

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

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Application 10-12-\_\_\_\_  
Exhibit No.: (SCG-38)

**PREPARED DIRECT TESTIMONY OF  
DEBORAH A. HIRAMOTO  
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY**

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

**DECEMBER 2010**



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1 This application uses cost center structures and project structures consistent with  
2 internal budgeting methods in the development of the test year revenue requirement. All  
3 summary tables for O&M are presented using cost center format.

#### 4 **IV. ELEMENTS OF THE RO CALCULATION**

##### 5 **A. Revenue Requirement**

6 Total O&M and capital-related costs necessary to support SoCalGas's  
7 rate base is called a revenue requirement. The revenue requirement is collected  
8 in two components: miscellaneous revenues, discussed below, and base margin.  
9 The base margin portion of the revenue requirement is collected in gas  
10 transportation service revenues from SoCalGas ratepayers.

##### 11 **B. Miscellaneous Revenues**

12 Miscellaneous revenues are comprised of fees and revenues collected by  
13 SoCalGas for the provision of specific products or services from non-rate  
14 sources and certain revenues returned to the ratepayers pursuant to previous  
15 Commission decisions. Miscellaneous revenues reduce the amount of gas sales  
16 revenues to be collected from customers for gas utility services (i.e., base  
17 margin). Miscellaneous Revenues are sponsored by Todd J. Cahill (Exhibit  
18 SCG-32).

##### 19 **C. O&M Expense Estimates**

20 The operating expense chapters in this Application describe the  
21 estimating methods used and the significant events reflected in forecasts for each  
22 expense area. For purposes of calculating overheads and escalation, operating  
23 expenses are categorized in the RO model calculations between labor expense  
24 and materials and services (also known as non-labor) expense.

25 O&M expense estimates for each category of expense are summarized for  
26 2009 recorded and 2012 estimated year in constant 2009 dollars. Labor and non-  
27 labor escalation rates sponsored by SoCalGas witness Scott R. Wilder (Exhibit  
28 SCG-31) were applied to the 2009 constant dollar estimates to determine the  
29 estimated test year O&M expense in 2012 dollar terms. Certain non-labor O&M  
30 expense estimates are not subject to escalation rates and are presented in nominal

1 dollars. These costs are referred throughout this application as “Non Standard  
2 Escalation” or NSE. An example of NSE costs are certain contractual costs set  
3 forth by existing agreements.

4 For purposes of developing the capitalized portion of O&M costs, a  
5 conversion of cost center forecasts to Federal Energy Regulatory Commission  
6 (“FERC”) Uniform System of Accounts format is performed. Please see the  
7 testimony of Khai Nguyen (Exhibit SCG-35).

8 O&M expense forecasts are presented in testimony in two groupings.  
9 Shared Services (“SS”) are O&M expenses incurred by SoCalGas and subject to  
10 billing, or O&M expenses incurred by San Diego Gas & Electric Company  
11 (“SDG&E”) or Corporate Center, and billed-in to SoCalGas. The second group  
12 of O&M expenses is Non-Shared Services (“NSS”) which are expenses incurred  
13 by SoCalGas that are not subject to billing. Costs have been separated in this  
14 manner in order to ensure cross-company billings include appropriate overheads  
15 and are properly allocated. The O&M Shared Services billing policy and process  
16 are explained in the testimony of Edward J. Reyes (Exhibit SCG-24). In the  
17 Summary of Earnings Tables of my testimony, O&M expenses summarized on  
18 line 19 of Table DH -1 includes SS and NSS. A detail of the NSS and SS costs  
19 is found in Table DH - 2

20 **D. Capital-related costs**

21 Capital-related costs include depreciation, income taxes, ad valorem  
22 taxes, and return on investment. The driver of these costs is the capital  
23 investment in utility rate base. Capital investments forecasts are sponsored by  
24 various SoCalGas witnesses and the utility rate base total is sponsored by Garry  
25 G. Yee (Exhibit SCG-26).

26 **E. Rate of Return**

27 The Test Year 2012 at Proposed Rates reflects the current authorized rate  
28 of return of 8.68% based on 10.82% return on equity. The rate of return for  
29 SoCalGas reflects the rate of return authorized for SoCalGas as submitted for  
30 filing and approval in Advice Letter 3199-A, Supplemental Performance Based

1 Regulation, Market Indexed Capital Adjustment mechanism. This supplemental  
2 filing was made in compliance with Decision 97-07-054.

3 **V. RECORDED DATA**

4 Adjustments have been made to the 2009 O&M data to exclude all revenues and  
5 expenses that are recovered through separate filing before the Commission or the FERC.  
6 Examples of excluded costs are Demand Side Management (“DSM”), Direct Assistance  
7 Program (“DAP”), and California Alternate Rate for Energy (“CARE”) costs.

8 **VI. RO Model Enhancements**

9 There are two major modifications made to the RO model since the 2008 General  
10 Rate Case filing: the integration of SDG&E and SCG’s RO models, and the addition of  
11 an audit log function.

12 **A. SCG and SDG&E Integrated RO Model**

13 In the 2008 GRC SoCalGas and SDG&E presented two separate RO  
14 models and one Shared Services database model (“SSD”). Intervenor changes  
15 related to shared services forecasts were calculated by refreshing the SSD, and  
16 the resulting billing impact was manually input to the receiving utility’s RO  
17 model for each revision of the revenue requirement. Intervenor changes related  
18 to NSS forecasts were input to the individual RO model directly. The integration  
19 of the two utilities’ RO models and the SSD function presented in this case  
20 allows users to perform revisions to one or both companies and report the  
21 resulting changes by company without manual intervention. The automated  
22 transfer of adjustments between the two revenue requirements is more efficient  
23 and minimizes the risk of posting errors.

24 **B. Audit Log Function**

25 SCG has created a “change log” feature in the Integrated RO model. This  
26 feature records changes made to any of the key input fields in the RO model by  
27 listing the keystroke changes made by the operator. The log also includes a  
28 description field for each change.

29 This concludes my prepared direct testimony.

30

1 **VII. WITNESS QUALIFICATIONS**

2 My name is Deborah Hiramoto. My business address is 555 W. 5<sup>th</sup> Street, Los  
3 Angeles, California, 90013. I am employed by SoCalGas as GRC Financial Analysis  
4 Manager.

5 I received a Bachelor of Science degree in Business Administration from  
6 California State University, Los Angeles where my area of concentration was  
7 Accounting. I have been employed by SoCalGas in various positions since 1988. My  
8 experience includes assignments in General Accounting, Gas Accounting, and  
9 Financial Planning.

10 My current responsibilities include managing the development of the revenue  
11 requirement in the SoCalGas 2012 GRC proceeding. I have previously testified before  
12 this Commission under my former name, Deborah A. Yee.

# APPENDIX

Table DH-1  
SOUTHERN CALIFORNIA GAS COMPANY  
TEST YEAR 2012  
SUMMARY OF EARNINGS  
(Thousands of Dollars)

Line No.	Description	2012	2012
		Present Rates (2012\$)	Proposed Rates (2012\$)
1	Base Margin	\$ 1,715,288	\$ 2,021,113
2	Miscellaneous Revenues	103,197	103,197
3	Revenue Requirement	\$ 1,818,485	\$ 2,124,310
<u>Operating and Maintenance Expenses</u>			
4	Gas Distribution	132,337	132,337
5	Transmission	32,448	32,448
6	Underground Storage	28,859	28,859
7	Engineering	94,452	94,452
8	Procurement	3,639	3,639
9	Customer Services	324,534	324,534
10	Information Technology	47,472	47,472
11	Support Services	121,314	121,314
12	Administrative and General	379,828	379,828
13	Subtotal (2009\$)	\$ 1,164,883	\$ 1,164,883
14	Shared Services Adjustments	34,794	34,794
15	Reassignments	(81,970)	(81,970)
16	Escalation	60,827	60,827
17	Uncollectibles (0.278%)	4,667	5,499
18	Franchise Fees (1.4593%)	25,432	29,895
19	Total O&M (2012\$)	\$ 1,208,632	\$ 1,213,927
20	Depreciation	369,672	369,672
21	Taxes on Income	35,895	140,981
22	Taxes Other Than on Income	81,588	81,588
23	Total Operating Expenses	1,695,787	1,806,168
24	Return	122,697	318,141
25	Rate Base	3,665,224	3,665,224
26	Rate of Return	3.35%	8.68%

Table DH-2  
SOUTHERN CALIFORNIA GAS COMPANY  
TEST YEAR 2012

(Thousands of Dollars)

Line No.	Description	2012	2012	2012
		<u>Non-Shared Services</u>	<u>Shared Services</u>	<u>Total</u>
		Proposed Rates	Proposed Rates	Proposed Rates
		(2009\$)	(2009\$)	(2009\$)
1	Base Margin			
2	Miscellaneous Revenues			
3	Revenue Requirement			
	<u>OPERATING &amp; MAINTENANCE EXPENSES</u>			
4	Distribution	131,182	1,155	132,337
5	Transmission	28,296	4,152	32,448
6	Underground Storage	28,859	-	28,859
7	Engineering	78,399	16,053	94,452
8	Procurement	3,639	-	3,639
9	Customer Services	305,620	18,914	324,534
10	Information Technology	(4,557)	52,029	47,472
11	Support Services	81,397	39,917	121,314
12	Administrative and General	<u>355,328</u>	<u>24,500</u>	<u>379,828</u>
13	Subtotal (2009\$)	1,008,163	156,720	1,164,883
A	Shared Services Overhead Credit	-	(8,928)	(8,928)
B	Shared Services Billed In Overheads	-	34,798	34,798
C	Corporate Reallocation	<u>6,038</u>	<u>-</u>	<u>6,038</u>
D	Subtotal	6,038	25,870	31,908
E	Billed Capital Overhead Credit	-	(166)	(166)
F	SOP 98 Expense	3,052	-	3,052
14	Total Shared Services Adjustments	<u>9,090</u>	<u>25,704</u>	<u>34,794</u>

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Table DH-3  
SOUTHERN CALIFORNIA GAS COMPANY  
TEST YEAR 2012  
GAS DISTRIBUTION  
(Thousands of Dollars)

Line No.	Witness Name	Workpaper Group No.	Description	2009 Adjusted-Recorded (2009\$)	2012 Estimated (2009\$)	2012 Estimated (2012\$)
	Orozco, G	2GD000	Pipeline Operations & Maintenance -- Field Support	55,504	65,209	70,367
	Orozco, G	2GD001	Pipeline O&M -- Planning	6,777	7,123	7,702
	Orozco, G	2GD002	Measurement & Regulation	11,162	35,725	38,382
	Orozco, G	2GD003	Cathodic Protection	7,190	7,067	7,621
	Orozco, G	2GD004	Operations Management & Training	7,772	12,151	13,109
	Orozco, G	2GD005	Regional Public Affairs	3,907	3,907	4,220
			Gas Distribution Total	<u>92,312</u>	<u>131,182</u>	<u>141,401</u>
			Total NSS	<u>92,312</u>	<u>131,182</u>	<u>141,401</u>
	Orozco, G	2200-0431	VP GAS TRANS & DISTR OPERATIONS	255	299	322
	Orozco, G	2200-2023	FIELD TECHNOLOGIES	602	593	638
	Orozco, G	2200-8921	Billed-in Cost Center for GAS DISTRIBUTION	264	263	283
			Gas Distribution Total	<u>1,121</u>	<u>1,155</u>	<u>1,243</u>
			Total SS	<u>1,121</u>	<u>1,155</u>	<u>1,243</u>
			Total Gas Distribution	<u>\$ 93,433</u>	<u>\$ 132,337</u>	<u>\$ 142,644</u>

Table DH-4  
SOUTHERN CALIFORNIA GAS COMPANY  
TEST YEAR 2012  
TRANSMISSION  
(Thousands of Dollars)

Line No.	Witness Name	Workpaper Group No.	Description	2009 Adjusted-Recorded (2009\$)	2012 Estimated (2009\$)	2012 Estimated (2012\$)
	Dagg, J	2GT000	Pipeline O & M	16,355	17,818	18,752
	Dagg, J	2GT001	Compressor Station O & M	7,293	8,099	8,710
	Dagg, J	2GT002	Transmission Field Technical Services	1,674	2,379	2,557
			Gas Transmission Total	<u>25,322</u>	<u>28,296</u>	<u>30,019</u>
			Total NSS	<u>25,322</u>	<u>28,296</u>	<u>30,019</u>
	Dagg, J	2200-0253	DIR TRANSMISSION - USS	254	293	315
	Dagg, J	2200-0265	FOM VICTORVILLE - USS	269	232	250
	Dagg, J	2200-0275	FOM OLYMPIC - USS	162	50	54
	Dagg, J	2200-0329	GAS SYSTEM OPERATIONS - USS	2,352	2,579	2,775
	Dagg, J	2200-2158	GAS SCHEDULING	444	512	551
	Dagg, J	2200-2172	TECHNICAL SERVICES MGR CHAT USS	502	486	523
		2200-8922		-	-	-
			Gas Transmission Total	<u>3,983</u>	<u>4,152</u>	<u>4,468</u>
			Total SS	<u>3,983</u>	<u>4,152</u>	<u>4,468</u>
			Total Transmission	<u>\$ 29,305</u>	<u>\$ 32,448</u>	<u>\$ 34,487</u>

Table DH-5  
SOUTHERN CALIFORNIA GAS COMPANY  
TEST YEAR 2012  
UNDERGROUND STORAGE  
(Thousands of Dollars)

Line No.	Witness Name	Workpaper Group No.	Description	2009 Adjusted-Recorded (2009\$)	2012 Estimated (2009\$)	2012 Estimated (2012\$)
	Mansdorfer, J	2US000	Underground Storage	26,595	28,859	31,058
			SoCalGas Underground StorageTotal	26,595	28,859	31,058
			Total NSS	26,595	28,859	31,058
		2200-8924	SoCalGas Underground Storage Total	-	-	-
			Total SS	-	-	-
			Total Underground Storage	\$ 26,595	\$ 28,859	\$ 31,058

Table DH-6  
SOUTHERN CALIFORNIA GAS COMPANY  
TEST YEAR 2012  
ENGINEERING  
(Thousands of Dollars)

Line No.	Witness Name	Workpaper Group No.	Description	2009 Adjusted-Recorded (2009\$)	2012 Estimated (2009\$)	2012 Estimated (2012\$)
	Stanford, R	2EN000	Gas Engineering	10,189	21,383	22,997
	Stanford, R	2EN001	Transmission Pipeline Integrity	10,961	24,760	26,551
	Stanford, R	2EN002	Distribution Pipeline Integrity	6,570	31,097	33,367
	Stanford, R	2EN003	Public Awareness	307	1,159	1,242
			Engineering Total	<u>28,027</u>	<u>78,399</u>	<u>84,158</u>
			Total NSS	<u>28,027</u>	<u>78,399</u>	<u>84,158</u>
	Stanford, R	2200-0300	Director of Engineering and Technical Services	411	391	421
	Stanford, R	2200-0302	Operations Technology Manager	240	230	247
	Stanford, R	2200-0306	Work Management & Databases	482	424	456
	Stanford, R	2200-0307	Website/ Database/ Sever Support	427	457	492
	Stanford, R	2200-0309	Measurement, Regulation, Controls Manager &	480	581	625
	Stanford, R	2200-0310	Measurement and Design	1,135	1,121	1,206
	Stanford, R	2200-0311	Measurement Technologies	745	678	730
	Stanford, R	2200-0312	Measurement Field Support	862	1,008	1,085
	Stanford, R	2200-0318	Engineering Design Manager	376	592	637
	Stanford, R	2200-0319	Corrosion & Direct Assessment	481	712	766
	Stanford, R	2200-0320	Material and Quality - Shared	301	301	324
	Stanford, R	2200-0321	Mechanical Design	292	322	346
	Stanford, R	2200-0322	Pipeline Design and Gas Standards	603	670	721
	Stanford, R	2200-0323	Planning & Project Development	599	780	839
	Stanford, R	2200-0799	Instrument Repair & Field Maintenance Supervision	692	769	827
	Stanford, R	2200-1178	EAC Chemical Section	1,158	1,440	1,549
	Stanford, R	2200-2108	Pipeline Integrity Manager	405	1,011	1,088
	Stanford, R	2200-2109	Pipeline Integrity Technical Support - Shared	650	692	745
	Stanford, R	2200-2248	Measurement & Regulation Standards, Materials,	383	413	444
	Stanford, R	2200-2291	Assessment Planning - Shared	294	294	316
	Stanford, R	2200-2293	Preventative and Mitigation - Shared	549	564	607
	Stanford, R	2200-2295	DIMP & Special Projects - shared	190	343	369
	Stanford, R	2200-2297	Data Management and GPS Support - Shared	536	569	612
	Stanford, R	2200-2325	Pipeline Integrity/ Ops Tech Support - Shared	-	1,557	1,675
	Stanford, R	2200-8920	Billed-in Cost Center for ENGINEERING	86	134	144
			Engineering Total	<u>12,377</u>	<u>16,053</u>	<u>17,273</u>
			Total SS	<u>12,377</u>	<u>16,053</u>	<u>17,273</u>
			Total Engineering	<u>\$ 40,404</u>	<u>\$ 94,452</u>	<u>\$ 101,431</u>

Table DH-7  
SOUTHERN CALIFORNIA GAS COMPANY  
TEST YEAR 2012  
PROCUREMENT  
(Thousands of Dollars)

Line No.	Witness Name	Workpaper Group No.	Description	2009 Adjusted-Recorded (2009\$)	2012 Estimated (2009\$)	2012 Estimated (2012\$)
	Chang, I	2SP000	SP-Gas Acquisition	3,544	3,639	3,932
			Total	3,544	3,639	3,932
			Total NSS	3,544	3,639	3,932
		2200-8912	Total	-	-	-
		2200-8915	Total	-	-	-
			Total SS	-	-	-
			Total Procurement	3,544	3,639	3,932

Table DH-8  
SOUTHERN CALIFORNIA GAS COMPANY  
TEST YEAR 2012  
CUSTOMER SERVICES  
(Thousands of Dollars)

Line No.	Witness Name	Workpaper Group No.	Description	2009 Adjusted-Recorded (2009\$)	2012 Estimated (2009\$)	2012 Estimated (2012\$)
	Fong, E	2BO000	Branch Office and Authorized Pay Location	10,137	11,135	12,016
			Total	10,137	11,135	12,016
	Fong, E	2CC000	CCC - Operations	31,921	36,208	39,180
	Fong, E	2CC001	CCC - Support	8,657	10,097	10,887
	Fong, E	2FO000	Customer Service Field Operations	99,099	107,484	116,243
	Fong, E	2FO001	Customer Service Dispatch Operations	8,328	8,319	8,999
	Fong, E	2FO002	Customer Service Field Supervision	10,418	11,574	12,512
	Fong, E	2FO003	Customer Service Field Management and Staff	6,811	7,196	7,782
	Fong, E	2FO004	Field Ops-MRdg-Dist Opers	25,216	25,454	27,531
	Fong, E	2FO005	Field Ops-MRdg-Clerical Opers	1,038	1,023	1,107
	Fong, E	2FO006	Field Ops-MRdg-Supv/Trng/Prog	3,230	3,631	3,925
	Fong, E	2FO007	Field Ops-MRdg-Staff Support	2,173	2,809	3,030
			CS - Field Operations & Customer Contact Total	196,891	213,795	231,197
	Wright, G	2IN000	Communications, Research and e-Services	5,817	7,919	8,509
	Wright, G	2IN003	CUSTOMER ASSISTANCE	2,159	5,199	5,573
	Wright, G	2IN005	CAPACITY PRODUCTS AND PLANNING	974	884	955
	Wright, G	2IN007	COMMERCIAL, INDUSTRIAL, AND GOVERNMENT	6,363	7,618	8,223
	Wright, G	2IN008	TECHNOLOGY DEVELOPMENT SUPPORT	9,456	13,186	14,144
			CS - Information Total	24,769	34,806	37,405
	Baldwin, M	2OO000	BILLING SERVICES	7,378	7,512	8,128
	Baldwin, M	2OO001	MEASUREMENT DATA OPERATIONS	1,036	1,223	1,318
	Baldwin, M	2OO003	OFFICE CREDIT & COLLECTIONS	5,333	5,760	6,101
	Baldwin, M	2OO004	REMITTANCE PROCESSING	26,279	26,621	27,031
	Baldwin, M	2OO005	CS TECHNOLOGY SUPPORT	2,304	3,133	3,384
	Baldwin, M	2OO006	CS OPERATIONS OTHER	1,103	1,635	1,767
			CS - Office Operations Total	43,433	45,884	47,730
			Total NSS	275,230	305,620	328,349

Table DH-8  
SOUTHERN CALIFORNIA GAS COMPANY  
TEST YEAR 2012  
CUSTOMER SERVICES  
(Thousands of Dollars)

Line No.	Witness Name	Workpaper Group No.	Description	2009 Adjusted-Recorded (2009\$)	2012 Estimated (2009\$)	2012 Estimated (2012\$)
		2200-8908		-	-	-
			Total	-	-	-
	Fong, E	2200-0345	CUSTOMER SERVICE FIELD TRAINING MANAGER	1,407	1,589	1,710
	Fong, E	2200-0370	METER READ ALISO VIEJO	820	844	908
	Fong, E	2200-0437	CUSTOMER SERVICES SOUTH INLAND	133	-	-
	Fong, E	2200-0942	CS FIELD STAFF MANAGER	1,454	1,612	1,735
	Fong, E	2200-2145	SDGE EASTERN PROJECT MANAGER	-	-	-
	Fong, E	2200-2154	CCC RESOURCE AND SERVICE LEVEL MANAGER	86	91	98
	Fong, E	2200-2206	QUALITY ASSURANCE	625	741	797
	Fong, E	2200-8909	Billed-in Cost Center for CS - FIELD OPERATIONS	419	514	554
			CS - Field Operations & Customer Contact Total	4,944	5,391	5,801
	Wright, G	2200-0234	NGV PROGRAM	1,220	2,028	2,182
	Wright, G	2200-0246	CAPACITY PRODUCTS AND PLANNING DIR	237	311	335
	Wright, G	2200-0248	PIPELINE SUPPORT	658	683	735
	Wright, G	2200-0328	CAPACITY SUPPORT	455	894	962
	Wright, G	2200-0330	PIPELINE AND STORAGE STRATEGY	505	712	766
	Wright, G	2200-2190	EMERGING TECHNOLOGY	64	88	95
	Wright, G	2200-2282	VP CUSTOMER SOLUTIONS	200	209	225
	Wright, G	2200-2286	BIO-FUEL MARKET DEVELOPMENT	181	364	392
	Wright, G	2200-2288	ENVIRONMENTAL AFFAIRS	151	295	317
	Wright, G	2200-8910	Billed-in Cost Center for CUSTOMER INFORMATION	846	1,146	1,234
			CS - Information Total	4,517	6,730	7,243
	Baldwin, M	2200-0225	VP - ENGINEERING & OPS STAFF	247	387	416
	Baldwin, M	2200-0354	MAJOR MARKETS CREDIT & COLLECTIONS	865	836	900
	Baldwin, M	2200-0355	REMITTANCE PROCESSING & BILL DELIVERY	3,931	3,603	3,877
	Baldwin, M	2200-2026	BILL PRESENTMENT & PAYMENT CHANNEL MGR	63	67	72
	Baldwin, M	2200-2110	BUSINESS PLANNING & BUDGETS	65	83	89
	Baldwin, M	2200-2111	CS FIELD SYSTEMS MANAGER	207	267	287
	Baldwin, M	2200-2201	MARKET SERVICES	253	377	406
	Baldwin, M	2200-2247	MANAGER OF REMITTANCE PROCESSING	324	346	372
	Baldwin, M	2200-8911	Billed-in Cost Center for CS - OFFICE OPERATIONS	721	827	891
			CS - Office Operations Total	6,676	6,793	7,310
			Total SS	16,137	18,914	20,353
			Total Customer Services	\$ 291,367	\$ 324,534	\$ 348,702

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Table DH-9  
SOUTHERN CALIFORNIA GAS COMPANY  
TEST YEAR 2012  
INFORMATION TECHNOLOGY  
(Thousands of Dollars)

Line No.	Witness Name	Workpaper Group No.	Description	2009 Adjusted-Recorded (2009\$)	2012 Estimated (2009\$)	2012 Estimated (2012\$)
	Nichols, J	2IT001	ETC Smart Meter	26	377	407
			Information Technology Total	26	377	407
	Phillips, R	2OP002	OPEX 20/20 SCG	5,731	(4,934)	(5,400)
			OpEx 20/20 Total	5,731	(4,934)	(5,400)
			Total NSS	5,757	(4,557)	(4,992)
	Nichols, J	2200-0619	TELECOM FIELD VOICE - SCG	1,722	1,751	1,884
	Nichols, J	2200-2047	IT ACCOUNT MANAGEMENT	136	165	178
	Nichols, J	2200-2166	VP Information Technology	93	95	102
	Nichols, J	2200-8925	Billed-in Cost Center for INFORMATION	42,186	50,018	53,260
			Information Technology Total	44,137	52,029	55,424
			Total SS	44,137	52,029	55,424
			Total Information Technology	49,894	47,472	50,432

Table DH-10  
SOUTHERN CALIFORNIA GAS COMPANY  
TEST YEAR 2012  
SUPPORT SERVICES  
(Thousands of Dollars)

Line No.	Witness Name	Workpaper Group No.	Description	2009	2012	2012
				Adjusted-Recorded (2009\$)	Estimated (2009\$)	Estimated (2012\$)
	Madariaga, H	2FS000	Vehicle Rentals and Misc Asset Expenses	573	203	217
	Madariaga, H	2FS002	Maintenance Operations	21,700	27,000	29,005
	Madariaga, H	2FS003	Maintenance Management	1,032	1,223	1,322
	Madariaga, H	2FS005	Amortization	17,058	20,761	20,807
			Fleet Services Total	40,363	49,187	51,352
	Drury, S	2EE001	SCG Field Safety	777	1,375	1,478
			Emergency Preparedness & Safety Total	777	1,375	1,478
	Gomez, L	2EV000	ENVIRONMENTAL	600	594	639
			Environmental Total	600	594	639
	Sedgwick, K	2SS001	Logistics Shops North	6,617	6,514	7,041
	Sedgwick, K	2SS002	Office Services	2,947	3,283	3,531
	Sedgwick, K	2SS003	Retired CC	2,131	2,762	2,870
		2SS004		-	-	-
	Sedgwick, K	2SS005	Meter Shops & Records	-	-	-
			Supply Services & Diverse Business Enterprises Total	11,695	12,559	13,443
	Taylor, D	2RE001	SCG Facility Operations & Rents	16,711	17,167	18,241
	Taylor, D	2RE003	Transportation Program	148	515	552
			Real Estate, Land, & Facilities Total	16,859	17,682	18,793
			Total NSS	70,294	81,397	85,705
	Madariaga, H	2200-0802	ASSET MANAGEMENT	109	144	155
	Madariaga, H	2200-0803	FLEET ASSET LD TEAM	314	283	305
	Madariaga, H	2200-2018	FLEET ADMIN TEAM LEADER -SCG	121	103	111
	Madariaga, H	2200-2019	FLEET TRAINING AND QA	66	149	160
	Madariaga, H	2200-2020	FLEET OPERATIONAL PROGRAMS & COMPLIANCE	144	143	154
	Madariaga, H	2200-2148	FLEET SERVICES DIRECTOR	4	64	69
	Madariaga, H	2200-2266	ASSET PLANNING TEAM LEADER_SCG	115	102	110
	Madariaga, H	2200-8926	Billed-in Cost Center for FLEET SERVICES	507	516	556
			Fleet Services Total	1,380	1,504	1,619
	Drury, S	2200-0613	EMERGENCY SERVICES NORTH	210	188	202
	Drury, S	2200-2270	SES DIRECTOR - SCG	950	928	999
	Drury, S	2200-8917	Billed-in Cost Center for EMERGENCY	1,473	1,692	1,822
			Emergency Preparedness & Safety Total	2,633	2,808	3,023
	Gomez, L	2200-2012	ENVIRONMENTAL SERVICES DIRECTOR	-	-	-
	Gomez, L	2200-2176	ENVIRONMENTAL MANAGEMENT NORTH	1,739	2,080	2,238
	Gomez, L	2200-2197	VP ENVIRONMENTAL SAFETY & FACILITY	2	-	-
	Gomez, L	2200-2312	E&S Training - SCG	39	60	65
	Gomez, L	2200-8918	USS Billed_for ENVIRONMENTAL	1,455	2,122	2,285
			Environmental Total	3,235	4,262	4,588
	Sedgwick, K	2200-0620	GAS PORTFOLIO MANAGER	532	657	707
	Sedgwick, K	2200-0798	METER SHOP & RECORDS	2,074	2,275	2,448
	Sedgwick, K	2200-2151	SUPPLY MGMT & FLEET SERVICES VP	-	3	3
	Sedgwick, K	2200-2301	SUPPLY CHAIN PROJECTS	32	35	38
	Sedgwick, K	2200-8927	Billed-in Cost Center for SUPPLY SERVICES & DBE	3,689	3,991	4,298
			Supply Services & Diverse Business Enterprises Total	6,327	6,961	7,494
	Taylor, D	2200-0618	GCT RENTS	23,619	14,008	14,008
	Taylor, D	2200-0696	FACILITIES-MONTEREY PARK MGR	1,458	1,782	1,917
	Taylor, D	2200-0735	FACILITIES GCT	1,110	1,933	2,080
	Taylor, D	2200-2015	FACILITY WORK MANAGEMENT - SCG	173	248	267
	Taylor, D	2200-2093	GCT SDGE/CC TRANSPORTATION SUBSIDY - USS	(1)	-	-
	Taylor, D	2200-2246	DIRECTOR CRE, LAND SERVICES, ROW, STRAT PLN	16	100	108
	Taylor, D	2200-2260	SCG - CORP REAL ESTATE	422	672	723
	Taylor, D	2200-2284	SCG MICROWAVE RENTS	799	832	832
	Taylor, D	2200-8919	Billed-in Cost Center for REAL ESTATE, LAND &	3,224	4,807	5,153
			Real Estate, Land, & Facilities Total	30,820	24,382	25,087
			Total SS	44,395	39,917	41,811
			Total Support Services	\$ 114,689	\$ 121,314	\$ 127,516

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Table DH-11  
SOUTHERN CALIFORNIA GAS COMPANY  
TEST YEAR 2012  
ADMINISTRATIVE AND GENERAL  
(Thousands of Dollars)

Line No.	Witness Name	Workpaper Group No.	Description	2009 Adjusted-Recorded (2009\$)	2012 Estimated (2009\$)	2012 Estimated (2012\$)
	Shepherd, C	2GE001	Communications (Medai/Employee)	188	703	758
	Shepherd, C	2GE004	LEGAL	-	668	720
			A&G - External Affairs & Legal Total	188	1,371	1,478
	Deremer, K	2CN001	Cost Accounting	1,921	2,141	2,316
	Deremer, K	2CN010	Claims Pmts & Recovery - SCG	6,704	7,309	7,830
	Deremer, K	2RA001	Regulatory Tariffs	88	80	87
			A&G - Contoller/Finance/ Regulatory Affairs Total	8,713	9,530	10,233
	Robinson, D	2CP000	Comp-ICP	42,708	36,944	39,540
	Robinson, D	2PB000	MEDICAL	73,826	98,685	98,685
			A&G - Employee Benefits Total	116,534	135,629	138,225
	Edgar, S	2HR001	VP of HR - SCG	55	278	301
	Edgar, S	2HR002	Staffing	831	987	1,066
	Edgar, S	2HR003	Relocation	50	385	412
	Edgar, S	2HR004	ECS	309	269	291
	Edgar, S	2HR005	Labor Relations	1,448	1,421	1,536
	Edgar, S	2HR006	President & CEO and COO	1,321	1,744	1,839
	Edgar, S	2HR007	Long Term Disability	19,373	21,550	21,550
	Edgar, S	2HR008	DIVERSITY & OE	-	545	587
			A&G - Human Resources Total	23,387	27,179	27,582
	Sarkaria, D	2PN000	Pension	101,047	101,047	101,047
			A&G - Pension & Other Post Retirement Benefits Total	101,047	101,047	101,047
	Folkmann, B	2SE000	UTSIDE SRVC EMPLOYEES - F923.1	67,159	56,452	56,452
			A&G - Sempra Corp General Total	67,159	56,452	56,452
	De Bont, M	2SN000	SECC PROP INS NON-NUCLEAR - 924.0	15,461	15,850	15,850
			A&G - Sempra Corp Insurance Total	15,461	15,850	15,850
	Moersen, P	2200-SAXX	Shared Asset Expense	-	8,270	8,270
			Total	-	8,270	8,270
			Total NSS	332,489	355,328	359,138
	Deremer, K	2200-0338	Accounts Payable Dept	1,380	1,393	1,499
	Deremer, K	2200-0339	FINL PLANNING	301	407	438
	Deremer, K	2200-1334	AFFILIATE BILLING & COSTING	298	308	331
	Deremer, K	2200-1342	FINANCIAL SYSTEMS CLIENT SPT - REPORTING	124	158	170
	Deremer, K	2200-2039	SUNDRY BILLING	382	397	427
	Deremer, K	2200-2040	GENERAL RATE CASE	553	596	641
	Deremer, K	2200-2041	BUSINESS PLANNING & BUDGETS	120	138	148
	Deremer, K	2200-2049	ACCOUNTS PAYABLE	78	95	102
	Deremer, K	2200-2075	CALIFORNIA CASE MANAGEMENT	420	520	560
	Deremer, K	2200-2091	REGULATORY ACCOUNTS	75	75	81
	Deremer, K	2200-2095	CLAIMS	635	550	592
	Deremer, K	2200-2178	SUNDRY SERVICES & RATE BASE	69	91	98

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Table DH-11  
SOUTHERN CALIFORNIA GAS COMPANY  
TEST YEAR 2012  
ADMINISTRATIVE AND GENERAL  
(Thousands of Dollars)

Line No.	Witness Name	Workpaper Group No.	Description	2009 Adjusted-Recorded (2009\$)	2012 Estimated (2009\$)	2012 Estimated (2012\$)
	Deremer, K	2200-2189	REVENUE REQUIREMENTS	72	58	62
	Deremer, K	2200-2195	SUNDRY SVCS POLICY & COMPLIANCE	38	52	56
	Deremer, K	2200-2202	AFFILIATE COMPLIANCE	72	68	73
	Deremer, K	2200-2212	BUSINESS CONTROLS	37	32	34
	Deremer, K	2200-2272	CAPITAL BUDGETS	69	68	73
	Deremer, K	2200-2308	GAS DEMAND FORECAST & TARIFFS	532	106	114
	Deremer, K	2200-8901	Billed-in Cost Center for A&G - Reg Affairs, Controller &	5,743	7,169	7,720
	Deremer, K	2200-8962	CFO - CONTROLLER - VP	2	294	316
	Deremer, K	2200-8963	DIRECTOR OF FINANCE	126	115	124
			A&G - Contoller/Finance/ Regulatory Affairs Total	<u>11,126</u>	<u>12,690</u>	<u>13,661</u>
	Edgar, S	2200-0838	HR BUSINESS PARTNER NORTH	805	741	797
	Edgar, S	2200-0840	EMPLOYEE DEVELOPMENT	277	1,148	1,235
	Edgar, S	2200-2043	HR SERVICES & ANALYSIS	138	137	147
	Edgar, S	2200-2163	WELLNESS - SCG	285	363	391
	Edgar, S	2200-2207	ECS SCG - CSS	642	688	740
	Edgar, S	2200-8904	Billed-in Cost Center for HUMAN RESOURCES	3,787	3,322	3,577
			A&G - Human Resources Total	<u>5,934</u>	<u>6,399</u>	<u>6,888</u>
	Shepherd, C	2200-2334	Legal	-	4,706	5,064
	Shepherd, C	2200-2339	Community Relations - LA	-	524	564
	Shepherd, C	2200-2340	Corporate Events	-	26	28
	Shepherd, C	2200-8928	Billed-in Cost Center for LEGAL & EXTERNAL	-	155	167
			A&G - External Affairs & Legal Total	<u>-</u>	<u>5,411</u>	<u>5,822</u>
			Total SS	<u>17,060</u>	<u>24,500</u>	<u>26,372</u>
			Total A&G	<u>\$ 349,549</u>	<u>\$ 379,828</u>	<u>\$ 385,509</u>

Table DH-12  
Southern California Gas Company  
Working Cash Adjustment to Rate Base (Net Working Cash Requirement)  
(\$ in Thousands)

Line No.	Description	2009 Recorded			2012 Proposed		
		Expenses	Average No. of Days Lag	Dollar-Days Lag	Expenses	Average No. of Days Lag	Dollar-Days Lag
1	Commodities - Gas	1,367,207	41.99	57,409,034	2,426,798	41.99	101,901,252
2	Payroll Expense	413,924	12.22	5,057,124			
3	F. I. C. A	32,145	11.42	367,200			
4	Federal/State Unemployment Insurance	965	76.05	73,355			
5	Incentive Compensation Plan	35,453	256.09	9,079,122			
6	Employee Benefits	206,183	4.22	870,092			
7	Goods & Services	406,345	34.05	13,836,064			
8	Corporate Charges	79,333	26.47	2,100,057			
9	Real Estate Rental	37,553	(18.69)	(701,858)			
10	Materials Issued from Stores	10,398	0.00	0			
11	Property/Ad Valorem/Franchise Taxes	261,397	116.34	30,410,966			
12	Federal Income Taxes - Current	35,000	(212.11)	(7,423,850)			
13	State Income Taxes - Current	22,000	(67.45)	(1,483,900)			
14	Income Taxes Deferred	70,639	0.00	0			
15	Depreciation Provision	290,215	0.00	0			
16	Amortization of Insurance Premiums	12,968	0.00	0			
17	Sub-total	1,914,517	27.26	52,184,372	2,188,460	27.26	59,651,293
18	Total Expenses Incl. Commodities	3,281,725	33.40	109,593,406	4,615,258	35.00	161,552,545
19	Revenue Lag Days		40.41			40.41	
20	Expense Lag Days (Line 18, Dollar-Days Lag / Expenses)		<u>33.40</u>			<u>35.00</u>	
21	Excess Lag Days (Line 19 - Line 20)		7.01			5.40	
22	Total Expenses Incl. Commodities (Line 18 Expenses)		<u>3,281,725</u>			<u>4,615,258</u>	
23	Lead/Lag Working Capital (Line 21 * Line 22 / 365)		63,027			68,294	
24	Operational Cash Requirement		43,637			46,953	
25	Working Capital Not Supplied by Investors		<u>(75,262)</u>			<u>(80,982)</u>	
26	Working Cash Adjustment to Rate Base (Line 23 to Line 25)		<u>31,401</u>			<u>0</u>	
27	CALCULATED 2012 NET WORKING CASH REQUIREMENT					34,264.67	

Table DH-13  
SOUTHERN CALIFORNIA GAS COMPANY  
Test Year 2012  
Net-to-Gross Multiplier

Line No.	Description	Test Year 2012		
		Uncollectible and Franchise Fee Factor	State & Federal Tax Factor	Net-to-Gross Multiplier
1	Revenues	1.000000	1.000000	1.000000
2	Uncollectible Tax Rate	0.002780	0.000000	0.002780
3	Uncollectible Amount Applied	1.000000	1.000000	1.000000
4	Less: Uncollectible (Line 2 * Line 3)	0.002780	0.000000	0.002780
5	Subtotal (Line 3 - Line 4)	0.997220	1.000000	0.997220
6	Franchise Fees Tax Rate	0.014593	0.000000	0.014593
7	Franchise Fees Amount Applied (Line 5)	0.997220	1.000000	0.997220
8	Less: Franchise Fees (Line 6 * Line 7)	0.014552	0.000000	0.014552
9	Subtotal (Line 7 - Line 8)	0.982668	1.000000	0.982668
10	S.I.T. Rate		0.088400	0.088400
11	S.I.T. Amount Applied (Line 9)		1.000000	0.982668
12	Less: S.I.T. (Line 10 * Line 11)		0.088400	0.086868
13	Subtotal (Line 11 - Line 12)		0.911600	0.895800
14	F.I.T. Rate		0.350000	0.350000
15	F.I.T. Amount Applied (Line 13)		0.911600	0.895800
16	Less: F.I.T. (Line 14 * Line 15)		0.319060	0.313530
17	Net Operating Revenues (Line 15 - Line 16)		0.592540	0.582270
18	Uncollectible and Franchise Fee Factor (1 / Line 9)	1.017638		
19	State & Federal Tax Factor (1 / Line 17)		1.687650	
20	N-T-G Multiplier (1 / Line 17)	DAH-A15		1.717417