

Application of San Diego Gas & Electric Company (U902M) for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2012.

A.10-12-005
(Filed December 15, 2010)

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

A.10-12-006
(Filed December 15, 2010)

Application 10-12-006
Exhibit No.: (SCG-38-R)

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

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

JULY 2011



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**REVISED PREPARED DIRECT TESTIMONY OF
DEBORAH A. HIRAMOTO
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY
(SUMMARY OF EARNINGS)**

I. PURPOSE

The purpose of this exhibit is to revise Southern California Gas Company's ("SoCalGas") 2012 revenue requirement request for two reasons. First, to incorporate Errata changes submitted after the initial Application Filing and second, to reflect the impact of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (Tax Relief Act) signed into law in December 2010. Table 1 below shows the changes to the 2012 revenue requirement due to these two factors.¹

**Table 1
Summary of GRC Revenue Requirement Changes
(Thousands of Dollars)**

| | 2012 |
|------------------|-------------------------|
| Application | 2,124,310 |
| Errata | (5,255) |
| Tax Relief Act | <u>(11,592)</u> |
| Subtotal | <u>(16,847)</u> |
| July 2011 Update | <u><u>2,107,463</u></u> |

SoCalGas's updated forecasted expenses, taxes, depreciation, return, and rate base are summarized in tables DH – 1 through 11 (see Appendix A). The resulting 2012 revenue requirement is \$2,107,463,000 and is shown on table DH - 1, Line 3. This table summarizes 2012 Test Year revenue and costs at both Present and at Proposed Rates. The revenue at Present Rates is the authorized base margin revenues effective as of January 1, 2011. See testimony of Gary Lenart (Exhibit SCG-40) for more detail.

¹ During the course of updating the Results of Operations Model to incorporate the Tax Relief Act, an immaterial discrepancy was identified in the Shared Asset Billing calculation. The correction of this discrepancy is expected to lower the Shared Asset Billing from SoCalGas to SDG&E and will be incorporated at the next earliest opportunity.

1 These expenditures are required to safely provide utility service to customers, to
2 maintain adequate system reliability, to provide responsive customer services and to
3 comply with governmental regulations and orders applicable to SoCalGas, as discussed
4 by various witnesses. SoCalGas also seeks to recover costs for taxes and depreciation
5 associated with plant investments. Testimony regarding taxes and depreciation are
6 sponsored by Randall G. Rose (Exhibit SCG-28) and Bob Wiczorek (Exhibit SCG-27),
7 respectively. In addition, this request includes revenue necessary to compensate
8 investors for their capital investment in the utility.

9 **II. SCOPE**

10 Accumulated balances for regulatory accounts (balancing, tracking or
11 memorandum) included in the testimony of Greg Shimansky (Exhibit SCG-34) are not
12 included in the Test Year 2012 revenue requirement described in my testimony. There
13 are no deferred revenues included in the Test Year 2012 estimates. Commodity costs for
14 gas are not addressed in this filing.

15 **III. TAX RELIEF ACT**

16 As stated earlier, this testimony updates the SoCalGas 2012 revenue requirement
17 to include the impact of the Tax Relief Act. SoCalGas has revised its current federal tax
18 depreciation deduction for ratemaking purposes to reflect the effects of the Tax Relief
19 Act. The increase in current tax depreciation increases the deferred tax balances in
20 2010-2012. This will affect accumulated deferred tax liability balances and will reduce
21 2012 rate base and the associated proposed revenue requirement. Consistent with
22 SoCalGas's General Rate Case filed in December 2010, the associated increase in
23 working cash is not taken into account in calculating the updated revenue requirement.

24 **IV. RESULTS OF OPERATIONS ("RO") SUMMARY TABLES**

25 The RO calculation compiles all of the cost estimates put before the Commission
26 in this proceeding into an income statement format to estimate the amount of revenue
27 needed for SoCalGas to earn an authorized rate of return on its investment.

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

1 **V. ELEMENTS OF THE RO CALCULATION**

2 **A. Revenue Requirement**

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

8 **B. Miscellaneous Revenues**

9 Miscellaneous revenues are comprised of fees and revenues collected by
10 SoCalGas for the provision of specific products or services from non-rate sources
11 and certain revenues returned to the ratepayers pursuant to previous Commission
12 decisions. Miscellaneous revenues reduce the amount of gas sales revenues to be
13 collected from customers for gas utility services (i.e., base margin).

14 Miscellaneous Revenues are sponsored by Todd J. Cahill (Exhibit SCG-32).

15 **C. O&M Expense Estimates**

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

21 O&M expense estimates for each category of expense are summarized for
22 2009 recorded and 2012 estimated year in constant 2009 dollars. Labor and non-
23 labor escalation rates sponsored by SoCalGas witness Scott R. Wilder (Exhibit
24 SCG-31) were applied to the 2009 constant dollar estimates to determine the
25 estimated test year O&M expense in 2012 dollar terms. Certain non-labor O&M
26 expense estimates are not subject to escalation rates and are presented in nominal
27 dollars. These costs are referred throughout this application as "Non Standard
28 Escalation" or NSE. An example of NSE costs are certain contractual costs set
29 forth by existing agreements.

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

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

17 **D. Capital-related costs**

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

23 **E. Rate of Return**

24 The Test Year 2012 at Proposed Rates reflects the current authorized rate
25 of return of 8.68% based on 10.82% return on equity. The rate of return for
26 SoCalGas reflects the rate of return authorized for SoCalGas as submitted for
27 filing and approval in Advice Letter 3199-A, Supplemental Performance Based
28 Regulation, Market Indexed Capital Adjustment mechanism. This supplemental
29 filing was made in compliance with Decision 97-07-054.

30

1 **VI. RECORDED DATA**

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

6 **VII. RO MODEL ENHANCEMENTS**

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

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

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

22 **B. Audit Log Function**

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

27 This concludes my revised prepared direct testimony.
28

1 **VIII. WITNESS QUALIFICATIONS**

2 My name is Deborah Hiramoto. My business address is 555 W. 5th 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 Financial
9 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 | \$ 1,770,783 | \$ 2,004,396 |
| 2 | Miscellaneous Revenues | 103,067 | 103,067 |
| 3 | Revenue Requirement | \$ 1,873,850 | \$ 2,107,463 |
| <u>Operating and Maintenance Expenses</u> | | | |
| 4 | Gas Distribution | 132,337 | 132,337 |
| 5 | Transmission | 32,448 | 32,448 |
| 6 | Underground Storage | 28,939 | 28,939 |
| 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 | 378,530 | 378,530 |
| 13 | Subtotal (2009\$) | \$ 1,163,665 | \$ 1,163,665 |
| 14 | Shared Services Adjustments | 34,741 | 34,741 |
| 15 | Reassignments | (81,745) | (81,745) |
| 16 | Escalation | 60,736 | 60,736 |
| 17 | Uncollectibles (0.278%) | 4,818 | 5,454 |
| 18 | Franchise Fees (1.4593%) | 26,242 | 29,651 |
| 19 | Total O&M (2012\$) | \$ 1,208,458 | \$ 1,212,503 |
| 20 | Depreciation | 369,660 | 369,660 |
| 21 | Taxes on Income | 59,560 | 133,576 |
| 22 | Taxes Other Than on Income | 81,070 | 81,070 |
| 23 | Total Operating Expenses | 1,718,748 | 1,796,809 |
| 24 | Return | 155,102 | 310,654 |
| 25 | Rate Base | 3,578,963 | 3,578,963 |
| 26 | Rate of Return | 4.33% | 8.68% |

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Table DH-2
SOUTHERN CALIFORNIA GAS COMPANY
TEST YEAR 2012

(Thousands of Dollars)

| Line No. | Description | 2012 | 2012 | 2012 |
|---|-------------------------------------|---|---|-------------------------------------|
| | | Non-Shared Services Proposed Rates (2009\$) | Shared Services Proposed Rates (2009\$) | Total Proposed Rates (2009\$) |
| 1 | Base Margin | | | |
| 2 | Miscellaneous Revenues | | | |
| 3 | Revenue Requirement | | | |
| <u>OPERATING & MAINTENANCE EXPENSES</u> | | | | |
| 4 | Distribution | 131,182 | 1,155 | 132,337 |
| 5 | Transmission | 28,296 | 4,152 | 32,448 |
| 6 | Underground Storage | 28,939 | - | 28,939 |
| 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 | 354,030 | 24,500 | 378,530 |
| 13 | Subtotal (2009\$) | 1,006,945 | 156,720 | 1,163,665 |
| A | Shared Services Overhead Credit | - | (8,928) | (8,928) |
| B | Shared Services Billed In Overheads | - | 34,798 | 34,798 |
| C | Corporate Reallocation | 6,038 | - | 6,038 |
| D | Subtotal | 6,038 | 25,870 | 31,908 |
| E | Billed Capital Overhead Credit | - | (219) | (219) |
| F | SOP 98 Expense | 3,052 | - | 3,052 |
| 14 | Total Shared Services Adjustments | 9,090 | 25,651 | 34,741 |

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

| 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 | 92,312 | 131,182 | 141,401 |
| | | Total NSS | 92,312 | 131,182 | 141,401 |
| 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 | 1,121 | 1,155 | 1,243 |
| | | Total SS | 1,121 | 1,155 | 1,243 |
| | | Total Gas Distribution | \$ 93,433 | \$ 132,337 | \$ 142,644 |

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

| 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> |

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

| Witness Name | Workpaper Group No. | Description | 2009 Adjusted-Recorded (2009\$) | 2012 Estimated (2009\$) | 2012 Estimated (2012\$) |
|-----------------|------------------------|------------------------------------|---------------------------------------|-------------------------------|-------------------------------|
| Mansdorfer, J | 2US000 | Underground Storage | 26,997 | 28,939 | 31,144 |
| | | SoCalGas Underground Storage Total | 26,997 | 28,939 | 31,144 |
| | | Total NSS | 26,997 | 28,939 | 31,144 |
| | 2200-8924 | | - | - | - |
| | | SoCalGas Underground Storage Total | - | - | - |
| | | Total SS | - | - | - |
| | | Total Underground Storage | \$ 26,997 | \$ 28,939 | \$ 31,144 |

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

| 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> |

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

| 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)

| 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 | 200000 | BILLING SERVICES | 7,378 | 7,512 | 8,128 |
| Baldwin, M | 200001 | MEASUREMENT DATA OPERATIONS | 1,036 | 1,223 | 1,318 |
| Baldwin, M | 200003 | OFFICE CREDIT & COLLECTIONS | 5,333 | 5,760 | 6,101 |
| Baldwin, M | 200004 | REMITTANCE PROCESSING | 26,279 | 26,621 | 27,031 |
| Baldwin, M | 200005 | CS TECHNOLOGY SUPPORT | 2,304 | 3,133 | 3,384 |
| Baldwin, M | 200006 | 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 |

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

| 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 |

DAH-A9

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

| 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 |

DAH-A10

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

| 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 |
| Haines, D | 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 |
| Sedgwick, K | 2SS004 | | - | - | - |
| Sedgwick, K | 2SS005 | Meter Shops & Records | - | - | - |
| | | Supply Services & Diverse Business Enterprises Total | 11,695 | 12,559 | 13,443 |
| Seifert, J | 2RE001 | SCG Facility Operations & Rents | 16,711 | 17,167 | 18,241 |
| Seifert, J | 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 |
| Haines, D | 2200-2012 | ENVIRONMENTAL SERVICES DIRECTOR | - | - | - |
| Haines, D | 2200-2176 | ENVIRONMENTAL MANAGEMENT NORTH | 1,739 | 2,080 | 2,238 |
| Haines, D | 2200-2197 | VP ENVIRONMENTAL SAFETY & FACILITY | 2 | - | - |
| Haines, D | 2200-2312 | E&S Training - SCG | 39 | 60 | 65 |
| Haines, D | 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 | 4,236 |
| | | Supply Services & Diverse Business Enterprises Total | 6,327 | 6,961 | 7,494 |
| Seifert, J | 2200-0618 | GCT RENTS | 23,619 | 14,008 | 14,008 |
| Seifert, J | 2200-0696 | FACILITIES-MONTEREY PARK MGR | 1,458 | 1,782 | 1,917 |
| Seifert, J | 2200-0735 | FACILITIES GCT | 1,110 | 1,933 | 2,080 |
| Seifert, J | 2200-2015 | FACILITY WORK MANAGEMENT - SCG | 173 | 248 | 267 |
| Seifert, J | 2200-2093 | GCT SDGE/CC TRANSPORTATION SUBSIDY - USS | (1) | - | - |
| Seifert, J | 2200-2246 | DIRECTOR CRE.LAND SERVICES,ROW,STRAT PLN | 16 | 100 | 108 |
| Seifert, J | 2200-2260 | SCG - CORP REAL ESTATE | 422 | 672 | 723 |
| Seifert, J | 2200-2284 | SCG MICROWAVE RENTS | 799 | 832 | 832 |
| Seifert, J | 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 |

DAH-A11

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

| Witness Name | Workpaper Group No. | Description | 2009 | 2012 | 2012 |
|--------------|---------------------|--|----------------------------|--------------------|--------------------|
| | | | Adjusted-Recorded (2009\$) | Estimated (2009\$) | 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 | 35,123 | 35,599 | 38,085 |
| Robinson, D | 2PB000 | MEDICAL | 73,826 | 98,685 | 98,685 |
| | | A&G - Employee Benefits Total | 108,949 | 134,284 | 136,770 |
| 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 | 56,481 | 56,481 |
| | | A&G - Sempra Corp General Total | 67,159 | 56,481 | 56,481 |
| De Bont, M | 2SN000 | SECC PROP INS NON-NUCLEAR - 924.0 | 15,461 | 15,866 | 15,866 |
| | | A&G - Sempra Corp Insurance Total | 15,461 | 15,866 | 15,866 |
| Moersen, P | 2200-SAXX | Shared Asset Expense | - | 8,272 | 8,272 |
| | | Total | - | 8,272 | 8,272 |
| | | Total NSS | 324,904 | 354,030 | 357,729 |
| 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 |

DAH-A12

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

| Witness Name | Workpaper Group No. | Description | 2009 Adjusted-Recorded (2009\$) | 2012 Estimated (2009\$) | 2012 Estimated (2012\$) |
|--------------|---------------------|---|---------------------------------------|-------------------------------|-------------------------------|
| Deremer, K | 2200-2178 | SUNDRY SERVICES & RATE BASE | 69 | 91 | 98 |
| 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 | 11,126 | 12,690 | 13,661 |
| 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 | 5,934 | 6,399 | 6,888 |
| 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 | - | 5,411 | 5,822 |
| | | Total SS | 17,060 | 24,500 | 26,372 |
| | | Total A&G | \$ 341,964 | \$ 378,530 | \$ 384,101 |

DAH-A13

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 | (1,848) | 4,819.18 | (8,905,845) | | | |
| 13 | State Income Taxes - Current | 22,000 | (67.45) | (1,483,900) | | | |
| 14 | Income Taxes Deferred | 107,487 | 0.00 | 0 | | | |
| 15 | Depreciation Provision | 290,215 | 0.00 | 0 | | | |
| 16 | Amortization of Insurance Premiums | 12,968 | 0.00 | 0 | | | |
| 17 | Sub-total | 1,914,518 | 26.48 | 50,702,378 | 2,283,656 | 26.48 | 60,478,318 |
| 18 | Total Expenses Incl. Commodities | 3,281,725 | 32.94 | 108,111,411 | 4,710,454 | 34.47 | 162,379,570 |
| 19 | Revenue Lag Days | | 40.41 | | | 40.41 | |
| 20 | Expense Lag Days (Line 18, Dollar-Days Lag / Expenses) | | <u>32.94</u> | | | <u>34.47</u> | |
| 21 | Excess Lag Days (Line 19 - Line 20) | | 7.46 | | | 5.93 | |
| 22 | Total Expenses Incl. Commodities (Line 18 Expenses) | | <u>3,281,725</u> | | | <u>4,710,454</u> | |
| 23 | Lead/Lag Working Capital (Line 21 * Line 22 / 365) | | 67,087 | | | 76,566 | |
| 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>35,462</u> | | | <u>0</u> | |
| 27 | CALCULATED 2012 NET WORKING CASH REQUIREMENT | | | | | 42,536.91 | |

DAH-A14

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) | | | 1.717417 |

SoCalGas 2012 GRC Testimony Errata Log - July 2011

| Exhibit | Witness | Page | Line | Errata Item |
|----------------|---------------------|-------------|-------------|---|
| SCG-38 | Deborah A. Hiramoto | DAH-i | N/A | Added Section 5 V.C (O&M Expense Estimates) to the Table of Contents. |
| SCG-38 | Deborah A. Hiramoto | DAH-1 | 16 | Changed "\$2,124,310,000" to "\$2,119,055,000." |
| SCG-38 | Deborah A. Hiramoto | DAH-1 | 19 | Changed "December 15, 2010" to "January 1, 2011." |
| SCG-38 | Deborah A. Hiramoto | DAH-A1 | N/A | Replaced Table DH-1 (Application version) with Table DH-1 (Errata version). |
| SCG-38 | Deborah A. Hiramoto | DAH-A2 | N/A | Replaced Table DH-2 (Application version) with Table DH-2 (Errata version). |
| SCG-38 | Deborah A. Hiramoto | DAH-A5 | N/A | Replaced Table DH-5 (Application version) with Table DH-5 (Errata version). |
| SCG-38 | Deborah A. Hiramoto | DAH-A11 | Various | Table DH-10 Replaced witness Gomez, L with Haines, D. Replace witness Taylor, D with Siefert, J. |
| SCG-38 | Deborah A. Hiramoto | DAH-A12-A13 | N/A | Replaced Table DH-11 (Application version) with Table DH-11 (Errata version). |
| SCG-38 | Deborah A. Hiramoto | DAH-A14 | N/A | Replaced Table DH-12 (Application version) with Table DH-12 (Errata version). |

SoCalGas 2012 GRC Testimony Tax Relief Act Change Log - July 2011

| Exhibit | Witness | Page | Line | Errata Item (Interim Step) | Tax Relief Act Item (Final) |
|----------------|---------------------|-------------|-------------|---|---|
| SCG-38 | Deborah A. Hiramoto | DAH-1 | 6 | N/A. | Inserted “revise Southern California Gas Company’s (“SoCalGas”) 2012 revenue requirement request for two reasons. First, to incorporate Errata changes submitted after the initial Application Filing and second, to reflect the impact of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (Tax Relief Act) signed into law in December 2010. Table 1 below shows the changes to the 2012 revenue requirement due to these two factors.” |
| SCG-38 | Deborah A. Hiramoto | DAH-1 | 11 | N/A. | Inserted footnote 1. |
| SCG-38 | Deborah A. Hiramoto | DAH-1 | 12 | N/A. | Inserted Table 1. |
| SCG-38 | Deborah A. Hiramoto | DAH-1 | 14 | N/A. | Added “’s updated”. |
| SCG-38 | Deborah A. Hiramoto | DAH-1 | 15 | N/A. | Added “are summarized”. |
| SCG-38 | Deborah A. Hiramoto | DAH-1 | 16 | Changed “\$2,124,310,000” to “\$2,119,055,000.” | Changed “\$2,119,055,000” to “\$2,107,463,000.” |

| Exhibit | Witness | Page | Line | Errata Item (Interim Step) | Tax Relief Act Item (Final) |
|----------------|---------------------|-------------|-------------|---|---|
| SCG-38 | Deborah A. Hiramoto | DAH-2 | 15 | N/A. | Inserted Section III Tax Relief Act (renumbered other Sections sequentially). |
| SCG-38 | Deborah A. Hiramoto | DAH-A1 | N/A | Replaced Table DH-1 (Application version) with Table DH-1 (Errata version). | Replaced Table DH-1 (Errata version) with Table DH-1 (Tax Relief Act version). |
| SCG-38 | Deborah A. Hiramoto | DAH-A2 | 12 | Replaced Table DH-2 (Application version) with Table DH-2 (Errata version). | Replaced Table DH-2 (Errata version) with Table DH-2 (Tax Relief Act version). Revisions to lines 12 and 13. |
| SCG-38 | Deborah A. Hiramoto | DAH-A12-A13 | N/A | Replaced Table DH-11 (Application version) with Table DH-11 (Errata version). | Replaced Table DH-11 (Errata version) with Table DH-11 (Tax Relief Act version). Change "Shared Asset Expense" from \$8,269 to \$8,272. |
| SCG-38 | Deborah A. Hiramoto | DAH-A14 | N/A | Replaced Table DH-12 (Application version) with Table DH-12 (Errata version). | Replaced Table DH-12 (Errata version) with Table DH-12 (Tax Relief Act version). |