

Application of SOUTHERN CALIFORNIA GAS )  
COMPANY for authority to update its gas and )  
electric revenue requirement and base rates )  
effective January 1, 2016 (U 904-G) )

Application No. 14-11-\_\_\_\_  
Exhibit No: (SCG-28-WP)

WORKPAPERS TO  
PREPARED DIRECT TESTIMONY  
OF RAGAN G. REEVES  
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

NOVEMBER 2014



## Southern California Gas Company Tax Index

**Workbook File Name:** [taxSCG.xls](#)

**Workbook Description:** The purpose of this workbook is to calculate federal and state income taxes, ad valorem taxes, and payroll taxes for the 2016 GRC filing.

### Worksheet

<b>#</b>	<b><u>Worksheet Name</u></b>	<b><u>Worksheet Description</u></b>
1	<a href="#">Output for Access</a>	The Access Database will pick up the payroll tax rate from this tab.
2	<a href="#">IncomeTax Inputs</a>	Input sheet for 2016 cells that can be changed.
3	<a href="#">2016IncomeTaxes</a>	2016 income tax calculation.
4	<a href="#">2015IncomeTaxes</a>	2015 income tax calculation.
5	<a href="#">2014IncomeTaxes</a>	2014 income tax calculation.
6	<a href="#">2013IncomeTaxes</a>	2013 income tax calculation.
7	<a href="#">Fed&amp;StateTaxDepr</a>	Summary sheet for forecasted depreciation on adds.
8	<a href="#">2016RMBLMDepronAdds</a>	2016 RM BLM depreciation calculation on forecasted capital additions.
9	<a href="#">2016StateDepronAdds</a>	2016 State depreciation calculation on forecasted capital additions
10	<a href="#">2015RMBLMDepronAdds</a>	2015 RM BLM depreciation calculation on forecasted capital additions.
11	<a href="#">2015StateDepronAdds</a>	2015 State depreciation calculation on forecasted capital additions
12	<a href="#">2014RMBLMDepronAdds</a>	2014 RM BLM depreciation calculation on forecasted capital additions.
13	<a href="#">2014StateDepronAdds</a>	2014 State depreciation calculation on forecasted capital additions
14	<a href="#">ADValorem</a>	Property tax projection on capital additions.
15	<a href="#">ADValorem Rate Inflation</a>	Property tax average tax rate forecast.
16	<a href="#">PayrollTaxes</a>	Payroll tax calculation.
17	<a href="#">Composite Payroll Tax Rate</a>	Payroll tax rate calculation.
18	<a href="#">Franchise Fee Factor</a>	Derivation of franchise fee percentage factor.
19	<a href="#">Franchise Fee Rate Calculation</a>	Franchise fee rate forecast.

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**Payroll Tax**

Company Code	Company	Fiscal Year	Description	Revised Payroll Tax Ratio
Co_Code	Company	Fiscal_Year	Ovh_Desc	OHLaborAdj
2200	SCG	2016	Payroll Tax	7.63%

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	Projected			Actual 2013
	2016	2015	2014	
<b>FEDERAL ADJUSTMENTS: Addback (Deduct)</b>				
Cost of Removal-Pre '81 Property	(6,423)	(6,423)	(6,423)	(5,604)
Deductible Repairs	(88,813)	(87,476)	(87,362)	(107,822)
Software Dev	(51,513)	(66,236)	(57,598)	(68,600)
Other-Credit Addback	15	15	15	540
CCFT				(24,316)
Federal & State Credits	(15)	(15)	(15)	(1,883)
ITC	(1,945)	(2,133)	(2,199)	(2,316)
ARAM	(654)	(675)	(622)	(626)
Preferred Dividend Deduction	(517)	(517)	(517)	(517)
Other Deductions and Additions	-	-	-	0
<b>STATE ADJUSTMENTS:</b>				
Cost of Removal-Pre '81 Property	(17,144)	(17,144)	(17,144)	(14,968)
Deductible Repairs	(88,813)	(87,476)	(87,362)	(107,822)
Software Dev	(51,513)	(66,236)	(57,598)	(68,600)
Other-Credit Addback	0	0	0	1,343
Preferred Dividend Deduction	(517)	(517)	(517)	(517)
Other Deductions and Additions				
Unamortized ITC	11,505	13,450	15,583	17,781
FEDERAL STATUTORY RATE	35.00%	35%	35%	35%
STATE STATUTORY RATE	8.84%	8.84%	8.84%	8.84%
Payroll Tax Ratio	7.63%	7.59%	7.57%	7.56%
Ad Valorem Tax Ratio	1.2644594%	1.2576663%	1.2508731%	1.2440800%
Deductible Repairs Ratio	31.53%	31.53%	31.53%	
Taxable CIAC Percentage	64.26%	64.26%	64.26%	
Gross-Up Factor	35.00%	35.00%	35.00%	
ITCCA (CIAC Amortization)	1,504	1,447	1,369	
Forecasted CAC Forfeitures	(9,081)	(9,244)	(9,400)	
ITCCA (CAC Amortization)	2,119	1,940	1,759	

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		<u>2016</u>	
RATEBASE		4,336,247	
ROR	x	<u>8.02%</u>	
Net Operating Income (Return)			347,767
RATEBASE		4,336,247	
WACost of Debt	x	<u>2.63%</u>	
Interest		(114,043)	
FEDERAL ADJUSTMENTS:			
Tax Depreciation	(307,373)	(107,580)	
Fixed Charges - Operating (Interest Expense)	(114,043)	(39,915)	
Pref'd Dvdnd Ded & Credit Addback	(502)	(176)	
Cost of Removal	(6,423)	(2,248)	
Deductible Repairs	(88,813)	(31,084)	
Software Dev	(51,513)	(18,029)	
Ad Valorem Tax - Fiscal/Calendar	(2,431)	(851)	
P/Y CCFT	<u>(10,360)</u>	<u>(3,626)</u>	
Total Federal Tax Adj. (Deduction)	(581,458)		(203,510)
STATE ADJUSTMENTS:			
Tax Depreciation	(434,574)	(38,416)	
Fixed Charges - Operating (Interest Expense)	(113,741)	(10,055)	
Pref'd Dvdnd Ded & Credit Addback	(517)	(46)	
Cost of Removal	(17,144)	(1,516)	
Deductible Repairs	(88,813)	(7,851)	
Software Dev Costs	(51,513)	(4,554)	
Ad Valorem Tax - Fiscal/Calendar	<u>(2,431)</u>	<u>(215)</u>	
Total State Tax Adj. (Deduction)	(708,731)		(62,652)
Adjustments			
ITC Amortization		(1,945)	
ARAM		(654)	
Other		<u>(15)</u>	
			<u>(2,614)</u>
TOTAL			<u><u>78,991</u></u>

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		<u>2015</u>	
RATEBASE		<u>3,860,067</u>	
ROR		<u>8.02%</u>	
Net Operating Income (Return)			309,577
RATEBASE		3,860,067	
WACost of Debt		<u>2.63%</u>	
Interest		(101,520)	
FEDERAL ADJUSTMENTS:			
Tax Depreciation	(320,912)	(112,319)	
Fixed Charges - Operating (Interest Expense)	(101,520)	(35,532)	
Pref'd Dvdnd Ded & Credit Addback	(502)	(176)	
Cost of Removal	(6,423)	(2,248)	
Deductible Repairs	(87,476)	(30,617)	
Software Dev	(66,236)	(23,183)	
Ad Valorem Tax - Fiscal/Calendar	(1,578)	(552)	
P/Y CCFT	<u>(7,547)</u>	<u>(2,641)</u>	
Total Federal Tax Adj. (Deduction)	(592,194)		(207,268)
STATE ADJUSTMENTS:			
Tax Depreciation	(432,118)	(38,199)	
Fixed Charges - Operating (Interest Expense)	(101,166)	(8,943)	
Pref'd Dvdnd Ded & Credit Addback	(517)	(46)	
Cost of Removal	(17,144)	(1,516)	
Deductible Repairs	(87,476)	(7,733)	
Software Dev Costs	(66,236)	(5,855)	
Ad Valorem Tax - Fiscal/Calendar	<u>(1,578)</u>	<u>(140)</u>	
Total State Tax Adj. (Deduction)	(706,235)		(62,431)
Adjustments			
ITC Amortization		(2,133)	
ARAM		(675)	
Other		<u>(15)</u>	
			<u>(2,823)</u>
TOTAL			<u><u>37,055</u></u>

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		<u>2014</u>	
RATEBASE		<u>3,555,455</u>	
ROR	x	<u>8.02%</u>	
Net Operating Income (Return)			285,147
RATEBASE		3,555,455	
WACost of Debt	x	<u>2.63%</u>	
Interest		(93,508)	
FEDERAL ADJUSTMENTS:			
Tax Depreciation	(302,079)	(105,728)	
Fixed Charges - Operating (Interest Expense)	(93,508)	(32,728)	
Pref'd Dvdnd Ded & Credit Addback	(502)	(176)	
Cost of Removal	(6,423)	(2,248)	
Deductible Repairs	(87,362)	(30,577)	
Software Dev	(57,598)	(20,159)	
Ad Valorem Tax - Fiscal/Calendar	(2,993)	(1,047)	
P/Y CCFT	<u>(4,306)</u>	<u>(1,507)</u>	
Total Federal Tax Adj. (Deduction)	(554,771)		(194,170)
STATE ADJUSTMENTS:			
Tax Depreciation	(415,678)	(36,746)	
Fixed Charges - Operating (Interest Expense)	(93,099)	(8,230)	
Pref'd Dvdnd Ded & Credit Addback	(517)	(46)	
Cost of Removal	(17,144)	(1,516)	
Deductible Repairs	(87,362)	(7,723)	
Software Dev Costs	(57,598)	(5,092)	
Ad Valorem Tax - Fiscal/Calendar	<u>(2,993)</u>	<u>(265)</u>	
Total State Tax Adj. (Deduction)	(674,390)		(59,616)
Adjustments			
ITC Amortization		(2,199)	
ARAM		(622)	
Other		<u>(15)</u>	
			<u>(2,836)</u>
TOTAL			<u><u>28,526</u></u>

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		<u>2013</u>	
RATEBASE		<u>3,344,955</u>	
ROR	x	<u>8.02%</u>	
Net Operating Income (Return)			268,265
RATEBASE		3,344,955	
WACost of Debt	x	<u>2.63%</u>	
Interest		(87,972)	
FEDERAL ADJUSTMENTS:			
BLM Tax Depreciation	(279,441)	(97,804)	
Fixed Charges - Operating (Interest Expense)	(87,972)	(30,790)	
Pref'd Dvdnd Ded & Credit Addback	23	8	
Cost of Removal	(5,604)	(1,961)	
Deductible Repairs	(107,822)	(37,738)	
Software Dev	(68,600)	(24,010)	
Ad Valorem Tax - Fiscal/Calendar	1,102	386	
P/Y CCFT	(24,316)	(8,511)	
Total Federal Tax Adj. (Deduction)	<u>(572,631)</u>	<u>(8,511)</u>	(200,421)
STATE ADJUSTMENTS:			
Tax Depreciation	(341,205)	(30,163)	
Fixed Charges - Operating (Interest Expense)	(87,505)	(7,735)	
Pref'd Dvdnd Ded & Credit Addback	826	73	
Cost of Removal	(14,968)	(1,323)	
Deductible Repairs	(107,822)	(9,531)	
Software Dev Costs	(68,600)	(6,064)	
Ad Valorem Tax - Fiscal/Calendar	1,102	97	
Total State Tax Adj. (Deduction)	<u>(618,171)</u>	<u>97</u>	(54,646)
Adjustments			
ITC Amortization		(2,316)	
ARAM		(626)	
Other - Credits (Not to include credit addbacks)		<u>(1,883)</u>	
			<u>(4,825)</u>
TOTAL			<u><u>8,373</u></u>



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BLM Depr - Area 99

Federal Tax Depreciation

	2013	2014	2015	2016
Pre-2014 Vintages	279,441	291,508	281,266	244,241
2014 Additions	-	10,571	30,740	28,971
2015 Additions	-		8,906	26,307
2016 Additions	-			7,854
Total Tax Depreciation Expense	<u>279,441</u>	<u>302,079</u>	<u>320,912</u>	<u>307,373</u>

State Tax Depreciation

	2013	2014	2015	2016
Pre-2014 Vintages	341,205	381,961	346,701	289,832
2014 Additions	-	33,717	54,693	45,879
2015 Additions	-		30,723	53,137
2016 Additions	-			45,726
Total Tax Depreciation Expense	<u>341,205</u>	<u>415,678</u>	<u>432,118</u>	<u>434,574</u>

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Property & Acct.	2016 Vintage FORECAST	AFUDC	Cap Interest	Software & Repairs	Other Basis Adj.	TAX INVEST. FORECAST	2016 RM BLM DEPR.	2016 Depreciation For 2016 Additons	$\left( \begin{array}{l} \text{2016 Tax Investment Forecast} \\ - \\ \text{Other Basis Adjustments} \end{array} \right) /$	2016 Vintage Forecast	=	2016 RM BLM Depn on 2016 Adds
<b>Distribution TC 49.21</b>												
376-387	402,334	(7,330)	3,358	(70,077)	0	328,285	3,640	4,461	$\left( \begin{array}{l} 328,285 \\ - \\ 0 \end{array} \right) /$	402,334	=	3,640
	402,334	(7,330)	3,358	(70,077)	0	328,285	3,640					
<b>Capital Tools TC 49.21</b>												
394	11,755	(21)	10	0	0	11,744	258	258	$\left( \begin{array}{l} 11,744 \\ - \\ 0 \end{array} \right) /$	11,755	=	258
	11,755	(21)	10	0	0	11,744	258					
<b>Office Furn. TC 00.11</b>												
391	0	0	0	0	0	0	0	0	$\left( \begin{array}{l} 0 \\ - \\ 0 \end{array} \right) /$	0	=	0
	0	0	0	0	0	0	0					
<b>Data Equip TC 00.13</b>												
391.1	0	0	0	0	0	0	0	0	$\left( \begin{array}{l} 0 \\ - \\ 0 \end{array} \right) /$	0	=	0
	0	0	0	0	0	0	0					
<b>Computer Equipment TC 00.12</b>												
391	72,304	(3,690)	1,691	0	0	70,304	1,472	1,514	$\left( \begin{array}{l} 70,304 \\ - \\ 0 \end{array} \right) /$	72,304	=	1,472
	72,304	(3,690)	1,691	0	0	70,304	1,472					
<b>Underground Storage TC 49.24</b>												
350, 352-358	83,794	(7,065)	3,236	0	0	79,966	870	911	$\left( \begin{array}{l} 79,966 \\ - \\ 0 \end{array} \right) /$	83,794	=	870
	83,794	(7,065)	3,236	0	0	79,966	870					
<b>Transmission TC 49.24B</b>												
367-371	209,490	(8,816)	4,039	(18,735)	0	185,976	1,117	1,258	$\left( \begin{array}{l} 185,976 \\ - \\ 0 \end{array} \right) /$	209,490	=	1,117
	209,490	(8,816)	4,039	(18,735)	0	185,976	1,117					
<b>Buildings TC 65</b>												
351, 366, 375, 390	43,199	(1,683)	771	0	0	42,287	278	284	$\left( \begin{array}{l} 42,287 \\ - \\ 0 \end{array} \right) /$	43,199	=	278
	43,199	(1,683)	771	0	0	42,287	278					
<b>Land Imp TC 00.3</b>												
390	0	0	0	0	0	0	0	0	$\left( \begin{array}{l} 0 \\ - \\ 0 \end{array} \right) /$	0	=	0
	0	0	0	0	0	0	0					
<b>Communication Equipmt TC 48.14</b>												
397	62,751	(5,390)	2,469	0	0	59,830	77	81	$\left( \begin{array}{l} 59,830 \\ - \\ 0 \end{array} \right) /$	62,751	=	77
	62,751	(5,390)	2,469	0	0	59,830	77					
<b>Land&amp;Other</b>												
	0	0	0	0	0	0	0	0	$\left( \begin{array}{l} 0 \\ - \\ 0 \end{array} \right) /$	0	=	0
	0	0	0	0	0	0	0					
<b>Software</b>												
	96,068	(6,223)	2,851	(88,113)	0	4,583	142	2,971	$\left( \begin{array}{l} 4,583 \\ - \\ 0 \end{array} \right) /$	96,068	=	142
	96,068	(6,223)	2,851	(88,113)	0	4,583	142					
<b>TOTALS</b>	<b>981,695</b>	<b>(40,218)</b>	<b>18,424</b>	<b>(176,926)</b>	<b>0</b>	<b>782,975</b>	<b>7,854</b>	<b>11,739</b>				

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STATE DEPRECIATION CALCULATION

METHOD >>>>>>>	150DB	150DB	150DB	200DB	200DB	150DB	150DB	SL	200DB	200DB	SL				
LIFE >>>>>>>	35 Yr	22 Yr	22 Yr	10 Yr	6 Yr	35 Yr	45 Yr	45 Yr	6 Yr	6 Yr	3 Yr				
Asset Class	Distrib	UGS Rights /Trans	Trans R/W	Office Furn	Data Hndng	Capital Tools	Prop Ld Imp	Bldg	Comm Equip	Computer Equip	Soft Ware Adds	Sub-Total	Other	Land	TOTAL
ADDITIONS	402,334	83,794	209,490	0	0	11,755	0	43,199	62,751	72,304	96,068	981,695	0	(0)	981,695
AFUDC	(7,330)	(7,065)	(8,816)	0	0	(21)	0	(1,683)	(5,390)	(3,690)	(6,223)	(40,218)	0	0	(40,218)
CAP INT & TAXES	3,358	3,236	4,039	0	0	10	0	771	2,469	1,691	2,851	18,424	0	0	18,424
SOFTWARE & REPA	(70,077)	0	(18,735)	0	0	0	0	0	0	0	(88,113)	(176,926)	0	0	(176,926)
TAX BASIS	328,285	79,966	185,976	0	0	11,744	0	42,287	59,830	70,304	4,583	782,975	0	(0)	<u>782,975</u>
YR 1 RATE DEPR.	2.857%	4.546%	4.546%	10.000%	16.667%	2.857%	1.667%	1.667%	16.667%	16.667%	33.333%	45,726		2016	
YR 2 RATE DEPR.	5.551%	8.678%	8.678%	18.000%	27.778%	5.551%	3.278%	3.278%	27.778%	27.778%	33.333%	81,016		2017	
YR 3 RATE DEPR.	5.234%	7.890%	7.890%	14.400%	18.519%	5.234%	3.169%	3.169%	18.519%	18.519%	33.333%	65,747		2018	
YR 4 RATE DEPR.	4.935%	7.173%	7.173%	11.520%	12.346%	4.935%	3.063%	3.063%	12.346%	12.346%	0.000%	53,218		2019	
YR 5 RATE DEPR.	4.653%	6.521%	6.521%	9.216%	9.876%	4.653%	2.961%	2.961%	9.216%	9.216%		46,409		2020	
YR 6 RATE DEPR.	4.387%	5.928%	5.928%	7.373%	9.876%	4.387%	2.863%	2.863%	7.373%	7.373%		41,488		2021	
YR 7 RATE DEPR.	4.137%	5.389%	5.389%	6.554%	4.938%	4.137%	2.767%	2.767%	6.554%	6.554%		38,098		2022	
YR 8 RATE DEPR.	3.901%	4.899%	4.899%	6.554%	0.000%	3.901%	2.675%	2.675%	6.554%	6.554%		35,953		2023	

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Property & Acct.	2015 Vintage FORECAST	AFUDC	Cap Interest	Software & Repairs	Other Basis Adj.	TAX INVEST. FORECAST	2015 RM BLM DEPR.	2016 RM BLM DEPR.	2015 Depreciation For 2015 Additions	$\left( \begin{array}{l} \text{2015 Tax} \\ \text{Investment} \\ \text{Forecast} \end{array} - \begin{array}{l} \text{Other} \\ \text{Basis} \\ \text{Adjustments} \end{array} \right) /$	2015 Vintage Forecast	=	2015 RM BLM Depn on 2015 Adds	2016 Depreciation For 2015 Additions	$\left( \begin{array}{l} \text{2015 Tax} \\ \text{Investment} \\ \text{Forecast} \end{array} - \begin{array}{l} \text{Other} \\ \text{Basis} \\ \text{Adjustments} \end{array} \right) /$	2015 Vintage Forecast	=	2016 RM BLM Depn on 2015 Adds
<b>Distribution</b>																		
TC 49.21																		
376-387	342,227	(7,027)	3,219	(68,678)	0	269,741	3,250	7,255	4,123	$\left( \begin{array}{l} 269,741 \\ - \\ 0 \end{array} \right) /$	342,227	=	3,250	9,204	$\left( \begin{array}{l} 269,741 \\ - \\ 0 \end{array} \right) /$	342,227	=	7,255
	<u>342,227</u>	<u>(7,027)</u>	<u>3,219</u>	<u>(68,678)</u>	<u>0</u>	<u>269,741</u>	<u>3,250</u>	<u>7,255</u>										
<b>Capital Tools</b>																		
TC 49.21																		
394	9,858	(19)	9	0	0	9,848	212	466	212	$\left( \begin{array}{l} 9,848 \\ - \\ 0 \end{array} \right) /$	9,858	=	212	467	$\left( \begin{array}{l} 9,848 \\ - \\ 0 \end{array} \right) /$	9,858	=	466
	<u>9,858</u>	<u>(19)</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>9,848</u>	<u>212</u>	<u>466</u>										
<b>Office Furn.</b>																		
TC 00.11																		
391	257	(8)	4	0	0	252	7	23	7	$\left( \begin{array}{l} 252 \\ - \\ 0 \end{array} \right) /$	257	=	7	23	$\left( \begin{array}{l} 252 \\ - \\ 0 \end{array} \right) /$	257	=	23
	<u>257</u>	<u>(8)</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>252</u>	<u>7</u>	<u>23</u>										
<b>Data Equip</b>																		
TC 00.13																		
391.1	0	0	0	0	0	0	0	0	0	$\left( \begin{array}{l} 0 \\ - \\ 0 \end{array} \right) /$	0	=	0	0	$\left( \begin{array}{l} 0 \\ - \\ 0 \end{array} \right) /$	0	=	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>										
<b>Computer Equipment</b>																		
TC 00.12																		
391	31,659	(1,171)	536	0	0	31,024	1,969	6,275	2,010	$\left( \begin{array}{l} 31,024 \\ - \\ 0 \end{array} \right) /$	31,659	=	1,969	6,403	$\left( \begin{array}{l} 31,024 \\ - \\ 0 \end{array} \right) /$	31,659	=	6,275
	<u>31,659</u>	<u>(1,171)</u>	<u>536</u>	<u>0</u>	<u>0</u>	<u>31,024</u>	<u>1,969</u>	<u>6,275</u>										
<b>Underground Storage</b>																		
TC 49.24																		
350, 352-358	83,923	(5,513)	2,526	0	0	80,936	1,013	2,228	1,050	$\left( \begin{array}{l} 80,936 \\ - \\ 0 \end{array} \right) /$	83,923	=	1,013	2,311	$\left( \begin{array}{l} 80,936 \\ - \\ 0 \end{array} \right) /$	83,923	=	2,228
	<u>83,923</u>	<u>(5,513)</u>	<u>2,526</u>	<u>0</u>	<u>0</u>	<u>80,936</u>	<u>1,013</u>	<u>2,228</u>										
<b>Transmission</b>																		
TC 49.24B																		
367-371	139,212	(5,988)	2,743	(18,798)	0	117,168	730	2,771	868	$\left( \begin{array}{l} 117,168 \\ - \\ 0 \end{array} \right) /$	139,212	=	730	3,292	$\left( \begin{array}{l} 117,168 \\ - \\ 0 \end{array} \right) /$	139,212	=	2,771
	<u>139,212</u>	<u>(5,988)</u>	<u>2,743</u>	<u>(18,798)</u>	<u>0</u>	<u>117,168</u>	<u>730</u>	<u>2,771</u>										
<b>Buildings</b>																		
TC 65																		
351, 366, 375, 390	39,005	(1,650)	756	0	0	38,111	937	783	959	$\left( \begin{array}{l} 38,111 \\ - \\ 0 \end{array} \right) /$	39,005	=	937	801	$\left( \begin{array}{l} 38,111 \\ - \\ 0 \end{array} \right) /$	39,005	=	783
	<u>39,005</u>	<u>(1,650)</u>	<u>756</u>	<u>0</u>	<u>0</u>	<u>38,111</u>	<u>937</u>	<u>783</u>										
<b>Land Imp</b>																		
TC 00.3																		
390	0	0	0	0	0	0	0	0	0	$\left( \begin{array}{l} 0 \\ - \\ 0 \end{array} \right) /$	0	=	0	0	$\left( \begin{array}{l} 0 \\ - \\ 0 \end{array} \right) /$	0	=	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>										
<b>Communication Equipmt</b>																		
TC 48.14																		
397	24,078	(1,015)	465	0	0	23,528	128	4,548	131	$\left( \begin{array}{l} 23,528 \\ - \\ 0 \end{array} \right) /$	24,078	=	128	4,655	$\left( \begin{array}{l} 23,528 \\ - \\ 0 \end{array} \right) /$	24,078	=	4,548
	<u>24,078</u>	<u>(1,015)</u>	<u>465</u>	<u>0</u>	<u>0</u>	<u>23,528</u>	<u>128</u>	<u>4,548</u>										
<b>Land&amp;Other</b>																		
	0	0	0	0	0	0	0	0	0	$\left( \begin{array}{l} 0 \\ - \\ 0 \end{array} \right) /$	0	=	0	0	$\left( \begin{array}{l} 0 \\ - \\ 0 \end{array} \right) /$	0	=	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>										
<b>Software</b>																		
	76,855	(3,794)	1,738	(62,869)	0	11,931	661	1,959	4,258	$\left( \begin{array}{l} 11,931 \\ - \\ 0 \end{array} \right) /$	76,855	=	661	12,620	$\left( \begin{array}{l} 11,931 \\ - \\ 0 \end{array} \right) /$	76,855	=	1,959
	<u>76,855</u>	<u>(3,794)</u>	<u>1,738</u>	<u>(62,869)</u>	<u>0</u>	<u>11,931</u>	<u>661</u>	<u>1,959</u>										
<b>TOTALS</b>	<b>747,075</b>	<b>(26,186)</b>	<b>11,996</b>	<b>(150,345)</b>	<b>0</b>	<b>582,539</b>	<b>8,906</b>	<b>26,307</b>	<b>13,616</b>					<b>39,775</b>				

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METHOD >>>>>>>	150DB	150DB	150DB	200DB	200DB	150DB	150DB	*	200DB	200DB	SL				
LIFE >>>>>>>	35 Yr	22 Yr	22 Yr	10 Yr	6 Yr	35 Yr	45 Yr	45 Yr	6 Yr	6 Yr	3 Yr				
Asset Class	Distrib	UGS Rights /Trans	Trans R/W	Office Furn	Data Hndng	Capital Tools Acct	Prop Ld Imp	Bldg	Comm Equip	Computer Equip	Soft Ware Adds	Sub-Total	Other	Land	TOTAL
ADDITIONS	342,227	83,923	139,212	257	0	9,858	0	39,005	24,078	31,659	76,855	747,075	0	0	747,075
AFUDC	(7,027)	(5,513)	(5,988)	(8)	0	(19)	0	(1,650)	(1,015)	(1,171)	(3,794)	(26,186)	0	0	(26,186)
CAP INT & TAXES	3,219	2,526	2,743	4	0	9	0	756	465	536	1,738	11,996	0	0	11,996
SOFTWARE & REPA	(68,678)	0	(18,798)	0	0	0	0	0	0	0	(62,869)	(150,345)	0	0	(150,345)
TAX BASIS	269,741	80,936	117,168	252	0	9,848	0	38,111	23,528	31,024	11,931	582,539	0	0	582,539
YR 1 RATE DEPR.	2.857% 7,707	4.546% 3,679	4.546% 5,326	10.000% 25	16.667% 0	2.857% 281	1.667% 0	1.667% 635	16.667% 3,921	16.667% 5,171	33.333% 3,977	30,723		2015	
YR 2 RATE DEPR.	5.551% 14,973	8.678% 7,024	8.678% 10,168	18.000% 45	27.778% 0	5.551% 547	3.278% 0	3.278% 1,249	27.778% 6,535	27.778% 8,618	33.333% 3,977	53,137		2016	
YR 3 RATE DEPR.	5.234% 14,118	7.890% 6,386	7.890% 9,245	14.400% 36	18.519% 0	5.234% 515	3.169% 0	3.169% 1,208	18.519% 4,357	18.519% 5,745	33.333% 3,977	45,588		2017	
YR 4 RATE DEPR.	4.935% 13,312	7.173% 5,806	7.173% 8,404	11.520% 29	12.346% 0	4.935% 486	3.063% 0	3.063% 1,167	12.346% 2,905	12.346% 3,830	0.000% 0	35,939		2018	
YR 5 RATE DEPR.	4.653% 12,551	6.521% 5,278	6.521% 7,641	9.216% 23	9.876% 0	4.653% 458	2.961% 0	2.961% 1,128	9.216% 2,168	9.216% 2,859	0.000% 0	32,107		2019	
YR 6 RATE DEPR.	4.387% 11,834	5.928% 4,798	5.928% 6,946	7.373% 19	9.876% 0	4.387% 432	2.863% 0	2.863% 1,091	7.373% 1,735	7.373% 2,287	0.000% 0	29,141		2020	
YR 7 RATE DEPR.	4.137% 11,159	5.389% 4,362	5.389% 6,314	6.554% 17	4.938% 0	4.137% 407	2.767% 0	2.767% 1,055	6.554% 1,542	6.554% 2,033	0.000% 0	26,889		2021	
YR 8 RATE DEPR.	3.901% 10,523	4.899% 3,965	4.899% 5,740	6.554% 17	0.000% 0	3.901% 384	2.675% 0	2.675% 1,019	6.554% 1,542	6.554% 2,033	0.000% 0	25,223		2022	

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Property & Acct.	2014 Vintage FORECAST					TAX INVEST. FORECAST	2014 RM BLM DEPREC.	2015 RM BLM DEPR.	2016 RM BLM DEPR.	2014 Depreciation For 2014 Additons	2014 Tax Investment - Other Basis Adjustments			2014 Vintage Forecast	2014 RM BLM Depn on 2014 Adds	2015 Depreciation For 2014 Additons	2015 Tax Investment - Other Basis Adjustments			2015 Vintage Forecast	2015 RM BLM Depn on 2014 Adds	2016 Depreciation For 2014 Additons	2016 Tax Investment - Other Basis Adjustments			2016 Vintage Forecast	2016 RM BLM Depn on 2014 Adds						
	AFUDC	Cap Interest	Software & Repairs	Other Basis Adj.																													
<b>Distribution TC 49.21</b>																																	
376-387	325,611	(6,415)	2,939	(70,095)	0	252,040	3,019	7,462	6,779	3,901	*	[ 252,040 - 0 ]	/	325,611	=	3,019	9,640	*	[ 252,040 - 0 ]	/	325,611	=	7,462	8,757	*	[ 252,040 - 0 ]	/	325,611	=	6,779			
	<u>325,611</u>	<u>(6,415)</u>	<u>2,939</u>	<u>(70,095)</u>	<u>0</u>	<u>252,040</u>	<u>3,019</u>	<u>7,462</u>	<u>6,779</u>																								
<b>Capital Tools TC 49.21</b>																																	
394	8,419	(19)	9	0	0	8,409	185	400	400	185	*	[ 8,409 - 0 ]	/	8,419	=	185	400	*	[ 8,409 - 0 ]	/	8,419	=	400	400	*	[ 8,409 - 0 ]	/	8,419	=	400			
	<u>8,419</u>	<u>(19)</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>8,409</u>	<u>185</u>	<u>400</u>	<u>400</u>																								
<b>Office Furn. TC 00.11</b>																																	
391	282	(10)	4	0	0	276	9	25	25	9	*	[ 276 - 0 ]	/	282	=	9	25	*	[ 276 - 0 ]	/	282	=	25	25	*	[ 276 - 0 ]	/	282	=	25			
	<u>282</u>	<u>(10)</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>276</u>	<u>9</u>	<u>25</u>	<u>25</u>																								
<b>Data Equip TC 00.13</b>																																	
391.1	0	0	0	0	0	0	0	0	0	0	*	[ 0 - 0 ]	/	0	=	0	0	*	[ 0 - 0 ]	/	0	=	0	0	*	[ 0 - 0 ]	/	0	=	0			
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>																								
<b>Computer Equipment TC 00.12</b>																																	
391	58,040	(2,469)	1,131	0	0	56,702	3,302	11,468	11,468	3,380	*	[ 56,702 - 0 ]	/	58,040	=	3,302	11,739	*	[ 56,702 - 0 ]	/	58,040	=	11,468	11,739	*	[ 56,702 - 0 ]	/	58,040	=	11,468			
	<u>58,040</u>	<u>(2,469)</u>	<u>1,131</u>	<u>0</u>	<u>0</u>	<u>56,702</u>	<u>3,302</u>	<u>11,468</u>	<u>11,468</u>																								
<b>Underground Storage TC 49.24</b>																																	
350, 352-358	60,641	(3,973)	1,820	0	0	58,489	824	1,715	1,610	854	*	[ 58,489 - 0 ]	/	60,641	=	824	1,779	*	[ 58,489 - 0 ]	/	60,641	=	1,715	1,670	*	[ 58,489 - 0 ]	/	60,641	=	1,610			
	<u>60,641</u>	<u>(3,973)</u>	<u>1,820</u>	<u>0</u>	<u>0</u>	<u>58,489</u>	<u>824</u>	<u>1,715</u>	<u>1,610</u>																								
<b>Transmission TC 49.24B</b>																																	
367-371	87,687	(5,124)	2,347	(17,267)	0	67,643	430	1,455	1,600	558	*	[ 67,643 - 0 ]	/	87,687	=	430	1,886	*	[ 67,643 - 0 ]	/	87,687	=	1,455	2,074	*	[ 67,643 - 0 ]	/	87,687	=	1,600			
	<u>87,687</u>	<u>(5,124)</u>	<u>2,347</u>	<u>(17,267)</u>	<u>0</u>	<u>67,643</u>	<u>430</u>	<u>1,455</u>	<u>1,600</u>																								
<b>Buildings TC 65</b>																																	
351, 366, 375, 390	23,742	(966)	442	0	0	23,219	438	1,652	518	447	*	[ 23,219 - 0 ]	/	23,742	=	438	1,689	*	[ 23,219 - 0 ]	/	23,742	=	1,652	530	*	[ 23,219 - 0 ]	/	23,742	=	518			
	<u>23,742</u>	<u>(966)</u>	<u>442</u>	<u>0</u>	<u>0</u>	<u>23,219</u>	<u>438</u>	<u>1,652</u>	<u>518</u>																								
<b>Land Imp TC 00.3</b>																																	
390	0	0	0	0	0	0	0	0	0	0	*	[ 0 - 0 ]	/	0	=	0	0	*	[ 0 - 0 ]	/	0	=	0	0	*	[ 0 - 0 ]	/	0	=	0			
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>																								
<b>Communication Equipmt TC 48.14</b>																																	
397	18,734	(493)	226	0	0	18,466	1,431	2,565	2,573	1,452	*	[ 18,466 - 0 ]	/	18,734	=	1,431	2,602	*	[ 18,466 - 0 ]	/	18,734	=	2,565	2,610	*	[ 18,466 - 0 ]	/	18,734	=	2,573			
	<u>18,734</u>	<u>(493)</u>	<u>226</u>	<u>0</u>	<u>0</u>	<u>18,466</u>	<u>1,431</u>	<u>2,565</u>	<u>2,573</u>																								
<b>Land&amp;Other</b>																																	
	0	0	0	0	0	0	0	0	0	0	*	[ 0 - 0 ]	/	0	=	0	0	*	[ 0 - 0 ]	/	0	=	0	0	*	[ 0 - 0 ]	/	0	=	0			
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>																								
<b>Software</b>																																	
	81,906	(3,792)	1,737	(57,054)	0	22,797	933	3,999	3,999	3,351	*	[ 22,797 - 0 ]	/	81,906	=	933	14,368	*	[ 22,797 - 0 ]	/	81,906	=	3,999	14,368	*	[ 22,797 - 0 ]	/	81,906	=	3,999			
	<u>81,906</u>	<u>(3,792)</u>	<u>1,737</u>	<u>(57,054)</u>	<u>0</u>	<u>22,797</u>	<u>933</u>	<u>3,999</u>	<u>3,999</u>																								
<b>TOTALS</b>	<b>665,062</b>	<b>(23,262)</b>	<b>10,656</b>	<b>(144,416)</b>	<b>0</b>	<b>508,041</b>	<b>10,571</b>	<b>30,740</b>	<b>28,971</b>	<b>14,137</b>							<b>44,128</b>																

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METHOD >>>>>>>	200DB	200DB	200DB	200DB	200DB	200DB	150DB	150DB	200DB	200DB	SL				
LIFE >>>>>>>	35 Yr	22 Yr	22 Yr	10 Yr	6 Yr	35 Yr	45 Yr	45 Yr	6 Yr	6 Yr	3 Yr				
	Distrib	UGS Rights /Trans	Trans R/W	Office Furn	Data Hndlng	Capital Tools	Prop Ld Imp	Bldg	Comm Equip	Computer Equip	Soft Ware Adds	Sub-Total	Other	Land	TOTAL
Asset Class															
ADDITIONS	325,611	60,641	87,687	282	0	8,419	0	23,742	18,734	58,040	81,906	665,062	0	20	665,081
AFUDC	(6,415)	(3,973)	(5,124)	(10)	0	(19)	0	(966)	(493)	(2,469)	(3,792)	(23,262)	0	0	(23,262)
CAP INT & TAXES	2,939	1,820	2,347	4	0	9	0	442	226	1,131	1,737	10,656	0	0	10,656
SOFTWARE & REPA	(70,095)	0	(17,267)	0	0	0	0	0	0	0	(57,054)	(144,416)	0	0	(144,416)
TAX BASIS	252,040	58,489	67,643	276	0	8,409	0	23,219	18,466	56,702	22,797	508,041	0	20	508,060
YR 1 RATE DEPR.	2.857%	4.546%	4.546%	10.000%	16.667%	2.857%	1.667%	1.667%	16.667%	16.667%	33.333%			2014	
YR 2 RATE DEPR.	5.551%	8.678%	8.678%	18.000%	27.778%	5.551%	3.278%	3.278%	27.778%	27.778%	33.333%			2015	
YR 3 RATE DEPR.	5.234%	7.890%	7.890%	14.400%	18.519%	5.234%	3.169%	3.169%	18.519%	18.519%	33.333%			2016	
YR 4 RATE DEPR.	4.935%	7.173%	7.173%	11.520%	12.346%	4.935%	3.063%	3.063%	12.346%	12.346%	0.000%			2017	
YR 5 RATE DEPR.	4.653%	6.521%	6.521%	9.216%	9.876%	4.653%	2.961%	2.961%	9.216%	9.216%	0.000%			2018	
YR 6 RATE DEPR.	4.387%	5.928%	5.928%	7.373%	9.876%	4.387%	2.863%	2.863%	7.373%	7.373%	0.000%			2019	
YR 7 RATE DEPR.	4.137%	5.389%	5.389%	6.554%	4.938%	4.137%	2.767%	2.767%	6.554%	6.554%	0.000%			2020	
YR 8 RATE DEPR.	3.901%	4.899%	4.899%	6.554%	0.000%	3.901%	2.675%	2.675%	6.554%	6.554%	0.000%			2021	

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	Tax Year 2013	Tax Year 2014	Tax Year 2015	Tax Year 2016
Gas Plant in Service	9,976,801	10,489,859	11,057,849	11,705,859
Materials & Supplies	24,108	26,817	24,550	24,924
Plant in Service per Books	10,000,909	10,516,676	11,082,399	11,730,783
Taxable Percentage (Note 1)	98.70%	99.68%	99.68%	99.68%
Taxable Plant in Service	9,871,266	10,483,301	11,047,229	11,693,555
Reserve for Depreciation per Books	5,756,897	6,026,050	6,303,604	6,601,126
Total Reserve for Depreciation	5,756,897	6,026,050	6,303,604	6,601,126
Taxable Percentage (Note 1)	95.88%	95.26%	95.26%	95.26%
Taxable Reserve for Depreciation	5,519,654	5,740,638	6,005,046	6,288,476
Historical Cost less Depreciation	4,351,612	4,742,663	5,042,183	5,405,079
Deferred Income Taxes	943,700	1,005,265	1,015,039	1,029,966
Taxable Percentage (Note 2)	85.28%	85.91%	85.91%	85.91%
100% Deferred Tax Reserve	804,795	863,577	871,973	884,796
HCLD Less 100% of DTR	3,546,817	3,879,086	4,170,210	4,520,283
Adjustment for Income Approach Valuation (Note 3)	97.64%	102.01%	102.01%	102.01%
Assessed Value - Unitary	3,463,200	3,956,900	4,253,864	4,610,959
Non-Unitary Percentage	1.40%	1.40%	1.40%	1.40%
Assessed Value - Non-Unitary	48,645	55,580	59,751	64,767
Total Assessed Value	3,511,845	4,012,480	4,313,615	4,675,726
Net Assessed Value	3,511,845	4,012,480	4,313,615	4,675,726
Average Tax Rate (Note 4)	1.244080%	1.250873%	1.257666%	1.264459%
Fiscal Year Ad Valorem Taxes	43,690	50,191	54,251	59,123
Misc. Ad Valorem Taxes (Note 5)	7	7	7	7
Total Fiscal Year Ad Valorem Taxes	43,697	50,198	54,258	59,130
Less:				
Non-Operating Taxes	170	170	170	170
Tax on Montebello Storage Facility (Non-Utility)	392	392	392	392
Other Than Tax Exp.	170	170	170	170
Fiscal Year Capitalized Tax on CWIP (Note 6)	2,031	2,591	3,300	3,757
Fiscal Year Ad Valorem Tax Expense - Operating	40,934	46,875	50,226	54,641
2nd Installment of Prior Year Tax Billed (April)	21,273	21,183	24,433	26,463
1st Installment of Current Year Tax Billed (December)	21,783	25,033	27,063	29,499
Less: Calendar Year Capitalized Tax on CWIP (Note 6)	1,019	2,333	2,849	3,752
Calendar Year Ad Valorem Tax Exp - Operating	42,037	43,882	48,647	52,210
Income Tax Adjustment	1,102	(2,993)	(1,578)	(2,431)

Note 1 - Includes adjustments for Inventory, Possessory Interests, Software, and Leased Equipment, etc. either added or deducted from Historical Cost and Depreciation Reserve.

Note 2 - Eliminates deferred taxes on non-taxable items from book deferred taxes.

Note 3 - In 2013, SBE used 25% of Income Approach to arrive at SCG's assessed value.

Note 4 - Tax rate inflated by .68% / year based on average tax rate inflation from 2008 to 2013.

Note 5 - Taxes paid directly to special districts.

Note 6 - Beginning with calendar year 2012, property tax on CWIP will be capitalized. This adjustment removes that tax from expense.



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Ad Valorem Tax Rate Inflation

	<u>Rate</u>
A 2013/2014 Average Tax Rate	1.2440800%
B 2008/2009 Average Tax Rate	1.2101142%
C 5 Year Increase (A - B)	0.0339657%
D Average Increase (C / 5)	0.0067931%
Actual 2013/14 Average Tax Rate	1.2440800%
Estimated 2014/15 Average Tax Rate	1.2508731%
Estimated 2015/16 Average Tax Rate	1.2576663%
Estimated 2016/17 Average Tax Rate	1.2644594%

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O&M Payroll Taxes

	Nominal\$
2013 O&M Payroll	507,492
2013 Ratio (Payroll tax/Payroll)	7.56%
2013 O&M Payroll Taxes	38,366
2014 O&M Labor Excl. Reassignment	493,856
2014 Shared O&M Labor	43,669
2014 Ratio	7.57%
2014 O&M Payroll Taxes	40,691
2015 O&M Labor Excl. Reassignment	527,939
2015 Shared O&M Labor	48,421
2015 Ratio	7.59%
2015 O&M Payroll Taxes	43,746
2016 O&M Labor Excl. Reassignment	579,571
2016 Shared O&M Labor	53,195
2016 Ratio	7.63%
2016 O&M Payroll Taxes	48,280

Capital Payroll Taxes:

	Nominal\$
2014 Capital Labor	111,518
2014 Non-Shared Labor O&M Reassigned to Capital	21,501
2014 Shared Labor O&M Reassigned to Capital	939
Total 2014 Capital Labor	133,958
2014 Ratio	7.57%
2014 Capital Payroll Taxes	10,141
2015 Capital Labor	116,305
2015 Non-Shared Labor O&M Reassigned to Capital	22,470
2015 Shared Labor O&M Reassigned to Capital	1,065
Total 2015 Capital Labor	139,839
2015 Ratio	7.59%
2015 Capital Payroll Taxes	10,614
2016 Capital Labor	119,404
2016 Non-Shared Labor O&M Reassigned to Capital	23,993
2016 Shared Labor O&M Reassigned to Capital	1,197
Total 2016 Capital Labor	144,594
2016 Ratio	7.63%
2016 Capital Payroll Taxes	11,032

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Composite Payroll Tax Rate

	2013	2014	2015	2016
<b>Social Security Tax</b>				
SS Wage Base	113,700	117,000	119,100	123,600
SS Wages	640,171,521	643,775,310	645,757,710	650,005,710
SS Tax Rate	6.20%	6.20%	6.20%	6.20%
SS Taxes	39,690,634	39,914,069	40,036,978	40,300,354
<b>Medicare Wage Base</b>				
Medicare Wage Base	N/A	N/A	N/A	N/A
Medicare Wages	695,455,127	695,455,127	695,455,127	695,455,127
Medicare Tax Rate	1.45%	1.45%	1.45%	1.45%
Medicare Taxes	10,084,099	10,084,099	10,084,099	10,084,099
<b>FUI Wage Base</b>				
FUI Wage Base	7,000	7,000	7,000	7,000
FUI Wages	61,786,397	61,786,397	61,786,397	61,786,397
FUI Tax Rate	0.60%	0.60%	0.60%	0.60%
FUI Taxes	370,718	370,718	370,718	370,718
<b>CA-SUI Wage Base</b>				
CA-SUI Wage Base	7,000	7,000	7,000	7,000
CA-SUI Wages	61,786,397	61,786,397	61,786,397	61,786,397
CA-SUI Tax Rate	3.80%	3.60%	3.60%	3.60%
CA-SUI Taxes	2,347,883	2,224,310	2,224,310	2,224,310
<b>CA-SUI ETT Tax Rate</b>				
CA-SUI ETT Tax Rate	0.10%	0.10%	0.10%	0.10%
CA-SUI ETT Taxes	61,786	61,786	61,786	61,786
<b>Total Employer Payroll Tax</b>				
Total Employer Payroll Tax	52,555,120	52,654,982	52,777,891	53,041,267
Medicare Wages	695,455,127	695,455,127	695,455,127	695,455,127
Composite Rate	7.56%	7.57%	7.59%	7.63%

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Franchise Fee Factor

	2013 Recorded	2014	2015	2016
Franchise Fees	45,348,380	Note 1	Note 1	Note 1
Total Gross Receipts	3,220,497,583			
Franchise Fee Rate	1.4081%	1.4136%	1.4136%	1.4136%

**Note 1 - 2014, 2015, and 2016 franchise fee rates are based on average of 2009 to 2013 and includes rates for new franchises.**

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Franchise Fee Rate Calculation

	<u>2009</u> Franchise	<u>2010</u> Franchise	<u>2011</u> Franchise	<u>2012</u> Franchise	<u>2013</u> Franchise	<u>5 Year</u> Average
<b>Total Franchise Payments - Current Year (Note 1)</b>	<u>42,785,661.23</u>	<u>47,659,945.05</u>	<u>48,026,116.68</u>	<u>40,509,130.87</u>	<u>45,348,379.91</u>	<u>44,865,846.75</u>
<b>Gross Receipts</b>	2,996,488,216	3,360,715,964	3,405,399,118	2,886,349,085	3,220,497,583	3,173,889,993
<b>Franchise Fee Percentage for Rate Case</b> (Franchise Payment / Gross Receipts)	<u>1.4279%</u>	<u>1.4181%</u>	<u>1.4103%</u>	<u>1.4035%</u>	<u>1.4081%</u>	
<b>Weighted Average Percentage (5 Year Avg)</b>						<u>1.4136%</u>

Note 1 - Historical payments using newest franchise agreements

**Southern California Gas Company  
Deferred Tax Index**

**WORKBOOK NAME:** taxSCGDeferred.xls

**WORKBOOK DESCRIPTION:** The purpose of this workbook is to calculate the weighted average deferred taxes that flow into ratebase.

**Worksheet**

#	Worksheet Name	Worksheet Description
1	<a href="#">TotalSCGDeferredTaxes</a>	Summary page - weighted average deferred taxes for 2013, 2014, 2015, & 2016
2	<a href="#">2016DEFTAXESWgtAvg</a>	Calculation of 2016 weighted average deferred taxes
3	<a href="#">2015DEFTAXESWgtAvg</a>	Calculation of 2015 weighted average deferred taxes
4	<a href="#">2014DEFTAXESWgtAvg</a>	Calculation of 2014 weighted average deferred taxes
5	<a href="#">2013DEFTAXESWgtAvg</a>	Calculation of 2013 weighted average deferred taxes
6	<a href="#">RMFEDTAXDepr</a>	Summary page - Ratemaking Federal depreciation
7	<a href="#">RMBLMDepr</a>	Summary page - Ratemaking BLM depreciation
8	<a href="#">2016RMFedDepronAdds</a>	Ratemaking Fed (Area 97) depreciation calculation on 2016 capital additions
9	<a href="#">2016RMBLMDepronAdds</a>	Ratemaking BLM (Area 99) depreciation calculation on 2016 capital additions
10	<a href="#">2015RMFedDepronAdds</a>	Ratemaking Fed (Area 97) depreciation calculation on 2015 capital additions
11	<a href="#">2015RMBLMDepronAdds</a>	Ratemaking BLM (Area 99) depreciation calculation on 2015 capital additions
12	<a href="#">2014RMFedDepronAdds</a>	Ratemaking Fed (Area 97) depreciation calculation on 2014 capital additions
13	<a href="#">2014RMBLMDepronAdds</a>	Ratemaking BLM (Area 99) depreciation calculation on 2014 capital additions
14	<a href="#">2013RMFedDepronAdds</a>	Ratemaking Fed (Area 97) depreciation calculation on 2013 capital additions
15	<a href="#">2013RMBLMDepronAdds</a>	Ratemaking BLM (Area 99) depreciation calculation on 2013 capital additions
16	<a href="#">CapInterest</a>	1986 TRA - Capitalized Interest Adjustment on forecasted adds.
17	<a href="#">TaxDeprCapInterest</a>	Depreciation effect of Capitalized Interest Adjustment
18	<a href="#">CIAC</a>	Deferred Taxes and Deferred Revenue Calc for CIAC
19	<a href="#">CIAC Input</a>	CIAC percentage input for distribution and transmission
20	<a href="#">CIAC-CAC</a>	Input for forecasted CAC forfeitures
21	<a href="#">Depr Adjustment</a>	State / Federal Depreciation for CIAC advances and CAC forfeitures
22	<a href="#">Tax Depr - CIAC &amp; CAC</a>	Depreciation on CIAC Advances and CAC Forfeitures (Advance piece only)
23	<a href="#">Monthly Summary</a>	
24	<a href="#">DefTaxITC</a>	Accumulated Deferred ITC
25	<a href="#">TotalSCGDefTaxesShServ</a>	Summary page - weighted average deferred taxes for Shared Services 2014-2016
26	<a href="#">2016DefTaxesShServ</a>	Calculation of 2016 Shared Services weighted average deferred taxes
27	<a href="#">2015DefTaxesShServ</a>	Calculation of 2015 Shared Services weighted average deferred taxes
28	<a href="#">2014DefTaxesShServ</a>	Calculation of 2014 Shared Services weighted average deferred taxes
29	<a href="#">ShServRMFedTaxDepr</a>	Summary page - Shared Services Ratemaking Federal depreciation
30	<a href="#">ShServRMBLMDepr</a>	Summary page - Shared Services Ratemaking BLM depreciation
31	<a href="#">2016RMFedDepronAddsShServ</a>	Ratemaking Fed (Area 97) Shared Services depreciation on 2016 capital additions
32	<a href="#">2016RMBLMDepronAddsShServ</a>	Ratemaking BLM (Area 99) Shared Services depreciation on 2016 capital additions
33	<a href="#">2015RMFedDepronAddsShServ</a>	Ratemaking Fed (Area 97) Shared Services depreciation on 2015 capital additions
34	<a href="#">2015RMBLMDepronAddsShServ</a>	Ratemaking BLM (Area 99) Shared Services depreciation on 2015 capital additions
35	<a href="#">2014RMFedDepronAddsShServ</a>	Ratemaking Fed (Area 97) Shared Services depreciation on 2014 capital additions
36	<a href="#">2014RMBLMDepronAddsShServ</a>	Ratemaking BLM (Area 99) Shared Services depreciation on 2014 capital additions
37	<a href="#">CapInterestShrdSvcs</a>	1986 TRA - Capitalized Interest Adjustment on forecasted shared service adds.
38	<a href="#">TaxDeprCapInterestShrdSvcs</a>	Depreciation effect of Capitalized Interest Adjustment on forecasted shared service adds.
39	<a href="#">DefTaxShServStructures</a>	Deferred Taxes - Shared Services Structures
40	<a href="#">DefTaxShServHardware</a>	Deferred Taxes - Shared Services Hardware
41	<a href="#">DefTaxShServSoftware</a>	Deferred Taxes - Shared Services Software
42	<a href="#">DefTaxShServCommunications</a>	Deferred Taxes - Shared Services Communications
43	<a href="#">DefTaxShServMiscellaneous</a>	Deferred Taxes - Shared Services Miscellaneous

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**Southern California Gas Company**  
**Total Deferred Taxes**

	DR (CR)
Weighted Average Deferred Tax Balance - 2013	(974,483)
Weighted Average Deferred Tax Balance - 2014	(1,007,521)
Weighted Average Deferred Tax Balance - 2015	(1,018,484)
Weighted Average Deferred Tax Balance - 2016	(1,035,458)

INPUT VARIABLES FOR DEFERRED TAXES

FEDERAL STATUTORY RATE 35%

STATE RATE - NET OF STATE BENEFIT 5.746%

Percentage of Capitalized Taxes & Interest to AFUDC 46%

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**Southern California Gas Company  
2016 Deferred Taxes**

	<b>2016</b>		<b>2016</b>
DEFERRED TAX BALANCE @ 12/31/15	(1,029,966)	NET OPERATING LOSS	
		BOOK INCOME BEFORE TAXES	-
		ADD BACK DEPRECIATION	-
		BOOK INCOME BEFORE TAXES AND DEPRECIATION	-
RM BLM 2016 Depr on 2013 and Prior Vintages	244,241	<b>FEDERAL ADJUSTMENTS</b>	
RM Fed Tax 2016 Depr on 1981-2013 Vintages	223,283	FED ADJ OTHER THAN INTEREST AND PY CCFT	-
	20,958	FIXED CHARGES - OPERATING (INTEREST EXPENSE)	-
	35%	PY CCFT	-
	7,335	ADD BACK BLM TAX DEPRECIATION	-
2016 FORECASTED CAPITAL ADDITIONS	981,695	SUBTRACT TAX DEPRECIATION (BONUS)	-
		TOTAL FEDERAL TAX ADJUSTMENTS	-
2016 RM BLM DEPRECIATION ON 2014 - 2016 CAPITAL ADDITIONS	63,132	FEDERAL TAXABLE INCOME/(LOSS)	-
2016 RM FED TAX DEPRECIATION ON 2014 - 2016 CAPITAL ADDITIONS	171,146	FEDERAL TAX RATE	35%
	(108,014)	DEFERRED TAX ASSET (DTA)	-
TAX RATE	35%	DTA CARRIED FORWARD TO 2013	-
DEFERRED TAX ON CAPITAL ADDITIONS - DR./ (CR.)	(37,805)	FEDERAL TAX DEPRECIATION:	
		DEPRECIATION ON PRE-2014 VINTAGES	-
RM BLM DEPR ON CHANGE IN 2013 CAPITAL ADDITIONS	-	DEPRECIATION ON 2014 ADDITIONS	-
RM FED TAX DEPR ON CHANGE IN 2013 CAPITAL ADDITIONS	-	DEPRECIATION ON 2015 ADDITIONS	-
	-	DEPRECIATION ON 2016 CAPITAL ADDITIONS	-
	35%	TOTAL TAX DEPRECIATION	-
	-		
DEFERRED TAX ON CAPITAL ADDITIONS - AND 2013 ADJUSTMENTS	(37,805)		
86 TRA - CAPITALIZED INTEREST	6,613		
OTHER ADJUSTMENTS	0		
DEFERRED TAX BALANCE @ 12/31/16	(1,053,823)		
WEIGHTED AVERAGE DEFERRED TAX BALANCE DR (CR)	(1,035,458)		
BLM BOOK TO TAX RATIO	79.586%		

	a	b =	c = a x b	d =	e
	Mthly Avg of	# of days in yrs / d	weighted	days left in yr	
	CY def'd		avg per mo		
					(1,029,966)
jan	(1,988)	0.9153	(1,820)	335	(1,031,786)
feb	(1,988)	0.8306	(1,651)	304	(1,033,437)
mar	(1,988)	0.7541	(1,499)	276	(1,034,936)
apr	(1,988)	0.6694	(1,331)	245	(1,036,267)
may	(1,988)	0.5874	(1,168)	215	(1,037,435)
jun	(1,988)	0.5027	(999)	184	(1,038,434)
jul	(1,988)	0.4208	(837)	154	(1,039,271)
aug	(1,988)	0.3361	(668)	123	(1,039,939)
sep	(1,988)	0.2514	(500)	92	(1,040,439)
oct	(1,988)	0.1694	(337)	62	(1,040,775)
nov	(1,988)	0.0847	(168)	31	(1,040,944)
dec	(1,988)	0.0027	(5)	1	(1,040,949)

Prorated additions	(10,983)
Beginning of year balance	(1,029,966)
Prorated end of year balance	(1,040,949)
Average	(1,035,458)



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**Southern California Gas Company  
2015 Deferred Taxes**

	2015
DEFERRED TAX BALANCE @ 12/31/14	(1,015,039)
RM BLM 2015 Depr on 2013 and Prior Vintages	281,266
RM Fed Tax 2015 Depr on 1981-2013 Vintages	271,543
	9,723
	35%
	3,403
2015 FORECASTED CAPITAL ADDITIONS	747,075
2015 RM BLM DEPRECIATION ON 2014 - 2015 CAPITAL ADDITIONS	39,646
2015 RM FED TAX DEPRECIATION ON 2014 - 2015 CAPITAL ADDITION	104,611
	(64,965)
TAX RATE	35%
DEFERRED TAX ON CAPITAL ADDITIONS - DR./ (CR.)	(22,738)
RM BLM DEPR ON CHANGE IN 2013 CAPITAL ADDITIONS	-
RM FED TAX DEPR ON CHANGE IN 2013 CAPITAL ADDITIONS	-
	35%
	-
DEFERRED TAX ON CAPITAL ADDITIONS - AND 2013 ADJUSTMENTS	(22,738)
86 TRA - CAPITALIZED INTEREST	4,407
OTHER ADJUSTMENTS	0
DEFERRED TAX BALANCE @ 12/31/15	(1,029,966)
WEIGHTED AVERAGE DEFERRED TAX BALANCE DR (CR)	(1,018,484)
BLM BOOK TO TAX RATIO	77.761%

**NET OPERATING LOSS**

	2015
BOOK INCOME BEFORE TAXES	-
ADD BACK DEPRECIATION	-
BOOK INCOME BEFORE TAXES AND DEPRECIATION	-
<b>FEDERAL ADJUSTMENTS</b>	
FED ADJ OTHER THAN INTEREST AND PY CCFT	-
FIXED CHARGES - OPERATING (INTEREST EXPENSE)	-
PY CCFT	-
ADD BACK BLM TAX DEPRECIATION	-
SUBTRACT TAX DEPRECIATION (BONUS)	-
TOTAL FEDERAL TAX ADJUSTMENTS	-
FEDERAL TAXABLE INCOME/(LOSS)	-
FEDERAL TAX RATE	35%
DEFERRED TAX ASSET (DTA)	-
DTA CARRIED FORWARD TO 2016	-
<b>FEDERAL TAX DEPRECIATION:</b>	
DEPRECIATION ON PRE-2014 VINTAGES	-
DEPRECIATION ON 2014 ADDITIONS	-
DEPRECIATION ON 2015 ADDITIONS	-
TOTAL TAX DEPRECIATION	-

365

	a	b =	c = a x b	d =	e
	Mthly Avg of CY def'd	# of days in yrs / d	weighted avg per mo	days left in yr	
					(1,015,039)
jan	(1,244)	0.9178	(1,142)	335	(1,016,180)
feb	(1,244)	0.8329	(1,036)	304	(1,017,216)
mar	(1,244)	0.7562	(941)	276	(1,018,157)
apr	(1,244)	0.6712	(835)	245	(1,018,992)
may	(1,244)	0.5890	(733)	215	(1,019,725)
jun	(1,244)	0.5041	(627)	184	(1,020,352)
jul	(1,244)	0.4219	(525)	154	(1,020,877)
aug	(1,244)	0.3370	(419)	123	(1,021,296)
sep	(1,244)	0.2521	(314)	92	(1,021,609)
oct	(1,244)	0.1699	(211)	62	(1,021,821)
nov	(1,244)	0.0849	(106)	31	(1,021,926)
dec	(1,244)	0.0027	(3)	1	(1,021,930)

Prorated additions	(6,891)
Beginning of year balance	(1,015,039)
Prorated end of year balance	(1,021,930)
Average	(1,018,484)

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**Southern California Gas Company  
2014 Deferred Taxes**

	2014
DEFERRED TAX BALANCE @ 12/31/13	(1,005,265)
RM BLM 2014 Depr on 2013 and Prior Vintages	291,508
RM FED TAX 2014 DEPR ON 1981-2013 VINTAGES	299,790
	(8,282)
	35%
	(2,899)
2014 FORECASTED CAPITAL ADDITIONS	665,062
2014 RM BLM DEPRECIATION ON 2014 CAPITAL ADDITIONS	10,571
2014 RM FED TAX DEPRECIATION ON 2014 CAPITAL ADDITIONS	42,169
	(31,598)
	35%
TAX RATE	35%
DEFERRED TAX ON CAPITAL ADDITIONS - DR./ (CR.)	(11,059)
RM BLM DEPR ON CHANGE IN 2013 CAPITAL ADDITIONS	-
RM FED TAX DEPR ON CHANGE IN 2013 CAPITAL ADDITIONS	-
	-
	35%
	-
DEFERRED TAX ON CAPITAL ADDITIONS - AND 2013 ADJUSTMENTS	(11,059)
86 TRA - CAPITALIZED INTEREST	4,185
OTHER ADJUSTMENTS	0
DEFERRED TAX BALANCE @ 12/31/14	(1,015,039)
WEIGHTED AVERAGE DEFERRED TAX BALANCE DR (CR)	(1,007,521)
BLM BOOK TO TAX RATIO	76.170%

**NET OPERATING LOSS**

	2014
BOOK INCOME BEFORE TAXES	-
ADD BACK DEPRECIATION	-
BOOK INCOME BEFORE TAXES AND DEPRECIATION	-
<b>Federal Adjustments</b>	
FED ADJ OTHER THAN INTEREST AND PY CCFT	-
FIXED CHARGES - OPERATING (INTEREST EXPENSE)	-
PY CCFT	-
ADD BACK BLM TAX DEPRECIATION	-
SUBTRACT TAX DEPRECIATION (BONUS)	-
TOTAL FEDERAL TAX ADJUSTMENTS	-
FEDERAL TAXABLE INCOME/(LOSS)	-
FEDERAL TAX RATE	35%
DEFERRED TAX ASSET	-
DEFERED TAX ASSET CARRIED BACK TO 2008	-
FEDERAL TAX DEPRECIATION:	
DEPRECIATION ON PRE-2014 VINTAGES	-
DEPRECIATION ON 2014 ADDITIONS	-
TOTAL TAX DEPRECIATION	-

	a	b =	c = a x b	d =	e
	Mthly Avg of CY def'd	# of days in yrs / d	weighted avg per mo	days left in yr	
					(1,005,265)
jan	(814)	0.9178	(748)	335	(1,006,013)
feb	(814)	0.8329	(678)	304	(1,006,691)
mar	(814)	0.7562	(616)	276	(1,007,307)
apr	(814)	0.6712	(547)	245	(1,007,853)
may	(814)	0.5890	(480)	215	(1,008,333)
jun	(814)	0.5041	(411)	184	(1,008,744)
jul	(814)	0.4219	(344)	154	(1,009,087)
aug	(814)	0.3370	(274)	123	(1,009,362)
sep	(814)	0.2521	(205)	92	(1,009,567)
oct	(814)	0.1699	(138)	62	(1,009,706)
nov	(814)	0.0849	(69)	31	(1,009,775)
dec	(814)	0.0027	(2)	1	(1,009,777)

Prorated additions	(4,512)
Beginning of year balance	(1,005,265)
Prorated end of year balance	(1,009,777)
Average	(1,007,521)

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Southern California Gas Company  
2013 Deferred Taxes

	2013
DEFERRED TAX BALANCE @ 12/31/12	(943,700)
DEFERRED TAX BALANCE @ 12/31/13	(1,005,265)
WEIGHTED AVERAGE DEFERRED TAX BALANCE DR (CR)	(974,483)

**NET OPERATING LOSS**

BOOK INCOME BEFORE TAXES	-
ADD BACK DEPRECIATION	-
BOOK INCOME BEFORE TAXES AND DEPRECIATION	-
<b>FEDERAL ADJUSTMENTS</b>	
FED ADJ OTHER THAN INTEREST AND PY CCFT	-
FIXED CHARGES - OPERATING (INTEREST EXPENSE)	-
PY CCFT	-
ADD BACK BLM TAX DEPRECIATION Recorded)	-
SUBTRACT TAX DEPRECIATION (BONUS)	-
TOTAL FEDERAL TAX ADJUSTMENTS	-
FEDERAL TAXABLE INCOME/(LOSS)	-
FEDERAL TAX RATE	35%
DEFERRED TAX ASSET (DTA)	-
DTA CARRIED BACK TO 2008	-
FEDERAL TAX DEPRECIATION (Recorded):	-

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**Southern California Gas Company  
 Ratemaking Deferred Tax Depreciation  
 Area 97**

	2013	2014	2015	2016
Vintage 1981-2013 - Depr	216,961	299,790	271,543	223,283
2014 Additions - Depr		42,169	68,849	55,570
2015 Additions - Depr			35,762	61,476
2016 Additions - Depr				54,100
<b>Total Area 97 Ratemaking Fed Depr</b>	<b>216,961</b>	<b>341,959</b>	<b>376,154</b>	<b>394,429</b>
		2015 Dep	104,611	
		2016 Dep	171,146	

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**Southern California Gas Company  
BLM Deferred Tax Depreciation  
Area 99**

	2013	2014	2015	2016
BLM Vintage 2013 and Prior Depr	279,441	291,508	281,266	264,369 (20,128)
2014 Additions - Depr		10,571	30,740	28,971
2015 Additions - Depr			8,906	26,307
2016 Additions - Depr				7,854
<b>Total Area 99 Ratemaking BLM Depr</b>	<b>279,441</b>	<b>302,079</b>	<b>320,912</b>	<b>307,373</b>
		2015 Dep	39,646	
		2016 Dep	63,132	
2016 Composite Book Rate	3.51%			
2013 Composite Book Rate	3.79%			
Change in Rate	-0.28%			
2013 VY Asset Base in 2016	7,085,967			
Depn Adj to 2013 VY Assets in 2016	(20,128)			

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**Southern California Gas Company  
2016 Ratemaking Federal Deferred Tax Depreciation on Capital Additions**

**50% BONUS DEPRECIATION**

METHOD	150DB	150DB	150DB	200DB	200DB	150DB	SL	SL	200DB	200DB	SL				
LIFE	20 Yr	15 Yr	15 Yr	7 Yr	5 Yr	20 Yr	39 Yr	39 Yr	5 Yr	5 Yr	3 Yr				
Asset Class	Distrib	UGS Rights	Trans	Office Furn	Data Hndng	Capital Tools	Prop Ld Imp	Bldg	Comm Equip	Computer Equip	Soft Ware Adds	Sub-Total	Other	Land	TOTAL
ADDITIONS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CAP INT & TAX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOFTWARE & REPAIRS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BONUS DEPR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAX BASIS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
YR 1 RATE DEPR.	3.750%	5.000%	5.000%	14.286%	20.000%	3.750%	1.177%	1.177%	20.000%	20.000%	33.333%	0	0	0	0
YR 2 RATE DEPR.	7.219%	9.500%	9.500%	24.490%	32.000%	7.219%	2.564%	2.564%	32.000%	32.000%	33.333%	0	0	2017	0
YR 3 RATE DEPR.	6.678%	8.550%	8.550%	17.493%	19.200%	6.678%	2.564%	2.564%	19.200%	19.200%	33.333%	0	0	2018	0
YR 4 RATE DEPR.	6.178%	7.695%	7.695%	12.495%	11.520%	6.178%	2.564%	2.564%	11.520%	11.520%	0.000%	0	0	2019	0
YR 5 RATE DEPR.	5.715%	6.926%	6.926%	8.925%	11.520%	5.715%	2.564%	2.564%	11.520%	11.520%	0.000%	0	0	2020	0
YR 6 RATE DEPR.	5.287%	6.233%	6.233%	8.925%	5.760%	5.287%	2.564%	2.564%	5.760%	5.760%	0.000%	0	0	2021	0
YR 7 RATE DEPR.	4.890%	5.900%	5.900%	8.925%	0.000%	4.890%	2.564%	2.564%	0.000%	0.000%	0.000%	0	0	2022	0
YR 8 RATE DEPR.	4.523%	5.900%	5.900%	4.461%	0.000%	4.523%	2.564%	2.564%	0.000%	0.000%	0.000%	0	0	2023	0

**100% BONUS DEPRECIATION**

METHOD	150DB	150DB	150DB	200DB	200DB	150DB	SL	SL	200DB	200DB	SL				
LIFE	20 Yr	15 Yr	15 Yr	7 Yr	5 Yr	20 Yr	39 Yr	39 Yr	5 Yr	5 Yr	3 Yr				
Asset Class	Distrib	UGS Rights	Trans	Office Furn	Data Hndng	Capital Tools	Prop Ld Imp	Bldg	Comm Equip	Computer Equip	Soft Ware Adds	Sub-Total	Other	Land	TOTAL
ADDITIONS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AFUDC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CAP INT & TAX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOFTWARE & REPAIRS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BONUS DEPR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAX BASIS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
YR 1 RATE DEPR.	3.750%	5.000%	5.000%	14.286%	20.000%	3.750%	1.177%	1.177%	20.000%	20.000%	33.333%	0	0	0	2016
YR 2 RATE DEPR.	7.219%	9.500%	9.500%	24.490%	32.000%	7.219%	2.564%	2.564%	32.000%	32.000%	33.333%	0	0	2017	0
YR 3 RATE DEPR.	6.678%	8.550%	8.550%	17.493%	19.200%	6.678%	2.564%	2.564%	19.200%	19.200%	33.333%	0	0	2018	0
YR 4 RATE DEPR.	6.178%	7.695%	7.695%	12.495%	11.520%	6.178%	2.564%	2.564%	11.520%	11.520%	0.000%	0	0	2019	0
YR 5 RATE DEPR.	5.715%	6.926%	6.926%	8.925%	11.520%	5.715%	2.564%	2.564%	11.520%	11.520%	0.000%	0	0	2020	0
YR 6 RATE DEPR.	5.287%	6.233%	6.233%	8.925%	5.760%	5.287%	2.564%	2.564%	5.760%	5.760%	0.000%	0	0	2021	0
YR 7 RATE DEPR.	4.890%	5.900%	5.900%	8.925%	0.000%	4.890%	2.564%	2.564%	0.000%	0.000%	0.000%	0	0	2022	0
YR 8 RATE DEPR.	4.523%	5.900%	5.900%	4.461%	0.000%	4.523%	2.564%	2.564%	0.000%	0.000%	0.000%	0	0	2023	0

**MACRS DEPRECIATION**

METHOD	150DB	150DB	150DB	200DB	200DB	150DB	SL	SL	200DB	200DB	SL				
LIFE	20 Yr	15 Yr	15 Yr	7 Yr	5 Yr	20 Yr	39 Yr	39 Yr	5 Yr	5 Yr	3 Yr				
Asset Class	Distrib	UGS Rights	Trans	Office Furn	Data Hndng	Capital Tools	Prop Ld Imp	Bldg	Comm Equip	Computer Equip	Soft Ware Adds	Sub-Total	Other	Land	TOTAL
ADDITIONS	402,334	83,794	209,490	0	0	11,755	0	43,199	62,751	72,304	96,068	981,695	0	(0)	981,695
AFUDC	(7,330)	(7,065)	(8,816)	0	0	(21)	0	(1,683)	(5,390)	(3,690)	(6,223)	(40,218)	0	0	(40,218)
CAP INT & TAX	3,358	3,236	4,039	0	0	10	0	771	2,469	1,691	2,851	18,424	0	0	18,424
SOFTWARE & REPAIRS	(70,077)		(18,735)								(88,113)	(176,926)	0	0	(176,926)
TAX BASIS	328,285	79,966	185,976	0	0	11,744	0	42,287	59,830	70,304	4,583	782,975	0	(0)	782,975
YR 1 RATE DEPR.	3.750%	5.000%	5.000%	14.286%	20.000%	3.750%	1.177%	1.177%	20.000%	20.000%	33.333%	12,311	3,998	9,299	54,100
YR 2 RATE DEPR.	7.219%	9.500%	9.500%	24.490%	32.000%	7.219%	2.564%	2.564%	32.000%	32.000%	33.333%	23,699	7,597	17,668	94,066
YR 3 RATE DEPR.	6.678%	8.550%	8.550%	17.493%	19.200%	6.678%	2.564%	2.564%	19.200%	19.200%	33.333%	21,923	6,837	15,901	73,043
YR 4 RATE DEPR.	6.178%	7.695%	7.695%	12.495%	11.520%	6.178%	2.564%	2.564%	11.520%	11.520%	0.000%	20,281	6,153	14,311	57,547
YR 5 RATE DEPR.	5.715%	6.926%	6.926%	8.925%	11.520%	5.715%	2.564%	2.564%	11.520%	11.520%	0.000%	18,761	5,538	12,881	53,928
YR 6 RATE DEPR.	5.287%	6.233%	6.233%	8.925%	5.760%	5.287%	2.564%	2.564%	5.760%	5.760%	0.000%	17,355	4,984	11,592	43,132
YR 7 RATE DEPR.	4.890%	5.900%	5.900%	8.925%	0.000%	4.890%	2.564%	2.564%	0.000%	0.000%	0.000%	16,053	4,718	10,973	33,402
YR 8 RATE DEPR.	4.523%	5.900%	5.900%	4.461%	0.000%	4.523%	2.564%	2.564%	0.000%	0.000%	0.000%	14,848	4,718	10,973	32,154

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2016 BLM Depreciation on Capital Additions

Property & Acct.	2016 Vintage FORECAST	AFUDC	50% Cap Interest	Software & Repairs	Other Basis Adj.	TAX INVEST. FORECAST	2016 RM BLM DEPR.	2016 Depreciation For 2016 Additons	$\left( \begin{matrix} 2016 \\ \text{Investment} \\ \text{Forecast} \end{matrix} - \begin{matrix} \text{Other} \\ \text{Basis} \\ \text{Adjustments} \end{matrix} \right) /$	2016 Vintage Forecast	=	2016 RM BLM Depn on 2016 Adds
<b>Distribution</b>												
<b>TC 49.21</b>												
376-387	402,334	(7,330)	3,358	(70,077)	0	328,285	3,640	4,461	$\left( \begin{matrix} 328,285 \\ - \\ 0 \end{matrix} \right) /$	402,334	=	3,640
	402,334	(7,330)	3,358	(70,077)	0	328,285	3,640					
<b>Capital Tools</b>												
<b>TC 49.21</b>												
394	11,755	(21)	10	0	0	11,744	258	258	$\left( \begin{matrix} 11,744 \\ - \\ 0 \end{matrix} \right) /$	11,755	=	258
	11,755	(21)	10	0	0	11,744	258					
<b>Office Furn.</b>												
<b>TC 00.11</b>												
391	0	0	0	0	0	0	0	0	$\left( \begin{matrix} 0 \\ - \\ 0 \end{matrix} \right) /$	0	=	0
	0	0	0	0	0	0	0					
<b>Data Equip</b>												
<b>TC 00.13</b>												
391.1	0	0	0	0	0	0	0	0	$\left( \begin{matrix} 0 \\ - \\ 0 \end{matrix} \right) /$	0	=	0
	0	0	0	0	0	0	0					
<b>Computer Equipment</b>												
<b>TC 00.12</b>												
391	72,304	(3,690)	1,691	0	0	70,304	1,472	1,514	$\left( \begin{matrix} 70,304 \\ - \\ 0 \end{matrix} \right) /$	72,304	=	1,472
	72,304	(3,690)	1,691	0	0	70,304	1,472					
<b>Underground Storage</b>												
<b>TC 49.24</b>												
350, 352-358	83,794	(7,065)	3,236	0	0	79,966	870	911	$\left( \begin{matrix} 79,966 \\ - \\ 0 \end{matrix} \right) /$	83,794	=	870
	83,794	(7,065)	3,236	0	0	79,966	870					
<b>Transmission</b>												
<b>TC 49.24B</b>												
367-371	209,490	(8,816)	4,039	(18,735)	0	185,976	1,117	1,258	$\left( \begin{matrix} 185,976 \\ - \\ 0 \end{matrix} \right) /$	209,490	=	1,117
	209,490	(8,816)	4,039	(18,735)	0	185,976	1,117					
<b>Buildings</b>												
<b>TC 65</b>												
351, 366, 375, 390	43,199	(1,683)	771	0	0	42,287	278	284	$\left( \begin{matrix} 42,287 \\ - \\ 0 \end{matrix} \right) /$	43,199	=	278
	43,199	(1,683)	771	0	0	42,287	278					
<b>Land Imp</b>												
<b>TC 00.3</b>												
390	0	0	0	0	0	0	0	0	$\left( \begin{matrix} 0 \\ - \\ 0 \end{matrix} \right) /$	0	=	0
	0	0	0	0	0	0	0					
<b>Communication Equipmt</b>												
<b>TC 48.14</b>												
397	62,751	(5,390)	2,469	0	0	59,830	77	81	$\left( \begin{matrix} 59,830 \\ - \\ 0 \end{matrix} \right) /$	62,751	=	77
	62,751	(5,390)	2,469	0	0	59,830	77					
<b>Land&amp;Other</b>												
	0	0	0	0	0	0	0	0	$\left( \begin{matrix} 0 \\ - \\ 0 \end{matrix} \right) /$	0	=	0
	0	0	0	0	0	0	0					
<b>Software</b>												
	96,068	(6,223)	2,851	(88,113)	0	4,583	142	2,971	$\left( \begin{matrix} 4,583 \\ - \\ 0 \end{matrix} \right) /$	96,068	=	142
	96,068	(6,223)	2,851	(88,113)	0	4,583	142					
<b>TOTALS</b>	<b>981,695</b>	<b>(40,218)</b>	<b>18,424</b>	<b>(176,926)</b>	<b>0</b>	<b>782,975</b>	<b>7,854</b>	<b>11,739</b>				





Southern California Gas Company  
2015 BLM Depreciation on Capital Additions

Property & Acct.	2015 VintAge FORECAST	AFUDC	50% Cap Interest	Software & Repairs	Other Basis Adj.	TAX INVEST. FORECAST	2015 RM BLM DEPR.	2016 RM BLM DEPR.	2015 Depreciation For 2015 Additons	( 2015 Tax Investment Forecast - Other Basis Adjustments ) /	2015 VintAge Forecast	=	2015 RM BLM Depn on 2015 Adds	2016 Depreciation For 2015 Additons	( 2015 Tax Investment Forecast - Other Basis Adjustments ) /	2015 VintAge Forecast	=	2016 RM BLM Depn on 2015 Adds
<b>Distribution</b>																		
<b>TC 49.21</b>																		
376-387	342,227	(7,027)	3,219	(68,678)	0	269,741	3,250	7,255	4,123	* [ 269,741 - 0 ] /	342,227	=	3,250	9,204	* [ 269,741 - 0 ] /	342,227	=	7,255
	342,227	(7,027)	3,219	(68,678)	0	269,741	3,250	7,255										
<b>Capital Tools</b>																		
<b>TC 49.21</b>																		
394	9,858	(19)	9	0	0	9,848	212	466	212	* [ 9,848 - 0 ] /	9,858	=	212	467	* [ 9,848 - 0 ] /	9,858	=	466
	9,858	(19)	9	0	0	9,848	212	466										
<b>Office Furn.</b>																		
<b>TC 00.11</b>																		
391	257	(8)	4	0	0	252	7	23	7	* [ 252 - 0 ] /	257	=	7	23	* [ 252 - 0 ] /	257	=	23
	257	(8)	4	0	0	252	7	23										
<b>Data Equip</b>																		
<b>TC 00.13</b>																		
391.1	0	0	0	0	0	0	0	0	0	* [ 0 - 0 ] /	0	=	0	0	* [ 0 - 0 ] /	0	=	0
	0	0	0	0	0	0	0	0										
<b>Computer Equipment</b>																		
<b>TC 00.12</b>																		
391	31,659	(1,171)	536	0	0	31,024	1,969	6,275	2,010	* [ 31,024 - 0 ] /	31,659	=	1,969	6,403	* [ 31,024 - 0 ] /	31,659	=	6,275
	31,659	(1,171)	536	0	0	31,024	1,969	6,275										
<b>Underground StorAge</b>																		
<b>TC 49.24</b>																		
350, 352-358	83,923	(5,513)	2,526	0	0	80,936	1,013	2,228	1,050	* [ 80,936 - 0 ] /	83,923	=	1,013	2,311	* [ 80,936 - 0 ] /	83,923	=	2,228
	83,923	(5,513)	2,526	0	0	80,936	1,013	2,228										
<b>Transmission</b>																		
<b>TC 49.24B</b>																		
367-371	139,212	(5,988)	2,743	(18,798)	0	117,168	730	2,771	868	* [ 117,168 - 0 ] /	139,212	=	730	3,292	* [ 117,168 - 0 ] /	139,212	=	2,771
	139,212	(5,988)	2,743	(18,798)	0	117,168	730	2,771										
<b>Buildings</b>																		
<b>TC 65</b>																		
351, 366, 375, 390	39,005	(1,650)	756	0	0	38,111	937	783	959	* [ 38,111 - 0 ] /	39,005	=	937	801	* [ 38,111 - 0 ] /	39,005	=	783
	39,005	(1,650)	756	0	0	38,111	937	783										
<b>Land Imp</b>																		
<b>TC 00.3</b>																		
390	0	0	0	0	0	0	0	0	0	* [ 0 - 0 ] /	0	=	0	0	* [ 0 - 0 ] /	0	=	0
	0	0	0	0	0	0	0	0										
<b>Communication Equipmt</b>																		
<b>TC 48.14</b>																		
397	24,078	(1,015)	465	0	0	23,528	128	4,548	131	* [ 23,528 - 0 ] /	24,078	=	128	4,655	* [ 23,528 - 0 ] /	24,078	=	4,548
	24,078	(1,015)	465	0	0	23,528	128	4,548										
<b>Land&amp;Other</b>																		
	0	0	0	0	0	0	0	0	0	* [ 0 - 0 ] /	0	=	0	0	* [ 0 - 0 ] /	0	=	0
	0	0	0	0	0	0	0	0										
<b>Software</b>																		
	76,855	(3,794)	1,738	(62,869)	0	11,931	661	1,959	4,258	* [ 11,931 - 0 ] /	76,855	=	661	12,620	* [ 11,931 - 0 ] /	76,855	=	1,959
	76,855	(3,794)	1,738	(62,869)	0	11,931	661	1,959										
<b>TOTALS</b>	<b>747,075</b>	<b>(26,186)</b>	<b>11,996</b>	<b>(150,345)</b>	<b>0</b>	<b>582,539</b>	<b>8,906</b>	<b>26,307</b>	<b>13,616</b>					<b>39,775</b>				



Southern California Gas Company  
2014 BLM Depreciation on Capital Additions

Property & Acct.	2014 Vintage FORECAST	AFUDC	Cap Interest	Software & Repairs	Other Basis Adj.	TAX INVEST. FORECAST	2014 RM BLM DEPREC.	2015 RM BLM DEPR.	2016 RM BLM DEPR.	2014 Depreciation For 2014 Additions	2014 Tax Investment Forecast	Other Basis Adjustments	2014 Vintage Forecast	2014 RM BLM Depn on 2014 Adds	2016 Depreciation For 2014 Additions	2014 Tax Investment Forecast	Other Basis Adjustments	2014 Vintage Forecast	2016 RM BLM Depn on 2014 Adds	2015 Depreciation For 2014 Additions	2014 Tax Investment Forecast	Other Basis Adjustments	2014 Vintage Forecast	2015 RM BLM Depn on 2014 Adds
<b>Distribution</b>																								
<b>TC 49.21</b>																								
376-387	325,611	(6,415)	2,939	(70,095)	0	252,040	3,019	7,462	6,779	3,901	252,040	0	325,611	= 3,019	9,640	252,040	0	325,611	= 7,462	8,757	252,040	0	325,611	= 6,779
	325,611	(6,415)	2,939	(70,095)	0	252,040	3,019	7,462	6,779															
<b>Capital Tools</b>																								
<b>TC 49.21</b>																								
394	8,419	(19)	9	0	0	8,409	185	400	400	185	8,409	0	8,419	= 185	400	8,409	0	8,419	= 400	400	8,409	0	8,419	= 400
	8,419	(19)	9	0	0	8,409	185	400	400															
<b>Office Furn.</b>																								
<b>TC 00.11</b>																								
391	282	(10)	4	0	0	276	9	25	25	9	276	0	282	= 9	25	276	0	282	= 25	25	276	0	282	= 25
	282	(10)	4	0	0	276	9	25	25															
<b>Data Equip</b>																								
<b>TC 00.13</b>																								
391.1	0	0	0	0	0	0	0	0	0	0	0	0	0	= 0	0	0	0	0	= 0	0	0	0	0	= 0
	0	0	0	0	0	0	0	0	0															
<b>Computer Equipment</b>																								
<b>TC 00.12</b>																								
391	58,040	(2,469)	1,131	0	0	56,702	3,302	11,468	11,468	3,380	56,702	0	58,040	= 3,302	11,739	56,702	0	58,040	= 11,468	11,739	56,702	0	58,040	= 11,468
	58,040	(2,469)	1,131	0	0	56,702	3,302	11,468	11,468															
<b>Underground Storage</b>																								
<b>TC 49.24</b>																								
350, 352-358	60,641	(3,973)	1,820	0	0	58,489	824	1,715	1,610	854	58,489	0	60,641	= 824	1,779	58,489	0	60,641	= 1,715	1,670	58,489	0	60,641	= 1,610
	60,641	(3,973)	1,820	0	0	58,489	824	1,715	1,610															
<b>Transmission</b>																								
<b>TC 49.24B</b>																								
367-371	87,687	(5,124)	2,347	(17,267)	0	67,643	430	1,455	1,600	558	67,643	0	87,687	= 430	1,886	67,643	0	87,687	= 1,455	2,074	67,643	0	87,687	= 1,600
	87,687	(5,124)	2,347	(17,267)	0	67,643	430	1,455	1,600															
<b>Buildings</b>																								
<b>TC 65</b>																								
351, 366, 375, 390	23,742	(966)	442	0	0	23,219	438	1,652	518	447	23,219	0	23,742	= 438	1,689	23,219	0	23,742	= 1,652	530	23,219	0	23,742	= 518
	23,742	(966)	442	0	0	23,219	438	1,652	518															
<b>Land Imp</b>																								
<b>TC 00.3</b>																								
390	0	0	0	0	0	0	0	0	0	0	0	0	0	= 0	0	0	0	0	= 0	0	0	0	0	= 0
	0	0	0	0	0	0	0	0	0															
<b>Communication Equipmt</b>																								
<b>TC 48.14</b>																								
397	18,734	(493)	226	0	0	18,466	1,431	2,565	2,573	1,452	18,466	0	18,734	= 1,431	2,602	18,466	0	18,734	= 2,565	2,610	18,466	0	18,734	= 2,573
	18,734	(493)	226	0	0	18,466	1,431	2,565	2,573															
<b>Land&amp;Other</b>																								
	0	0	0	0	0	0	0	0	0	0	0	0	0	= 0	0	0	0	0	= 0	0	0	0	0	= 0
	0	0	0	0	0	0	0	0	0															
<b>Software</b>																								
	81,906	(3,792)	1,737	(57,054)	0	22,797	933	3,999	3,999	3,351	22,797	0	81,906	= 933	14,368	22,797	0	81,906	= 3,999	14,368	22,797	0	81,906	= 3,999
	81,906	(3,792)	1,737	(57,054)	0	22,797	933	3,999	3,999															
<b>TOTALS</b>	<b>665,062</b>	<b>(23,262)</b>	<b>10,656</b>	<b>(144,416)</b>	<b>0</b>	<b>508,041</b>	<b>10,571</b>	<b>30,740</b>	<b>28,971</b>	<b>14,137</b>					<b>44,128</b>					<b>42,173</b>				

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**Southern California Gas Company  
2013 Ratemaking Deferred Tax Depreciation on Capital Additions**

METHOD >>>>>>	150DB	150DB	150DB	200DB	200DB	150DB	SL	SL	200DB	200DB	SL				
LIFE >>>>>>	15 Yr	15 Yr	15 Yr	7 Yr	5 Yr	20 Yr	39 Yr	39 Yr	5Yr	5 Yr	3 Yr				
Asset Class	Distrib	UGS Rights	Trans	Office Furn	Data Hndng	Capital Tools	Prop Ld Imp	Bldg	Comm Equip	Computer Equip	Soft Ware Adds	Sub-Total	Other	Non-Depr	TOTAL
ADDITIONS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAX BASIS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	<u>0</u>
YR 1 RATE DEPR.	5.00%	5.00%	5.00%	14.29%	20.00%	3.75%	1.18%	1.18%	20.00%	20.00%	33.33%	0			2013
YR 2 RATE DEPR.	9.50%	9.50%	9.50%	24.49%	32.00%	7.22%	2.56%	2.56%	32.00%	32.00%	33.33%	0			2014
YR 3 RATE DEPR.	8.55%	8.55%	8.55%	17.49%	19.20%	6.68%	2.56%	2.56%	19.20%	19.20%	33.33%	0			2015
YR 4 RATE DEPR.	7.70%	7.70%	7.70%	12.50%	11.52%	6.18%	2.56%	2.56%	11.52%	11.52%	0.00%	0			2016
YR 5 RATE DEPR.	9.93%	6.93%	6.93%	8.93%	11.52%	5.72%	2.56%	2.56%	11.52%	11.52%	0.00%	0			2017
YR 6 RATE DEPR.	6.23%	6.23%	6.23%	8.93%	5.76%	5.29%	2.56%	2.56%	5.76%	5.76%	0.00%	0			2018
YR 7 RATE DEPR.	5.90%	5.90%	5.90%	8.93%	0.00%	4.89%	2.56%	2.56%	0.00%	0.00%	0.00%	0			2019
YR 8 RATE DEPR.	5.90%	5.90%	5.90%	4.46%	0.00%	4.52%	2.56%	2.56%	0.00%	0.00%	0.00%	0			2020

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2013 BLM Depreciation on Capital Additions

Property & Acct.	2013 Vintage FORECAST	AFUDC	Cap Interest	Cap Taxes	Other Basis Adj.	TAX INVEST. FORECAST	2014 RM BLM DEPREC.	2015 RM BLM DEPR.	2016 RM BLM DEPR.
<b>Distribution</b>									
<b>TC 49.21</b>									
376-387	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>CapitAM Tools</b>									
<b>TC 49.21</b>									
394	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>Office Furn.</b>									
<b>TC 00.11</b>									
391	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>Data Equip</b>									
<b>TC 00.13</b>									
391.1	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>Computer Equipment</b>									
<b>TC 00.12</b>									
391	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>Underground Storage</b>									
<b>TC 49.24</b>									
350, 352-358	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>Transmission</b>									
<b>TC 49.24B</b>									
367-371	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>Buildings</b>									
<b>TC 65</b>									
351, 366, 375, 390	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>Land Imp</b>									
<b>TC 00.3</b>									
390	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>Communication Equipmt</b>									
<b>TC 48.14</b>									
397	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>Land&amp;Other</b>									
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>Software</b>									
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>TOTALS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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SCG 86 TRA - Capitalized Interest Adjustment  
DR/(CR)

Capitalized Interest Addback	2014	2015	2016
1 Excluded from Ratemaking BLM (Area 99)	10,656 35% <u>3,730</u>	11,996 35% <u>4,199</u>	18,424 35% <u>6,448</u>
2 Excluded from Ratemaking State (Area 98)	10,656 5.746% <u>612</u>	11,996 5.746% <u>689</u>	18,424 5.746% <u>1,059</u>
3 Federal Depreciation	(400) 35% <u>(140)</u>	(1,219) 35% <u>(427)</u>	(2,268) 35% <u>(794)</u>
State Depreciation	(305) 5.746% <u>(18)</u>	(935) 5.746% <u>(54)</u>	(1,750) 5.746% <u>(101)</u>
Total 86 TRA - Capitalized Interest Adjustment	<u>4,185</u>	<u>4,407</u>	<u>6,613</u>

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SCG Capitalized Interest - Depreciation of 50%

2014

10,656

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
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ANNUAL DEPRECIATION:

FEDERAL Return		400	769	712	658	609	563	521
[20Yr DDB/SL]	Factor >>>	0.03750	0.07219	0.06677	0.06177	0.05713	0.05285	0.04888
STATE Return		305	591	557	526	496	468	441
[35Yr 200DDB/SL]	Factor >>>	0.02860	0.05550	0.05230	0.04940	0.04650	0.04390	0.04140

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2015

11,996

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
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ANNUAL DEPRECIATION:

FEDERAL Return		450	866	801	741	685	634	586
[20Yr DDB/SL]	Factor >>>	0.03750	0.07219	0.06677	0.06177	0.05713	0.05285	0.04888
STATE Return		343	666	627	593	558	527	497
[35Yr 200DDB/SL]	Factor >>>	0.02860	0.05550	0.05230	0.04940	0.04650	0.04390	0.04140

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2016

18,424

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
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ANNUAL DEPRECIATION:

FEDERAL Return		691	1,330	1,230	1,138	1,053	974	901
[20Yr DDB/SL]	Factor >>>	0.03750	0.07219	0.06677	0.06177	0.05713	0.05285	0.04888
STATE Return		527	1,023	964	910	857	809	763
[35Yr 200DDB/SL]	Factor >>>	0.02860	0.05550	0.05230	0.04940	0.04650	0.04390	0.04140

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DB / (CR)

Actual	Estimated		
2013	2014	2015	2016

Deferred Taxes - Asset/(Liab)

Beginning of Year Balance	108,457	115,684	123,142	128,410
End of Year Balance	115,684	123,142	128,410	132,869
Weighted Average	112,055	119,413	125,776	130,640

Deferred Revenue

Beginning of Year Balance	0	(33,179)	(35,760)	(37,024)
End of Year Balance	(33,179)	(35,760)	(37,024)	(37,810)
Weighted Average	(33,179)	(34,470)	(36,392)	(37,417)

CIAC DTx	CIAC Drev
108,457	(33,179)
108,457	(33,179)
108,457	(33,179)
109,316	(33,179)
109,316	(33,179)
109,316	(33,179)
113,098	(33,179)
113,098	(33,179)
113,098	(33,179)
116,109	(33,179)
116,109	(33,179)
116,217	(33,179)
115,684	(33,179)
1,456,733	(431,330)
112,071	(33,179)
1,344,662	(398,151)
112,055	(33,179)



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	Asset ID	Yr 2014	Yr 2015	Yr 2016
Total Collectible Expenditures (Both Dist & Trans)	100 / 70	10,758	6,290	5,473
Total Taxable CIAC Percentage (Both Dist & Trans)	100 / 70	64.3%	64.3%	64.3%
Total Taxable CIAC (Both Dist & Trans)	100 / 70	6,913	4,042	3,517

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DB / (CR)	Actual	Estimated		
	2013	2014	2015	2016
Forecasted Taxable CIAC		(6,913)	(4,042)	(3,517)
Plus Gross-up		(2,420)	(1,415)	(1,231)
Less ITCCA (CIAC Amort)		1,369	1,447	1,504
Forecasted CAC Forfeitures		(9,400)	(9,244)	(9,081)
Plus Gross-up		(3,290)	(3,235)	(3,178)
Less ITCCA (CAC Amort)		1,759	1,940	2,119
<u>Deferred Taxes - Asset/(Liab)</u>				
Deferred Income Tax Expense		7,458	5,268	4,459
Beginning of Year Balance		115,684	123,142	128,410
End of Year Balance	115,684	123,142	128,410	132,869
Weighted Average	112,055	119,413	125,776	130,640
<u>Deferred Revenue</u>				
Deferred Revenue		(2,581)	(1,263)	(786)
Beginning of Year Balance		(33,179)	(35,760)	(37,024)
End of Year Balance	(33,179)	(35,760)	(37,024)	(37,810)
Weighted Average	33,179	(34,470)	(36,392)	(37,417)

CIAC DTx	CIAC Drev
108,457	(33,179)
108,457	(33,179)
108,457	(33,179)
109,316	(33,179)
109,316	(33,179)
109,316	(33,179)
113,098	(33,179)
113,098	(33,179)
113,098	(33,179)
116,109	(33,179)
116,109	(33,179)
116,217	(33,179)
115,684	(33,179)
1,456,733	(431,330)
112,071	(33,179)
1,344,662	(398,151)
112,055	(33,179)

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**SCG Depr Adjustment  
DR/(CR)**

	<b>2014</b>	<b>2015</b>	<b>2016</b>
1 Federal Depreciation - CIAC Advances + CAC Forf.	(612)	(1,676)	(2,521)
	X 35%	X 35%	X 35%
	(214)	(587)	(882)
2 State Depreciation - CIAC Advances + CAC Forf.	(467)	(1,285)	(1,951)
	X 5.746%	X 5.746%	X 5.746%
	(27)	(74)	(112)
<b>Ttl Dfd Tx-CAC/CIAC Depr on 2013-2016 Addns</b>	<b>(241)</b>	<b>(660)</b>	<b>(994)</b>

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**SCG Depreciation on CIAC Advances and CAC Forfeitures (Advance piece only)**

<b>2014</b>	16,313	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>
<b>ANNUAL DEPRECIATION:</b>								
FEDERAL Return [20Yr DDB/SL]		<u>612</u> Factor >>> 0.03750	<u>1,178</u> 0.07219	<u>1,089</u> 0.06677	<u>1,008</u> 0.06177	<u>932</u> 0.05713	<u>862</u> 0.05285	<u>797</u> 0.04888
STATE Return [35Yr 200DDB/SL]		<u>467</u> Factor >>> 0.02860	<u>905</u> 0.05550	<u>853</u> 0.05230	<u>806</u> 0.04940	<u>759</u> 0.04650	<u>716</u> 0.04390	<u>675</u> 0.04140

<b>2015</b>	13,286	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>
<b>ANNUAL DEPRECIATION:</b>								
FEDERAL Return [20Yr DDB/SL]		<u>498</u> Factor >>> 0.03750	<u>959</u> 0.07219	<u>887</u> 0.06677	<u>821</u> 0.06177	<u>759</u> 0.05713	<u>702</u> 0.05285	<u>649</u> <u>797</u> 0.04888   0.04888
STATE Return [35Yr 200DDB/SL]		<u>380</u> Factor >>> 0.02860	<u>737</u> 0.05550	<u>695</u> 0.05230	<u>656</u> 0.04940	<u>618</u> 0.04650	<u>583</u> 0.04390	<u>550</u> <u>675</u> 0.04140   0.04140

<b>2016</b>	12,598	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>
<b>ANNUAL DEPRECIATION:</b>								
FEDERAL Return [20Yr DDB/SL]		<u>472</u> Factor >>> 0.03750	<u>909</u> 0.07219	<u>841</u> 0.06677	<u>778</u> 0.06177	<u>720</u> 0.05713	<u>666</u> 0.05285	<u>616</u> <u>797</u> 0.04888   0.04888
STATE Return [35Yr 200DDB/SL]		<u>360</u> Factor >>> 0.02860	<u>699</u> 0.05550	<u>659</u> 0.05230	<u>622</u> 0.04940	<u>586</u> 0.04650	<u>553</u> 0.04390	<u>522</u> <u>675</u> 0.04140   0.04140

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**SCG - 2013**

SAP Accts:	2411001	2411002	2413001	2413002	Total
Dec-12	76,742,356	18,646,981	6,756,834	6,311,045	108,457,216
Jan-13	76,742,356	18,646,981	6,756,834	6,311,045	108,457,216
Feb-13	76,742,356	18,646,981	6,756,834	6,311,045	108,457,216
Mar-13	76,896,888	18,689,796	7,274,778	6,454,548	109,316,010
Apr-13	76,896,888	18,689,796	7,274,778	6,454,548	109,316,010
May-13	76,896,888	18,689,796	7,274,778	6,454,548	109,316,010
Jun-13	78,527,627	19,141,615	8,605,506	6,823,245	113,097,993
Jul-13	78,527,627	19,141,615	8,605,506	6,823,245	113,097,993
Aug-13	78,527,627	19,141,615	8,605,506	6,823,245	113,097,993
Sep-13	79,717,021	19,471,153	9,773,843	7,146,949	116,108,966
Oct-13	79,717,021	19,471,153	9,773,843	7,146,949	116,108,966
Nov-13	79,786,139	19,490,303	9,789,050	7,151,162	116,216,654
Dec-13	81,254,618	19,897,166	7,982,167	6,550,540	115,684,491

SAP Accts:	2355000	2355002	Total
Dec-13	(17,653,040)	(15,526,175)	(33,179,215)

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Actual	Estimated		
2013	2014	2015	2016

DB / (CR)				
<u>Deferred Tax ITC</u>				
Beginning of Year Balance	0	0	0	0
End of Year Balance	0	0	0	0
Weighted Average	0	0	0	0

ITC DTx
0
-
-
-
-
-
-
-
-
-
-
-
-
0
0
0
0

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	DR (CR)
Weighted Average Deferred Tax Balance - 2014	(10,282)
Weighted Average Deferred Tax Balance - 2015	(6,582)
Weighted Average Deferred Tax Balance - 2016	(4,360)

INPUT VARIABLES FOR DEFERRED TAXES

FEDERAL STATUTORY RATE 35%

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	2016	
DEFERRED TAX BALANCE @ 12/31/15	(4,343)	
RM BLM 2016 Depr on 2013 and Prior Vintages	33,398	
RM Fed Tax 2016 Depr on 1981-2013 Vintages	12,438	
	20,960	
	35%	
	7,336	
2016 FORECASTED CAPITAL ADDITIONS	151,713	
2016 RM BLM DEPRECIATION ON 2014 - 2016 CAPITAL ADDITIONS	16,587	
2016 RM FED TAX DEPRECIATION ON 2014 - 2016 CAPITAL ADDITIONS	39,501	
	(22,914)	
TAX RATE	35%	
DEFERRED TAX ON CAPITAL ADDITIONS - DR./ (CR.)	(8,020)	
ARAM AMORTIZATION	0	
86 TRA - CAPITALIZED INTEREST	609	
OTHER ADJUSTMENTS	0	
DEFERRED TAX BALANCE @ 12/31/16	(4,417)	
WEIGHTED AVERAGE DEFERRED TAX BALANCE DR (CR)	(4,360)	
	366	
		(4,343)
jan	(6) 0.9153	(6) 335 (4,348)
feb	(6) 0.8306	(5) 304 (4,353)
mar	(6) 0.7541	(5) 276 (4,358)
apr	(6) 0.6694	(4) 245 (4,362)
may	(6) 0.5874	(4) 215 (4,366)
jun	(6) 0.5027	(3) 184 (4,369)
jul	(6) 0.4208	(3) 154 (4,372)
aug	(6) 0.3361	(2) 123 (4,374)
sep	(6) 0.2514	(2) 92 (4,375)
oct	(6) 0.1694	(1) 62 (4,376)
nov	(6) 0.0847	(1) 31 (4,377)
dec	(6) 0.0027	(0) 1 (4,377)
Prorated additions		(34)
Beginning of year balance		(4,343)
Prorated end of year balance		(4,377)
Average		(4,360)



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		2015
DEFERRED TAX BALANCE @ 12/31/14		(7,254)
RM BLM 2015 Depr on 2013 and Prior Vintages	34,398	
RM Fed Tax 2015 Depr on 1981-2013 Vintages	15,438	
	18,960	
	35%	
		6,636
2015 FORECASTED CAPITAL ADDITIONS	59,121	
2015 RM BLM DEPRECIATION ON 2014 - 2015 CAPITAL ADDITIONS	10,125	
2015 RM FED TAX DEPRECIATION ON 2014 - 2015 CAPITAL ADDITION	21,134	
	(11,009)	
TAX RATE	35%	
DEFERRED TAX ON CAPITAL ADDITIONS - DR./ (CR.)		(3,853)
ARAM AMORTIZATION		0
86 TRA - CAPITALIZED INTEREST		129
OTHER ADJUSTMENTS		0
DEFERRED TAX BALANCE @ 12/31/15		(4,343)
WEIGHTED AVERAGE DEFERRED TAX BALANCE DR (CR)		(6,582)

365

					(7,254)
jan	243	0.9178	223	335	(7,032)
feb	243	0.8329	202	304	(6,830)
mar	243	0.7562	183	276	(6,646)
apr	243	0.6712	163	245	(6,483)
may	243	0.5890	143	215	(6,340)
jun	243	0.5041	122	184	(6,218)
jul	243	0.4219	102	154	(6,116)
aug	243	0.3370	82	123	(6,034)
sep	243	0.2521	61	92	(5,973)
oct	243	0.1699	41	62	(5,931)
nov	243	0.0849	21	31	(5,911)
dec	243	0.0027	1	1	(5,910)
Prorated additions			1,344		
Beginning of year balance					(7,254)
Prorated end of year balance					(5,910)
Average					(6,582)

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		<u>2014</u>
DEFERRED TAX BALANCE @ 12/31/13		(11,191)
RM BLM 2014 Depr on 2013 and Prior Vintages	35,398	
RM FED TAX 2014 DEPR ON 1981-2013 VINTAGES	<u>18,290</u>	
	17,108	
	35%	
		5,988
2014 FORECASTED CAPITAL ADDITIONS	62,402	
2014 RM BLM DEPRECIATION ON 2014 CAPITAL ADDITIONS	2,953	
2014 RM FED TAX DEPRECIATION ON 2014 CAPITAL ADDITIONS	<u>9,248</u>	
	(6,295)	
TAX RATE	<u>35%</u>	
DEFERRED TAX ON CAPITAL ADDITIONS - DR./ (CR.)		(2,203)
ARAM AMORTIZATION		0
86 TRA - CAPITALIZED INTEREST		152
OTHER ADJUSTMENTS		0
DEFERRED TAX BALANCE @ 12/31/14		<u><u>(7,254)</u></u>
WEIGHTED AVERAGE DEFERRED TAX BALANCE DR (CR)		(10,282)

365

					(11,191)
jan	328	0.9178	301	335	(10,890)
feb	328	0.8329	273	304	(10,617)
mar	328	0.7562	248	276	(10,369)
apr	328	0.6712	220	245	(10,148)
may	328	0.5890	193	215	(9,955)
jun	328	0.5041	165	184	(9,790)
jul	328	0.4219	138	154	(9,651)
aug	328	0.3370	111	123	(9,541)
sep	328	0.2521	83	92	(9,458)
oct	328	0.1699	56	62	(9,402)
nov	328	0.0849	28	31	(9,375)
dec	328	0.0027	1	1	(9,374)
Prorated additions			1,817		
Beginning of year balance					<u>(11,191)</u>
Prorated end of year balance					(9,374)
Average					<u><u>(10,282)</u></u>

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Southern California Gas Company  
 Ratemaking Deferred Tax Depreciation - Shared Service  
 Area 97

	2013	2014	2015	2016
Vintage 1981-2013	24,438	18,290	15,438	12,438
2014 Additions		9,248	13,705	8,951
2015 Additions			7,429	11,759
2016 Additions				18,791
Total Area 97 Ratemaking Fed	24,438	27,538	36,572	51,939
		2015 Dep	21,134	
		2016 Dep	39,501	

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Southern California Gas Company  
 BLM Deferred Tax Depreciation - Shared Service  
 Area 99

	2013	2014	2015	2016
Vintage 1981-2013	36,398	35,398	34,398	33,398
2014 Additions		2,953	8,390	8,390
2015 Additions			1,734	7,257
2016 Additions				940
Total Area 99 Ratemaking BLM	36,398	38,351	44,523	49,985
		2015 Dep	10,125	
		2016 Dep	16,587	



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Property & Acct.	2016 Vintage FORECAST	AFUDC	Cap Interest	Software	Other Basis Adj.	TAX INVEST. FORECAST	2016 RM BLM DEPR.
<b>Distribution TC 49.21</b>							
376-387	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
<b>Capital Tools TC 49.21</b>							
394	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
<b>Office Furn. TC 00.11</b>							
391	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
<b>Data Equip TC 00.13</b>							
391.1	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
<b>Computer Equipment TC 00.12</b>							
391	55,455	(2,720)	623	0	0	53,358	890
	55,455	(2,720)	623	0	0	53,358	890
<b>Underground Storage TC 49.24</b>							
350, 352-358	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
<b>Transmission TC 49.24B</b>							
367-371	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
<b>Buildings TC 65</b>							
351, 366, 375, 390	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
<b>Land Imp TC 00.3</b>							
390	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
<b>Communication Equipmt TC 48.14</b>							
397	37,838	(3,162)	724	0	0	35,401	0
	37,838	(3,162)	724	0	0	35,401	0
<b>Land&amp;Other</b>							
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
<b>Software</b>							
	58,419	(3,691)	845	(54,111)	0	1,463	50
	58,419	(3,691)	845	(54,111)	0	1,463	50
<b>TOTALS</b>	<b>151,713</b>	<b>(9,573)</b>	<b>2,193</b>	<b>(54,111)</b>	<b>0</b>	<b>90,222</b>	<b>940</b>

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Southern California Gas Company  
2015 Shared Service

METHOD >>>>>> LIFE >>>>>>	150DB	150DB	150DB	200DB	200DB	150DB	150DB	*	200DB	200DB	SL	Sub- Total	Other	Land	TOTAL
	20 Yr	15 Yr	15 Yr	7 Yr	5 Yr	20 Yr	15 Yr	39 Yr	5 Yr	5 Yr	3 Yr				
Asset Class	Distrib	UGS Rights	Trans	Office Furn	Data Hnding	Capital Tools	Prop Ld Imp	Bldg	Comm Equip	Computer Equip	Soft Ware Adds				
ADDITIONS	0	0	0	0	0	0	0	0	11,149	25,669	22,303	59,121	0	0	59,121
AFUCD	0	0	0	0	0	0	0	0	(432)	(915)	(1,160)	(2,508)	0	0	(2,508)
CAP INT & TAX	0	0	0	0	0	0	0	0	198	419	532	1,149	0	0	1,149
Expensed Software less AFUCD											(21,041)	(21,041)	0	0	(21,041)
BONUS DEPR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAX BASIS	0	0	0	0	0	0	0	0	10,915	25,173	633	36,721	0	0	<u>36,721</u>
YR 1 RATE DEPR.	3.75%	5.00%	5.00%	14.29%	20.00%	3.75%	5.00%	1.18%	20.00%	20.00%	33.33%	7,429		2015	
YR 2 RATE DEPR.	7.22%	9.50%	9.50%	24.49%	32.00%	7.22%	9.50%	2.56%	32.00%	32.00%	33.33%	11,759		2016	
YR 3 RATE DEPR.	6.68%	8.55%	8.55%	17.49%	19.20%	6.68%	8.55%	2.56%	19.20%	19.20%	33.33%	7,140		2017	
YR 4 RATE DEPR.	6.18%	7.70%	7.70%	12.49%	11.52%	6.18%	7.70%	2.56%	11.52%	11.52%	0.00%	4,157		2018	
YR 5 RATE DEPR.	5.71%	6.93%	6.93%	8.93%	11.52%	5.71%	6.93%	2.56%	11.52%	11.52%	0.00%	4,157		2019	
YR 6 RATE DEPR.	5.29%	6.23%	6.23%	8.92%	5.76%	5.29%	6.23%	2.56%	5.76%	5.76%	0.00%	2,079		2020	
YR 7 RATE DEPR.	4.89%	5.90%	5.90%	8.93%	0.00%	4.89%	5.90%	2.56%	0.00%	0.00%	0.00%	0		2021	
YR 8 RATE DEPR.	4.52%	5.90%	5.90%	4.46%	0.00%	4.52%	5.90%	2.56%	0.00%	0.00%	0.00%	0		2022	

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Property & Acct.	2015 Vintage FORECAST	AFUDC	Cap Interest	Software	Other Basis Adj.	TAX INVEST. FORECAST	2015 RM BLM DEPR.	2016 RM BLM DEPR.
<b>Distribution TC 49.21</b>								
376-387	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
<b>Capital Tools TC 49.21</b>								
394	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
<b>Office Furn. TC 00.11</b>								
391	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
<b>Data Equip TC 00.13</b>								
391.1	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
<b>Computer Equipment TC 00.12</b>								
391	25,669	(915)	210	0	0	24,963	1,714	5,049
	25,669	(915)	210	0	0	24,963	1,714	5,049
<b>Underground Storage TC 49.24</b>								
350, 352-358	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
<b>Transmission TC 49.24B</b>								
367-371	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
<b>Buildings TC 65</b>								
351, 366, 375, 390	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
<b>Land Imp TC 00.3</b>								
390	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
<b>Communication Equipmt TC 48.14</b>								
397	11,149	(432)	99	0	0	10,816	0	2,147
	11,149	(432)	99	0	0	10,816	0	2,147
<b>Land&amp;Other</b>								
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
<b>Software</b>								
	22,303	(1,160)	266	(21,041)	0	368	20	62
	22,303	(1,160)	266	(21,041)	0	368	20	62
<b>TOTALS</b>	<b>59,121</b>	<b>(2,508)</b>	<b>574</b>	<b>(21,041)</b>	<b>0</b>	<b>36,147</b>	<b>1,734</b>	<b>7,257</b>



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Southern California Gas Company  
2014 Shared Service

METHOD >>>>>>	150DB	150DB	150DB	200DB	200DB	150DB	SL	SL	200DB	200DB	SL				
LIFE >>>>>>	15 Yr	15 Yr	15 Yr	7 Yr	5 Yr	20 Yr	39 Yr	39 Yr	5 Yr	5 Yr	3 Yr				
Asset Class	Distrib	UGS Rights	Trans	Office Furn	Data Hnding	Capital Tools	Prop Ld Imp	Bldg	Comm Equip	Computer Equip	Soft Ware Adds	Sub-Total	Other	Land	TOTAL
ADDITIONS	0	0	0	0	0	0	0	0	5,863	32,007	24,531	62,402	0	0	62,402
AFUCD	0	0	0	0	0	0	0	0	(96)	(1,256)	(673)	(2,026)	0	0	(2,026)
CAP INT & TAX	0	0	0	0	0	0	0	0	44	576	309	928	0	0	928
Expensed Software less AFUCD											(18,704)	(18,704)	0	0	(18,704)
BONUS DEPR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAX BASIS	0	0	0	0	0	0	0	0	5,811	31,327	5,463	42,600	0	0	42,600
YR 1 RATE DEPR.	3.75%	5.00%	5.00%	14.29%	20.00%	3.75%	5.00%	1.18%	20.00%	20.00%	33.33%				
	0	0	0	0	0	0	0	0	1,162	6,265	1,821	9,248			2014
YR 2 RATE DEPR.	7.22%	9.50%	9.50%	24.49%	32.00%	7.22%	9.50%	2.56%	32.00%	32.00%	33.33%				
	0	0	0	0	0	0	0	0	1,860	10,024	1,821	13,705			2015
YR 3 RATE DEPR.	6.68%	8.55%	8.55%	17.49%	19.20%	6.68%	8.55%	2.56%	19.20%	19.20%	33.33%				
	0	0	0	0	0	0	0	0	1,116	6,015	1,821	8,951			2016
YR 4 RATE DEPR.	6.18%	7.70%	7.70%	12.49%	11.52%	6.18%	7.70%	2.56%	11.52%	11.52%	0.00%				
	0	0	0	0	0	0	0	0	669	3,609	0	4,278			2017
YR 5 RATE DEPR.	5.71%	6.93%	6.93%	8.93%	11.52%	5.71%	6.93%	2.56%	11.52%	11.52%	0.00%				
	0	0	0	0	0	0	0	0	669	3,609	0	4,278			2018
YR 6 RATE DEPR.	5.29%	6.23%	6.23%	8.92%	5.76%	5.29%	6.23%	2.56%	5.76%	5.76%	0.00%				
	0	0	0	0	0	0	0	0	335	1,804	0	2,139			2019
YR 7 RATE DEPR.	4.89%	5.90%	5.90%	8.93%	0.00%	4.89%	5.90%	2.56%	0.00%	0.00%	0.00%				
	0	0	0	0	0	0	0	0	0	0	0	0			2020
YR 8 RATE DEPR.	4.52%	5.90%	5.90%	4.46%	0.00%	4.52%	5.90%	2.56%	0.00%	0.00%	0.00%				
	0	0	0	0	0	0	0	0	0	0	0	0			2021

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Property & Acct.	2014 Vintage FORECAST	AFUDC	Cap Interest	Software	Other Basis Adj.	TAX INVEST. FORECAST	2014 RM BLM DEPREC.	2015 RM BLM DEPR.	2016 RM BLM DEPR.
<b>Distribution TC 49.21</b>									
376-387	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>Capital Tools TC 49.21</b>									
394	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>Office Furn. TC 00.11</b>									
391	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>Data Equip TC 00.13</b>									
391.1	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>Computer Equipment TC 00.12</b>									
391	32,007	(1,256)	288	0	0	31,039	1,657	6,278	6,278
	32,007	(1,256)	288	0	0	31,039	1,657	6,278	6,278
<b>Underground Storage TC 49.24</b>									
350, 352-358	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>Transmission TC 49.24B</b>									
367-371	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>Buildings TC 65</b>									
351, 366, 375, 390	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>Land Imp TC 00.3</b>									
390	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>Communication Equipmt TC 48.14</b>									
397	5,863	(96)	22	0	0	5,789	862	1,149	1,149
	5,863	(96)	22	0	0	5,789	862	1,149	1,149
<b>Land&amp;Other</b>									
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
<b>Software</b>									
	24,531	(673)	154	(18,704)	0	5,308	434	963	963
	24,531	(673)	154	(18,704)	0	5,308	434	963	963
<b>TOTALS</b>	<b>62,402</b>	<b>(2,026)</b>	<b>464</b>	<b>(18,704)</b>	<b>0</b>	<b>42,136</b>	<b>2,953</b>	<b>8,390</b>	<b>8,390</b>

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SCG 86 TRA - Capitalized Interest Adjustment  
DR/(CR)

Capitalized Interest Addback	2014	2015	2016
1 Excluded from Ratemaking BLM (Area 99)	464	574	2,193
	35%	35%	35%
	162	201	767
2 Excluded from Ratemaking State (Area 98)	464	574	2,193
	5.746%	5.746%	5.746%
	27	33	126
3 Federal Depreciation	(93)	(263)	(711)
	35%	35%	35%
	(32)	(92)	(249)
State Depreciation	(77)	(225)	(611)
	5.746%	5.746%	5.746%
	(4)	(13)	(35)
Total 86 TRA - Capitalized Interest Adjustment	152	129	609

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SCG Capitalized Interest - Depreciation of 50%

2014	464		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
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ANNUAL DEPRECIATION:

FEDERAL Return [5Yr DDB/SL]			93	148	89	53	53	27	0		
	Factor >>>		0.20000	0.32000	0.19200	0.11520	0.11520	0.05760	0.00000	464	1
<hr/>											
STATE Return [6Yr 200DDB/SL]			77	129	86	57	46	46	23	464	1
	Factor >>>		0.16670	0.27780	0.18520	0.12350	0.09880	0.09870	0.04940		

2015	574		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
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ANNUAL DEPRECIATION:

FEDERAL Return [5Yr DDB/SL]			115	184	110	66	66	33	0		
	Factor >>>		0.20000	0.32000	0.19200	0.11520	0.11520	0.05760	0.00000	574	1
<hr/>											
STATE Return [6Yr 200DDB/SL]			96	160	106	71	57	57	28	575	1
	Factor >>>		0.16670	0.27780	0.18520	0.12350	0.09880	0.09870	0.04940		

2016	2,193		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
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ANNUAL DEPRECIATION:

FEDERAL Return [5Yr DDB/SL]			439	702	421	253	253	126	0		
	Factor >>>		0.20000	0.32000	0.19200	0.11520	0.11520	0.05760	0.00000	2,193	1
<hr/>											
STATE Return [6Yr 200DDB/SL]			366	609	406	271	217	216	108	2,193	1
	Factor >>>		0.16670	0.27780	0.18520	0.12350	0.09880	0.09870	0.04940		

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Structures & Improvements Underground Storage	2013	2014	2015	2016	Accum Ratemaking BLM Detail		
	Year 1	Year 2	Year 3	Year 4	2014	2015	2016
Accumulated Ratemaking BLM	0	0	0	0	2014	0	0
Accumulated Ratemaking Fed Tax	0	0	0	0	2015	0	0
Difference	0	0	0	0	2016	0	0
Federal Inc. Tax Rate	35%	35%	35%	35%	BLM Ratio	0.0000	0.0000
Accum. Def'd Federal Income Tax	0	0	0	0	Pre 2014 Vintage Assets Depn		
					2014	2015	2016
Total 86 TRA - Capitalized Interest Adjustment					BLM	0	0
Deferred Tax Balance	0	0	0	0	RM	0	0
<b>WEIGHTED AVERAGE</b>		0	0	0			

Structures & Improvements Transmission	2013	2014	2015	2016	Accum Ratemaking BLM Detail		
	Year 1	Year 2	Year 3	Year 4	2014	2015	2016
Accumulated Ratemaking BLM	0	0	0	0	2014	0	0
Accumulated Ratemaking Fed Tax	0	0	0	0	2015	0	0
Difference	0	0	0	0	2016	0	0
Federal Inc. Tax Rate	35%	35%	35%	35%	BLM Ratio	0.0000	0.0000
Accum. Def'd Federal Income Tax	0	0	0	0	Pre 2014 Vintage Assets Depn		
					2014	2015	2016
Total 86 TRA - Capitalized Interest Adjustment					BLM	0	0
Deferred Tax Balance	0	0	0	0	RM	0	0
<b>WEIGHTED AVERAGE</b>		0	0	0			

Structures & Improvements Distribution	2013	2014	2015	2016	Pre 2014 Vintage Assets Depn		
	Year 1	Year 2	Year 3	Year 4	2014	2015	2016
Accumulated Ratemaking BLM	0	0	0	0	2014	0	0
Accumulated Ratemaking Fed Tax	0	0	0	0	2015	0	0
Difference	0	0	0	0	2016	0	0
Federal Inc. Tax Rate	35%	35%	35%	35%	BLM Ratio	0.0000	0.0000
Accum. Def'd Federal Income Tax	0	0	0	0	Pre 2014 Vintage Assets Depn		
					2014	2015	2016
Total 86 TRA - Capitalized Interest Adjustment					BLM	0	0
Deferred Tax Balance	0	0	0	0	RM	0	0
<b>WEIGHTED AVERAGE</b>		0	0	0			

Structures & Improvements General Plant	2013	2014	2015	2016	Accum Ratemaking BLM Detail		
	Year 1	Year 2	Year 3	Year 4	2014	2015	2016
Accumulated Ratemaking BLM	0	0	803	4,227	2014	0	0
Accumulated Ratemaking Fed Tax	0	0	689	3,630	2015	0	0
Difference	0	0	114	597	2016	0	0
Federal Inc. Tax Rate	35%	35%	35%	35%	BLM Ratio	0.0000	0.0000
Accum. Def'd Federal Income Tax	0	0	40	209	Pre 2014 Vintage Assets Depn		
					2014	2015	2016
Total 86 TRA - Capitalized Interest Adjustment					BLM	0	803
Deferred Tax Balance	0	0	40	209	RM	0	3,424
<b>WEIGHTED AVERAGE</b>		0	20	124			2,941

Total BLM 0 0 0



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Computer Software 2-4 Yrs	2013	2014	2015	2016	Accum Ratemaking BLM Detail			
	Year 1	Year 2	Year 3	Year 4	2014	2015	2016	
Accumulated Ratemaking BLM	0	24	182	339	2014	112	726	726
Accumulated Ratemaking Fed Tax	0	102	365	1,251	2015		9	37
					2016			0
Difference	0	(78)	(184)	(911)	BLM Ratio	0.2164	0.0165	0.0250
Federal Inc. Tax Rate	35%	35%	35%	35%				
Accum. Def'd Federal Income Tax	0	(27)	(64)	(319)				
Total 86 TRA - Capitalized Interest Adjustment		0	0	0				
Deferred Tax Balance	0	(27)	(64)	(319)				
<b>WEIGHTED AVERAGE</b>		(14)	(46)	(192)				

Computer Software 5-8 Yrs	2013	2014	2015	2016	Accum Ratemaking BLM Detail			
	Year 1	Year 2	Year 3	Year 4	2014	2015	2016	
Accumulated Ratemaking BLM	3,678	11,087	18,024	25,021	2014	1,894	3,726	3,726
Accumulated Ratemaking Fed Tax	9,332	17,063	24,081	31,895	2015		1,213	3,700
					2016			2,006
Difference	(5,654)	(5,977)	(6,057)	(6,874)	BLM Ratio	0.2164	0.0165	0.0250
Federal Inc. Tax Rate	35%	35%	35%	35%				
Accum. Def'd Federal Income Tax	(1,979)	(2,092)	(2,120)	(2,406)				
Total 86 TRA - Capitalized Interest Adjustment		38	32	152				
Deferred Tax Balance	(1,979)	(2,054)	(2,088)	(2,253)				
<b>WEIGHTED AVERAGE</b>		(2,016)	(2,071)	(2,171)				

Computer Software 9-12 Yrs	2013	2014	2015	2016	Accum Ratemaking BLM Detail			
	Year 1	Year 2	Year 3	Year 4	2014	2015	2016	
Accumulated Ratemaking BLM	5,954	17,283	23,809	30,821	2014	0	0	0
Accumulated Ratemaking Fed Tax	15,107	24,838	30,443	36,466	2015		0	0
					2016			0
Difference	(9,153)	(7,555)	(6,634)	(5,645)	BLM Ratio	0.2164	0.0165	0.0000
Federal Inc. Tax Rate	35%	35%	35%	35%				
Accum. Def'd Federal Income Tax	(3,204)	(2,644)	(2,322)	(1,976)				
Total 86 TRA - Capitalized Interest Adjustment		0	0	0				
Deferred Tax Balance	(3,204)	(2,644)	(2,322)	(1,976)				
<b>WEIGHTED AVERAGE</b>		(2,924)	(2,483)	(2,149)				

Computer Software 15 Yrs	2013	2014	2015	2016	Accum Ratemaking BLM Detail			
	Year 1	Year 2	Year 3	Year 4	2014	2015	2016	
Accumulated Ratemaking BLM	4,547	13,200	17,934	21,314	2014	0	0	0
Accumulated Ratemaking Fed Tax	11,538	18,970	23,035	25,939	2015		0	0
					2016			0
Difference	(6,991)	(5,770)	(5,102)	(4,625)	BLM Ratio	0.2164	0.0165	0.0250
Federal Inc. Tax Rate	35%	35%	35%	35%				
Accum. Def'd Federal Income Tax	(2,447)	(2,019)	(1,786)	(1,619)				
Total 86 TRA - Capitalized Interest Adjustment		0	0	0				
Deferred Tax Balance	(2,447)	(2,019)	(1,786)	(1,619)				
<b>WEIGHTED AVERAGE</b>		(2,233)	(1,902)	(1,702)				

Computer Software 20 Yrs	2013	2014	2015	2016	Accum Ratemaking BLM Detail			
	Year 1	Year 2	Year 3	Year 4	2014	2015	2016	
Accumulated Ratemaking BLM	0	0	0	0	2014	0	0	0
Accumulated Ratemaking Fed Tax	0	0	0	0	2015		0	0
					2016			0
Difference	0	0	0	0	BLM Ratio	0.2164	0.0165	0.0250
Federal Inc. Tax Rate	35%	35%	35%	35%				
Accum. Def'd Federal Income Tax	0	0	0	0				
Total 86 TRA - Capitalized Interest Adjustment		0	0	0				
Deferred Tax Balance	0	0	0	0				
<b>WEIGHTED AVERAGE</b>		0	0	0				

Total BLM 2,006 5,675 10,195

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Communication Equipment 15 Year	2013	2014	2015	2016	Accum Ratemaking BLM Detail		
	Year 1	Year 2	Year 3	Year 4	2014	2015	2016
Accumulated Ratemaking BLM	0	0	0	0	2014	0	0
Accumulated Ratemaking Fed Tax	0	0	0	0	2015	0	0
Difference	0	0	0	0	2016	0	0
Federal Inc. Tax Rate	35%	35%	35%	35%	BLM Ratio	0.9874	0.9701
Accum. Def'd Federal Income Tax	0	0	0	0			0.9356
					Pre 2014 Vintage Assets Depn		
					2014	2015	2016
Total 86 TRA - Capitalized Interest Adjustment		0	0	0	BLM	0	0
Deferred Tax Balance	0	0	0	0	RM	0	0
<b>WEIGHTED AVERAGE</b>		0	0	0			

Communication Equipment 5 Year	2013	2014	2015	2016	Accum Ratemaking BLM Detail		
	Year 1	Year 2	Year 3	Year 4	2014	2015	2016
Accumulated Ratemaking BLM	163	1,335	6,248	12,109	2014	873	1,164
Accumulated Ratemaking Fed Tax	414	1,843	9,119	23,155	2015	0	2,213
Difference	(251)	(508)	(2,871)	(11,046)	2016	0	0
Federal Inc. Tax Rate	35%	35%	35%	35%	BLM Ratio	0.9874	0.9701
Accum. Def'd Federal Income Tax	(88)	(178)	(1,005)	(3,866)			0.9356
					Pre 2014 Vintage Assets Depn		
					2014	2015	2016
Total 86 TRA - Capitalized Interest Adjustment		38	32	152	BLM	310	3,764
Deferred Tax Balance	(88)	(140)	(972)	(3,714)	RM	267	3,233
<b>WEIGHTED AVERAGE</b>		(114)	(556)	(2,343)			2,203

Communication Equipment 7 Year	2013	2014	2015	2016	Accum Ratemaking BLM Detail		
	Year 1	Year 2	Year 3	Year 4	2014	2015	2016
Accumulated Ratemaking BLM	0	0	0	0	2006	0	0
Accumulated Ratemaking Fed Tax	0	0	0	0	2007	0	0
Difference	0	0	0	0	2008	0	0
Federal Inc. Tax Rate	35%	35%	35%	35%	BLM Ratio	0.9874	0.9701
Accum. Def'd Federal Income Tax	0	0	0	0			0.0000
					Pre 2014 Vintage Assets Depn		
					2014	2015	2016
Total 86 TRA - Capitalized Interest Adjustment		0	0	0	BLM	0	0
Deferred Tax Balance	0	0	0	0	RM	0	0
<b>WEIGHTED AVERAGE</b>		0	0	0			

Communication Equipment 10 Year	2013	2014	2015	2016	Accum Ratemaking BLM Detail		
	Year 1	Year 2	Year 3	Year 4	2014	2015	2016
Accumulated Ratemaking BLM	0	0	0	0	2014	0	0
Accumulated Ratemaking Fed Tax	0	0	0	0	2015	0	0
Difference	0	0	0	0	2016	0	0
Federal Inc. Tax Rate	35%	35%	35%	35%	BLM Ratio	0.2164	0.0165
Accum. Def'd Federal Income Tax	0	0	0	0			0.0250
					Pre 2014 Vintage Assets Depn		
					2014	2015	2016
Total 86 TRA - Capitalized Interest Adjustment		0	0	0	BLM	0	0
Deferred Tax Balance	0	0	0	0	RM	0	0
<b>WEIGHTED AVERAGE</b>		0	0	0			

Communication Equipment 17 Year	2013	2014	2015	2016	Accum Ratemaking BLM Detail		
	Year 1	Year 2	Year 3	Year 4	2014	2015	2016
Accumulated Ratemaking BLM	0	0	0	0	2014	0	0
Accumulated Ratemaking Fed Tax	0	0	0	0	2015	0	0
Difference	0	0	0	0	2016	0	0
Federal Inc. Tax Rate	35%	35%	35%	35%	BLM Ratio	0.2164	0.0165
Accum. Def'd Federal Income Tax	0	0	0	0			0.0250
					Pre 2014 Vintage Assets Depn		
					2014	2015	2016
Total 86 TRA - Capitalized Interest Adjustment		0	0	0	BLM	0	0
Deferred Tax Balance	0	0	0	0	RM	0	0
<b>WEIGHTED AVERAGE</b>		0	0	0			

Total BLM 873 1,164 3,377



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Miscellaneous	2013	2014	2015	2016	Accum Ratemaking BLM Detail		
	Year 1	Year 2	Year 3	Year 4	2014	2015	2016
Accumulated Ratemaking BLM	0	0	0	0	2014	0	0
Accumulated Ratemaking Fed Tax	0	0	0	0	2015	0	0
	-----	-----	-----	-----	2016	0	0
Difference	0	0	0	0	BLM Ratio	0.0000	0.0000
Federal Inc. Tax Rate	35%	35%	35%	35%			0.0000
	-----	-----	-----	-----			
Accum. Def'd Federal Income Tax	0	0	0	0			
	=====	=====	=====	=====			
Total 86 TRA - Capitalized Interest Adjustment		0	0	0	Pre 2014 Vintage Assets Depn		
Deferred Tax Balance	0	0	0	0	2014	0	0
	=====	=====	=====	=====	RM	0	0
<b>WEIGHTED AVERAGE</b>		0	0	0			
					Total BLM	0	0
						=====	=====
						0	0