200-2459	187	167	(20)
			2200-2460	227	204	(23)
			2200-2463	803	720	(84)
			2200-2464	734	659	(75)
			2200-2466	762	685	(77)
			2200-2467	134	121	(13)
			2200-2468	17	16	(1)
			2200-2469	788	708	(80)
			2200-2470	662	603	(59)
			2200-2495	402	388	(14)
			2200-2496	147	134	(13)
			Total	23,624	22,155	(1,469)
12	Support Services	2A(11,12,13,14)	2EV000	9,424	9,020	(404)
			2SS001	7,061	6,440	(621)
			2SS002	3,536	3,296	(240)
			2SS003	1,786	2,122	336
			2SS004	1,016	1,016	0
			2SS005	534	534	0
			2SS006	3,126	3,126	0
			2SS007	1,528	1,528	0
			2SS008	713	713	0
			2SS010	1,923	1,466	(457)
			2RF002	27,626	25,400	(2,226)
			2RF003	40,045	38,804	(1,241)
			2RF004	16,872	16,872	0
			2RF007	2,190	2,190	0
			2200-2012	328	328	0
			2200-2176	2,580	2,580	(0)
			2200-0696	2,177	2,177	0
			2200-0735	1,210	1,210	0
			2200-2246	92	92	0
			2200-0618	15,002	14,000	(1,002)
			2200-2284	1,421	1,421	0
			Total	140,190	134,335	(5,855)

Line	Description	Reference	WorkGroup / CC	SCG	Settlement	Difference
13	Administrative and General	2A(16,17,18,19)	2AG001	385	385	0
			2AG002	4,046	264	(3,782)
			2AG003	1,004	1,004	0
			2AG004	1,658	1,658	0
			2AG005	1,159	1,159	0
			2AG006	94	94	0
			2AG007	6,283	6,283	0
			2AG008	724	724	0
			2AG010	5,854	6,020	166
			2AG011	1,020	1,023	3
			2AG012	398	402	4
			2CP000	58,096	25,433	(32,663)
			2PB000	130,113	118,335	(11,778)
			2HR001	3,593	3,625	32
			2HR003	1,350	1,350	0
			2HR004	4,757	4,491	(266)
			2HR005	1,860	1,739	(121)
			2HR006	36,345	33,164	(3,181)
			2HR007	2,441	2,256	(185)
			2PN000	83,610	83,610	0
			2SE000	51,300	48,583	(2,717)
			2SN000	18,753	18,753	0
			2200-SAXX	7,695	7,427	(268)
			2200-1334	419	419	0
			2200-2040	1,187	1,187	0
			2200-2075	1,032	1,032	0
			2200-2095	1,433	1,433	0
			2200-2268	61	61	0
			2200-2305	257	257	0
			2200-2307	525	525	0
			2200-2308	603	603	0
			2200-2339	870	870	0
			2200-2343	55	55	0
			2200-8962	2,592	1,000	(1,592)
			2200-0342	423	423	0
			2200-2337	540	540	0
			2200-2397	267	267	0
			2200-2398	515	515	0
			2200-2399	304	304	0
			Total	433,618	377,270	(56,348)
14	Subtotal (2013\$)			1,315,366	1,221,604	(93,762)
15	Shared Service Adjustments			59,829	59,188	(640)
16	Reassignments			(98,668)	(87,994)	10,674
17	Escalation	2B4		58,088	54,133	(3,955)
18	Uncollectibles	2C2		6,824	6,195	(630)
19	Franchise Fees			31,905	30,352	(1,553)

Line	Description	Reference	WorkGroup / CC	SCG	Settlement	Difference
20	Total O&M (2016\$)			1,373,344	1,283,479	(89,866)
21	Depreciation			409,557	403,836	(5,721)
22	Taxes on Income	2B1		109,240	104,839	(4,401)
23	Taxes Other Than on Income	2B1		99,544	95,433	(4,111)
24	Total Operating Expenses			1,991,686	1,887,587	(104,099)
25	Return			339,501	331,838	(7,663)
26	Revenue Requirement			2,331,187	2,219,426	(111,762)
27	Rate Base	2A/B		4,233,180	4,137,633	(95,547)
28	Working Cash	2B2		66,618	(2,202)	(68,820)

SoCalGas/ORA Capital Settlement Summary

(For years 2014-2016)

Functional Area	Budget code	Description	SCG	Settlement	Difference
Gas Distribution	00151.00	New Business Construction	102,828	102,828	0
Gas Distribution	00163.00	Meters	75,659	75,659	0
Gas Distribution	00164.00	Regulators	25,419	25,419	0
Gas Distribution	00173.00	Cathodic Protection Capital	7,584	7,584	0
Gas Distribution	00173.00	Incremental Cathodic Protection System Enhancements	15,131	15,131	0
Gas Distribution	00181.00	Electronic Pressure Monitors	2,947	2,947	0
Gas Distribution	00251.00	Routine Pressure Betterment Installations	42,082	42,082	0
Gas Distribution	00252.00	Main Replacements	122,963	122,963	0
Gas Distribution	00254.00	Main and Service Abandonments	12,176	12,176	0
Gas Distribution	00256.00	Service Replacements	52,417	52,417	0
Gas Distribution	00256.00	Replacement of Leaking Services	790	790	0
Gas Distribution	00261.00	Pipeline Relocations - Freeway -- Non-Collectible	30,206	30,206	0
Gas Distribution	00261.00	Pipeline Relocations - Freeway -- Collectible	710	710	0
Gas Distribution	00262.00	Pipeline Relocations - Franchise -- Non-Collectible	56,720	56,720	0
Gas Distribution	00262.00	Pipeline Relocations - Franchise -- Collectible	4,063	4,063	0
Gas Distribution	00264.00	Meter Guards	2,037	2,037	0
Gas Distribution	00265.00	Regulator Stations	17,557	17,557	0
Gas Distribution	00267.00	Supply Line Replacements	12,268	12,268	0
Gas Distribution	00270.00	Other Distribution Capital Projects -- Non-Collectible	6,239	6,239	0
Gas Distribution	00270.00	Other Distribution Capital Projects -- Collectible	2,080	2,080	0
Gas Distribution	00280.00	Gas Energy Measurement Systems	4,013	4,013	0
Gas Distribution	00281.00	South Bay Cities Pressure Betterment	22,882	22,882	0
Gas Distribution	00281.00	Arvin Pressure Betterment	5,465	5,465	0
Gas Distribution	00281.00	Orange County Pressure Betterment	7,240	7,240	0
Gas Distribution	00725.00	Routine Tool Purchases	7,375	7,375	0
Gas Distribution	00906.00	Leak Detection Equipment Replacement Effort	4,429	4,429	0
Gas Distribution	00906.00	Multi-Gas Detector Replacement Effort	2,417	2,417	0
Gas Distribution	00906.00	Combustible Gas Indicator Equipment Replacement Effort	0	0	0
Gas Distribution	00906.00	GIS-Based Leak Survey Tracker	1,271	1,271	0
Gas Distribution	00906.00	Field Training Facility Improvement for Situation City	271	271	0
Gas Distribution	00725.00	Mobile Data Terminal Replacement	5,652	5,652	0
Gas Distribution	00151.00	New Business Trench Reimbursement	2,331	2,331	0
Gas Distribution	00151.00	New Business Forfeitures	(18,157)	(18,157)	0
Gas Distribution	01006.00	Field Capital Support	155,767	155,767	0
Gas Distribution Total			792,832	792,832	0
Underground Storage	00411.00	Gas Storage - Compressor Stations - Goleta - Units #2 and #3 Overhauls	3,869	3,869	0
Underground Storage	00411.00	Gas Storage - Compressor Stations - Blanket projects	23,569	23,569	0
Underground Storage	00412.00	Large well projects to be worked in multiple storage fields	3,768	3,768	0
Underground Storage	00412.00	Wells - Capital Installations replacements major maintenance	11,604	11,604	0
Underground Storage	00412.00	Wellhead Capital Maintenance - Multiple storage fields	4,097	4,097	0
Underground Storage	00412.00	Wells - Capital repairs & upgrades - multiple sites.	3,439	3,439	0
Underground Storage	00412.00	Wells - ESP Replacements	1,257	1,257	0
Underground Storage	00412.00	Wells - Simulation/Reperforations	352	352	0
Underground Storage	00412.00	Wells - Multiple sites - re-gravel packs	7,430	7,430	0
Underground Storage	00412.00	Storage Well - Redrills	2,010	2,010	0
Underground Storage	00412.00	Replacement Storage Wells	46,754	46,754	0
Underground Storage	00412.00	Wells - Plug & Abandon wells	13,462	13,462	0
Underground Storage	00412.00	Wells - Storage Integrity Management Program - SIMP - 2014 Costs	2,796	2,796	0
Underground Storage	00412.00	Wells - Storage Integrity Management Program - SIMP - 2015 Costs	2,510	2,510	0
Underground Storage	00412.00	Wells - Storage Integrity Management Program - SIMP - 2016 Costs	24,272	24,272	0
Underground Storage	00412.00	Cushion Gas Purchass	3,308	3,308	0
Underground Storage	00412.00	Gas Storage - Wells - Blanket projects	2,380	2,380	0
Underground Storage	00413.00	Storage - Valve replacements in Aliso Canyon	2,467	2,467	0
Underground Storage	00413.00	Storage - Pipelines - Replace Pipe bridge in Aliso Canyon	3,612	3,612	0
Underground Storage	00413.00	Storage Pipelines - Aliso Injection system de-bottlenecking	1,045	1,045	0
Underground Storage	00413.00	Storage Pipelines - Multiple large projects in Aliso Canyon.	1,172	1,172	0
Underground Storage	00413.00	Playa del Rey - Withdrawall bebottlenecking	2,526	2,526	0
Underground Storage	00413.00	Gas Storage - Pipelines - Blanket projects	6,938	6,938	0
Underground Storage	00414.00	Storage Purification - Aliso Dehy upgrades	4,353	4,353	0
Underground Storage	00414.00	Storage Purification - Honor Rancho Dehy improvements	6,858	6,858	0
Underground Storage	00414.00	Storage Purification - Goleta Dehy	2,041	2,041	0
Underground Storage	00414.00	Storage Purification - Blanket Projects	15,808	15,808	0
Underground Storage	00419.00	Aliso Canyon - Central Control Room Modernization	2,389	2,389	0
Underground Storage	00419.00	Aliso Canyon - Overhead Power System upgrades	71	71	0
Underground Storage	00419.00	Aliso Canyon - Multiple large projects	1,328	1,328	0
Underground Storage	00419.00	Gas Storage - Aux Equipment - Blanket Projects	28,376	28,376	0
Underground Storage Total			235,861	235,861	0
Gas Transmission & Engineering	00302.00	Pipeline replacements due to Class location changes	4,836	4,836	0
Gas Transmission & Engineering	00302.00	Pipeline replacements to meet class location compliance.	10,771	10,771	0
Gas Transmission & Engineering	00302.00	GT - Pipeline Replacements - non-PIP - Blanket amount for smaller projects	1,754	1,754	0
Gas Transmission & Engineering	00313.00	Pipeline relocations due to Freeway projects - Collectible portion (50%)	454	454	0
Gas Transmission & Engineering	00313.00	Pipeline relocations due to Freeway projects - non-collectible portion (50%)	452	452	0
Gas Transmission & Engineering	00316.00	Gas Transmission Cathodic Protection Capital. Mostly Anode beds and Rectifiers.	19,759	19,759	0
Gas Transmission & Engineering	00617.00	Routine on-going capital costs related to Rights of Way	651	651	0
Gas Transmission & Engineering	00632.00	Capital expenditures for Gas Storage Dept. buildings.	1,613	1,614	0
Gas Transmission & Engineering	00633.00	Capital expenses related to Transmission buildings.	9,021	9,022	0
Gas Transmission & Engineering	00730.00	Specialized Laboratory Equipment purchases.	1,452	1,452	0
Gas Transmission & Engineering	00736.00	Monthly allocation of Gas Transmission & Storage Capital Tool purchases.	2,387	2,387	0
Gas Transmission & Engineering	00301.00	El Segundo Pipeline enhancement.	9,191	9,191	0
Gas Transmission & Engineering	00301.00	North Coast System Reliability - R/W acquisition	5,000	5,000	0
Gas Transmission & Engineering	00301.00	North Coast System Reliability - R/W acquisition	5,000	5,000	0
Gas Transmission & Engineering	00301.00	Line 2001 Looping - Chino to Moreno - R/W acquisition - 2015 component.	2,000	2,000	0
Gas Transmission & Engineering	00301.00	Line 2001 Looping - Chino to Moreno - R/W acquisition - 2016 component	2,000	2,000	0
Gas Transmission & Engineering	00301.00	Multiple smaller pipeline projects worked on Blanket W.O.s	12,425	12,425	0
Gas Transmission & Engineering	00305.00	Transmission Operations - Replace electrical power generation a Newberry Springs	1,012	1,012	0
Gas Transmission & Engineering	00305.00	Air Quality Retrofits (Rule 1160) & Update obsolete equipment - 2014 retrofit of North Needles engin	4,101	0	(4,101)
Gas Transmission & Engineering	00305.00	Air Quality Retrofits (Rule 1160) & obsolete equipment upgrades - 2015 engine retrofits	16,698	16,698	0
Gas Transmission & Engineering	00305.00	Air Quality Retrofits (Rule 1160) & upgrade obsolete equipment - 2016 engine retrofits	15,908	15,908	0
Gas Transmission & Engineering	00305.00	M&R - Wheeler controls & sensors upgrades	3,440	3,440	0

(For years 2014-2016)

Functional Area	Budget code	Description	SCG	Settlement	Difference
Gas Transmission & Engineering	00305.00	Compressor change outs for reliability & capacity. VENTURA STATION	33,373	33,373	0
Gas Transmission & Engineering	00305.00	Compressor change outs for reliability & capacity - BLYTHE	35,140	35,140	0
Gas Transmission & Engineering	00305.00	Compressor change outs for reliability & capacity - NEEDLES	3,886	3,886	0
Gas Transmission & Engineering	00305.00	Compressor change outs for Reliability & capacity - KELSO	3,426	3,426	0
Gas Transmission & Engineering	00305.00	Blanket - Multiple M&R projects for Controls & Upgrades	6,516	6,516	0
Gas Transmission & Engineering	00308.00	Gas Transmission - M&R Stations - Kettleman Valve replacements - Install flow meter and valve actua	337	337	0
Gas Transmission & Engineering	00308.00	Valves for Class Location compliance - Aging infrastructure	14,761	14,761	0
Gas Transmission & Engineering	00308.00	M&R Operations - Maajor Customer MSA Rebuilds; BTU District GC & ancillaries - Non collectible	7,269	11,370	4,101
Gas Transmission & Engineering	00309.00	Transmission Operations - Piping Support replacements Buttonwillow & La Goleta	749	749	0
Gas Transmission & Engineering	00309.00	Communications Replacement for critical RTU.	1,618	1,618	0
Gas Transmission & Engineering	00309.00	Aux Equipment - Blanket Projects	11,281	11,281	0
Gas Transmission & Engineering	00309.00	High Pressure Data Synchronization - Phase I - 2014 Costs	282	282	0
Gas Transmission & Engineering	00309.00	High Pressure Data Synchronization - Phase II - 2015 costs	5,353	5,353	0
Gas Transmission & Engineering	00309.00	High Pressure Data Synchronization - Phase III - 2016 Costs	2,676	2,676	0
Gas Transmission & Engineering	00314.00	Line Relocation - 43% collectible - this is non-collected portion	9,153	9,153	0
Gas Transmission & Engineering	00314.00	Line Relocation - 43% collectible - this is the collectible portion	0	0	0
Gas Transmission & Engineering	00314.00	Non-collectible relocation of Transmission Line	1,106	1,106	0
Gas Transmission & Engineering	00314.00	Line relocation - 80% collectible - This is non-collectible portion.	27	27	0
Gas Transmission & Engineering	00314.00	Line Relocation - 80% collectible - this is the collectible portion	0	0	0
Gas Transmission & Engineering	00314.00	Non-Collectible Transmission Line Relocation	893	893	0
Gas Transmission & Engineering	00314.00	Non-collectible Transmission Line relocation	6,086	6,086	0
Gas Transmission & Engineering	00314.00	Riverside Airport - Line 2001 relocation	932	932	0
Gas Transmission & Engineering	00314.00	Gas Engineering - Pipeline Relocations - Franchise/Private - Blanket Projects	5,439	5,439	0
Gas Transmission & Engineering	00314.00	Line 1167 Relocation - Ballona Wetlands Restoration Project	3,170	3,170	0
Gas Transmission & Engineering	00314.00	Farmland Relocations - 2015 Projects	1,025	1,025	0
Gas Transmission & Engineering	00314.00	Farmland Relocations - 2016 Projects (2)	1,025	1,025	0
Gas Transmission & Engineering	01002.00	Non-allocated sub group assigned by forecasting system	7,004	7,004	0
Gas Transmission Total			292,452	292,454	0
Pipeline Integrity	00276.00	Projs to Sup Trans. - PIP	9,873	9,873	0
Pipeline Integrity	00277.00	Distribution Integrity Management	113,699	113,699	0
Pipeline Integrity	00312.00	GT PL Rpls / Externally Driven	101,404	101,404	0
Pipeline Integrity Total			224,976	224,976	0
Fleet & Facilities	00653.00	Infrastructure & Improvements	54,198	56,003	1,805
Fleet & Facilities	00653.00	Facilities Renovations for Future Requirements - Chatsworth	5,900	2,000	(3,900)
Fleet & Facilities	00653.00	Facilities Renovations for Future Requirements - Compton	2,980	1,000	(1,980)
Fleet & Facilities	00653.00	Facilities Renovations for Future Requirements - Anaheim	6,000	6,000	0
Fleet & Facilities	00653.00	Facilities Renovations for Future Requirements - Pico Rivera	10,000	10,000	0
Fleet & Facilities	00653.00	Sustainability project - Solar system installation at various sites	4,820	5,032	212
Fleet & Facilities	00653.00	Sustainability project - Solar system installation at Anaheim	1,259	1,450	191
Fleet & Facilities	00653.00	Water Conservation projects at various facilities	1,241	1,241	0
Fleet & Facilities	00653.00	Water Conservation - San Dimas	252	275	23
Fleet & Facilities	00653.00	Water Conservation - Monterey Park	260	300	40
Fleet & Facilities	00712.00	Sustainability - Energy Management System installation at various remaining facilities:	688	688	0
Fleet & Facilities	00712.00	Sustainability - Energy Management System installation at San Luis Obispc	69	75	6
Fleet & Facilities	00712.00	Sustainability - Energy Management System at Belvedere and San Pedro	78	90	12
Fleet & Facilities	00712.00	Facility & Capital System Upgrade	1,102	660	(442)
Fleet & Facilities	00716.00	Fleet Capital Tool Replacement - 2014	250	202	(48)
Fleet & Facilities	00716.00	Fleet Capital Tool Replacement - 2015	250	250	0
Fleet & Facilities	00716.00	Fleet Capital Tool Replacement - 2016	250	250	0
Fleet & Facilities	00716.00	Fleet Fuel System Upgrade	3,395	2,675	(720)
Fleet & Facilities	00716.00	Fleet UST Replacement Program ISD 6/2015 - Lancaster Base	350	350	0
Fleet & Facilities	00716.00	Fleet UST Replacement Program ISD 9/2015 - Riverside Base	350	350	0
Fleet & Facilities	00716.00	Fleet UST Replacement ISD 12/2015 - Ramona Base	350	350	0
Fleet & Facilities	00716.00	Fleet UST Replacement ISD 2/2016 - San Bernardino	350	350	0
Fleet & Facilities	00716.00	Fleet UST Replacement ISD 4/2016 - San Pedro	350	350	0
Fleet & Facilities	00716.00	Fleet UST Replacement ISD 6/2016 - Santa Monica	350	350	0
Fleet & Facilities	00716.00	Fleet UST Replacement ISD 8/2016 - Canoga	350	350	0
Fleet & Facilities	00716.00	Fleet Smog Tools	163	163	0
Fleet & Facilities	00734.00	NGV Refueling Stations for 2014	1,600	460	(1,140)
Fleet & Facilities	00734.00	NGV Refueling Stations - 2015	4,770	4,770	0
Fleet & Facilities	00734.00	NGV Refueling Stations - 2016	5,655	5,655	0
Fleet & Facilities Total			107,630	101,689	(5,941)
IT	00754.00	Gas and Electric Harmonization	1,253	1,253	0
IT	00754.00	Low OFO and EFO	956	1,147	191
IT	00756.00	2016 GRC Results of Op Model	162	168	6
IT	00762.00	Replace the existing aging hardware and software that supports the Active Directory platform. The r	865	865	0
IT	00764.00	Customer Data Control Phase II	582	1,021	439
IT	00764.00	Implement 3rd Party Collection Middleware to interface with collection agencies	374	255	(119)
IT	00764.00	Phase III	904	439	(465)
IT	00764.00	Create Web Portal for 3rd Party Data Request. Will allow a single point of contact for energy usage	693	1,111	418
IT	00764.00	Customer Order Communication	1,154	913	(241)
IT	00764.00	Implement external Credit & Collections Module	3,367	3,367	0
IT	00764.00	Provide the ability to record phone calls for Billing and Collections groups. Provide the ability t	403	403	0
IT	00764.00	Customer Data Controls	1,720	1,706	(14)
IT	00766.00	SoCalGas has Trading Partner agreements with 6 interstate pipelines for gas flow information in orde	286	286	0
IT	00770.00	ROWS Refresh Out of Warranty Servers.	4,520	3,748	(772)
IT	00770.00	ROWS Refresh Out of Warranty Servers.	1,794	1,794	0
IT	00770.00	ROWS Refresh Out of Warranty Servers.	695	695	0
IT	00770.00	SEu Call Recording Replacement	786	633	(153)
IT	00770.00	Backup Services Enhancement	849	545	(304)
IT	00770.00	The Anaheim IDF/Server Room is significantly overdue for a cleanup and remodel. There are decades o	81	81	0
IT	00772.00	Gas control currently has over 120 Remote Terminal Units (RTU) out in the field collecting data re	1,499	1,499	0
IT	00772.00	Build upon the success of the newly enhanced EWE by enabling a self-service application to provide w	236	236	0
IT	00772.00	This project will replace a telecommunications shelter that has been determined to be structurally u	383	383	0
IT	00772.00	This project will replace two telecommunications shelters that have been determined to be structura	821	821	0
IT	00772.00	Double Mountain	377	331	(46)
IT	00772.00	SCG BATTERY REPLACEMENT REENGINEER PROJE	149	136	(13)
IT	00772.00	Data Center Network Rebuild	4,661	679	(3,982)

(For years 2014-2016)

Functional Area	Budget code	Description	SCG	Settlement	Difference
IT	00773.00	TELECOMMUNICATIONS EXPENSE MANAGEMENT	450	0	(450)
IT	00774.00	Envoy is currently on IE 6 (Internet Explorer 6) which is an obsolete platform. This project will u	3,753	4,263	510
IT	00774.00	Project will provide tools to create administrator and track emails and other campaigns to measure f	75	75	0
IT	00774.00	Project will provide tools to create administrator and track emails and other campaigns to measure f	200	200	0
IT	00774.00	Project will provide tools to create administrator and track emails and other campaigns to measure f	913	801	(112)
IT	00774.00	socialgas.com upgrade	2,985	2,116	(869)
IT	00774.00	The EDI X12 translation and transmission services was outsourced to GXS in March 2009. EDIX depends	564	564	0
IT	00774.00	C&I Next Generation	2,789	2,453	(336)
IT	00774.00	Account Executives require wireless access to customer and program information at all times, especia	1,742	1,742	0
IT	00774.00	Account Executives require wireless access to customer and program information at all times, especia	802	802	0
IT	00774.00	ENVOY & MCS SYBASE DATABASE UPGRADE	1,761	2,007	246
IT	00774.00	ENVOY & MCS SYBASE DATABASE UPGRADE	937	937	0
IT	00774.00	ENVOY MCS DATA CONTROLS	485	434	(51)
IT	00774.00	ENVOY MCS DATA CONTROLS	40	0	(40)
IT	00774.00	ENVOY MCS DATA CONTROLS	629	629	0
IT	00774.00	My Account Tech Refresh	6,353	7,649	1,296
IT	00774.00	My Account Tech Refresh	1,089	0	(1,089)
IT	00774.00	My Account Tech Refresh	432	0	(432)
IT	00774.00	My Account Tech Refresh	5,437	5,437	0
IT	00774.00	My Account Tech Refresh	1,041	1,041	0
IT	00774.00	My Account Mobile 1C	1,689	1,681	(8)
IT	00774.00	SCG IVR Ph 4	1,420	2,201	781
IT	00774.00	SCG IVR Ph 4	322	0	(322)
IT	00774.00	SCG IVR Ph 4	151	151	0
IT	00775.00	SCG Meter Reading Handheld System Replacement	6,917	6,931	14
IT	00776.00	Click Upgrade	250	0	(250)
IT	00776.00	GIS Gas Enhancements 2016	7,377	7,377	0
IT	00776.00	Electronic Leak Survey	1,548	1,548	0
IT	00776.00	BPS	825	0	(825)
IT	00776.00	Integrate SAP PM with GIS to reduce the duplication of data and improve data integrity, i.e., leak r	2,515	2,515	0
IT	00776.00	Click v8 Functional Enhancements	1,692	1,692	0
IT	00776.00	SCG M&I GuiXT Phase 2	934	653	(281)
IT	00776.00	PT81448 DESIGN ENGINEERING SW Replacement	977	3,526	2,549
IT	00776.00	DESIGN ENGINEERING SW Replacement	270	0	(270)
IT	00776.00	SCG CI My Biz Account	1,493	2,275	782
IT	00776.00	SCG CI My Biz Account	465	0	(465)
IT	00776.00	SCG CI My Biz Account	2,012	2,012	0
IT	00776.00	SCG CI My Biz Account	1,615	1,615	0
IT	00776.00	SoCalGas Customer Service Field Supervision	1,158	737	(421)
IT	00776.00	Gas GIS Project 2014	733	3,330	2,597
IT	00776.00	PT15859 GIS Gas Enhancements 2015	4,214	4,214	0
IT	00777.00	(Banctec)	132	756	624
IT	00777.00	Small Cap Requests (Cust Ops Tech App Svr)	20	20	0
IT	00777.00	PACER MDT REPLACEMENT	2,675	2,591	(84)
IT	00777.00	SCG Field MDT Upgrade 2013	2,244	2,783	539
IT	00777.00	SCG Field MDT OS Upgrade 2013	625	0	(625)
IT	00778.00	Data Loss Prevention	1,480	0	(1,480)
IT	00784.00	Integrated Customer Data & Analytics_SQL	4,127	4,276	149
IT	00784.00	Integrated Customer Data & Analytics_SQL	344	344	0
IT	00784.00	Integrated Customer Data & Analytics_SQL	370	0	(370)
IT	00784.00	Credit & Collections Optimization	291	268	(23)
IT	00786.00	Gas Distribution Analytics Phase 2	425	0	(425)
IT	00810.00	SCG CPD Enh Phase 1	12,564	9,868	(2,696)
IT	00750.00	PT81420 M&I Compliance Reporting	801	0	(801)
IT	00751.00	PT81380 SAP SUPER USER PROVISIONING	17	(385)	(402)
IT	00760.00	PT14853 ITSM Tool Optimization	1,166	477	(689)
IT	00760.00	PT15824 SCG Desktop Hardware Refresh	7,072	7,072	0
IT	00760.00	PT15868 SE 2015 Mainframe Expansion	1,818	2,146	328
IT	00760.00	PT16934 eGRC Infrastructure Refresh	1,990	1,990	0
IT	00760.00	PT16935 Forensics Lab Infrastructure Refresh	1,822	1,822	0
IT	00760.00	PT81440 Data Center Network Core	1,133	1,041	(92)
IT	00762.00	PT81355 SCG WAN REBUILD PH IV	778	1,957	1,179
IT	00762.00	PT81442 SE Network Attached Storage (NAS) Replacement	1,148	1,262	114
IT	00762.00	PT81443 SEu Wireless/Semptra Virtual Office Upgrade and Expansion	662	609	(53)
IT	00764.00	PT16813 CIS Frontend Architecture Optimization	1,544	1,544	0
IT	00766.00	PT14873 SAP Logistics Mobility Refresh	851	191	(660)
IT	00766.00	PT14873 SAP Logistics Mobility Refresh	692	89	(603)
IT	00768.00	PT14854 SAP ECC and BI Archiving	802	384	(418)
IT	00768.00	PT14855 Business Objects Upgrade	648	648	0
IT	00768.00	PT15804 Microsoft Business Intelligence (BI) Enterprise Platform	461	461	0
IT	00770.00	PT14834 SEu Web-Audio Conferencing and Instant Messaging Refresh	1,353	1,089	(264)
IT	00770.00	PT15932 Web Application Database Firewalls	429	429	0
IT	00770.00	PT15932 Web Application Database Firewalls	1,633	1,633	0
IT	00770.00	PT15932 Web Application Database Firewalls	1,067	1,067	0
IT	00770.00	PT81316 WINDOWS 7 PLATFORM REPLACEMENT (W7U)	1,409	1,948	539
IT	00770.00	PT81416 ENTERPRISE MESSAGING INFRASTRUCTURE	978	1,304	326
IT	00770.00	PT81417 EDIX Enhancement - Phase 2	520	478	(42)
IT	00770.00	PT81426 SERVER REPLACEMENT-AIX RETIREMENT	2,898	2,116	(782)
IT	00770.00	PT81433 Enterprise Voice System Refresh	214	(104)	(318)
IT	00770.00	PT14835 Mobile Device Management Infrastructure	1,110	87	(1,023)
IT	00770.00	PT14838 End Point Security Project	3,073	577	(2,496)
IT	00770.00	PT14839 Logging Infrastructure Refresh	2,769	2,769	0
IT	00770.00	PT14846 Gas SCADA Perimeter Refresh	829	878	49
IT	00770.00	PT14865 Information Security - Infrastructure Reliability	1,050	700	(350)
IT	00770.00	PT14889 SEu Enterprise Call Recording Refresh	341	(108)	(449)
IT	00770.00	PT51809 CCC Avaya System Refresh	753	753	0
IT	00770.00	PT15844 Web Application Firewall	1,511	1,511	0
IT	00770.00	PT15874 Enterprise Risk and Compliance (eGRC) Archer expansion	659	659	0
IT	00770.00	PT15879 Enterprise Social Computing	590	590	0
IT	00770.00	PT15880 ITCS - App-V and UE-V	608	608	0
IT	00770.00	PT15880 ITCS - App-V and UE-V	1,296	1,296	0

			(For years 2014-2016)		
Functional Area	Budget code	Description	SCG	Settlement	Difference
IT	00770.00	PT15881 SCG Video-enabled Collaboration Room Upgrade	394	394	0
IT	00770.00	PT15882 SEu TelePresence Upgrade	1,097	1,097	0
IT	00770.00	PT15890 SCG Infrastructure Rooms Compton Headquarter	117	117	0
IT	00770.00	PT15896 SE SAN Storage Expansion	6,052	6,052	0
IT	00770.00	PT15899 SE 2015 VMware View Virtual Desktop Infrastructure	1,700	1,700	0
IT	00770.00	PT16892A SE Infrastructure Enabling Services (DNS, DHCP, NTP)	806	806	0
IT	00770.00	PT16892B SE SCOM 2012 Upgrade	571	571	0
IT	00770.00	PT16899B SE 2016 VMware View Virtual Desktop Infrastructure	2,632	2,632	0
IT	00770.00	PT 15930 Intrusion Prevention Systems IPS Refresh	2,887	2,887	0
IT	00770.00	PT15931 Source Code Security	909	909	0
IT	00772.00	PT14837 SCG Field Area Network	7,095	7,095	0
IT	00772.00	PT14837 SCG Field Area Network	12,208	12,208	0
IT	00772.00	PT14849 SCG CI Small Cap	1,500	1,890	390
IT	00772.00	PT14850 SE System Management and Automation	3,143	3,143	0
IT	00772.00	PT14851 SE Local Area Network Refresh	10,092	7,614	(2,478)
IT	00772.00	PT14852 SE Enterprise Application Messaging and Caching Platform	675	675	0
IT	00772.00	PT15883 SE Converged Computing Infrastructure	8,536	8,536	0
IT	00772.00	PT15883 SE Converged Computing Infrastructure	7,536	7,536	0
IT	00772.00	PT15884 SE Backup Systems	702	702	0
IT	00772.00	PT15891 SCG Communications Shelter	244	325	81
IT	00772.00	PT16884 SE Backup Systems	356	356	0
IT	00772.00	PT15893A SE Wide Area Network Refresh	4,464	4,464	0
IT	00772.00	PT16893B SCG Communication Shelter (Box Springs)	338	193	(145)
IT	00772.00	PT16894A SCG Private Network Expansion	2,148	2,148	0
IT	00772.00	PT16895A SE Remote Access Services (VPN) Refresh	797	797	0
IT	00772.00	PT81414 CORE NETWORK DESIGN	536	601	65
IT	00772.00	PT81432 PRIVATE NETWORK EXPANSION AND REFRSH	2,797	2,235	(562)
IT	00772.00	PT81432 PRIVATE NETWORK EXPANSION AND REFRSH	1,661	1,661	0
IT	00773.00	PT81403 TELECOMMUNICATIONS EXPENSE MANAGEMENT	243	906	663
IT	00774.00	PT15823 CCC Genesys Upgrade	481	481	0
IT	00774.00	PT15823 CCC Genesys Upgrade	120	120	0
IT	00776.00	PT - 14807 Click Upgrade	10,217	10,821	604
IT	00776.00	PT - 14807 Click Upgrade	713	713	0
IT	00776.00	PT14817 - Business Planning Simulation (BPS) Replacement Project	1,294	1,490	196
IT	00776.00	PT14817 - Business Planning Simulation (BPS) Replacement Project	600	0	(600)
IT	00776.00	PT14876 Shop Tracking System	1,660	1,099	(561)
IT	00776.00	PT14876 Shop Tracking System	98	0	(98)
IT	00776.00	PT14919 Click and SAP Disaster Recovery Tier Upgrade	411	0	(411)
IT	00776.00	PT14919 Click and SAP Disaster Recovery Tier Upgrade	642	0	(642)
IT	00776.00	PT14924 Enterprise GIS Uplift	1,708	1,708	0
IT	00776.00	PT15819 Construction Planning and Design CPD Reporting Enhancements	2,203	2,203	0
IT	00776.00	PT15820 SCG Maintenance and Inspection Compliance Reporting	2,372	3,383	1,011
IT	00776.00	PT15821 Field Force Reporting	1,143	1,143	0
IT	00776.00	PT15856 SAP Business Warehouse 7.3 Upgrade	497	497	0
IT	00776.00	PT14925 Employee Care Services iVOS Claims System AON eSolutions	1,754	1,754	0
IT	00776.00	PT16802 Click v8 Functional Enhancements	1,692	1,692	0
IT	00776.00	PT81431 Click M&I M&R Stabilization	826	(2,202)	(3,028)
IT	00776.00	PT81412 GAS GIS Enhancements 2013	1,154	983	(171)
IT	00776.00	PT81419 PDA Meter Test Lab	577	715	138
IT	00776.00	PT81353 ECM REPLACEMENT	567	503	(64)
IT	00776.00	PT81399 FINANCIAL ASSET MGMT (FAM)	3,179	3,333	154
IT	00778.00	PT14832 Share Point	4,539	1,951	(2,588)
IT	00778.00	PT14832 Share Point	5,024	5,024	0
IT	00778.00	PT14833 Data Loss Prevention	509	2,181	1,672
IT	00778.00	PT14833 Data Loss Prevention	195	0	(195)
IT	00778.00	PT14897 Travel and Expense Mobility	2,382	2,382	0
IT	00778.00	PT15926 SAP Enterprise Mobility	848	848	0
IT	00778.00	PT81407 E-PROCUREMENT IMPLEMENTATION	1,470	1,083	(387)
IT	00778.00	PT81407 E-PROCUREMENT IMPLEMENTATION	100	20	(80)
IT	00778.00	PT81407 E-PROCUREMENT IMPLEMENTATION	200	200	0
IT	00780.00	PT14861 Identity & Access Management	3,247	1,666	(1,581)
IT	00780.00	PT14861 Identity & Access Management	1,067	1,067	0
IT	00780.00	PT14861 Identity & Access Management	458	0	(458)
IT	00780.00	PT16888 Identity & Access Management Infrastructure Refresh	1,727	1,727	0
IT	00780.00	PT81451 Mandiant Expansion	453	0	(453)
IT	00782.00	PT15898 SE Application Platform Technology Refresh	1,593	1,593	0
IT	00786.00	PT14810 - Gas Operations Performance Analytics (GOPA) Phase 2	1,831	1,971	140
IT	00786.00	PT14862 Greenhouse Gas and Environmental Sustainability Management Tool	783	259	(524)
IT	00788.00	PT14805 - Enterprise BI Analytics and Dashboards - 2014	770	451	(319)
IT	00788.00	PT15806 Enterprise BI Analytics and Dashboards - 2015	769	769	0
IT	00788.00	PT15811 Enterprise Analytics System (EAS) Phase II	452	452	0
IT	00788.00	PT16816 Enterprise Analytics System (EAS) Phase III	470	470	0
IT	00788.00	PT16927 Enterprise BI Analytics and Dashboards	769	769	0
IT	00810.00	PTCPD SCG CPD Enh Phase 2	7,574	7,574	0
IT	00810.00	PTCPD SCG CPD Enh Phase 2	659	659	0
IT Total			328,449	304,419	(24,030)
Grand Total			1,982,200	1,952,231	(29,969)

Attachments 2-5

FEA Settlement, EDF Settlement, JMP Settlement and TURN/UCAN Settlement

**SETTLEMENT AGREEMENT AMONG
SAN DIEGO GAS & ELECTRIC COMPANY (SDG&E),
SOUTHERN CALIFORNIA GAS COMPANY (SOCALGAS),
AND FEDERAL EXECUTIVE AGENCIES (FEA)**

SDG&E, SoCalGas, and FEA (collectively, the Parties), hereby reach a settlement resolving all issues as raised and litigated in the Test Year 2016 consolidated General Rate Case proceeding, A.14-11-003 and A.14-11-004 (Test Year 2016 GRC).

This Agreement will be effective upon California Public Utilities Commission (Commission) approval, through December 31, 2018 or December 31, 2019, should the Commission adopt a three-year attrition period.

Based on extensive good faith negotiations by Parties, in furtherance of resolving contested issues raised in this GRC, Parties execute this Settlement Agreement (Agreement), and agree to the following:

TERMS OF SETTLEMENT

For the Test Year 2016 GRC cycle, SDG&E will retain its current balancing account treatment and the tariffs will remain unchanged regarding its Pension Balancing Account (PBA) and Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA).

SDG&E's proposed change to begin including income tax impacts in those balance accounts is not being adopted, and the settlement reached between SDG&E and FEA reflects the FEA's recommendation that income taxes not be added to those balancing accounts.

For consistency purposes, SoCalGas will agree to follow the treatment outlined above for its PBA and PBOPBA.

FEA agrees to sign and join the settlement agreements reached among SDG&E, SoCalGas, and the Office of Ratepayer Advocates regarding the Test Year 2016 revenue requirement and Post Test Year issues (the "TY 2016 Settlement Agreements"). The TY 2016 Settlement Agreements provide:

- For SDG&E, a combined electric and gas authorized revenue requirement of \$1,811 million for TY 2016, of which \$1,500 million is electric and \$311 million is gas;
- For SoCalGas, an authorized requirement for TY 2016 of \$2,219 million; and
- a breakdown of the settlement amounts by functional area.

GENERAL PROVISIONS AND RESERVATIONS

In consideration of the mutual obligations, covenants and conditions contained herein, the Parties agree to all of the above terms and conditions as a complete and final resolution of all issues between them in this proceeding. The Parties, by signing this Agreement, acknowledge that they pledge support for Commission approval and subsequent implementation of all the provisions of this Agreement. The Parties agree to perform diligently and in good faith all actions required or implied hereunder, including the execution of any other documents required to effectuate the terms of this Agreement, and the preparation of exhibits for, and presentation of witnesses at any required hearings to obtain the approval and adoption of this Agreement by the Commission. The Parties will contest in this proceeding or in any other forum, or in any manner before this Commission, the recommendations contained in this Agreement.

A. Compromise of Disputed Claims

The Parties agree that this Agreement represents a compromise of their respective positions in this proceeding. No individual term of this Agreement is assented to by any Party, except in consideration of the other Parties' assent to all other terms.

B. Regulatory Approval

Parties acknowledge that the positions expressed in this Agreement were reached after consideration of all positions advanced in all the testimony sponsored in the proceeding by all Parties and declare and mutually agree that the terms and conditions herein are reasonable, consistent with the law, and in the public interest. Accordingly, the Parties shall use their best efforts to obtain Commission approval of this Agreement and shall jointly request that the Commission adopt this Agreement in its entirety and without modification. The terms and conditions of this Agreement are contingent upon Commission approval of this Agreement and the TY 2016 Settlement Agreements.

C. Incorporation of Complete Agreement

This Agreement embodies the entire understanding and agreement of the Parties with respect to the matters described herein, and, except as described herein, supersedes and cancels any and all prior oral or written agreements, principles, negotiations, statements, representations or understandings among the Parties. This Agreement is to be treated as a complete package and not as a collection of separate agreements on discrete issues. To accommodate the interests related to various issues, the Parties acknowledge that changes, concessions or compromises by one or more Parties in one section of this Agreement could result in changes, concessions or compromises by one or more Parties in other sections of this Agreement. Consequently, the Parties agree to oppose any modification of this Agreement not agreed to by all Parties. Any Party signing this Agreement may withdraw from this Agreement if the Commission modifies, deletes from, or adds to the disposition of the matters settled herein. However, the Parties agree to negotiate in good faith with regard to any Commission-ordered changes, in order to restore the balance of benefits and burdens, and to exercise the right to withdraw on if such negotiations are unsuccessful.

D. Modification of Agreement

The terms and conditions of this Agreement may only be modified in writing subscribed to by the Parties.

E. Non-Precedential

This Agreement represents a compromise between the Parties, consistent with Rule 12.5 of the Commission's Rules of Practice and Procedure, and should not be considered precedent in any future proceeding before this Commission. The Parties have assented to the terms of this Agreement only for the purpose of arriving at the compromise herein. Each Party expressly reserves its right to advocate, in other current and future proceedings, or in the event that this Agreement is rejected by the Commission, positions, principles, assumptions, arguments and methodologies which may be different than those underlying this Agreement.

F. Non-Waiver

It is understood and agreed that no failure or delay by any Party hereto in exercising any right, power or privilege hereunder shall operate as a waiver hereof, nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right, power or privilege.

G. Counterparts

This document may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

H. Governing Law

This Agreement shall be interpreted, governed and construed under the laws of the State of California, including Commission decisions, orders and rulings, as if executed and to be performed wholly within the State of California, provided that in the event of conflict between Federal law and the laws of the State of California, Federal law shall govern.

I. Entire Agreement

This Agreement and all other agreements, exhibits, and schedules referred to in this Agreement constitute(s) the final, complete, and exclusive statement of the terms of the Agreement among the Parties pertaining to the subject matter of this Agreement and supersedes all prior and contemporaneous understandings or agreements of the Parties. This Agreement may not be contradicted by evidence of any prior or contemporaneous statements or agreements. No Party has been induced to enter into this Agreement by, nor is any party relying on, any representation, understanding, agreement, commitment or warranty outside those expressly set forth in this Agreement.

J. Captions and Paragraph Headings

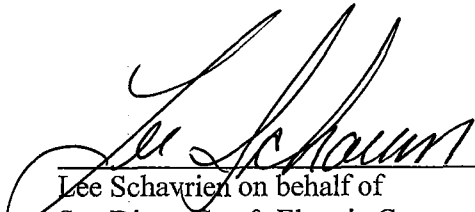
Captions and paragraph headings used herein are for convenience only and are not a part of this Agreement and shall not be used in construing it.

K. Execution

This Agreement may be executed in counterparts by the Parties with the same effect as if all the Parties had signed one and the same document. All such counterparts shall be deemed to be an original and shall together constitute one and the same Agreement.

SIGNATURES

Agreed to and signed by,



Lee Schavrien on behalf of
San Diego Gas & Electric Company,
Southern California Gas Company

9-10-15
Date



Rita Liotta on behalf of
Federal Executive Agencies

9 Sept 2015
Date

A.14-11-003/004 (Test Year 2016 General Rate Case)

Settlement Agreement among Environmental Defense Fund (EDF) San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas)

Environmental Defense Fund (EDF), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas), collectively, the Parties, hereby reach a settlement with this Settlement Agreement (Agreement), resolving all contested issues that exist among the Parties in the Test Year 2016 consolidated General Rate Case proceeding, A.14-11-003 and A.14-11-004 (Test Year 2016 GRC). EDF is also joining, as a signatory, the settlement terms reached among SDG&E, SoCalGas, and the Office of Ratepayer Advocates regarding the Test Year 2016 revenue requirement and Post Test Year issues, as documented in that separate settlement agreement document.

This Agreement will be effective upon California Public Utilities Commission (Commission) approval, through December 31, 2018 or December 31, 2019, should the Commission adopt a three-year attrition period.

Based on extensive good faith negotiations by Parties, in furtherance of resolving contested issues raised in this GRC, Parties agree to the following:

1. It is the intent of Parties to continue to have active, good faith negotiations on the substantive issues related to compliance with Senate Bill (SB) 1371, in the context of Rulemaking (R.) 15-01-008, with the goal of working collaboratively towards reaching common understandings, positions, and/or stipulations on as many of the issues as feasible.
2. It is also the intent of the parties to continue to work together in good faith to determine a plan of repair for non-hazardous leaks in the backlog, as SoCalGas expends the funds requested in this GRC, prior to the conclusion of the SB 1371 rulemaking.
3. Among the areas of ongoing discussions and negotiations are:

- a. development of a system of prioritization for the non-hazardous leak repairs performed prior to the completion of the SB 1371 rulemaking, with the goal of addressing the backlog in a cost effective, environmentally conscious and efficient manner; and
 - b. maintaining the PHMSA definitions of “leak” and “hazardous” for purposes of implementing SB 1371.
4. The New Environmental Regulatory Balancing Account (NERBA), as proposed in this GRC by SDG&E and SoCalGas, should be adopted. That is, as a two-way balancing account, and with the proposed modifications. See Exhibits (Exs.) 174 and 177.
5. To the extent costs associated with compliance with SB 1371 exceed the forecasted costs for Leak Detection and Repair (LDAR) during the GRC cycle, as provided by SDG&E and SoCalGas in Exs. 174, 175, 177, and 178, Parties support, and will seek any additional necessary regulatory authority to clarify that the recovery of those costs is permissible using the adopted NERBA for the duration of the GRC cycle.
6. The GRC should be resolved under its own procedural schedule, and should not remain open to await resolution of issues raised in R.15-01-008.
7. This settlement is not precedent setting and is in effect until the end of the adopted GRC cycle.

GENERAL PROVISIONS AND RESERVATIONS

In consideration of the mutual obligations, covenants and conditions contained herein, the Parties agree to all of the above terms and conditions as a complete and final resolution of all issues between them in this proceeding. The Parties, by signing this Agreement, acknowledge that they pledge support for Commission approval and subsequent implementation of all the provisions of this Agreement. The Parties agree to perform diligently and in good faith all actions required or implied hereunder, including the execution of any other documents required to effectuate the terms of this Agreement, and the preparation of exhibits for, and presentation of witnesses at any required hearings to obtain the approval and adoption of this Agreement by the Commission. The Parties will contest in this proceeding or in any other forum, or in any manner before this Commission, the recommendations contained in this Agreement.

A. Compromise of Disputed Claims

The Parties agree that this Agreement represents a compromise of their respective positions in this proceeding. No individual term of this Agreement is assented to by any Party, except in consideration of the other Parties' assent to all other terms.

B. Regulatory Approval

Parties acknowledge that the positions expressed in this Agreement were reached after consideration of all positions advanced in all the testimony sponsored in the proceeding by all Parties and declare and mutually agree that the terms and conditions herein are reasonable, consistent with the law, and in the public interest. Accordingly, the Parties shall use their best efforts to obtain Commission approval of this Agreement and shall jointly request that the Commission adopt this Agreement in its entirety and without modification.

C. Incorporation of Complete Agreement

This Agreement embodies the entire understanding and agreement of the Parties with respect to the matters described herein, and, except as described herein, supersedes and cancels any and all prior oral or written agreements, principles, negotiations, statements, representations or understandings among the Parties. This Agreement is to be treated as a complete package and not as a collection of separate agreements on discrete issues. To accommodate the interests related to various issues, the Parties acknowledge that changes,

concessions or compromises by one or more Parties in one section of this Agreement could result in changes, concessions or compromises by one or more Parties in other sections of this Agreement. Consequently, the Parties agree to oppose any modification of this Agreement not agreed to by all Parties. Any Party signing this Agreement may withdraw from this Agreement if the Commission modifies, deletes from, or adds to the disposition of the matters settled herein. However, the Parties agree to negotiate in good faith with regard to any Commission-ordered changes, in order to restore the balance of benefits and burdens, and to exercise the right to withdraw on if such negotiations are unsuccessful.

D. Modification of Agreement

The terms and conditions of this Agreement may only be modified in writing subscribed to by the Parties.

E. Non-Precedential

This Agreement represents a compromise between the Parties, consistent with Rule 12.5 of the Commission's Rules of Practice and Procedure, and should not be considered precedent in any future proceeding before this Commission. The Parties have assented to the terms of this Agreement only for the purpose of arriving at the compromise herein. Each Party expressly reserves its right to advocate, in other current and future proceedings, or in the event that this Agreement is rejected by the Commission, positions, principles, assumptions, arguments and methodologies which may be different than those underlying this Agreement.

F. Non-Waiver

It is understood and agreed that no failure or delay by any Party hereto in exercising any right, power or privilege hereunder shall operate as a waiver hereof, nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right, power or privilege.

G. Counterparts

This document may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

H. Governing Law

This Agreement shall be interpreted, governed and construed under the laws of the State of California, including Commission decisions, orders and rulings, as if executed and to be performed wholly within the State of California.

I. Entire Agreement

This Agreement and all other agreements, exhibits, and schedules referred to in this Agreement constitute(s) the final, complete, and exclusive statement of the terms of the Agreement among the Parties pertaining to the subject matter of this Agreement and supersedes all prior and contemporaneous understandings or agreements of the Parties. This Agreement may not be contradicted by evidence of any prior or contemporaneous statements or agreements. No Party has been induced to enter into this Agreement by, nor is any party relying on, any representation, understanding, agreement, commitment or warranty outside those expressly set forth in this Agreement.

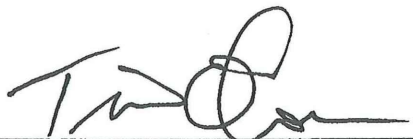
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Agreed to and signed by,



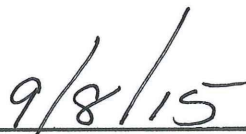
Timothy O'Connor on behalf of
Environmental Defense Fund



Date



Lee Schavrien on behalf of
San Diego Gas & Electric Company,
Southern California Gas Company



Date

**SETTLEMENT AGREEMENT AMONG
SAN DIEGO GAS & ELECTRIC COMPANY (SDG&E),
SOUTHERN CALIFORNIA GAS COMPANY (SOCALGAS), AND
JOINT MINORITY PARTIES**

SDG&E, SoCalGas, and the Joint Minority Parties (collectively, the Parties), hereby reach a settlement resolving all issues as raised and litigated in the Test Year 2016 consolidated General Rate Case proceeding, A.14-11-003 and A.14-11-004 (Test Year 2016 GRC). The Joint Minority Parties are the National Asian American Coalition, the Ecumenical Center for Black Church Studies, the Jesse Miranda Center for Hispanic Leadership, Orange County Interdenominational Alliance, Christ Our Redeemer AME Church, and the Los Angeles Latino Chamber of Commerce.

Based on extensive good faith negotiations by the Parties, in furtherance of resolving contested issues raised in this GRC, Parties execute this settlement agreement (Agreement), and agree to the following:

I. TERMS OF SETTLEMENT

A. Effective Term

1. The Agreement is effective upon California Public Utilities Commission (“CPUC”) approval, through December 31, 2018 or December 31, 2019, should the CPUC adopt a three-year attrition period.

B. Annual Meeting with Chief Executive Officers

1. Parties agree that the Chief Executive Officer (“CEO”) of San Diego Gas & Electric Company (“SDG&E”) and of Southern California Gas Company (“SoCalGas”) will meet privately once annually with representatives from the Joint Minority Parties to discuss topics pertaining to supplier diversity, customer programs, work force demographics, and philanthropy.

C. Annual Public Input Forum

1. SDG&E and SoCalGas agree to host an annual public forum, wherein representatives from the Joint Minority Parties will be invited to offer input on topics pertaining to supplier diversity, customer programs, environmental issues, and philanthropy.

D. Supplier Diversity

1. SDG&E and SoCalGas agree to modify their Annual General Order 156 Reports to provide information regarding the size of the utilities’ diverse suppliers based on annual revenue information currently reported in the CPUC’s Supplier Clearinghouse database.

2. SDG&E and SoCalGas agree to provide informal reports to the Joint Minority Parties, on an annual basis, regarding the utilities' hiring of "returning veterans." These reports will be based on information the utilities will commence collecting from their suppliers upon the execution of this Agreement.
3. SDG&E and SoCalGas agree to set aspirational goals of increasing the annual dollar amount spent for SCORE diverse business enterprise (DBE) participants by 7% each year covered in this GRC period.

SCORE (Small Contractor Opportunity Realization Effort) provides opportunities for selected new and growing DBE companies to demonstrate abilities to work with utilities through low dollar, short term agreements. The criteria for SCORE participants include annual revenue of \$5 million or less and 25 or fewer employees, as reported to the CPUC Supplier Clearinghouse.

4. SDG&E and SoCalGas will encourage all of its Tier 1 suppliers to participate in an annual meeting jointly hosted by SDG&E, SoCalGas, and the Joint Minority Parties. Small and Medium size DBEs will be invited to attend, with the intention of increasing opportunities for DBEs to connect and contract with larger businesses. No contracts are guaranteed to result from the opportunities provided by these meetings.

E. SoCalGas and SDG&E Review and Selection of Auditing Firms

1. SDG&E and SoCalGas agree to continue their efforts to employ diverse firms to conduct accounting reviews and audits not currently conducted by Deloitte and Touche.
2. SDG&E and SoCalGas agree to host an annual networking meeting with minority certified public accountant firms to discuss potential opportunities.

F. Pro Bono Work Conducted by SDG&E and SoCalGas Large Law Firms

1. SDG&E and SoCalGas agree to encourage their large law firms (100+ attorneys) to provide pro bono work.
2. SDG&E and SoCalGas agree to host an annual networking meeting with their law firms and the Joint Minority Parties to discuss opportunities for pro-bono work.

G. Small Business Development

1. SDG&E and SoCalGas agree to continue to work with the Joint Minority Parties to discuss ways to increase the employ of small businesses in the CPUC's Utility Supplier Diversity Program.

SoCalGas and SDG&E define "technical assistance" as primarily educational efforts and "capacity building" as efforts of community-based business organizations to attract and retain members that can do business with utilities. The utilities frequently utilize referrals from the organizations to be included in procurement events. Each

company will commit to maintain or exceed its current efforts in the areas of technical assistance and capacity building for small minority owned businesses. SDG&E and SoCalGas will commit to investing at least a combined amount of \$650,000 annually in technical assistance and capacity building programs to small minority owned businesses. Each company will seek to leverage this funding with matching funds from other corporations, government, and private foundations.

H. Settlement Agreements between SDG&E, SoCalGas, Office of Ratepayer Advocates and Other Parties

1. Joint Minority Parties agree to sign and join the settlement agreement reached among SDG&E, SoCalGas, and the Office of Ratepayer Advocates regarding the Test Year 2016 revenue requirement and Post Test Year issues (the “TY 2016 Settlement Agreement”). The TY 2016 Settlement Agreement provides:

- for SDG&E, a combined electric and gas authorized revenue requirement of \$1,811 million for TY 2016, of which \$1,500 million is electric and \$311 million is gas;
- for SoCalGas, an authorized requirement for TY 2016 of \$2,219 million; and
- a breakdown of the settlement amounts by functional area.

II. GENERAL PROVISIONS AND RESERVATIONS

In consideration of the mutual obligations, covenants and conditions contained herein, the Parties agree to all of the above terms and conditions as a complete and final resolution of all issues between them in this proceeding. The Parties, by signing this Agreement, acknowledge that they pledge support for Commission approval and subsequent implementation of all the provisions of this Agreement. The Parties agree to perform diligently and in good faith all actions required or implied hereunder, including the execution of any other documents required to effectuate the terms of this Agreement, and the preparation of exhibits for, and presentation of witnesses at any required hearings to obtain the approval and adoption of this Agreement by the Commission. The Parties will contest in this proceeding or in any other forum, or in any manner before this Commission, the recommendations contained in this Agreement.

A. Compromise of Disputed Claims

The Parties agree that this Agreement represents a compromise of their respective positions in this proceeding. No individual term of this Agreement is assented to by any Party, except in consideration of the other Parties’ assent to all other terms.

B. Regulatory Approval

Parties acknowledge that the positions expressed in this Agreement were reached after consideration of all positions advanced in all the testimony sponsored in the proceeding by all Parties and declare and mutually agree that the terms and conditions herein are reasonable, consistent with the law, and in the public interest. Accordingly, the Parties shall use their best efforts to obtain Commission approval of this Agreement and shall jointly request that the Commission adopt this Agreement in its entirety and without modification. The terms and

conditions of this Agreement are contingent upon Commission approval of this Agreement and the TY 2016 Settlement Agreement.

C. Incorporation of Complete Agreement

This Agreement embodies the entire understanding and agreement of the Parties with respect to the matters described herein, and, except as described herein, supersedes and cancels any and all prior oral or written agreements, principles, negotiations, statements, representations or understandings among the Parties. This Agreement is to be treated as a complete package and not as a collection of separate agreements on discrete issues. To accommodate the interests related to various issues, the Parties acknowledge that changes, concessions or compromises by one or more Parties in one section of this Agreement could result in changes, concessions or compromises by one or more Parties in other sections of this Agreement. Consequently, the Parties agree to oppose any modification of this Agreement not agreed to by all Parties. Any Party signing this Agreement may withdraw from this Agreement if the Commission modifies, deletes from, or adds to the disposition of the matters settled herein. However, the Parties agree to negotiate in good faith with regard to any Commission-ordered changes, in order to restore the balance of benefits and burdens, and to exercise the right to withdraw on if such negotiations are unsuccessful.

D. Modification of Agreement

The terms and conditions of this Agreement may only be modified in writing subscribed to by the Parties.

E. Non-Precedential

This Agreement represents a compromise between the Parties, consistent with Rule 12.5 of the Commission's Rules of Practice and Procedure, and should not be considered precedent in any future proceeding before this Commission. The Parties have assented to the terms of this Agreement only for the purpose of arriving at the compromise herein. Each Party expressly reserves its right to advocate, in other current and future proceedings, or in the event that this Agreement is rejected by the Commission, positions, principles, assumptions, arguments and methodologies which may be different than those underlying this Agreement.

F. Non-Waiver

It is understood and agreed that no failure or delay by any Party hereto in exercising any right, power or privilege hereunder shall operate as a waiver hereof, nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right, power or privilege.

G. Counterparts

This document may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

H. Governing Law

This Agreement shall be interpreted, governed and construed under the laws of the State of California, including Commission decisions, orders and rulings, as if executed and to be performed wholly within the State of California.

I. Entire Agreement

This Agreement and all other agreements, exhibits, and schedules referred to in this Agreement constitute(s) the final, complete, and exclusive statement of the terms of the Agreement among the Parties pertaining to the subject matter of this Agreement and supersedes all prior and contemporaneous understandings or agreements of the Parties. This Agreement may not be contradicted by evidence of any prior or contemporaneous statements or agreements. No Party has been induced to enter into this Agreement by, nor is any party relying on, any representation, understanding, agreement, commitment or warranty outside those expressly set forth in this Agreement.

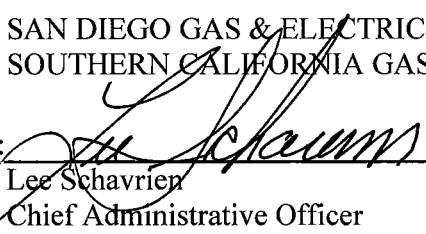
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K. Execution

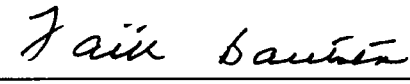
This Agreement may be executed in counterparts by the Parties with the same effect as if all the Parties had signed one and the same document. All such counterparts shall be deemed to be an original and shall together constitute one and the same Agreement.

SAN DIEGO GAS & ELECTRIC COMPANY
SOUTHERN CALIFORNIA GAS COMPANY

By: 
Lee Schavrien
Chief Administrative Officer
San Diego Gas & Electric Company
Southern California Gas Company

Date: 9/10/15

JOINT MINORITY PARTIES

By: 
Faith Bautista
President and Chief Executive Officer
National Asian American Coalition
President, National Diversity Coalition

Date: 9/4/2015

**SETTLEMENT AGREEMENT AMONG
SAN DIEGO GAS & ELECTRIC COMPANY (SDG&E),
SOUTHERN CALIFORNIA GAS COMPANY (SOCALGAS),
THE UTILITY REFORM NETWORK (TURN), AND
UTILITY CONSUMERS' ACTION NETWORK (UCAN)**

SDG&E, SoCalGas, TURN, and UCAN (collectively, the Parties), hereby reach a settlement resolving all issues as raised and litigated in the Test Year 2016 consolidated General Rate Case proceeding, A.14-11-003 and A.14-11-004 (Test Year 2016 GRC), with the exception of the Income Tax – Repair Allowance issue noted below.

Moreover, TURN and UCAN agree to join, as signatories, the settlement agreements reached among SDG&E, SoCalGas, and the Office of Ratepayer Advocates (ORA) regarding the Test Year 2016 revenue requirement and Post Test Year issues for 2017 and 2018, the “Settlement Agreement Regarding Southern California Gas Company’s Test Year 2016 General Rate Case Revenue Requirement, Including Attrition Years 2017 and 2018” and the “Settlement Agreement Regarding San Diego Gas & Electric Company’s Test Year 2016 General Rate Case Revenue Requirement, Including Attrition Years 2017 and 2018” (collectively, the “TY 2016 Settlement Agreements”).

This Agreement will be effective upon California Public Utilities Commission (Commission) approval, through December 31, 2018 or December 31, 2019, should the Commission adopt a three-year attrition period. This condition does not constitute TURN’s or UCAN’s support for, or opposition to, the three-year attrition proposal.

Based on extensive good faith negotiations by Parties, in furtherance of resolving contested issues raised in this GRC, Parties execute this Settlement Agreement (Agreement), and agree to the following:

I. TERMS OF SETTLEMENT

A. Applicable to SoCalGas and SDG&E

- **Test Year 2016 revenue requirement and 2017-18 Post Test Year issues:** The settlement terms reached among SDG&E, SoCalGas and ORA address the full range of issues related to revenue requirement for test year 2016 and the 2017 and 2018 attrition years. (See the Joint Settlement Comparison Exhibit attached as an Appendix to the TY 2016 Settlement Agreement for each utility). SDG&E, SoCalGas and ORA have each represented that in reaching these proposed terms, they considered and incorporated the positions taken in testimony sponsored by TURN and UCAN to the extent those positions were different from and additive to those put forward in ORA’s testimony. TURN and UCAN have reviewed the proposed overall revenue requirement for 2016, 2017, and 2018, and agree that the proposed amount for each of these years is reasonable in light of the record, including the testimony sponsored by TURN and UCAN. Therefore, the overall revenue requirements set forth in the TY 2016 Settlement Agreements should be deemed incorporated in this agreement as if fully set forth herein.

- **Transmission/Distribution Integrity Management Programs (TIMP/DIMP):** Each utility will continue to maintain separate two-way balancing accounts for their TIMP and their DIMP expenditures. The advice letter process for recovery of any TIMP or DIMP undercollections will be limited to undercollection amounts up to 35% of the 2016 GRC cycle total revenue requirement for that program and will require a Tier 3 advice letter. Any amounts above the 35% will be subject to a separate application procedure.
- **Income Tax – Repair Allowance:** All issues associated with the income tax – repair allowance will be litigated separately from this Settlement, based on the existing evidentiary record and briefs to be submitted by interested parties.

B. Applicable to SoCalGas only

- **Storage Integrity Management Program (SIMP):** SoCalGas will establish a two-way balancing account for SIMP expenditures. The advice letter process for recovery of any undercollections will be limited to undercollection amounts up to 35% of the 2016 GRC cycle total SIMP revenue requirement and will require a Tier 3 advice letter. Any amounts above the 35% will be subject to a separate application procedure.

C. Applicable to SDG&E only

- **Service Establishment Charges:** SDG&E’s Service Establishment Charge will be set at \$5.85 for all customers.
- **Branch Offices:** The settling parties agree that SDG&E may file a separate application to seek closure of any currently existing branch offices during the 2016 GRC cycle.
- **Rate Stabilization:** Rates for SDG&E’s customers will be adjusted on January 1, 2016, to reflect roll-off of the General Rate Case Memorandum Account balances associated with SDG&E’s 2012 GRC Phase 1, irrespective of the timing of a final decision in this GRC.
- **Cash Working Capital/Manzanita Project:** SDG&E’s rate recovery of any costs associated with the Manzanita wind project and transmission interconnection for that project is limited to the amount received for the return on cash working capital for Preliminary Surveys and Investigations in this 2016 GRC cycle.³ SDG&E agrees not to seek rate recovery of any costs associated with the project in any future CPUC or FERC rate case.
- **Study of DG Impacts on Circuit Peak Loads:** Prior to the filing of its next GRC application, SDG&E will perform and present a detailed and appropriate study of

DG impacts on circuit peak loads, based on actual data concerning the impact of DG on specific circuits. At a minimum, the study will seek to aggregate circuits with similar load profiles to better estimate the potential of DG to reduce circuit peaks and distribution expenditures in future GRCs.

³ The forecast for Preliminary Surveys and Investigations for the 2016 test year is based on 2013 recorded data that includes \$3.5 million for the Manzanita Wind Project. Ex. 238 (SDG&E response to TURN-12, question 3).

II. GENERAL PROVISIONS AND RESERVATIONS

In consideration of the mutual obligations, covenants and conditions contained herein, the Parties agree to all of the above terms and conditions as a complete and final resolution of all issues between them in this proceeding. The Parties, by signing this Agreement, acknowledge that they pledge support for Commission approval and subsequent implementation of all the provisions of this Agreement. The Parties agree to perform diligently and in good faith all actions required or implied hereunder, including the execution of any other documents required to effectuate the terms of this Agreement, and the preparation of exhibits for, and presentation of witnesses at any required hearings to obtain the approval and adoption of this Agreement by the Commission. The Parties will contest in this proceeding or in any other forum, or in any manner before this Commission, the recommendations contained in this Agreement.

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The Parties agree that this Agreement represents a compromise of their respective positions in this proceeding. No individual term of this Agreement is assented to by any Party, except in consideration of the other Parties' assent to all other terms.

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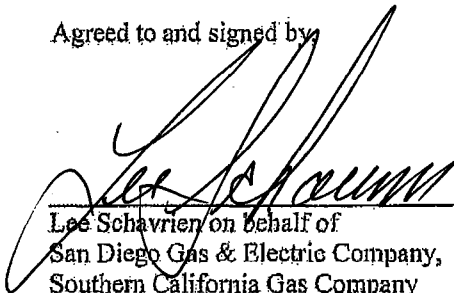
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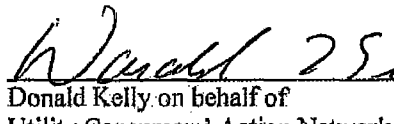
III. SIGNATURES

Agreed to and signed by



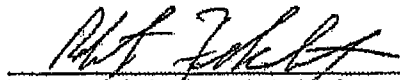
Lee Schavrien on behalf of
San Diego Gas & Electric Company,
Southern California Gas Company

9-10-15
Date



Donald Kelly on behalf of
Utility Consumers' Action Network

9/9/15
Date



Robert Finkelstein on behalf of
The Utility Reform Network

9/9/15
Date

Application of San Diego Gas & Electric Company (U 902 M) for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2016.

Application No. 14-11-003
(Filed November 14, 2014)

Application of Southern California Gas Company (U 904 G) for Authority to Update its Gas Revenue Requirement and Base Rates Effective on January 1, 2016.

Application No. 14-11-004
(Filed November 14, 2014)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing **JOINT MOTION FOR ADOPTION OF SETTLEMENT AGREEMENTS REGARDING SOUTHERN CALIFORNIA GAS COMPANY TEST YEAR 2016 GENERAL RATE CASE, INCLUDING ATTRITION YEARS 2017 AND 2018** on each party named in the official service list for proceeding A.14-11-003/004 by electronic service, and by U.S. Mail to those parties who have not provided an electronic address. Copies were also sent via overnight mail to the Assigned Administrative Law Judges John S. Wong and Rafael L. Lirag.

Executed this 11th day of September 2015, at San Diego, California.

/s/ LISA FUCCI-ORTIZ
Lisa Fucci-Ortiz



California
Public Utilities
Commission



[CPUC Home](#)

CALIFORNIA PUBLIC UTILITIES COMMISSION

Service Lists

PROCEEDING: A1411003 - SDG&E - FOR AUTHORIT
FILER: SAN DIEGO GAS & ELECTRIC COMPANY
LIST NAME: LIST
LAST CHANGED: SEPTEMBER 8, 2015

[Download the Comma-delimited File](#)
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[Back to Service Lists Index](#)

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(UWUA)

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