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TABLE 1
Real Economic Carrying Charge Factors
SOUTHERN CALIFORNIA GAS COMPANY
2005 BCAP Application

<u>Line #</u>	<u>Account #</u> (A)	<u>Description</u> (B)	<u>RECC Factors</u> (C)
UNDERGROUND STORAGE			
1	352	Wells	9.48%
2	353	Lines	10.87%
3	354	Compressor Station Equipment	9.11%
4	356	Purification Equipment	10.23%
TRANSMISSION PLANT			
5	367	Mains	8.35%
6	368	Compressor Station Equipment	9.11%
7	369	Measuring & Regulating Equipment	8.89%
8	371	Other Equipment	11.48%
DISTRIBUTION PLANT			
9	376	Mains	8.86%
10	378	Measuring & Regulating Equipment	10.01%
11	380	Services	9.40%
12	381	Meters	9.45%
13	382	Meter Installations	9.20%
14	383	House Regulators	9.53%
GENERAL PLANT			
15	390	Structures & Improvements	11.99%
16	391.1	Office Furniture & Equipment	10.04%
17	391.2	Computer Equipment	24.62%
18	393	Stores Equipment	11.20%
19	394.2	Shop & Garage Equipment	9.96%
20	395	Laboratory Equipment	10.78%
21	397	Communication Equipment	12.07%
22	398	Miscellaneous Equipment	10.48%

TABLE 2 A&G and Payroll Taxes Loading Factor

SOUTHERN CALIFORNIA GAS COMPANY 2005 BCAP Application

	(2002\$)	
1. Total Marginal A&G Costs ¹	\$105,759,206	
2. Total Payroll Taxes ²	\$22,714,065	
3. Marginal A&G and Payroll Taxes (Row 1 + Row 2)	\$128,473,271	1 + 2
4. Net Marginal O&M Costs ³	\$465,579,571	
5. Marginal A&G/Payroll Taxes Loading Factor (Row 3 / Row 4)	27.59%	3 / 4

Notes:

1. The Total Marginal A&G Costs shown on Line 1 represent the Total Marginal A&G Costs less 3.6% allocation of common A&G costs to the storage function.
2. The Total Payroll Tax shown on Line 2 represents the Total Payroll Tax less 3.6% allocation of common Payroll Taxes to the storage function.
3. The Net Marginal O&M Costs shown on Line 4 do not include O&M costs associated with the storage function.

TABLE 3

General Plant Loading Factor

SOUTHERN CALIFORNIA GAS COMPANY 2005 BCAP Application

	(2002\$)
1. Total General Plant ¹	\$457,008,395
2. Weighted Average RECC for General Plant	13.49%
3. Annualized General Plant Costs (Row 1 x Row 2)	\$61,632,736
4. Net Recorded O&M Costs ²	\$471,813,462
5. General Plant Loading Factor (Row 3 / Row 4)	13.06%

Notes:

1. The Total General Plant costs shown on Line 1 represent the Total General Plant costs less 3.6% allocation of common general plant costs to the storage functions.
2. The Net Marginal O&M Costs shown on Line 4 do not include O&M costs associate with the storage function.

TABLE 4
M&S Annual Costs By Function
SOUTHERN CALIFORNIA GAS COMPANY
2005 BCAP Application

I. Direct Plant Investment (To Allocate M&S Cost to Functions)

	<u>Plant</u>	<u>Percent</u>
	(2002\$)	
Storage	442,769,539	7.38%
Transmission - Total	901,215,482	15.02%
Distribution - Total	4,654,819,356	77.60%
Customer Related	2,229,870,632	37.17%
Load Related	2,424,948,724	40.42%
General Plant	0	0.00%
Total	<u>\$5,998,804,377</u>	<u>100.00%</u>

II. Total M&S To Be Functionalized

	(2002\$)
Total Material and Supplies	\$10,931,673

III. Functional Allocation of M&S

	(2002\$)	
Storage	\$806,863	7.38%
Transmission - Total	\$1,642,293	15.02%
Distribution - Total	\$8,482,517	77.60%
Customer Related	\$4,063,513	37.17%
Load Related	\$4,419,005	40.42%
General Plant	\$0	0.00%
Total	<u>\$10,931,673</u>	<u>100.00%</u>

IV. M&S Annual Cost Factor 15.14%

V. M&S Annual Costs

	(2002\$)	
Storage	\$122,152	7.38%
Transmission - Total	\$248,629	15.02%
Distribution - Total	\$1,284,178	77.60%
Customer Related	\$615,180	37.17%
Load Related	\$668,998	40.42%
General Plant	\$0	0.00%
Total	<u>\$1,654,958</u>	<u>100.00%</u>

TABLE 5

Proposed 2005 BCAP Marginal Customer-Related Costs (2005\$)

**SOUTHERN CALIFORNIA GAS COMPANY
2005 BCAP Application**

Line	Core						Noncore								Total Over All Customers
	Residential	Non-Residential				Non-Residential									
		G-10	Air Conditioning	Natural Gas Vehicle	Gas Engine	G-30	EG G-50	EOR G-40	Wholesale			International			
								LB	SDG&E	SWG	Vernon	DGN			
1	2002 Number of Customers	4,925,854	208,427	20	133	1,006	876	217	54	1	1	1	1	1	5,346,112
2	Marginal Investment: \$/Customer Meter & House Reg (2005\$)	195.55	1,005.36	7,303.58	15,882.92	2,993.08	29,348	38,822	71,888	0	0	0	0	0	
3	Service Lines (2005\$)	417.49	1,887.60	2,541.22	5,331.75	13,727.48	14,761	14,128	7,420	0	0	0	0	0	
4	Exclusive Use Facilities (2005\$)	0.00	0.00	0.00	0.00	0.00	15,486	150,775	93,450	3,296,143	17,935,741	1,157,223	624,433	16,852	
5	Total	613.04	2,892.95	9,844.80	21,214.67	16,720.57	59,594	203,725	172,758	3,296,143	17,935,741	1,157,223	624,433	16,852	
6	Annualized Marginal Investment: \$/Cust. Meter & House Reg	18.23	94.50	687.45	1,497.17	281.81	2,763	3,659	6,776	0	0	0	0	0	
7	Service Lines	39.20	177.25	238.62	500.65	1,289.01	1,386	1,327	697	0	0	0	0	0	
8	Exclusive Use Facilities	0.00	0.00	0.00	0.00	0.00	1,372	12,902	8,246	292,270	1,516,268	113,632	55,527	1,673	
9	Total	57.43	271.74	926.07	1,997.83	1,570.82	5,522	17,888	15,718	292,270	1,516,268	113,632	55,527	1,673	
10	O&M: \$/Customer Customer Services (2005\$)	14.80	48.96	0.00	141.03	3.42	207.61	12.64	3.22	0.00	0.00	0.00	0.00	0.00	83,314,465
11	Customer Accounts (2005\$)	22.32	31.14	1,447.79	1,671.19	227.07	2,548	2,585	2,625	11,554	10,323	17,710	10,251	6,643	119,928,671
12	Meter & House Reg (2005\$)	3.24	21.72	379.51	379.51	379.51	4,998	7,326	5,066	29,665	41,751	40,652	2,313	4,395	26,855,918
13	Service Lines (2005\$)	7.13	12.58	22.23	35.13	144.44	50.70	32.77	24.60	0.00	0.00	0.00	0.00	0.00	37,924,221
14	Total Direct O&M	47.49	114.41	1,849.54	2,226.86	754.43	7,804	9,957	7,719	41,219	52,074	58,362	12,564	11,038	268,023,276
15	O&M Loaders: \$/Customer A&G/Payroll	13.10	31.57	510.37	614.49	208.18	2,153	2,748	2,130	11,374	14,369	16,105	3,467	3,046	73,959,059
16	General Plant	6.20	14.95	241.60	290.89	98.55	1,019	1,301	1,008	5,384	6,802	7,624	1,641	1,442	35,011,735
17	Material & Supplies	0.12	0.29	4.66	5.61	1.90	19.65	25.45	19.43	103.76	131.09	146.92	31.63	27.79	675,905
18	Total O&M Loaders	19.43	46.80	756.63	910.99	308.63	3,193	4,074	3,158	16,862	21,303	23,875	5,140	4,515	109,646,699
19	Fully-loaded O&M	66.92	161.22	2,606.16	3,137.85	1,063.06	10,997	14,031	10,876	58,082	73,377	82,237	17,704	15,553	268,023,276
20	Marginal Customer Cost: \$/Cust. (2005\$)	124.35	432.96	3,532	5,136	2,634	16,518	31,918	26,594	350,352	1,589,645	195,870	73,231	17,226	

TABLE 6
Number of Customers Utilized for Development of HPD and MPD Marginal Costs

SOUTHERN CALIFORNIA GAS COMPANY
2005 BCAP Application

Historical Number of Customers :	Residential	Core C&I G-10	Gas AC G-AC	Gas Vehicle G-NG	Gas Engine G-GE	Noncore C&I G-30	EOR G-40	EG G-50
1992	4,436,723	218,966	0	7	0	962	76	259
1993	4,450,392	210,323	4	11	8	955	75	235
1994	4,466,810	208,085	10	17	223	1,049	74	235
1995	4,504,167	206,395	10	25	249	1,220	71	244
1996	4,556,775	204,308	14	30	357	1,231	66	225
1997	4,599,840	202,276	18	18	585	1,245	65	209
1998	4,658,884	203,425	19	64	813	1,159	59	220
1999	4,731,628	205,314	17	78	848	1,096	59	225
2000	4,800,642	205,543	21	90	910	1,110	57	227
2001	4,860,181	207,286	21	99	974	913	57	196
2002	4,925,855	208,424	21	147	1,007	892	57	206
Forecast Number of Customers :	Residential	Core C&I G-10	Gas AC G-AC	Gas Vehicle G-NG	Gas Engine G-GE	Noncore C&I G-30	EOR G-40	EG G-50
2003	4,986,834	208,833	22	179	1,032	846	54	200
2004	5,048,030	210,812	22	216	1,057	766	53	148
2005	5,109,911	212,527	22	246	1,082	692	53	152
2006	5,176,695	213,778	22	284	1,107	667	53	155
2007	5,247,135	214,763	22	328	1,132	666	53	155

TABLE 7
Regression of Medium Pressure (MP) Distribution

SOUTHERN CALIFORNIA GAS COMPANY
2005 BCAP Application

Cumulative Investment on Peak Day Cumulative Demand

Regression Inputs:

<u>Year</u>	Dependent Variable: MP Distribution Cumulative Investment (2005 M\$) <u>(1)</u>	Independent Variable: Peak Day Cumulative Demand (MMcfd) <u>(2)</u>
1993	22,783	8
1994	38,453	26
1995	53,274	61
1996	74,591	91
1997	98,455	116
1998	123,904	152
1999	149,174	196
2000	184,771	234
2001	211,738	268
2002	258,669	306
2003	287,664	338
2004	317,024	375
2005	347,360	411
2006	378,173	449
2007	410,026	487

Regression Outputs

Number of Observations:	15
Degrees of Freedom:	13
R-Squared:	0.9955
F-Statistic:	2,860.45

<u>Regressor</u>	<u>Estimated Coefficient</u>	<u>Estimated Standard Error of Coefficient</u>	<u>t-Statistic</u>
Intercept	3,659.21	4,307.54	0.85
MP Distribution Cum. Investment	824.93	15.42	53.48

TABLE 8

Medium Pressure Distribution Long Run Marginal Cost Estimate (2005\$s)

SOUTHERN CALIFORNIA GAS COMPANY 2005 BCAP Application

(1) Capital-related LRMC:			
(2)	Estimated Medium Pressure Regression Coefficient =	824.9326	
(3)	RECC Factor Applied to Annualize Capital-related LRMC =	8.95%	
(4)	Annualized Capital-related LRMC (\$/Mcf) =		73.8644
(5) O&M-related LRMC:			
(6)	Total Distribution O&M costs (2005 \$000's) =	29,677.29	
(7)	Medium Pressure Distribution's Share =	83.81%	
(8)	Medium Pressure Peak Day Demand (MMcfd) =	4,518.74	
(9)	O&M-related LRMC (\$/Mcf) =		5.5045
(10) A&G-related LRMC:			
(11)	A&G Factor, as a Percent of O&M-related LRMC =	27.59%	
(12)	A&G-related LRMC (\$/Mcf) =		1.5189
(13) General Plant (GP)-related LRMC:			
(14)	GP Factor, as a Percent of O&M-related LRMC =	13.06%	
(15)	GP-related LRMC (\$/Mcf) =		0.7191
(16) Material & Supply (M&S)-related LRMC:			
(17)	Total Distribution M&S costs (2005 \$000's) =	712.61	
(18)	Medium Pressure Distribution's Share =	83.81%	
(19)	Medium Pressure Peak Day Demand (MMcfd) =	4,518.74	
(20)	M&S-related LRMC (\$/Mcf) =		0.1322
(21)	Medium Pressure Distribution LRMC (\$/Mcf) =		81.7391

TABLE 9
Regression of High Pressure (HP) Distribution

SOUTHERN CALIFORNIA GAS COMPANY
2005 BCAP Application

Cumulative Investment on Coincident Peak Month Cumulative Demand

Regression Inputs:

<u>Year</u>	Dependent Variable: HP Distribution Cumulative Investment (2005 M\$)	Independent Variable: Coincident Peak Month Cumulative Demand (MMcf)
	(1)	(2)
1993	2,276	135
1994	3,486	1,016
1995	8,840	2,758
1996	16,647	3,332
1997	20,875	3,866
1998	21,521	4,719
1999	27,788	5,612
2000	30,731	6,442
2001	42,826	7,030
2002	49,956	7,990
2003	55,603	8,545
2004	61,459	9,186
2005	67,438	9,956
2006	73,446	10,739
2007	79,587	11,405

Regression Outputs

Number of Observations:	15
Degrees of Freedom:	13
R-Squared:	0.9706
F-Statistic:	429.48

<u>Regressor</u>	<u>Estimated Coefficient</u>	<u>Estimated Standard Error of Coefficient</u>	<u>t-Statistic</u>
Intercept	(7,472.32)	2,474.00	(3.02)
HP Distribution Cum. Investment	7.27	0.35	20.72

TABLE 10
High Pressure Distribution Long Run Marginal Cost Estimate (2005 \$s)

SOUTHERN CALIFORNIA GAS COMPANY
2005 BCAP Application

(1)	Capital-related LRMC:		
(2)	Estimated High Pressure Regression Coefficient =	7.2744	
(3)	RECC Factor Applied to Annualize Capital-related LRMC =	8.94%	
(4)	Annualized Capital-related LRMC (\$/Mcf) =		0.6505
(5)	O&M-related LRMC:		
(6)	Total Distribution O&M costs (2005 \$000's) =	29,677.29	
(7)	High Pressure Distribution's Share =	16.19%	
(8)	High Pressure Coincident Peak Month Demand (MMcf) =	89,080.06	
(9)	O&M-related LRMC (\$/Mcf) =		0.0539
(10)	A&G-related LRMC:		
(11)	A&G Factor, as a Percent of O&M-related LRMC =	27.59%	
(12)	A&G-related LRMC (\$/Mcf) =		0.0149
(13)	General Plant (GP)-related LRMC:		
(14)	GP Factor, as a Percent of O&M-related LRMC =	13.06%	
(15)	GP-related LRMC (\$/Mcf) =		0.0070
(16)	Material & Supply (M&S)-related LRMC:		
(17)	Total Distribution M&S costs (2005 \$000's) =	712.61	
(18)	High Pressure Distribution's Share =	16.19%	
(19)	High Pressure Coincident Peak Month Demand (MMcf) =	89,080.06	
(20)	M&S-related LRMC (\$/Mcf) =		0.0013
(21)	High Pressure Distribution LRMC (\$/Mcf) =		0.7276

TABLE 11
Demand-Related Transmission Investments
And Load Growth In 2005 \$'s

SOUTHERN CALIFORNIA GAS COMPANY
2005 BCAP Application

<u>Year</u>	TOTAL RATE BASE <u>ADDITIONS</u> (2005 M\$)	Cold Year <u>Demand</u> (MMDTH)
2004		907
2005		896
2006		983
2007		1,001
2008		1,047
2009		1,058
2010		1,068
2011		1,077
2012		1,087
2013		1,097
2014		1,107
2015		1,120
2016		1,133
2017		1,145
2018		1,158
Total Investment		
Total Load Growth		251.2
MARGINAL CAPITAL COST (\$/DTH)		0.000

TABLE 12
Marginal Transmission Cost

SOUTHERN CALIFORNIA GAS COMPANY
2005 BCAP Application

Line #	<u>Descriptions</u>	<u>TOTAL</u>
1	Total Investment, \$Million	0.0
2	Cold Year Growth (MMdth)	251.2
3	Marginal Capital Cost (\$/dth)	0.0000
4	RECC	
5	Annual Capital Cost (\$/dth)	0.0000
6	O&M, \$Million	38.3
7	Cold Year Throughput (MMdth)	1,046
8	Marginal O&M Cost (\$/dth)	0.0366
9	A&G and General Plant Loader	0.0149
10	M&S Loader, \$/dth	0.0002
11	ARCO Lease Costs, \$/dth	0.0010
12	Total Marginal Cost (\$/dth)	0.0527
13	System Transmission Marginal Cost (\$/Dth)	0.0527

TABLE 13
Present and Proposed Long Run Marginal Costs

SOUTHERN CALIFORNIA GAS COMPANY
2005 BCAP Application

Line #	Marginal Cost Element	Proposed		Present (As Filed)	
		(2005 Dollars)	(Percent)	(1999 Dollars)	(Percent)
	(A)	(B)	(C)	(D)	(E)
1	I. M&S Annual Cost factor		15.14%		14.17%
	II. M&S Annual Costs				
2	Storage	130,114	7.38%	172,477	8.84%
3	Transmission	264,835	15.02%	280,496	14.38%
4	Distribution - Total	1,367,887	77.60%	1,497,775	76.78%
5	Customer Related	655,280	37.17%	720,757	36.95%
6	Load Related	712,607	40.42%	777,017	39.83%
7	General Plant	-	0.00%	-	0.00%
8	Total	\$1,762,837	100.00%	\$1,950,748	100.00%
9	III. General Plant Loading Factor		13.06%		14.36%
10	IV. Marginal A&G/Payroll Taxes Loading Factor		27.59%		30.62%
	V. Distribution Marginal Cost:				
11	Medium Pressure Distribution LRM (\$/Mcf) =	81.7391		82.7713	
12	High Pressure Distribution LRM (\$/Mcf) =	0.7276		0.6910	
13	VI. Transmission Marginal Cost:	0.0527		0.0653	

TABLE 13
Present and Proposed Long Run Marginal Costs

SOUTHERN CALIFORNIA GAS COMPANY
2005 BCAP Application

Line #	Marginal Cost Element (A)	Proposed (2005 Dollars) (B)	Present (As File (1999 Dollars) (C)
VII. <u>Marginal Customer Cost (M\$ / Customer):</u>			
<u>Residential:</u>			
1	Single Family	0.1331	0.0655
2	Multi-Family	0.0952	0.0600
3	Small Master Metered	0.2559	0.0905
4	Medium Master Metered		1.8298
5	Large Master Metered	2.9562	3.3230
6	Weighted Average	0.1243	0.0640
<u>Small Commercial/Industrial G-10:</u>			
7	Very Small	0.2718	0.1111
8	Small	0.3577	0.2015
9	Medium	0.7157	0.4756
10	Large	2.4476	0.7739
11	Very Large	4.1171	1.3424
12	Weighted Average	0.4329	0.2296
13	Gas Air Conditioning	3.5321	1.9566
14	NGV	5.1355	
15	Gas Engine	2.6338	2.6960
<u>Commercial/Industrial G-30:</u>			
16	Distribution	16.2872	N/A
17	Medium Pressure Distribution	N/A	4.5847
18	High Pressure Distribution	N/A	4.5847
19	Transmission	21.2115	4.5847
20	Weighted Average	16.5177	4.5847
21	Small Electric Generation G-50	16.7634	N/A
22	Large Electric Generation	77.6606	
23	COGEN G-50		5.9127
24	UEG G-60		40.6704
25	Enhanced Oil Recovery G-40	26.5937	11.0049
26	Long Beach	350.3485	71.3611
27	San Diego Gas & Electric	1589.6412	99.4363
28	Southwest Gas	195.8651	43.2843
29	Vernon	73.2301	23.7549
30	DGN	17.2255	22.0341

TABLE 14-A

Proposed System LRM Cost Base Margin Allocation (in 2005\$)

Southern California Gas Company
2005 BIENNIAL COST ALLOCATION PROCEEDING

MARGINAL COST COMPONENTS		Total Core	Total NC Retail	Total NC Wholesale	NONCORE INTL	NONCORE TOTAL	SYSTEM TOTALS
A		B	C	D	E	F	G
		\$k	\$k	\$k	\$k	\$k	\$k
CUSTOMER RELATED							
1	Number of Customers	5,357,430	886	4	1	891	5,358,321
2	Per Unit LRM Cost, \$/Cust/Year	\$137.38	\$21,150	\$552,271	17,226	\$23,530	\$141.27
3	LRM Customer Revenues	\$735,988	\$18,739	\$2,209	\$17	\$20,965	\$756,953
COMMON DISTRIBUTION							
4	MPD Peak Day Demand (mmcf)	3,136	121	0	0	121	3,257
5	Per Unit LRM Cost, \$/mmcf	\$81.74	\$81.74	\$81.74	\$81.74	\$81.74	\$81.74
6	MPD Distribution Revenues	\$256,328	\$9,918	\$0	\$0	\$9,918	\$266,246
7	HPD Peak Month Demand (mmcf)	56,902	14,165	0	0	14,165	71,067
8	Per Unit LRM Cost, \$/mmcf	\$0.7276	\$0.7276	\$0.7276	\$0.7276	\$0.7276	\$0.7276
9	HPD Distribution Revenues	\$41,403	\$10,307	\$0	\$0	\$10,307	\$51,710
10	Total Common Distribution Revenues	\$297,732	\$20,225	\$0	\$0	\$20,225	\$317,957
COMMON TRANSMISSION							
11	Cold Year throughput (Mdt)	416,033	370,018	148,883	4,729	523,630	939,664
12	Per Unit LRM Cost, \$/dth	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
13	Transmission Revenues	\$21,912	\$19,488	\$7,841	\$249	\$27,579	\$49,490
14	UNSCALED LRM REVENUES	\$1,055,632	\$58,452	\$10,050	\$266	\$68,769	\$1,124,400
15	Adjustment to LRM Cost: Remove EOR				less EOR LRM Cost=		(\$3,466)
16					Net LRM Cost Used for Scaling Purposes=		\$1,120,934
17					Gas Margin for Scaling=	\$1,358,065	
18					less Calculated EOR=	\$16,568	\$1,341,497
19					\$52		1,1968
20	Scaling Factors w/o EOR				1.1968	EPMC Scaling=	1,1968
21	SCALED LRM REVENUES	\$1,263,345	\$82,374	\$12,028	\$319	\$94,720	\$1,358,065
22						Margin Used for Scaling=	\$1,358,065
23	+Customer Service & Info (excl Energy Efficiency)	\$20,212	\$3,592	\$782	\$78	\$4,453	\$24,665
24	%EPMC without SDG&E				0.0%		100.0%
25	+SDG&E Moreno Credit	\$539	\$35	(\$574)	\$0	(\$539)	\$0
26	=Subtotal	\$1,284,096	\$86,001	\$12,237	\$397	\$98,635	\$1,382,730
27	Subtotal w/o EOR or USP						\$1,353,365
28	%Marginal Cost w/o wholesale, intl, EOR				0.0%		100.0%
29	+ Uncollectibles	\$6,361	\$343		\$0	\$343	\$6,705
30	+NGV Compression Adder						
31	BASE MARGIN (\$K)	\$1,290,457	\$86,344	\$12,237	\$397	\$98,978	\$1,389,435
32							\$1,389,435
33	Average Year Throughput, MDth	384,260	369,049	143,162	4,729	516,940	901,200
34	Average Rate, c/therm	33.58	2.34	0.85	0.84	1.91	15.42

TABLE 14-B

Proposed Core LRM Cost Allocation (in 2005\$)

Southern California Gas Company
2005 BIENNIAL COST ALLOCATION PROCEEDING

MARGINAL COST COMPONENTS		CORE					Total Core
		Resid	COM/IND				
A	B	C	D	E	F	G	
	\$k	\$k		\$k	\$k	\$k	
CUSTOMER RELATED							
1	Number of Customers	5,143,303	212,746	265	22	1,094	5,357,430
2	Per Unit LRM Cost, \$/Cust/Year	124.35	432.95	5,135.50	3,532.09	2,633.83	\$137.38
3	LRM Customer Revenues	\$639,561	\$92,108	\$1,361	\$78	\$2,881	\$735,988
COMMON DISTRIBUTION							
4	MPD Peak Day Demand (mmcf)	2,601	529	4	0.33	1.42	3,136
5	Per Unit LRM Cost, \$/mmcf	\$81.74	\$81.74	\$81.74	\$81.74	\$81.74	
6	MPD Distribution Revenues	\$212,643	\$43,250	\$292	\$27	\$116	\$256,328
7	HPD Peak Month Demand (mmcf)	44,910	11,444	477	13	59	56,902
8	Per Unit LRM Cost, \$/mmcf	\$0.7276	\$0.7276	\$0.7276	\$0.7276	\$0.7276	
9	HPD Distribution Revenues	\$32,678	\$8,327	\$347	\$9	\$43	\$41,403
10	Total Common Distribution Revenues	\$245,321	\$51,576	\$639	\$36	\$159	\$297,732
COMMON TRANSMISSION							
11	Cold Year throughput (Mdt)	302,131	103,030	7,888	191	2,794	416,033
12	Per Unit LRM Cost, \$/dth	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	
13	Transmission Revenues	\$15,913	\$5,426	\$415	\$10	\$147	\$21,912
14	UNSCALED LRM REVENUES	\$900,794	\$149,111	\$2,416	\$124	\$3,187	\$1,055,632
15	Adjustment to LRM Cost: Remove EOR						
16							
17							
18							
19		\$177,246	\$29,340	\$475	\$24	\$627	
20	Scaling Factors w/o EOR	1.1968	1.1968	1.1968	1.1968	1.1968	
21	SCALED LRM REVENUES	\$1,078,040	\$178,451	\$2,891	\$148	\$3,815	\$1,263,345
22							
23	+Customer Service & Information (excluding Energy Efficiency)	\$11,674	\$7,122	\$1,411	\$0	\$5	\$20,212
24	%EPMC without SDG&E	79.9%	13.2%	0.2%	0.0%	0.3%	
25	+SDG&E Moreno Credit	\$460	\$76	\$1	\$0	\$2	\$539
26	=Subtotal	\$1,090,174	\$185,649	\$4,303	\$148	\$3,822	\$1,284,096
27	Subtotal w/o EOR or USP	\$1,090,174	\$185,649	\$4,303	\$148	\$3,822	
28	%Marginal Cost w/o wholesale, inil, EOR	80.6%	13.7%	0.3%	0.0%	0.3%	
29	+ Uncollectibles	\$5,401	\$920	\$21	\$1	\$19	\$6,361
30	+NGV Compression Adder			\$1,262			
31	BASE MARGIN (\$K)	\$1,095,575	\$186,568	\$5,586	\$149	\$3,841	\$1,290,457
32							
33	Average Year Throughput, MDth	274,589	98,799	7,888	191	2,794	384,260
34	Average Rate, c/therm	39.90	18.88	7.08	7.82	13.75	33.58

TABLE 14-C

Proposed Noncore LRM Cost Allocation (in 2005\$)

Southern California Gas Company
2005 BIENNIAL COST ALLOCATION PROCEEDING

	MARGINAL COST COMPONENTS	NONCORE RETAIL					NONCORE WHOLESALE				
		C&I G30	Small EG	Large EG	EOR G40	Total NC Retail	Long Beach	SDG&E	Southwest Gas	Vernon	Total NC Wholesale
		A	B	C	D	E	F	G	H	I	J
		\$k	\$k	\$k	\$k	\$k	\$k	\$k	\$k	\$k	\$k
CUSTOMER RELATED											
1	Number of Customers	679	96	58	53	886	1	1	1	1	4
2	Per Unit LRM, \$/Cust/Year	16,518	16,763	77,661	26,594	\$21,150	350,348	1,589,641	195,865	73,230	\$552,271
3	LRM Customer Revenues	\$11,216	\$1,609	\$4,504	\$1,409	\$18,739	\$350	\$1,590	\$196	\$73	\$2,209
COMMON DISTRIBUTION											
4	MPD Peak Day Demand (mmcf)	107	10	4	0.06	121	0	0	0	0	0
5	Per Unit LRM, \$/mmcf	\$81.74	\$81.74	\$81.74	\$81.74	\$81.74	\$81.74	\$81.74	\$81.74	\$81.74	\$81.74
6	MPD Distribution Revenues	\$8,784	\$802	\$327	\$5	\$9,918	\$0	\$0	\$0	\$0	\$0
7	HPD Peak Month Demand (mmcf)	8,169	436	5,474	86	14,165	0	0	0	0	0
8	Per Unit LRM, \$/mmcf	\$0.7276	\$0.7276	\$0.7276	\$0.7276	\$0.7276	\$0.7276	\$0.7276	\$0.7276	\$0.7276	\$0.7276
9	HPD Distribution Revenues	\$5,944	\$317	\$3,983	\$63	\$10,307	\$0	\$0	\$0	\$0	\$0
10	Total Common Distribution Revenues	\$14,728	\$1,119	\$4,310	\$67	\$20,225	\$0	\$0	\$0	\$0	\$0
COMMON TRANSMISSION											
11	Cold Year throughput (Mdt)	126,862	5,361	200,033	37,762	370,018	10,726	118,851	9,468	9,837	148,883
12	Per Unit LRM, \$/dth	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
13	Transmission Revenues	\$6,682	\$282	\$10,535	\$1,989	\$19,488	\$565	\$6,260	\$499	\$518	\$7,841
14	UNSCALED LRM REVENUES	\$32,625	\$3,011	\$19,350	\$3,466	\$58,452	\$915	\$7,849	\$695	\$591	\$10,050
15	Adjustment to LRM: Remove EOR										
16											
17											
18											
19		\$6,420	\$592	\$3,807			\$180	\$1,544	\$137	\$116	
20	Scaling Factors w/o EOR	1.1968	1.1968	1.1968			1.1968	1.1968	1.1968	1.1968	
21	SCALED LRM REVENUES	\$39,045	\$3,603	\$23,158	\$16,568	\$82,374	\$1,095	\$9,394	\$831	\$708	\$12,028
22					calc.EOR\$						
23	+Customer Service & Information (excluding Energy Efficiency)	\$2,069	\$193	\$1,174	\$156	\$3,592	\$235	\$196	\$156	\$196	\$782
24	%EPMC without SDG&E	2.9%	0.3%	1.7%	1.2%		0.1%		0.1%	0.1%	
25	+SDG&E Moreno Credit	\$17	\$2	\$10	\$7	\$35	\$0	(\$575)	\$0	\$0	(\$574)
26	=Subtotal	\$41,131	\$3,798	\$24,341	\$16,732	\$86,001	\$1,331	\$9,014	\$988	\$904	\$12,237
27	Subtotal w/o EOR or USP	\$41,131	\$3,798	\$24,341							
28	%Marginal Cost w/o wholesale, intl, EOR	3.0%	0.3%	1.8%			0.0%	0.0%	0.0%	0.0%	
29	+ Uncollectibles	\$204	\$19	\$121		\$343	\$0	\$0	\$0	\$0	
30	+NGV Compression Adder										
31	BASE MARGIN (\$K)	\$41,334	\$3,817	\$24,462	\$16,732	\$86,344	\$1,331	\$9,014	\$988	\$904	\$12,237
32											
33	Average Year Throughput, MDth	125,893	5,361	200,033	37,762	369,049	10,238	114,376	8,710	9,837	143,162
34	Average Rate, c/therm	3.28	7.12	1.22	4.43	2.34	1.30	0.79	1.13	0.92	0.85

TABLE 14-D

Proposed Noncore LRM Cost Allocation (in 2005\$)

Southern California Gas Company
2005 BIENNIAL COST ALLOCATION PROCEEDING

MARGINAL COST COMPONENTS		NCORE INT'L	NONCORE TOTAL	SYSTEM TOTALS
		Mexicali DGN		
A		B	C	D
		\$k	\$k	\$k
CUSTOMER RELATED				
1	Number of Customers	1	891	5,358,321
2	Per Unit LRM Cost, \$/Cust/Year	17,226	\$23,530	\$141.27
3	LRM Customer Revenues	\$17	\$20,965	\$756,953
COMMON DISTRIBUTION				
4	MPD Peak Day Demand (mmcf)	0	121	3,257
5	Per Unit LRM Cost, \$/mmcf	\$81.74	\$81.74	\$81.74
6	MPD Distribution Revenues	\$0	\$9,918	\$266,246
7	HPD Peak Month Demand (mmcf)	0	14,165	71,067
8	Per Unit LRM Cost, \$/mmcf	\$0.7276	\$0.7276	\$0.7276
9	HPD Distribution Revenues	\$0	\$10,307	\$51,710
10	Total Common Distribution Revenues	\$0	\$20,225	\$317,957
COMMON TRANSMISSION				
11	Cold Year throughput (Mdt)	4,729	523,630	939,664
12	Per Unit LRM Cost, \$/dt	\$0.05	\$0.05	\$0.05
13	Transmission Revenues	\$249	\$27,579	\$49,490
14	UNSCALED LRM REVENUES	\$266	\$68,769	\$1,124,400
15				
16				
17				
18				
19				
20				
21	SCALED LRM REVENUES	\$319	\$94,720	\$1,358,065
22				
23	+Customer Service & Information (excluding Energy Efficiency)	\$78	\$4,453	\$24,665
24	%EPMC without SDG&E	0.0%	\$0	100.0%
25	+SDG&E Moreno Credit	\$0	(\$539)	\$0
26	=Subtotal	\$397	\$98,635	\$1,382,730
27	Subtotal w/o EOR or USP			\$1,353,365
28	%Marginal Cost w/o wholesale, intl, EOR	0.0%		100.0%
29	+ Uncollectibles	\$0	\$343	\$6,705
30	+NGV Compression Adder			
31	BASE MARGIN (\$K)	\$397	\$98,978	\$1,389,435
32				\$1,389,435
33	Average Year Throughput, MDth	4,729	516,940	901,200
34	Average Rate, c/therm	0.84	1.91	15.42