

Application of SOUTHERN CALIFORNIA GAS)
COMPANY for authority to update its gas revenue)
requirement and base rates)
effective January 1, 2012 (U 904-G))

Application No. 10-12-____
Exhibit No.: (SCG-03-WP)

WORKPAPERS TO
PREPARED DIRECT TESTIMONY
OF JOHN L. DAGG
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

DECEMBER 2010



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Overall Summary For Exhibit No. SCG-03

Area: GAS TRANSMISSION

Witness: Dagg, John L

Description	In 2009 \$ (000)			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
<i>Non-Shared Services</i>	25,322	26,395	27,808	28,296
<i>Shared Services</i>	3,983	3,865	4,161	4,152
<i>Total</i>	29,305	30,260	31,969	32,448

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L

Summary of Non-Shared Services Workpapers:

Description	In 2009 \$ (000)			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
A. Pipeline O & M	16,355	17,345	17,560	17,818
B. Compressor Station O & M	7,293	7,376	8,119	8,099
C. Technical Services	1,674	1,674	2,129	2,379
Total	25,322	26,395	27,808	28,296

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Pipeline O & M
 Workpaper: 2GT000.000

Summary for Category: A. Pipeline O & M

	In 2009\$ (000)			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	8,865	8,865	8,865	8,865
Non-Labor	2,115	2,890	2,881	2,882
NSE	5,375	5,590	5,814	6,071
Total	16,355	17,345	17,560	17,818
FTE	110.3	110.3	110.3	110.3

**Workpapers belonging to this Category:
 2GT000.000 Pipeline O & M**

Labor	8,865	8,865	8,865	8,865
Non-Labor	2,115	2,890	2,881	2,882
NSE	5,375	5,590	5,814	6,071
Total	16,355	17,345	17,560	17,818
FTE	110.3	110.3	110.3	110.3

**Beginning of Workpaper
2GT000.000 - Pipeline O & M**

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Pipeline O & M
 Category-Sub: 1. Pipeline O & M
 Workpaper: 2GT000.000 - Pipeline O & M

Activity Description:

Responsibilities include and are not limited to, performance of operating and maintaining gas transmission pipelines and associated metering, pressure control, gas measurement and odorization, leakage survey, cathodic protection, and subsurface facility locating, marking & protection activities.

Forecast Methodology:

Labor - Base YR Rec

Historical recorded expenses were analyzed for appropriateness of charges. Non-qualifying and forecasted non-recurring cost were removed. Future year forecast of applicable qualifying labor expense is based on forecast of future years qualifying straight-time activity requirements and any applicable future year incremental adjustments in staffing requirements, and historical year 2009 trending based over-time.

Non-Labor - Base YR Rec

Historical recorded expenses were analyzed for appropriateness of charges. Non-recurring and non-qualified (expenses subject to NSE treatment, late fees, one time expense events, etc..) cost were removed. Future year forecast of applicable qualifying expenses are based on 2009 adjusted-recorded expense, adjusted annually to reflect any applicable future year changes.

NSE - Base YR Rec

Historical recorded expenses identified as qualifying for NSE inflation (DOT Safety Fees and City of Long Beach Pipeline Lease) were removed from recorded non-labor expense totals, Future year 2010 forecast is based on pre-determinable inflation indexing changes where applicable. Years 2011 and 2012 forecast based on 2yr historical annual average percentage rates of inflation.

Summary of Results:

	In 2009\$ (000)								
	Adjusted-Recorded					Adjusted-Forecast			
	2005	2006	2007	2008	2009	2010	2011	2012	
Years									
Labor	8,054	8,291	8,293	8,815	8,865	8,865	8,865	8,865	
Non-Labor	3,119	2,686	2,353	2,217	2,115	2,890	2,881	2,882	
NSE	5,157	5,110	5,096	5,066	5,375	5,590	5,814	6,071	
Total	16,330	16,087	15,742	16,098	16,355	17,345	17,560	17,818	
FTE	104.9	105.3	103.9	111.0	110.3	110.3	110.3	110.3	

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Pipeline O & M
 Category-Sub: 1. Pipeline O & M
 Workpaper: 2GT000.000 - Pipeline O & M

Forecast Summary:

Forecast Method		In 2009 \$(000)								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Labor	Base YR Rec	8,865	8,865	8,865	0	0	0	8,865	8,865	8,865
Non-Labor	Base YR Rec	2,115	2,115	2,115	775	766	767	2,890	2,881	2,882
NSE	Base YR Rec	5,375	5,375	5,375	215	439	696	5,590	5,814	6,071
Total		16,355	16,355	16,355	990	1,205	1,463	17,345	17,560	17,818
FTE	Base YR Rec	110.3	110.3	110.3	0.0	0.0	0.0	110.3	110.3	110.3

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010	0	0	151	151	0.0	1-Sided Adj
2010_ NSE - DOT Safety Fee Increase						
2010	0	0	64	64	0.0	1-Sided Adj
2010_ NSE - City of Long Beach pipeline lease increase.						
2010	0	25	0	25	0.0	1-Sided Adj
2010_ GO95 - Utility operated electric distribution system - pole inspections						
2010	0	750	0	750	0.0	1-Sided Adj
Expense associated with the removal of previously abandoned pipe. This is an unanticipated additional cost beyond the original abandonment removal costs that occurred years ago.						
2010 Total	0	775	215	990	0.0	

2011	0	0	151	151	0.0	1-Sided Adj
2010_ NSE – DOT Safety Fee Increase						
2011	0	0	64	64	0.0	1-Sided Adj
2010_ NSE - City of Long Beach pipeline lease increase.						
2011	0	0	174	174	0.0	1-Sided Adj
2011_ NSE – DOT Safety Fee Increase						

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Pipeline O & M
 Category-Sub: 1. Pipeline O & M
 Workpaper: 2GT000.000 - Pipeline O & M

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2011	0	0	50	50	0.0	1-Sided Adj
2011_ NSE - City of Long Beach pipeline lease increase.						
2011	0	16	0	16	0.0	1-Sided Adj
2011_ GO95 - Utility operated electric distribution system - pole inspections						
2011	0	750	0	750	0.0	1-Sided Adj
Expense associated with the removal of previously abandoned pipe. This is an unanticipated additional cost beyond the original abandonment removal costs that occurred years ago.						
2011 Total	0	766	439	1,205	0.0	

2012	0	0	151	151	0.0	1-Sided Adj
2010_ NSE – DOT Safety Fee Increase						
2012	0	0	64	64	0.0	1-Sided Adj
2010_ NSE - City of Long Beach pipeline lease increase.						
2012	0	0	174	174	0.0	1-Sided Adj
2011_ NSE – DOT Safety Fee Increase						
2012	0	0	50	50	0.0	1-Sided Adj
2011_ NSE - City of Long Beach pipeline lease increase.						
2012	0	0	207	207	0.0	1-Sided Adj
2012_ NSE – DOT Safety Fee Increase						
2012	0	0	50	50	0.0	1-Sided Adj
2012_ NSE - City of Long Beach pipeline lease increase.						
2012	0	17	0	17	0.0	1-Sided Adj
2012_ GO95 - Utility operated electric distribution system - pole inspections						
2012	0	750	0	750	0.0	1-Sided Adj
Expense associated with the removal of previously abandoned pipe. This is an unanticipated additional cost beyond the original abandonment removal costs that occurred years ago.						

Southern California Gas Company
Test Year 2012 GRC - APP
Non-Shared Service Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Pipeline O & M
Category-Sub: 1. Pipeline O & M
Workpaper: 2GT000.000 - Pipeline O & M

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2012 Total	0	767	696	1,463	0.0	

Southern California Gas Company
Test Year 2012 GRC - APP
Non-Shared Service Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Pipeline O & M
Category-Sub: 1. Pipeline O & M
Workpaper: 2GT000.000 - Pipeline O & M

Determination of Adjusted-Recorded:

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	6,746	7,037	7,313	7,805	8,100
Non-Labor	8,639	6,199	6,430	6,697	7,387
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	15,384	13,236	13,744	14,501	15,487
FTE	97.6	97.6	97.4	101.6	99.5
Adjustments (Nominal \$) **					
Labor	-600	-573	-651	-596	-592
Non-Labor	-5,861	-3,719	-4,186	-4,474	-5,272
NSE	<u>4,593</u>	<u>4,717</u>	<u>4,862</u>	<u>5,079</u>	<u>5,375</u>
Total	-1,867	425	26	8	-488
FTE	-8.7	-8.6	-9.5	-8.9	-6.7
Recorded-Adjusted (Nominal \$)					
Labor	6,146	6,464	6,662	7,208	7,509
Non-Labor	2,778	2,480	2,245	2,223	2,115
NSE	<u>4,593</u>	<u>4,717</u>	<u>4,862</u>	<u>5,079</u>	<u>5,375</u>
Total	13,517	13,661	13,769	14,510	14,999
FTE	88.9	89.0	87.9	92.7	92.8
Vacation & Sick (Nominal \$)					
Labor	1,048	1,155	1,163	1,389	1,357
Non-Labor	0	0	0	0	0
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,048	1,155	1,163	1,389	1,357
FTE	16.0	16.3	16.0	18.3	17.5
Escalation to 2009\$					
Labor	859	672	468	218	0
Non-Labor	341	206	108	-6	0
NSE	<u>564</u>	<u>392</u>	<u>234</u>	<u>-13</u>	<u>0</u>
Total	1,764	1,270	810	200	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	8,054	8,291	8,293	8,815	8,865
Non-Labor	3,119	2,686	2,353	2,217	2,115
NSE	<u>5,157</u>	<u>5,110</u>	<u>5,096</u>	<u>5,066</u>	<u>5,375</u>
Total	16,329	16,087	15,742	16,098	16,356
FTE	104.9	105.3	103.9	111.0	110.3

* After company-wide exclusions of Non-GRC costs

** Refer to "Detail of Adjustments to Recorded" page for line item adjustments

Southern California Gas Company
Test Year 2012 GRC - APP
Non-Shared Service Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Pipeline O & M
Category-Sub: 1. Pipeline O & M
Workpaper: 2GT000.000 - Pipeline O & M

Summary of Adjustments to Recorded:

In Nominal \$ (000)					
Year	2005	2006	2007	2008	2009
Labor	-600	-573	-651	-596	-592
Non-Labor	-5,861	-3,719	-4,186	-4,474	-5,272
NSE	4,593	4,717	4,862	5,079	5,375
Total	-1,867	425	26	8	-488
FTE	-8.7	-8.6	-9.5	-8.9	-6.7

Detail of Adjustments to Recorded:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005	0	585	0	0.0	CCTR Transf	From 2200-0300.000	TP1RMC2009100 7121024673
Transfer of DOT pipeline safety fee expense (CE 6230820) from 2200-0300 to 2200-2170.							
2005	0	-2,456	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 3203618830
Non-recurring expense in future years due to ARCO pipeline lease cancellation.							
2005	0	0	4,002	0.0	NSE Transfer	N/A	TP2RXL2009091 3205350760
City of Long Beach pipeline lease subject to contractual rate inflation indexing (CE 6400375)							
2005	0	-4,002	0	0.0	NSE Transfer	N/A	TP2RXL2009091 3205350760
City of Long Beach pipeline lease subject to contractual rate inflation indexing (CE 6400375)							
2005	-71	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 3234914493
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2005	0	71	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 3235014150
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2005	0	0	0	-1.0	1-Sided Adj	N/A	TP2RXL2009091 3235830380
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Pipeline O & M
 Category-Sub: 1. Pipeline O & M
 Workpaper: 2GT000.000 - Pipeline O & M

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005	0	0	0	1.0	1-Sided Adj	N/A	TP2RXL2009091 3235910333
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2005	-125	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4000326007
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2005	0	125	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4000358403
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2005	-45	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4000433660
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2005	0	45	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4000451640
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2005	-132	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4000522773
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2005	0	132	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4000537600
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2005	-43	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4000602593
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2005	0	43	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4000625210
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2005	-153	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4000650033
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

Area: GAS TRANSMISSION
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 Category: A. Pipeline O & M
 Category-Sub: 1. Pipeline O & M
 Workpaper: 2GT000.000 - Pipeline O & M

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005	-28	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4000716420
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2005	0	28	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4000747787
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2005	0	153	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4000805483
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2005	0	0	0	-0.7	1-Sided Adj	N/A	TP2RXL2009091 4003634393
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2005	0	0	0	-1.0	1-Sided Adj	N/A	TP2RXL2009091 4003746910
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2005	0	0	0	-1.9	1-Sided Adj	N/A	TP2RXL2009091 4003817473
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2005	0	0	0	-1.9	1-Sided Adj	N/A	TP2RXL2009091 4003850210
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2005	0	0	0	-0.6	1-Sided Adj	N/A	TP2RXL2009091 4003914443
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2005	0	0	0	-2.2	1-Sided Adj	N/A	TP2RXL2009091 4003939023
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2005	0	0	0	-0.4	1-Sided Adj	N/A	TP2RXL2009091 4003959570
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							

Southern California Gas Company
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 Non-Shared Service Workpapers

Area: GAS TRANSMISSION
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 Category-Sub: 1. Pipeline O & M
 Workpaper: 2GT000.000 - Pipeline O & M

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005	0	-146	0	0.0	1-Sided Adj	N/A	TP2RXL2009100 8113548327
Accounting adjustment: reallocation of 2005 invoiced DOT safety fees assignable to 2004 (CE 6230820)							
2005	0	152	0	0.0	1-Sided Adj	N/A	TP2RXL2009100 8113625797
Accounting adjustment: reallocation of 2006 invoiced DOT safety fees assignable to 2005 (CE 6230820)							
2005	0	0	591	0.0	NSE Transfer	N/A	TP2RXL2009101 4194038773
Accounting adjustment: re-classification of DOT Safety Fee expense (CE 6230820) from Non-Labor to NSE							
2005	0	-591	0	0.0	NSE Transfer	N/A	TP2RXL2009101 4194038773
Accounting adjustment: re-classification of DOT Safety Fee expense (CE 6230820) from Non-Labor to NSE							
2005	-2	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009101 5180044933
Accounting adjustment: reallocation of shared operation & maintenance expense reimbursed SCG by PG&E for operation of pipeline 7200. \$2,000 credit adjustment represents reallocation of transferred in credit posting reflected in accounting period detail for year 2007, cost center 2200-0262.							

2005 Total	-600	-5,861	4,593	-8.7			
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2006	0	-168	0	0.0	CCTR Transf	From 2200-0300.000	TP1RMC2009091 8144154873
"Delete this entry from final wrkpaper" Correction to erroneous entry. Intending to nullify the initial \$167,715 adjustment.							
2006	0	607	0	0.0	CCTR Transf	From 2200-0300.000	TP1RMC2009100 7123728597
Transfer of DOT pipeline safety fee expense(CE 6230820) from 2200-0300 to 2200-0172.							
2006	0	-4,123	0	0.0	NSE Transfer	N/A	TP2RXL2009091 3205000993
City of Long Beach pipeline lease subject to contractual rate inflation indexing (CE 6400375)							
2006	0	0	4,123	0.0	NSE Transfer	N/A	TP2RXL2009091 3205000993
City of Long Beach pipeline lease subject to contractual rate inflation indexing (CE 6400375)							

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Pipeline O & M
 Category-Sub: 1. Pipeline O & M
 Workpaper: 2GT000.000 - Pipeline O & M

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2006	-33	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001015817
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2006	0	33	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001034080
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2006	-120	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001109407
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2006	0	120	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001126343
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2006	-65	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001201247
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2006	0	65	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001215543
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2006	-114	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001241010
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2006	0	114	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001259710
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2006	-45	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001324083
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2006	0	45	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001341523
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							

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Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Pipeline O & M
 Category-Sub: 1. Pipeline O & M
 Workpaper: 2GT000.000 - Pipeline O & M

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2006	-167	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001408460
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2006	0	167	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001422380
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2006	-28	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001449600
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2006	0	28	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001508223
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2006	0	0	0	-0.5	1-Sided Adj	N/A	TP2RXL2009091 4004258557
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2006	0	0	0	-1.8	1-Sided Adj	N/A	TP2RXL2009091 4004320527
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2006	0	0	0	-1.0	1-Sided Adj	N/A	TP2RXL2009091 4004348153
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2006	0	0	0	-1.7	1-Sided Adj	N/A	TP2RXL2009091 4004411747
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2006	0	0	0	-0.7	1-Sided Adj	N/A	TP2RXL2009091 4004448637
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2006	0	0	0	-2.5	1-Sided Adj	N/A	TP2RXL2009091 4004511920
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							

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<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2006	0	0	0	-0.4	1-Sided Adj	N/A	TP2RXL2009091 4004534653
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2006	0	-152	0	0.0	1-Sided Adj	N/A	TP2RXL2009100 8114001927
Accounting adjustment: reallocation of 2006 invoiced DOT safety fees assignable to 2005 (CE 6230820)							
2006	0	139	0	0.0	1-Sided Adj	N/A	TP2RXL2009100 8114030053
Accounting adjustment: reallocation of 2007 invoiced DOT safety fees assignable to 2006 (CE 6230820)							
2006	0	0	594	0.0	NSE Transfer	N/A	TP2RXL2009101 4194815570
Accounting adjustment: re-classification of DOT Safety Fee expense (CE 6230820) from Non-Labor to NSE							
2006	0	-594	0	0.0	NSE Transfer	N/A	TP2RXL2009101 4194815570
Accounting adjustment: re-classification of DOT Safety Fee expense (CE 6230820) from Non-Labor to NSE							
2006	-2	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009101 5180203590
Accounting adjustment: reallocation of shared operation & maintenance expense reimbursed SCG by PG&E for operation of pipeline 7200. \$2,000 credit adjustment represents reallocation of transferred in credit posting reflected in accounting period detail for year 2007, cost center 2200-0262.							
2006 Total	-573	-3,719	4,717	-8.6			

2007	0	0	4,280	0.0	NSE Transfer	N/A	TP2RXL2009091 3205543480
City of Long Beach pipeline lease subject to contractual rate inflation indexing (CE 6400375).							
2007	0	-4,280	0	0.0	NSE Transfer	N/A	TP2RXL2009091 3205543480
City of Long Beach pipeline lease subject to contractual rate inflation indexing (CE 6400375).							
2007	-65	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001551897
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							

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<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2007	0	65	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001607550
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2007	-105	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001628800
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2007	0	105	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001644550
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2007	-85	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001748190
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2007	0	85	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001803643
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2007	-165	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001827207
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2007	0	165	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001850177
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2007	-48	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001912863
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2007	0	48	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001929690
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2007	-153	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4001955473
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							

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<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2007	0	153	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4002013833
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2007	-29	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4002036503
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2007	0	29	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4002054707
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2007	0	0	0	-0.9	1-Sided Adj	N/A	TP2RXL2009091 4004616200
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2007	0	0	0	-1.5	1-Sided Adj	N/A	TP2RXL2009091 4004638483
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2007	0	0	0	-1.3	1-Sided Adj	N/A	TP2RXL2009091 4004702017
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2007	0	0	0	-2.4	1-Sided Adj	N/A	TP2RXL2009091 4004725830
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2007	0	0	0	-0.7	1-Sided Adj	N/A	TP2RXL2009091 4004757280
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2007	0	0	0	-2.3	1-Sided Adj	N/A	TP2RXL2009091 4004821970
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2007	0	0	0	-0.4	1-Sided Adj	N/A	TP2RXL2009091 4004851143
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							

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<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2007	0	-7	0	0.0	1-Sided Adj	N/A	TP2RXL2009100 8115249600
Accounting adjustment: correction to reflect removal of late fee charges and/or accrual posting error for 2007 DOT safety fee (CE 6230820)							
2007	0	-139	0	0.0	1-Sided Adj	N/A	TP2RXL2009100 8115341910
Accounting adjustment: reallocation of 2007 invoiced DOT safety fees assignable to 2006 (CE 6230820)							
2007	0	164	0	0.0	1-Sided Adj	N/A	TP2RXL2009100 8115437303
Accounting adjustment: reallocation of 2008 invoiced DOT safety fees assignable to 2007 (CE 6230820)							
2007	0	0	582	0.0	NSE Transfer	N/A	TP2RXL2009101 4195232970
Accounting adjustment: re-classification of DOT Safety Fee expense (CE 6230820) from Non-Labor to NSE							
2007	0	-582	0	0.0	NSE Transfer	N/A	TP2RXL2009101 4195232970
Accounting adjustment: re-classification of DOT Safety Fee expense (CE 6230820) from Non-Labor to NSE							
2007	0	-4	0	0.0	CCTR Transf	From 2200-0253.000	TP2RXL2009101 5175145157
Accounting adjustment: transfer of remaining credit posting for reimbursed shared pipeline maintenance expense applicable to periods of operation covering 2005 and 2006. Further reallocation of credits to applicable years is reflected in transferred cost center (2200-0262) detail.							
2007	0	4	0	0.0	1-Sided Adj	N/A	TP2RXL2009101 5180917707
Accounting adjustment: reallocation of transferred-in credit posting from 2200-0253 for reimbursed services applicable to periods of operation covering 2005 and 2006. Further adjustment reallocation of credit from non-labor to labor category is reflected in transferred cost center (2200-0262) detail. for years 2005 and 2006.							
2007	0	2	0	0.0	CCTR Transf	From 2200-0265.000	TP2RXL2009111 2091027967
Odorant purchase associated with pipeline operation & maintenance							
2007	0	6	0	0.0	CCTR Transf	From 2200-0265.000	TP2RXL2009111 2094119173
Odorant purchase associated with pipeline operations within Taft District							

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2007 Total	-651	-4,186	4,862	-9.5			
2008	0	0	4,391	0.0	NSE Transfer	N/A	TP2RXL2009091 3205747217
							City of Long Beach pipeline lease subject to contractual rate inflation indexing (CE 6400375)
2008	0	-4,391	0	0.0	NSE Transfer	N/A	TP2RXL2009091 3205747217
							City of Long Beach pipeline lease subject to contractual rate inflation indexing (CE 6400375)
2008	-55	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4002234613
							Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)
2008	0	55	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4002252020
							Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)
2008	-119	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4002316443
							Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)
2008	0	119	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4002331553
							Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)
2008	-62	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4002359507
							Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)
2008	0	62	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4002425380
							Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)
2008	-134	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4002450520
							Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)

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2008	0	134	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4002510803
							Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)
2008	-46	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4002532117
							Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)
2008	0	46	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4002546303
							Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)
2008	-153	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4002606303
							Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)
2008	0	153	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4002624540
							Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)
2008	-27	0	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4002648023
							Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)
2008	0	27	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4002706273
							Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)
2008	0	0	0	-0.8	1-Sided Adj	N/A	TP2RXL2009091 4005013503
							Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)
2008	0	0	0	-1.8	1-Sided Adj	N/A	TP2RXL2009091 4005037097
							Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)
2008	0	0	0	-0.9	1-Sided Adj	N/A	TP2RXL2009091 4005103973
							Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)

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2008	0	0	0	-2.0	1-Sided Adj	N/A	TP2RXL2009091 4005138410
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2008	0	0	0	-0.7	1-Sided Adj	N/A	TP2RXL2009091 4005203130
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2008	0	0	0	-2.3	1-Sided Adj	N/A	TP2RXL2009091 4005225320
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2008	0	0	0	-0.4	1-Sided Adj	N/A	TP2RXL2009091 4005244583
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2008	0	-24	0	0.0	1-Sided Adj	N/A	TP2RXL2009100 8121116510
Accounting adjustment: correction to reflect removal of late fee charges and/or accrual posting error for 2007 DOT safety fee (CE 6230820)							
2008	0	-164	0	0.0	1-Sided Adj	N/A	TP2RXL2009100 8121203260
Accounting adjustment: reallocation of 2008 invoiced DOT safety fees assignable to 2007 (CE 6230820)							
2008	0	196	0	0.0	1-Sided Adj	N/A	TP2RXL2009100 8121235590
Accounting adjustment: reallocation of 2009 invoiced DOT safety fees assignable to 2008 (CE 6230820)							
2008	0	0	688	0.0	NSE Transfer	N/A	TP2RXL2009101 4195344547
Accounting adjustment: re-classification of DOT Safety Fee expense (CE 6230820) from Non-Labor to NSE							
2008	0	-688	0	0.0	NSE Transfer	N/A	TP2RXL2009101 4195344547
Accounting adjustment: re-classification of DOT Safety Fee expense (CE 6230820) from Non-Labor to NSE							
2008 Total	-596	-4,474	5,079	-8.9			
2009	0	-4,554	0	0.0	NSE Transfer	N/A	TP2RXL2010050 4205510037
City of Long Beach pipeline lease subject to contractual rate inflation indexing (CE 6400375)							

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2009	0	0	0	-1.0	1-Sided Adj	N/A	TP2RXL2010050 4212943380
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2009	-130	0	0	0.0	1-Sided Adj	N/A	TP2RXL2010050 4213020443
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2009	0	130	0	0.0	1-Sided Adj	N/A	TP2RXL2010050 4213053770
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2009	-42	0	0	0.0	1-Sided Adj	N/A	TP2RXL2010050 4213146677
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2009	0	42	0	0.0	1-Sided Adj	N/A	TP2RXL2010050 4213213910
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2009	0	0	0	-0.6	1-Sided Adj	N/A	TP2RXL2010050 4213238147
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2009	-156	0	0	0.0	1-Sided Adj	N/A	TP2RXL2010050 4213309457
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2009	0	156	0	0.0	1-Sided Adj	N/A	TP2RXL2010050 4213334910
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2009	0	0	0	-2.3	1-Sided Adj	N/A	TP2RXL2010050 4213357550
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2009	-29	0	0	0.0	1-Sided Adj	N/A	TP2RXL2010050 4213423193
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							

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2009	0	29	0	0.0	1-Sided Adj	N/A	TP2RXL2010050 4213453787
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2009	0	0	0	-0.4	1-Sided Adj	N/A	TP2RXL2010050 4213513003
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2009	0	-525	0	0.0	1-Sided Adj	N/A	TP2RXL2010050 4214738880
Accounting adjustment: exclusion of legal settlement expense.							
2009	-2	0	0	0.0	1-Sided Adj	N/A	TP2RXL2010050 4215610427
Accounting adjustment: reallocation of shared operation & maintenance expense reimbursed SCG by PG&E for operation of pipeline 7200.							
2009	0	2	0	0.0	1-Sided Adj	N/A	TP2RXL2010050 4215628177
Accounting adjustment: reallocation of shared operation & maintenance expense reimbursed SCG by PG&E for operation of pipeline 7200.							
2009	-4	0	0	0.0	1-Sided Adj	N/A	TP2RXL2010050 4220939520
Accounting adjustment: reallocation of billing credit for receipt point meter maintenance							
2009	0	4	0	0.0	1-Sided Adj	N/A	TP2RXL2010050 4221102130
Accounting adjustment: reallocation of credit for receipt point meter maintenance.							
2009	-106	0	0	0.0	1-Sided Adj	N/A	TP2RXL2010050 4212615600
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2009	0	106	0	0.0	1-Sided Adj	N/A	TP2RXL2010050 4212641350
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2009	0	0	0	-1.6	1-Sided Adj	N/A	TP2RXL2010050 4212706880
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2009	-70	0	0	0.0	1-Sided Adj	N/A	TP2RXL2010050 4212840833
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							

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Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Pipeline O & M
Category-Sub: 1. Pipeline O & M
Workpaper: 2GT000.000 - Pipeline O & M

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2009	0	70	0	0.0	1-Sided Adj	N/A	TP2RXL2010050 4212902287
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2009	0	-821	0	0.0	NSE Transfer	N/A	TP2RXL2010050 4210821490
Accounting adjustment: re-classification of DOT Safety Fee expense (CE 6230820) from Non-Labor to NSE							
2009	-53	0	0	0.0	1-Sided Adj	N/A	TP2RXL2010050 4212321020
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2009	0	53	0	0.0	1-Sided Adj	N/A	TP2RXL2010050 4212359833
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2009	0	0	0	-0.8	1-Sided Adj	N/A	TP2RXL2010050 4212442567
Reallocation of Credit for Actual Billings adjustment. (So Cal Local Gas Producer Billing Credits)							
2009	0	0	4,554	0.0	NSE Transfer	N/A	TP2RXL2010050 4205510037
City of Long Beach pipeline lease subject to contractual rate inflation indexing (CE 6400375)							
2009	0	233	0	0.0	1-Sided Adj	N/A	TP2RXL2010050 4210042287
Accounting adjustment: reallocation of 2010 invoiced DOT safety fees assignable to 2009 (CE 6230820)							
2009	0	-196	0	0.0	1-Sided Adj	N/A	TP2RXL2010050 4210410770
Accounting adjustment: reallocation of 2009 invoiced DOT safety fees assignable to 2008 (CE 6230820)							
2009	0	0	821	0.0	NSE Transfer	N/A	TP2RXL2010050 4210821490
Accounting adjustment: re-classification of DOT Safety Fee expense (CE 6230820) from Non-Labor to NSE							
2009 Total	-592	-5,272	5,375	-6.7			

Supplemental Workpapers for Workpaper 2GT000.000

**Department Of Transportation (DOT)
Pipeline Safety Fees (NSE Expense)
2005 - 2012**

Cost Basis Background and Forecast

Department of Transportation, through the Pipeline and Hazardous Materials Safety Administration, is authorized to assess and collect user fees to fund its Pipeline Safety Program activities. The authority is authorized under U.S. Code S60301, Title 49 of the Consolidated Omnibus Budget Reconciliation Act of 1985.

Fee assessments are based on two variable components; A) a per mile of natural gas transmission pipeline Base Fee as determined by PHMSA's "to-be-determined" future year budget reconciliation requirement", and B) number of qualifying miles of pipelines as reported on the SCG's Annual Report for Gas Transmission and Gathering Systems for the preceding 2 year report period (FORM PHMSA F 7100.2-1).

SCG is required to make payment to the DOT upon receipt of invoicing in order to prevent incurring supplemental late fee assessments which would consist of 1% annual interest, 6% annual penalty charge, and a \$12.00 per month administrative fee.

2010 funding increase amount is based on actual fee assessment increase that SCG was assessed by the DOT in March 2010.

2011 and 2012 increase forecasts are based on: A) SCG's reported qualifying mileage for fiscal 2009 and the preliminary identified mileage to be reported for fiscal 2010; B) DOT's as yet to be determined applicable per/mile Base Fee.

DOT Base Fee amount for out years will not be known until after annual approval and passage of the Federal Budget in these out years.

Base Fee rate estimates for 2011 and 2012 are based on the 2yr annual average percentage of rate fee increase SCG has realized from the DOT for the billing periods of 2009 and 2010.

Following graphs provide overview of costing matrix for both historical and future forecasted expense impact.

* Annual invoiced assessment amounts below reflect SCG's adjusted-recorded expense which is consistent with SCG's cost assignment policy. This specific expense is subject to following accounting process: 1/4 of annual invoiced amount is assigned to the prior fiscal accounting period with the remaining balance (3/4's) assigned to the applicable fiscal invoice period. The accounting practice is consistent with the DOT's Fiscal (October - September) accounting and invoicing practice/policy.

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**Department Of Transportation (DOT)
 Pipeline Safety Fees (NSE Expense)
 2005 - 2012**

DOT Invoicing Cycle:
 Fiscal period of October
 through September
 annually.

2005 invoice amt \$585,429.52 1/4 (\$146,357.38) assigned to Oct-Dec 2004 3/4 (\$439,072.14) assigned to Jan-Sep 2005	2005 Adjusted Recorded Expense Assigned expense from 2005 invoice Assigned expense from 2006 invoice	\$ 439,072.14 \$ 151,678.79 \$ 590,750.93
2006 invoice amt \$606,715.15 1/4 (\$151,678.79) assigned to Oct-Dec 2005 3/4 (\$455,036.36) assigned to Jan-Sep 2006	2006 Adjusted Recorded Expense Assigned expense from 2006 invoice Assigned expense from 2007 invoice	\$ 455,036.36 \$ 139,459.50 \$ 594,495.86
2007 invoice amt \$557,838.00 1/4 (\$139,459.50) assigned to Oct-Dec 2006 3/4 (\$418,378.50) assigned to Jan-Sep 2007	2007 Adjusted Recorded Expense Assigned expense from 2007 invoice Assigned expense from 2008 invoice	\$ 418,378.50 \$ 163,939.95 \$ 582,318.45
2008 invoice amt \$655,759.78 1/4 (\$163,939.95) assigned to Oct-Dec 2007 3/4 (\$491,819.84) assigned to Jan-Sep 2008	2008 Adjusted Recorded Expense Assigned expense from 2008 invoice Assigned expense from 2009 invoice	\$ 491,819.84 \$ 196,168.53 \$ 687,988.37
2009 invoice amt \$784,674.10 1/4 (\$196,168.53) assigned to Oct-Dec 2008 3/4 (\$588,505.58) assigned to Jan-Sep 2009	2009 Adjusted Recorded Expense Assigned expense from 2009 invoice Assigned expense from 2010 invoice	\$ 588,505.58 \$ 232,771.78 \$ 821,277.36
2010 Invoiced amt \$931,087.17 1/4 (\$232,771.78) assigned to Oct-Dec 2009 3/4 (\$698,315.39) assigned to Jan-Sep 2010	2010 Forecasted Expense Impact Assigned expense from 2010 invoice Forecast expense from 2011 invoice	\$ 698,315.39 \$ 274,138.27 \$ 972,453.66
2011 Forecast Amount \$1,096,553.08 1/4 (\$274,138.27) assigned to Oct-Dec 2010 3/4 (\$822,414.81) assigned to Jan-Sep 2011	2011 Forecasted Expense Impact Forecast expense from 2011 invoice Forecast expense from 2012 invoice	\$ 822,414.81 \$ 324,071.16 \$ 1,146,485.97
2012 Forecast Amount \$1,296,284.63 1/4 (\$324,071.16) assigned to Oct-Dec 2011 3/4 (\$972,213.47) assigned to Jan-Sep 2012	2012 Forecasted Expense Impact Forecast expense from 2012 invoice Forecast expense from 2013 invoice	\$ 972,213.47 \$ 381,278.29 \$ 1,353,491.76

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**Department Of Transportation (DOT)
 Pipeline Safety Fees (NSE Expense)
 2005 - 2012**

2013 Forecast Amount \$1,529,519.90
 1/4 (\$382,379.97) assigned to Oct-Dec 2012
 3/4 (\$1,147,139.92) assigned to Jan-Sep 2013
 { 2013 forecast required to determine 2012 impact }

Forecasted Year-to-Year Cost Increase Impact	
2009 to 2010	\$ 151,176
2010 to 2011	\$ 174,032
2011 to 2012	\$ 207,006

Period of Invoicing	DOT Qualified Miles from Prior 2Yr Annual Reporting Period	DOT Allocated Assessment Basis Rate (rate per/mile of pipeline)	% Increase in DOT Rate Over Prior Years Invoicing
2005	4028	145.34	
2006	4087	148.45	2.14%
2007	3825	150.94	1.68%
2008	3926	167.03	10.66%
2009	3961	198.10	18.60%
2010	3999	232.83	17.53%

Average Annual Mileage	Average Annual Base Rate	% of Change in Base Rate Fee
6Yr Avg 2005 to 2010	3971	N/A
5Yr Avg 2006 to 2010	3960	10.12%
4Yr Avg 2007 to 2010	3928	12.12%
3Yr Avg 2008 to 2010	3962	15.60%
2Yr Avg 2009 to 2010	3980	18.07%
1Yr 2010	3999	17.53%

2009 PHMSA Reported Miles by Utility	2010 "estimated" PHMSA Reportable Miles by Utility
3989	3994
{ From PHMSA Form F 7100.2-1, as filed for 2009 }	{ 2Yr (2008/2009) annual average PHMSA qualified miles }

Forecasted Base Fee Annual Inflation Rate { Based on 2Yr (2009 / 2010) Avg Increase % }	18.07%
--	--------

Year	Mileage	Rate per/mile	Forecast Invoice Amount
2011	3989	274.89	\$ 1,096,563.08
2012	3994	324.56	\$ 1,296,284.63
2013	3992	383.19	\$ 1,529,519.90

Socal Gas - City of Long Beach Pipeline Lease
(NSE Expense)
Historical and Forecast
2005 - 2012

Cost Basis Background and Forecast

The Long Beach Pipeline Lease is governed by a California Public Utilities Commission approved lease contract entered into between SCG and the City of Long Beach. The agreement was authorized for a twenty-five year period, which began in 1993 and is forecast to remain in effect for the remaining period as prescribed within the contract.

Annual Escalation Terms of the contract provides for annual adjustment of the lease rate by the same percentage as any increase in the US All Urban - Consumer Price Index from the immediately preceding year.

Historical year rate escalations have been incurred in accordance with the above prescribed cost calculation requirement.

Future years escalation rates have been forecast utilizing following:

2010: annual percentage of change in the CPI has published for July 2009

2011: based on presumptive estimate that the annual change to be published in June 2010 will reflect an index factor of 2.20% higher than their respective month CPI's as was published in 2009.

2012: based on presumptive continuation of similar rate change results to occur throughout 2010, resulting in identical resulting percentage of (2.20%) being published for 2011.

The future year rate increase estimates are based on premise for continued consistent growth changes in the CPI rates through the term of the 2010 Test Year.

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Social Gas - City of Long Beach Pipeline Lease
 (NSE Expense)
 Historical and Forecast
 2005 - 2012

2004 Recorded Base Rate	\$ 3,916,555
2005 Inflation Index: Percentage of Change	
<u>12 Month average of US All Urban CPI</u>	
July 2003 through June 2004 average = 186.09	
July 2002 through June 2003 average = 182.11	
Percentage Change: $(186.09 / 182.11) - 1 = 0.0219 = +2.19\%$	2.19%
2005 Inflation Amount	\$ 85,773
2005 Recorded Rate	\$ 4,002,327

2005 Recorded Base Rate	\$ 4,002,327
2006 Inflation Index: Percentage of Change	
<u>12 Month average of US All Urban CPI</u>	
July 2004 through June 2005 average = 191.69	
July 2003 through June 2004 average = 186.09	
Percentage Change: $(191.06/186.09) - 1 = 0.0301 = +3.01\%$	3.01%
2006 Inflation Amount	\$ 120,470
2006 Recorded Rate	\$ 4,122,797

2006 Recorded Base Rate	\$ 4,122,797
2007 Inflation Index: Percentage of Change	
<u>12 Month average of US All Urban CPI</u>	
July 2005 through June 2006 average = 198.99	
July 2004 through June 2005 average = 191.61	
Percentage Change: $(198.99/191.61) - 1 = 1.0380 = +3.81\%$	3.81%
2007 Inflation Amount	\$ 157,079
2007 Recorded Rate	\$ 4,279,876

2007 Recorded Base Rate	\$ 4,279,876
2008 Inflation Index: Percentage of Change	
<u>12 Month average of US All Urban CPI</u>	
July 2006 through June 2007 average = 204.14	
July 2005 through June 2006 average = 198.99	
Percentage Change: $(204.14/198.99) - 1 = 1.0259 = +2.59\%$	2.59%
2008 Inflation Amount	\$ 110,849
2008 Recorded Rate	\$ 4,390,725

Southern California Gas Company
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 Non-Shared Service Workpapers

SoCal Gas - City of Long Beach Pipeline Lease
 (NSE Expense)
 Historical and Forecast
 2005 - 2012

2008 Recorded Base Rate	\$ 4,390,725
2009 Inflation Index: Percentage of Change	
<u>12 Month average of US All Urban CPI</u>	
July 2007 through June 2008 average = 211.70	
July 2006 through June 2007 average = 204.14	
Percentage Change: (211.70/204.14) - 1 = 1.0371 = +3.71%	3.71%
2009 Inflation Amount	\$ 162,896
2009 Recorded Rate	\$ 4,553,621

2009 Recorded Base Rate	\$ 4,553,621
2010 Inflation Index: Percentage of Change	
<u>12 Month average of US All Urban CPI</u>	
July 2008 through June 2009 average = 214.658	
July 2007 through June 2008 average = 211.702	
Percentage Change: (214.658/211.702) - 1 = 1.0140 = +1.40%	1.40%
2010 Inflation Amount	\$ 63,751
2010 Rate (To Be Recorded)	\$ 4,617,372

2010 Recorded Base Rate	\$ 4,617,372
2011 Forecasted Inflation Index: Percentage of Change	
<u>12 Month average of US All Urban CPI</u>	
July 2009 through June 2010 average = 216.973	
July 2008 through June 2009 average = 214.658	
Percentage Change: (216.973/214.658) - 1 = 0.0108 = +1.08%	1.08%
2011 Forecasted Inflation Amount	\$ 49,868
2011 Forecasted Rate	\$ 4,667,240

2011 Forecasted Base Rate	\$ 4,667,240
2012 Forecasted Inflation Index: Percentage of Change	
<u>12 Month average of US All Urban CPI</u>	
July 2010 through June 2011 average = 219.288	
July 2009 through June 2010 average = 216.973	
Percentage Change: (219.288 / 216.973) - 1 = 0.0107 = 1.07%	1.07%
2012 Forecasted Inflation Amount	\$ 49,939
2012 Forecasted Rate	\$ 4,717,179

Presumes May & June 2010 CPI to both be 2.20% higher than their respective month CPIs in 2009

Presumes May & June 2011 CPI to both be 2.20% higher than their respective month CPIs in 2010

Forecasted Year-to-Year Cost Increase Impact	
2009 to 2010	\$ 63,751
2010 to 2011	\$ 49,868
2011 to 2012	\$ 49,939

**SoCalGas - Former Abandonment Pipelines
 Removal Cost Estimates**

Cost Basis Background and Forecast

ESTIMATED COST TO REMOVE PREVIOUSLY ABANDONED PIPELINES

Experiencing increase in requests for removal of previously abandoned pipelines. Abandonment processes were completed many years back. Historical practice of leaving former lines in-place was and continues to be safe, routine and generally-accepted practice. Incurrence of cost for removal does not qualify for capitalization and must therefore be expensed as O&M. Based on specific projects and applicable existing mandates, Company will continue to be required to remove these types of former abandonments. Eight intent-of-quit-claim notifications filed during 2009 (reference listing below). Final resolution for each of the locations presently unresolved.

Annual funding estimate based on conducting average of one or more removal projects totaling 4,500 in total footage per year, beginning 2010. Cost per foot estimate based on costing experience of other similar type work and contracted construction craft skill-set pricing.

Pipeline		Forecast of Estimated Annual Average Footage and resulting Costing Impact (thousands of 2009 dollars)						
Temp. Job ID	LENGTH (FEET)	DIA (INCHES)	PIPELINE CONTRACTOR	COATING ABATEMENT	COMPANY LABOR	PERMITS	MINUS SALVAGE VALUE	TOTAL
1 or more projects annually, total footage impact 4,500ft	1000	24	\$163	\$26	\$5	\$1	-\$31	\$164
	1000	24	\$163	\$26	\$5	\$1	-\$31	\$164
	1000	24	\$163	\$26	\$5	\$1	-\$31	\$164
	500	24	\$85	\$14	\$2.5	\$1	-\$16	\$86
	500	24	\$85	\$14	\$2.5	\$1	-\$16	\$86
	500	24	\$85	\$14	\$2.5	\$1	-\$16	\$86

Estimated Annual Funding \$750

Forecasted Annual Activity Funding Requirement	
2010	\$ 750,000
2011	\$ 750,000
2012	\$ 750,000

**SoCalGas - Former Abandonment Pipelines
 Removal Cost Estimates**

2009 Completed Project
Line 85 - ~440ft removal due to property development by City of Castaic
 Recorded Cost: \$91,000

2010 Scheduled Project
Line 800 - ~7,500ft removal due to CalTran railway and soundwall project
 Estimated Cost: \$750,000

Pending removals subject to request of landowner (2009 quit-claim filings)	
<u>Line 800/812 located within Kouchnirenko property</u>	530ft
Line 800/812 located within Victory Lemmoore property	490ft
Line 800/812 located within Ricciuti property	2,248ft
Line 800/812 located within City of Lemmoore property	854ft
Line 800/812 located within West Hills College property	1,902ft
Line 800/812 located within Pedersen property	3,892ft
Line 800/812 located within Bettencourt property	6,700ft
Line 800/812 located within Newton Lemmoore property	9,166ft
Total Footage	<u>25,782 Ft</u>

**Electric Service Distribution Pole Inspections
Fire Hazard Prevention Program
SoCal Gas - Gas Transmission Operations**

Cost Basis Background and Forecast

Pole inspection/restoration/replacement program designed to comply with revisions to CPUC General Order 95 which applies to overhead electrical supply and communication facilities located outside of buildings and includes facilities that belong to non-electric entities. Program designed to provide protection of SCG's overhead electric supply systems by applying same standards set forth under General Order 95 which mandates safety factors associated with electrical distribution facilities. Not implementing a preventative maintenance program increases fire hazard risk and would be negligent in responsibility to Local, State and Federal land management agencies. In addition to increasing life expectancy of overhead supply systems, program will eventually result in incremental future cost avoidances associated with significantly higher costs which would result from increased need and cost associated with full replacements at greater frequency.

270 overhead poles located throughout gas transmission system. Poles serve as supply facilities for cathodic protection, pressure limiting and compressors stations associated with gas transmission pipeline system. Pole damage is routinely attributable to; loss of original preservative (Penta-cellon and Creosote) treatment on wood poles, presence of fungi decay, damage which can be attributable to birds and other species of wild animals, through human vandalism, earth subsidence or structural instability of soil around base of poles.

All poles in gas transmission system have been located and overlaid onto fire hazard mapping that has been developed by the state fire agencies. Maps enable poles to be grouped into the following threat groups with an associated inspection as follows:

Inspection Type & Schedule:
Patrol (visual inspection) –Annual
Detailed Inspection –Bi-Annual
Intrusive (destructive techniques to determine the internal integrity of the pole) –Every 10 years

Threat Type:
Very High
High
Moderate

Poles and attached appurtenances would be visually inspected every year in conjunction with other pipeline or station related scheduled inspection and/or maintenance that is required at or near same location. Detailed inspections, conducted by licensed contractors would be performed bi-annually on poles located in very high fire threat areas beginning 2010, while intrusive inspections are required every ten years. Intrusive inspections will begin in 2010 and will continue through the year 2020, inspecting 27 poles per year. Inspections and minor repair work will be covered by these funds.

**Electric Service Distribution Pole Inspections
 Fire Hazard Prevention Program
 SoCal Gas - Gas Transmission Operations**

The 2010, 2011 and 2012 cost estimates are based on an annual visual inspection of each pole. Estimates based on, hourly cost of inspection by contractor on a per pole basis, average number of inspections that could be performed in an hour, segregated by number of poles in the different fire threat areas. Annual cost estimates for 2010 and 2011 also include a non-recurrent 2012 cost factor for the training of a small percentage of company employees to enable skill training in the identification of suspected damage that may be existing in a pole that could be detected and reported by them during their normal activities (i.e., conducting pipeline patrols, conducting cathodic protection analysis, etc).

No FTE incremental impact is forecast as the training to be performed will be applicable to already employed and funded personnel. No incremental company labor impact is forecast as these inspections would be performed during the normal course of existing activities.

Cost Estimate Calculation:

Number of Poles in High Threat Area 70
 Number of Poles in High/Moderate Threat Area 200
 Total Number of Poles 270

Very High Fire Threat Area:
 Contract Inspection Cost per/Hr \$ 65.00
 # Inspections per/Hr Avg - High Fire Threat Areas 0.5
 Inspection Cost/Pole: \$ 130.00

Intrusive Inspection:
 Cost per pole completed by Contractor \$ 300.00

Cost Description	Inspection Year		
	2010	2011	2012
70 Poles in High Fire Threat Areas (Detailed Inspection)	\$ 9,100	\$ -	\$ 9,100
Co. employee visual inspect's: (all poles, in normal course of duties)	\$ -	\$ -	\$ -
Intrusive Inspection (27 poles per year)	\$ 8,100	\$ 8,100	\$ 8,100
Employee Training (Contract Cost @ 25 emps/per year)	\$ 7,500	\$ 7,500	\$ -
Forecasted Annual Activity Funding Requirement	\$ 24,700	\$ 15,600	\$ 17,200

Southern California Gas Company
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Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: B. Compressor Station O & M
 Workpaper: 2GT001.000

Summary for Category: B. Compressor Station O & M

	In 2009\$ (000)			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	4,096	4,096	4,184	4,231
Non-Labor	3,080	3,080	3,632	3,688
NSE	117	200	303	180
Total	7,293	7,376	8,119	8,099
FTE	49.3	49.3	49.9	50.6

**Workpapers belonging to this Category:
 2GT001.000 Compressor Station O & M**

Labor	4,096	4,096	4,184	4,231
Non-Labor	3,080	3,080	3,632	3,688
NSE	117	200	303	180
Total	7,293	7,376	8,119	8,099
FTE	49.3	49.3	49.9	50.6

Beginning of Workpaper
2GT001.000 - Compressor Station O & M

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: B. Compressor Station O & M
 Category-Sub: 1. Compressor Station O & M
 Workpaper: 2GT001.000 - Compressor Station O & M

Activity Description:

Responsibilities include and are not limited to, performance of operating and maintaining compressor station equipment and infrastructure, including conducting station piping leakage surveys, cathodic protection maintenance, gas-throughput measurement, pressure control, and gas odorization.

Forecast Methodology:

Labor - Base YR Rec

Historical recorded expenses were analyzed for appropriateness of charges. Non-qualifying and forecasted non-recurring cost were removed. Future year forecast of applicable qualifying labor expense is based on forecast of future years qualifying straight-time activity requirements and any applicable future year incremental adjustments in staffing requirements, and historical year 2009 trending based over-time.

Non-Labor - Base YR Rec

Historical recorded expenses were analyzed for appropriateness of charges. Non-recurring and non-qualified (expenses subject to NSE treatment, late fees, one time expense events, etc.) cost were removed. Future year forecast of applicable qualifying expenses are based on 2009 adjusted-recorded expense, adjusted annually to reflect any applicable future year changes.

NSE - Base YR Rec

Historical recorded expenses identified as qualifying for NSE inflation (AB10-X Fees) were removed from recorded non-labor expense totals. Future year 2010 forecast is based on pre-determinable inflation indexing changes where applicable. Years 2011 and 2012 forecasted based on SoCalGas' identified applicable emission rates for historical years 2008 and 2009, and forecast of historically applicable supplemental fee assessments remaining in effect in these future outbound years.

Summary of Results:

Years	In 2009\$ (000)							
	Adjusted-Recorded					Adjusted-Forecast		
	2005	2006	2007	2008	2009	2010	2011	2012
Labor	3,890	4,068	4,037	4,036	4,096	4,096	4,184	4,231
Non-Labor	3,272	3,322	3,387	3,204	3,080	3,080	3,632	3,688
NSE	97	114	125	114	117	200	303	180
Total	7,259	7,504	7,549	7,354	7,293	7,376	8,119	8,099
FTE	48.9	50.6	49.6	49.8	49.3	49.3	49.9	50.6

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: B. Compressor Station O & M
 Category-Sub: 1. Compressor Station O & M
 Workpaper: 2GT001.000 - Compressor Station O & M

Forecast Summary:

Forecast Method		In 2009 \$(000)								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		2010	2011	2012	2010	2011	2012	2010	2011	2012
Labor	Base YR Rec	4,096	4,096	4,096	0	88	135	4,096	4,184	4,231
Non-Labor	Base YR Rec	3,080	3,080	3,080	0	552	608	3,080	3,632	3,688
NSE	Base YR Rec	117	117	117	83	186	63	200	303	180
Total		7,293	7,293	7,293	83	826	806	7,376	8,119	8,099
FTE	Base YR Rec	49.3	49.3	49.3	0.0	0.6	1.3	49.3	49.9	50.6

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010	0	0	27	27	0.0	1-Sided Adj
NSE – 2010 Air Resources Board (AB10X) fee assessment increase _ So Needles Station						
2010	0	0	56	56	0.0	1-Sided Adj
NSE – 2010 Air Resources Board (AB10X) fee assessment increase _ No Needles Station						
2010 Total	0	0	83	83	0.0	
2011	0	0	56	56	0.0	1-Sided Adj
NSE – 2010 Air Resources Board (AB10X) fee assessment increase _ No Needles Station						
2011	0	0	34	34	0.0	1-Sided Adj
NSE – 2011 Air Resources Board (AB10X) fee assessment increase _ So Needles Station						
2011	0	0	52	52	0.0	1-Sided Adj
NSE – 2011 Air Resources Board (AB10X) fee assessment Increase _ Blythe Station						
2011	0	0	17	17	0.0	1-Sided Adj
NSE – 2011 Air Resources Board (AB10X) fee assessment increase _ No Needles Station						
2011	0	0	27	27	0.0	1-Sided Adj
NSE – 2010 Air Resources Board (AB10X) fee assessment increase _ So Needles Station						

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: B. Compressor Station O & M
 Category-Sub: 1. Compressor Station O & M
 Workpaper: 2GT001.000 - Compressor Station O & M

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2011	77	0	0	77	0.0	1-Sided Adj
2011 _ CARB AB32 Greenhouse Gas Reduction Legislative Compliance						
2011	0	152	0	152	0.0	1-Sided Adj
2011_ CARB AB32 Greenhouse Gas Reduction Legislative Compliance						
2011	11	0	0	11	0.0	1-Sided Adj
2011 _ RICE NESHAP / MDAQMD Rule 1160 Legislative Compliance						
2011	0	0	0	0	0.5	1-Sided Adj
2011_ CARB AB32 Greenhouse Gas Reduction Legislative Compliance						
2011	0	0	0	0	0.1	1-Sided Adj
2011 _ RICE NESHAP's / MDAQMD Rule 1160 Legislative Compliance						
2011	0	400	0	400	0.0	1-Sided Adj

Odorant Expense - Incremental add due to change in odorization policy. New odorant to be utilized at Blythe and South Needles receipt points will provide for consistent odorant quality across system. Also provides consistency with odorant used by PG&E whose gas is received into SoCal systems at other receipt points.

2011 Total	88	552	186	826	0.6	
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2012	0	0	56	56	0.0	1-Sided Adj
NSE – 2010 Air Resources Board (AB10X) fee assessment increase _ No Needles Station						
2012	0	0	27	27	0.0	1-Sided Adj
NSE – 2010 Air Resources Board (AB10X) fee assessment increase _ So Needles Station						
2012	0	0	17	17	0.0	1-Sided Adj
NSE – 2011 Air Resources Board (AB10X) fee assessment increase _ No Needles Station						
2012	0	0	-73	-73	0.0	1-Sided Adj
NSE – 2012 Air Resource Board (AB10X) fee reduction _ No Needles Station						

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<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2012	77	0	0	77	0.0	1-Sided Adj
2011 _ CARB AB32 Greenhouse Gas Reduction Legislative Compliance						
2012	0	152	0	152	0.0	1-Sided Adj
2011 _ CARB AB32 Greenhouse Gas Reduction Legislative Compliance						
2012	0	0	0	0	0.5	1-Sided Adj
2011 _ CARB AB32 Greenhouse Gas Reduction Legislative Compliance						
2012	58	0	0	58	0.0	1-Sided Adj
2012 _ RICE NESHAP's / MDAQMD Rule 1160 Legislative Compliance						
2012	0	56	0	56	0.0	1-Sided Adj
2012_ RICE NESHAP's / MDAQMD Rule 1160 Legislative Compliance						
2012	0	0	0	0	0.8	1-Sided Adj
2012_ RICE NESHAP's / MDAQMD Rule 1160 Legislative Compliance						
2012	0	0	34	34	0.0	1-Sided Adj
2011_ Air Resources Board (AB10X) fee assessment increase So Needles Sta						
2012	0	0	2	2	0.0	1-Sided Adj
2012_ Air Resources Board (AB10X) fee assessment increase So Needles Sta						
2012	0	400	0	400	0.0	1-Sided Adj
Odorant Expense - Incremental add due to change in odorization policy. New odorant to be utilized at Blythe and South Needles receipt points will provide for consistent odorant quality across system. Also provides consistency with odorant used by PG&E whose gas is received into SoCal systems at other receipt points.						
2012 Total	135	608	63	806	1.3	

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Determination of Adjusted-Recorded:

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	2,969	3,172	3,244	3,300	3,469
Non-Labor	3,333	3,388	3,546	3,673	3,197
NSE	0	0	0	0	0
Total	6,302	6,560	6,790	6,973	6,666
FTE	41.4	42.8	42.0	41.6	41.5
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	-419	-321	-315	-461	-117
NSE	86	105	119	114	117
Total	-332	-216	-196	-347	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	2,969	3,172	3,244	3,300	3,469
Non-Labor	2,914	3,067	3,232	3,212	3,080
NSE	86	105	119	114	117
Total	5,969	6,344	6,594	6,626	6,666
FTE	41.4	42.8	42.0	41.6	41.5
Vacation & Sick (Nominal \$)					
Labor	506	567	566	636	627
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	506	567	566	636	627
FTE	7.5	7.8	7.6	8.2	7.8
Escalation to 2009\$					
Labor	415	330	228	100	0
Non-Labor	358	255	155	-8	0
NSE	11	9	6	0	0
Total	783	593	389	91	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	3,890	4,068	4,037	4,036	4,096
Non-Labor	3,272	3,322	3,387	3,204	3,080
NSE	97	114	125	114	117
Total	7,259	7,505	7,549	7,354	7,293
FTE	48.9	50.6	49.6	49.8	49.3

* After company-wide exclusions of Non-GRC costs

** Refer to "Detail of Adjustments to Recorded" page for line item adjustments

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Area: GAS TRANSMISSION
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Summary of Adjustments to Recorded:

In Nominal \$ (000)						
Year	2005	2006	2007	2008	2009	
Labor	0	0	0	0	0	
Non-Labor	-419	-321	-315	-461	-117	
NSE	86	105	119	114	117	
Total	-332	-216	-196	-347	0	
FTE	0.0	0.0	0.0	0.0	0.0	

Detail of Adjustments to Recorded:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005	0	-85	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 3214542177
Purchased Utility Fuel - Used For Compression, Non-recurrent / Not Subject To GRC, due to balanced cost recovery classification in Base Year - 2009.							
2005	0	-93	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 3221839373
Purchased Utility Fuel - Used For Compression, Non-recurrent / Not Subject To GRC, due to balanced cost recovery classification in Base Year - 2009.							
2005	0	-25	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 3222235737
Purchased Utility Fuel - Used For Compression, Non-recurrent / Not Subject To GRC, due to balanced cost recovery classification in Base Year - 2009.							
2005	0	-11	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4010403783
Reallocation of Compressor Sta Purchased Utility Fuel to cc 2200-1216							
2005	0	-12	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4010527210
Reallocation of Compressor Sta Purchased Utility Fuel to cc 2200-1215							
2005	0	11	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4011025900
Reallocation of Compressor Sta Purchased Utility Fuel from cc 2200-0269							
2005	0	12	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4011056650
Reallocation of Compressor Sta Purchased Utility Fuel from cc 2200-0269							
2005	0	-11	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 5210014430
Purchased Utility Fuel - Used For Compression, Non-recurrent / Not Subject To GRC, due to balanced cost recovery classification in Base Year - 2009.							

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<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005	0	-12	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 5210249510
Purchased Utility Fuel - Used For Compression, Non-recurrent / Not Subject To GRC, due to balanced cost recovery classification in Base Year - 2009.							
2005	0	-105	0	0.0	1-Sided Adj	N/A	TP2RXL2009110 5072549473
Accounting adjustment; AB10X Emission Fee _ reassignment to 2006 (pre-paid).							
2005	0	-86	0	0.0	NSE Transfer	N/A	TP2RXL2009110 5093550647
NSE Accounting Adjustment; Calif EPA _ Air Resource Board - Emission Fee Assessments							
2005	0	0	86	0.0	NSE Transfer	N/A	TP2RXL2009110 5093550647
NSE Accounting Adjustment; Calif EPA _ Air Resource Board - Emission Fee Assessments							
2005 Total	0	-419	86	0.0			
2006	0	-88	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 3221426790
Purchased Utility Fuel - Used For Compression, Non-recurrent / Not Subject To GRC, due to balanced cost recovery classification in Base Year - 2009.							
2006	0	-92	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 3221741230
Purchased Utility Fuel - Used For Compression, Non-recurrent / Not Subject To GRC, due to balanced cost recovery classification in Base Year - 2009.							
2006	0	-114	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 3222312927
Purchased Utility Fuel - Used For Compression, Non-recurrent / Not Subject To GRC, due to balanced cost recovery classification in Base Year - 2009.							
2006	0	-14	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4010612193
Reallocation of Compressor Sta Purchased Utility Fuel to cc 2200-1216							
2006	0	-14	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4010647523
Reallocation of Compressor Sta Purchased Utility Fuel to cc 2200-1215							
2006	0	14	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4011202700
Reallocation of Compressor Sta Purchased Utility Fuel from cc 2200-0269							

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<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2006	0	14	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4011223387
Reallocation of Compressor Sta Purchased Utility Fuel from cc 2200-0269							
2006	0	-14	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 5210559220
Purchased Utility Fuel - Used For Compression, Non-recurrent / Not Subject To GRC, due to balanced cost recovery classification in Base Year - 2009.							
2006	0	-14	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 5210631923
Purchased Utility Fuel - Used For Compression, Non-recurrent / Not Subject To GRC, due to balanced cost recovery classification in Base Year - 2009.							
2006	0	105	0	0.0	1-Sided Adj	N/A	TP2RXL2009110 5072748413
Accounting adjustment; AB10X Emission Fee _ reassignment from 2005 (pre-paid).							
2006	0	-105	0	0.0	NSE Transfer	N/A	TP2RXL2009110 5093626277
NSE Accounting Adjustment; Calif EPA _ Air Resource Board - Emission Fee Assessments							
2006	0	0	105	0.0	NSE Transfer	N/A	TP2RXL2009110 5093626277
NSE Accounting Adjustment; Calif EPA _ Air Resource Board - Emission Fee Assessments							
2006 Total	0	-321	105	0.0			
2007	0	-79	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 3221917013
Purchased Utility Fuel - Used For Compression, Non-recurrent / Not Subject To GRC, due to balanced cost recovery classification in Base Year - 2009.							
2007	0	-80	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 3221942060
Purchased Utility Fuel - Used For Compression, Non-recurrent / Not Subject To GRC, due to balanced cost recovery classification in Base Year - 2009.							
2007	0	-46	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 3222340880
Purchased Utility Fuel - Used For Compression, Non-recurrent / Not Subject To GRC, due to balanced cost recovery classification in Base Year - 2009.							
2007	0	-14	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4010732180
Reallocation of Compressor Sta Purchased Utility Fuel to cc 2200-1216							

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<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2007	0	-3	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4010756163
Reallocation of Compressor Sta Purchased Utility Fuel to cc 2200-1215							
2007	0	14	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4011302513
Reallocation of Compressor Sta Purchased Utility Fuel from cc 2200-0269							
2007	0	3	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4011321700
Reallocation of Compressor Sta Purchased Utility Fuel from cc 2200-0269							
2007	0	-3	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 5210740830
Purchased Utility Fuel - Used For Compression, Non-recurrent / Not Subject To GRC, due to balanced cost recovery classification in Base Year - 2009.							
2007	0	-14	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 5210803643
Purchased Utility Fuel - Used For Compression, Non-recurrent / Not Subject To GRC, due to balanced cost recovery classification in Base Year - 2009.							
2007	0	-119	0	0.0	NSE Transfer	N/A	TP2RXL2009110 5093654750
NSE Accounting Adjustment; Calif EPA _ Air Resource Board - Emission Fee Assessments							
2007	0	0	119	0.0	NSE Transfer	N/A	TP2RXL2009110 5093654750
NSE Accounting Adjustment; Calif EPA _ Air Resource Board - Emission Fee Assessments							
2007	0	28	0	0.0	CCTR Transf	From 2200-0265.000	TP2RXL2009111 2094308300
Odorant purchase associated with gas compression, Wheeler Station							
2007 Total	0	-315	119	0.0			
2008	0	-98	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 3222038173
Purchased Utility Fuel - Used For Compression, Non-recurrent / Not Subject To GRC, due to balanced cost recovery classification in Base Year - 2009.							
2008	0	-80	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 3222059987
Purchased Utility Fuel - Used For Compression, Non-recurrent / Not Subject To GRC, due to balanced cost recovery classification in Base Year - 2009.							

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<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2008	0	-30	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 3222425130
Purchased Utility Fuel - Used For Compression, Non-recurrent / Not Subject To GRC, due to balanced cost recovery classification in Base Year - 2009.							
2008	0	-20	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4010839320
Reallocation of Compressor Sta Purchased Utility Fuel to cc 2200-1216							
2008	0	-1	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4010902570
Reallocation of Compressor Sta Purchased Utility Fuel to cc 2200-1215							
2008	0	20	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4011355140
Reallocation of Compressor Sta Purchased Utility Fuel from cc 2200-0269							
2008	0	1	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 4011413047
Reallocation of Compressor Sta Purchased Utility Fuel from cc 2200-0269							
2008	0	-1	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 5211009287
Purchased Utility Fuel - Used For Compression, Non-recurrent / Not Subject To GRC, due to balanced cost recovery classification in Base Year - 2009.							
2008	0	-20	0	0.0	1-Sided Adj	N/A	TP2RXL2009091 5211031160
Purchased Utility Fuel - Used For Compression, Non-recurrent / Not Subject To GRC, due to balanced cost recovery classification in Base Year - 2009.							
2008	0	-117	0	0.0	1-Sided Adj	N/A	TP2RXL2009110 5072341847
Accounting adjustment; AB10X Emission Fee _ reassignment to 2009 (pre-paid).							
2008	0	-114	0	0.0	NSE Transfer	N/A	TP2RXL2009110 5093725187
NSE Accounting Adjustment; Calif EPA _ Air Resource Board - Emission Fee Assessments							
2008	0	0	114	0.0	NSE Transfer	N/A	TP2RXL2009110 5093725187
NSE Accounting Adjustment; Calif EPA _ Air Resource Board - Emission Fee Assessments							
2008 Total	0	-461	114	0.0			

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<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2009	0	-117	0	0.0	NSE Transfer	N/A	TP2RXL2010061 5093523250
NSE Accounting Adjustment; Calif EPA _ Air Resource Board - Emission Fee Assessments							
2009	0	0	117	0.0	NSE Transfer	N/A	TP2RXL2010061 5093523250
NSE Accounting Adjustment; Calif EPA _ Air Resource Board - Emission Fee Assessments							
2009 Total	0	-117	117	0.0			

Supplemental Workpapers for Workpaper 2GT001.000

**SoCal Gas _ California Air Resources Board GreenHouse Gas
(CARB AB-32)**

Cost Basis Background and Forecast

New State legislation, California Air Resources Board (CARB) AB32, will require reductions in the emission of greenhouse gasses, such as methane.

The new legislation will result in SoCal Gas having to mitigate sources of minute releases of methane to the atmosphere. These minor sources of leakage are scheduled for identification under the new legislation as a source of greenhouse gas emissions and will therefore require mitigative repairs under specific timeframes.

The legislation in it's current state, will require that by year 2020, the State's greenhouse gas emissions be reduced to year 2000 levels by 2010, to 1990 levels by 2020 and to 80% below 1990 levels by 2050.

As currently defined, greenhouse gases include all of the following gases: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydro fluorocarbons (HFCs), per fluorocarbons (PFCs), and sulfur hexafluoride (SF6).

**SoCal Gas _ California Air Resources Board GreenHouse Gas
(CARB AB-32)**

Following forecast of cost, based on legislative rulemaking.
Labor and Non Labor calculations based on performance of similar type of work and activity skill-set requirements.

Forecasted Annual Expense 2011 and 2012			
LABOR	LABOR	NL	TOTAL
FTE	\$	\$	\$
0.54	\$ 77,117	\$ 152,170	\$ 229,288

(\$'s stated in 2009 value)

Incremental Cost Detail				
0.46	\$ 35,734	\$ 111,670	\$ 147,405	Incremental "Packing Seal Replacement Maintenance"
0.37	\$ 28,883	\$ -	\$ 28,883	Incremental leak survey, monitoring, and reporting
0.16	\$ 12,000	\$ 36,000	\$ 48,000	Incremental repairs and maintenance (on RV's, valves, flanges).
0.01	\$ 500	\$ 1,500	\$ 2,000	Incremental air compressor maintenance at Kelso - convert gas start to air start. Expand current air system by upgrading electrical and adding capacity.
0.00	\$ -	\$ 3,000	\$ 3,000	Incremental instrument calibration and repair, calibration gas, and lab certification

SoCal Gas _ California Air Resources Board GreenHouse Gas
 (CARB AB-32)

INCREMENTAL COST OF INCREASED PACKING SEAL REPLACEMENT MAINTENANCE

124 NUMBER OF COMPRESSOR CYLINDERS
 \$6,600 COST TO OVERHAUL ONE CYLINDER

6.53 CURRENT SEAL LIFE (YEARS)
 19.00 CURRENT NUMBER OF SEALS REPLACED ANNUALLY
 \$125,396 CURRENT ANNUAL COST OF SEAL REPLACEMENT

3 FUTURE SEAL LIFE (YEARS)
 41.33 FUTURE NUMBER OF SEALS REPLACED ANNUALLY
 \$272,800 FUTURE ANNUAL COST OF SEAL REPLACEMENT

22.33 DELTA BETWEEN CURRENT AND FUTURE NUMBER OF SEALS REPLACED
 \$147,404 DELTA BETWEEN CURRENT AND FUTURE COST

\$35,734.38 LABOR
 \$111,669.93 NON LABOR

Average Cost / Per Repair - compressor seal maintenance/replacement:

Labor	Non-Labor	
	1000	REPLACEMENT PACKING
	2500	ROD RESURFACING
	1500	GASKETS, SLIPPER REPAIR, REPLACEMENT, ALIGNMENT
\$1,600	\$5,000	Sub-Total by cost component (Labor based on ~43hrs at avg \$37/hr wage rate)
24%	76%	

\$6,600 Total Combined Cost

**Socal Gas _ RICE NESHAP's Compliance
and
Mojave Desert AQMD Rule 1160 Enforcement**

Cost Basis Background and Forecast

Environmental Protection Agency issued final rule in March 2010 imposing new national standards for hazardous air pollutants (NESHAPS) from diesel powered stationary reciprocating internal combustion engines (RICE).

Legislation established provisions for RICE located at "area sources" of hazardous air pollutants (HAPs) and RICE with a site rating of ≤ 500 brake horsepower (bhp) located at "major sources" of HAPs. Additionally it included standards for existing non-emergency compression ignition (CI) engines with a site rating of > 500 bhp at major sources and provisions related to Startup, Shutdown, and Malfunction (SSM) events on engines covered under the legislation.

A "major source" is defined as a site that emits > 10 tons per year (tpy) of any single HAP or > 25 tpy of combined HAPs. An "area source" is a site that emits HAPs, but is not considered a major source.

Under the new regulation, many previously unregulated engines will now be subject to federal regulation, including emission standards, emissions control requirements, and changes in historically routine acceptable operation and maintenance practices.

Additionally, new levels of recordkeeping and reporting requirements are to also be implemented.

Nine (9) of SCG's 11 compressor stations will be subject to new emission control operating and reporting requirements. 4 of the stations (Blythe, Newberry, North and South Needles) meet the qualification for designation as "major source" sites, with remaining 5 stations (Adelanto, Cactus City, Kelso, Ventura and Wheeler Ridge) qualifying for designation as "area source" sites. As a source site, SCG will be required to install engine retrofits, and to operate and maintain qualified Monitoring and Reporting Systems at each site. Following cost estimates reflect only new annually recurring O&M expenses to be incurred in the operation and maintenance of the compressor equipment, software upgrades for monitoring systems, and expenses associated with complying with new records reporting requirements.

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SoCal Gas _ RICE NESHAP's Compliance
 and
 Mojave Desert AQMD Rule 1160 Enforcement

	2011 (1/4 of Annual Cost Estimate, 4 sites)					2012 (Full Yr Cost Impact for 4 sites)				
	LABOR FTE	LABOR HRS	LABOR \$	NL \$	TOTAL \$	LABOR FTE	LABOR HRS	LABOR \$	NL \$	TOTAL \$
TOTAL NESHAP's (Operating Compliance & Maintenance)	0.04	79	\$2,925	\$0	\$2,925	0.36	752	\$27,847	\$55,500	\$83,347
TOTAL - Rule 1160 (Operating Compliance & Maintenance)	0.10	204	\$7,554	\$0	\$7,554	0.39	816	\$30,216	\$0	\$30,216
NESHAP's - Operation, Monitoring & Reporting	0.14	283	\$10,479	\$0	\$10,479	0.75	1568	\$58,063	\$55,500	\$113,563
Acknowledging alarms @ 1 hrs / week / station = 1X52x4x.25 2011 - 4 stations (Byrhe, North, South, Newberry) to be have compliance monitoring equipment installed in 2011. Estimate based on these stations not incurring incremental associated O&M expense until 2012. Equipment being installed in 2012 at Adelanto, Keiso, and Cactus City will be minimal. Estimate for these stations based on incremental 1hr per station / per month.	0.004	9	\$333	\$0	\$333	0.03	72	\$2,666	\$0	\$2,666
Review and Resolve data. One hour per month each for Byrhe, North Needles, South Needles, Newberry, plus incremental 1 hr for dovetailing of Adelanto, Keiso, and Cactus City Stations. Total monthly impact (all stations) 5hrs.	0.01	15	\$555	\$0	\$555	0.03	60	\$2,222	\$0	\$2,222
3rd Party Contract Source Testing. Once annually, 6 stations (Byrhe, North Needles, Newberry, Adelanto, Keiso, Cactus City) \$3500/per station	0.00	0	\$0	\$0	\$0	0.00	0	\$0	\$21,000	\$21,000
Generate and Submit report. 4 hrs per station twice per year for the stations as listed above (calculated at total of 5 stations)	0.005	10	\$370	\$0	\$370	0.02	40	\$1,481	\$0	\$1,481
NESHAP's - Software Maint, Data Point Changes & Upgrades)										
Annual Software maintenance for the 3 stations installations to occur in 2011. \$8000 per station / per year.	0.00	0	\$0	\$0	\$0				\$24,000	\$24,000
Adding data points as monitoring parameters change one week per station (5 stations) per year	0.00	0	\$0	\$0	\$0	0.10	200	\$7,406		\$7,406
Troubleshooting and debugging as needed one week per station (5 stations) per year	0.00	0	\$0	\$0	\$0	0.10	200	\$7,406		\$7,406
NESHAP's - INSTRUMENT AND CONTROLS MAINTENANCE	0.02	45	\$1,666	\$0	\$1,666	0.09	180	\$6,665	\$10,500	\$17,165
Rule 1160 - INSTRUMENT AND CONTROLS MAINTENANCE	0.10	204	\$7,554	\$0	\$7,554	0.39	816	\$30,216	\$0	\$30,216

**SoCalGas - California Air Resources Board
AB-10X Fee Assessments**

Cost Basis Background and Forecast

State of California's Annual Budget Act authorizes State EPA to annually assess fees to partially fund State's Air Resources Board's (ARB), Stationary Source Program.

Fees are assessed on facilities emitting 250 tons or more per year of nonattainment pollutants or their precursors of volatile organic compounds. For 2009, State's Budget Act required assessment of \$20 million in such fees to subject company's. Fees are due and payable within 60 days of receipt of agency invoicing. Non-payment can result in penalties of up to \$10,000 per day.

Annual assessment fees based on 3 components: A) SCG's reported emissions for calendar period 2 years preceding the assessment year; B) a base fee amount as determined by the ARB, which is based on total number of reported tons within the state qualifying under the program for assessment; C) a supplemental fee of 2.5% of the tonnage fee assessed each facility. The supplemental fee is an administrative fee that's incurred as a result of the State authorizing Mojave Desert Air Quality Management District to collect and process the payments to ARB, on behalf of the EPA.

As the State experienced budget and agency funding allocation constraints, 2010 per/ton base fee increased 12.1% over the 2009 rate. Future years forecast reflect a continuance of the State's budgeting constraints and a resulting continuation of rate increases by the State.

2010 funding increase amount is based on actual fee assessment increase SCG was assessed by the EPA on January 26, 2010.

2011 and 2012 funding increase forecasts are based on; A) SCG's known emission rates for 2008 and 2009 for which the subsequent year assessments will in part be based upon, and B) presumption that the supplemental fee will remain in effect, and hopefully not increase above its' current level.

Forecasting of future years, reflects presumption for continued annual escalation of the base rate, by the 2yr average % of increase experienced for the period covering 2009 thru 2010 (5.7%), plus 1/2 of the Delta percentage of increase between the 2yr avg and the 12.1% assessed for 2010. The "supplemental" adjusted rate forecast was selected due to the unknown, yet perceived presumption that the economic state of challenges facing the state funded agency will not diminish by any significant level over the course of the forecasted years.

Following graphs provide overview on costing matrix for both historical and future forecasted expense impacts by the three stations that are subject to the assessments.

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

**SoCalGas - California Air Resources Board
 AB-10X Fee Assessments**

South Needles Station

CA Air Resources Board Annual Fee Assessments (Facilities > 250 tons)	Actual Tons	Billable Tons	Cost Per Ton	Sum	MD-AQMD Admin Fee @ 2.5%	Total Assessment
2005 assessment - based on 2002 emission rate	727	727	\$116.53	\$84,717.31	\$1,709.00	\$86,426.31
2006 assessment - based on 2003 emission rate	762	762	\$134.73	\$102,664.26	\$2,566.61	\$105,230.87
2007 assessment - based on 2004 emission rate	808	808	\$143.82	\$116,206.56	\$2,905.16	\$119,111.72
2008 assessment - based on 2005 emission rate <i>Fiscal Yr 07' Overpayment Adjustment by ARB</i>	782	782	\$150.96	\$118,050.72	\$2,951.27	\$121,001.99
			808	-\$8.42	-\$6,803.36	-\$170.08
						<u>-\$6,973.44</u>
						<u>\$114,028.54</u>
2009 assessment - based on 2006 emission rate	764	764	\$149.95	\$114,561.80	\$2,864.05	\$117,425.85
2010 assessment - based on 2007 emission rate	837	837	\$168.15	\$140,741.55	\$3,518.54	\$144,260.09
2011 Forecast based on 2008 emission rate	948	948	\$183.18	\$173,650.37	\$4,341.26	\$177,991.63
2012 Forecast based on 2009 emission rate	879*	879	\$199.54	\$175,398.86	\$4,384.97	\$179,783.83

2012 Tons based on preliminary recorded actual.

2011 and 2012 Rates:
 Forecast based on 2Yr avg rate of increase plus 1/2 of the Delta % of increase between the 2Yr avg and the 12.1% Increase experienced for the 2010 fiscal period.

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

**SoCalGas - California Air Resources Board
 AB-10X Fee Assessments**

Annual Per/Ton Rate Increase %	
2006 over 2005	15.6%
2007 over 2006	6.7%
2008 over 2007	5.0%
2009 over 2008	-0.7%
2010 over 2009	12.1%

SOUTH NEEDLES STATION	
Annual Increase Forecast	
2010	\$26,834.24
2011	\$33,731.54
2012	\$1,792.20
TY2012 Impact	\$62,357.99

4yr avg (07 / 2010) 5.89%
 3yr (08 / 2010) 5.5%
 2yr (09 / 2010) 5.7%
 1yr (2010) 12.1%

Delta between 12.1% and 5.7%	6.4%
1/2 of Delta	3.2%

Selected Rate (2yr 5.7% avg + 3.2%)	8.9%
-------------------------------------	------

2010 Rate
 \$168.15

2010 Cost
 \$144,260.09

Forecast based on only 2yr historical (2009 / 2010) avg rate increase of 5.7%

2011 Forecast based on 2008 emission rate	948	948	\$177.79	\$168,546.81	\$4,213.67	\$172,760.48
2012 Forecast based on 2009 emission rate	879*	879	\$187.99	\$165,240.47	\$4,131.01	\$169,371.48

Incremental change from prior years cost

\$28,500.39

Incremental change from prior years cost

-\$3,389.00

Forecast based on only 2010 % of increase of 12.1%

2011 Forecast based on 2008 emission rate	948	948	\$188.56	\$178,753.93	\$4,468.85	\$183,222.78
2012 Forecast based on 2009 emission rate	879*	879	\$211.45	\$185,860.26	\$4,646.51	\$190,506.77

\$38,962.69

\$7,283.99

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

**SoCalGas - California Air Resources Board
 AB-10X Fee Assessments**

North Needles Station

Air Resources Board Fee Assessments	Actual Tons	Billable Tons	Cost Per Ton	Sum	MD-AQMD Admin Fee @ 2.5%	Total Assessment
2005 assessment - based on 2002 emission rate	105	0	\$94.03	\$0.00	\$0.00	\$0.00
2006 assessment - based on 2003 emission rate	157	0	\$134.73	\$0.00	\$0.00	\$0.00
2007 assessment - based on 2004 emission rate	153	0	\$143.82	\$0.00	\$0.00	\$0.00
2008 assessment - based on 2005 emission rate	147	0	\$150.96	\$0.00	\$0.00	\$0.00
2009 assessment - based on 2006 emission rate	82	0	\$149.95	\$0.00	\$0.00	\$0.00
2010 assessment - based on 2007 emission rate	322	322	\$168.15	\$54,144.30	\$1,353.61	\$55,497.91
2011 Forecast based on 2008 emission rate	387	387	\$183.18	\$70,888.92	\$1,772.22	\$72,661.14
2012 Forecast based on 2009 emission rate	<250*	0	\$199.54	\$0.00	\$0.00	\$0.00

2012 Tons based on preliminary recorded actual.

2011 and 2012 Rates:
 Forecast based on 2Yr avg rate of increase plus 1/2 of the Delta % of increase between the 2Yr avg and the 12.1% increase experienced for the 2010 fiscal period.

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

SoCalGas - California Air Resources Board
 AB-10X Fee Assessments

Annual Per/Ton Rate Increase %	
2006 over 2005	43.3%
2007 over 2006	6.7%
2008 over 2007	5.0%
2009 over 2008	-0.7%
2010 over 2009	12.1%

NORTH NEEDLES STATION	
Annual Increase Forecast	
2010	\$55,497.91
2011	\$17,163.23
2012	-\$72,661.14
TY2012 Impact	\$0.00

4yr avg (07 / 2010) 5.8%
 3yr (08 / 2010) 5.5%
 2yr (09 / 2010) 5.7%
 1yr (2010) 12.1%

Delta between 12.1% and 5.7%	6.4%
1/2 of Delta	3.2%

Selected Rate { 2yr 5.7% avg + 3.2% }	8.9%
---------------------------------------	------

2010 Rate
 \$168.15

2010 Cost
 \$144,260.09

Forecast based on only 2yr historical (2009 / 2010) avg rate increase of 5.7%

2011 Forecast based on 2008 emission rate	948	948	\$177.79	\$168,546.81	\$4,213.67	\$172,760.48
2012 Forecast based on 2009 emission rate	879*	879	\$187.99	\$165,240.47	\$4,131.01	\$169,371.48

Incremental change from prior years cost \$28,500.39

Forecast based on only 2010 % of increase of 12.1%

2011 Forecast based on 2008 emission rate	948	948	\$188.56	\$178,753.93	\$4,468.85	\$183,222.78
2012 Forecast based on 2009 emission rate	879*	879	\$211.45	\$185,860.26	\$4,646.51	\$190,506.77

Incremental change from prior years cost \$38,962.69
 Incremental change from prior years cost \$7,283.99

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

**SoCalGas - California Air Resources Board
 AB-10X Fee Assessments**

Blythe Station						
Air Resources Board Fee Assessments	Actual Tons	Billable Tons	Cost Per Ton	Sub-Total	MD-AQMD Admin Fee @ 2.5%	Total Assessment
2005 based on 2002 emissions	836	836	\$94.03	\$78,609.08	\$1,965.23	\$80,574.31
2006 based on 2003 emissions	45	0	\$134.73	\$0.00	\$0.00	\$0.00
2007 based on 2004 emissions	41	0	\$143.82	\$0.00	\$0.00	\$0.00
2008 based on 2005 emissions	11	0	\$150.96	\$0.00	\$0.00	\$0.00
2009 based on 2006 emissions	158	0	\$149.95	\$0.00	\$0.00	\$0.00
2010 based on 2007 emissions	153	0	\$168.15	\$0.00	\$0.00	\$0.00
2011 Forecast based on 2008 emissions	278	278	\$183.18	\$50,922.79	\$1,273.07	\$52,195.86
2012 Forecast based on 2009 emissions	<250*	0	\$199.54	\$0.00	\$0.00	\$0.00

2012 Tons based on preliminary recorded actual.

2011 and 2012 Rates: Forecast based on 2yr avg rate of increase plus 1/2 of the Delta % of increase between the 2yr avg and the 12.1% increase experienced for the 2010 fiscal period.

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

**SoCalGas - California Air Resources Board
 AB-10X Fee Assessments**

Annual Per/Ton Rate Increase %	
2006 over 2005	43.3%
2007 over 2006	6.7%
2008 over 2007	5.0%
2009 over 2008	-0.7%
2010 over 2009	12.1%

Blythe STATION	
Annual Increase Forecast	
2010	\$0.00
2011	\$52,195.86
2012	-\$52,195.86
TY2012 Impact	\$0.00

4yr avg (07 / 2010) 5.8%
 3yr (08 / 2010) 5.5%
 2yr (09 / 2010) 5.7%
 1yr (2010) 12.1%

Delta between 12.1% and 5.7%	6.4%
1/2 of Delta	3.2%

Selected Rate {2yr 5.7% avg + 3.2%}	8.9%
-------------------------------------	------

2010 Rate
 \$168.15

2010 Cost
 \$144,260.09

Forecast based on only 2yr historical (2009 / 2010) avg rate increase of 5.7%

2011 Forecast based on 2008 emission rate	948	948	\$177.79	\$168,546.81	\$4,213.67	\$172,760.48
2012 Forecast based on 2009 emission rate	879*	879	\$187.99	\$165,240.47	\$4,131.01	\$169,371.48

Incremental change from prior years cost

\$28,500.39

Incremental change from prior years cost

-\$3,389.00

Forecast based on only 2010 % of increase of 12.1%

2011 Forecast based on 2008 emission rate	948	948	\$188.56	\$178,753.93	\$4,468.85	\$183,222.78
2012 Forecast based on 2009 emission rate	879*	879	\$211.45	\$185,860.26	\$4,646.51	\$190,506.77

\$38,962.69

\$7,283.99

**SoCalGas - California Air Resources Board
AB-10X Fee Assessments**

TY2012 Forecasted Net Cost Increase	
Annual Increase Forecast	
South Needles	\$62,357.99
North Needles	\$0.00
Bythe	\$0.00
TY2012 Impact	\$62,357.99

**So Cal Gas
 Supplement Odorant Forecast**

Cost Basis Background and Forecast

2011, implementation for addition of THT as a supplemental odorant at two receipt point meters where utility receives El Paso gas supplies.

El Paso gas contains one primary odorant component (TBM).

The supplementation of THT to the TBM odorized gas will provide consistency in odorant blend throughout SCG service territory as well as throughout the State's natural gas utility pipeline network.

Supplemental Odorization Costs
 Supplement El Paso Gas with THT at Blythe and S. Needles to Create 50/50 Blend

Assumptions:

Cost of 100% THT (2009 Pricing) \$5.13 \$/lb
 Injection Rate of THT to reach 50/50 blend 0.186 lb/MMSCF (~.8 ppmv THT)

Blythe
 El Paso Gas Throughput 285,107 MMSCF/YEAR (2009)
 LNG Gas Throughput 1 MMSCF/YEAR (est.)
 Total Gas Flow Rate to Supplement 285,108 MMSCF/YEAR

THT Odorant Cost (annual) \$ 272,044 [Inject Rate X Blythe Gas Flow Volume X THT \$/lb]
 Total Cost \$ 272,044

South Needles
 El Paso Gas Throughput 142,877 MMSCF/YEAR (2009)
 THT Odorant Cost (annual) \$ 136,330
 Total Cost \$ 136,330 [Inject Rate X So. Needles Gas Flow Volume X THT \$/lb]

Forecasted TY2012 Net Cost Increase Impact \$ 408,375 [Inject Rate X Combined Stations Gas Flow Volume X THT \$/lb]

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: C. Technical Services
 Workpaper: 2GT002.000

Summary for Category: C. Technical Services

	In 2009\$ (000)			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	573	573	778	778
Non-Labor	1,101	1,101	1,351	1,601
NSE	0	0	0	0
Total	1,674	1,674	2,129	2,379
FTE	6.5	6.5	8.5	8.5

Workpapers belonging to this Category:

2GT002.000 Transmission Field Technical Services

Labor	573	573	778	778
Non-Labor	1,101	1,101	1,351	1,601
NSE	0	0	0	0
Total	1,674	1,674	2,129	2,379
FTE	6.5	6.5	8.5	8.5

Beginning of Workpaper
2GT002.000 - Transmission Field Technical Services

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: C. Technical Services
 Category-Sub: 1. Technical Services
 Workpaper: 2GT002.000 - Transmission Field Technical Services

Activity Description:

Responsibilities include and are not limited to, design engineering analysis, i.e. development and oversight of engineered corrective action recommendations and standards, project support, and environmental management services in support of day-to-day operations and maintenance of the gas transmission pipeline and compression system. Staff is also responsible for management of programmatic right-of-way and surface corrosion maintenance activities.

Forecast Methodology:

Labor - Base YR Rec

Historical recorded expenses were analyzed for appropriateness of charges. Non-qualifying and forecasted non-recurring cost were removed. Future year forecast of applicable qualifying labor expense is based on forecast of future years qualifying straight-time activity requirements and any applicable future year incremental adjustments in staffing requirements, and historical year 2009 trending based over-time.

Non-Labor - Base YR Rec

Historical recorded expenses were analyzed for appropriateness of charges. Non-recurring and non-qualified (expenses subject to NSE treatment, late fees, one time expense events, etc.) cost were removed. Future year forecast of applicable qualifying expenses are based on 2009 adjusted-recorded expense, adjusted annually to reflect any applicable future year changes.

NSE - Base YR Rec

Not Applicable. No expenses charged within the organization were identified as expenses qualifying for classification as "cost subject to NSE treatment".

Summary of Results:

Years	In 2009\$ (000)								
	Adjusted-Recorded					Adjusted-Forecast			
	2005	2006	2007	2008	2009	2010	2011	2012	
Labor	685	615	699	131	573	573	778	778	
Non-Labor	3,110	2,827	2,161	2,232	1,101	1,101	1,351	1,601	
NSE	0	0	0	0	0	0	0	0	
Total	3,795	3,442	2,860	2,363	1,674	1,674	2,129	2,379	
FTE	8.6	7.3	8.3	1.6	6.5	6.5	8.5	8.5	

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: C. Technical Services
 Category-Sub: 1. Technical Services
 Workpaper: 2GT002.000 - Transmission Field Technical Services

Forecast Summary:

Forecast Method		In 2009 \$(000)								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		2010	2011	2012	2010	2011	2012	2010	2011	2012
Labor	Base YR Rec	573	573	573	0	205	205	573	778	778
Non-Labor	Base YR Rec	1,101	1,101	1,101	0	250	500	1,101	1,351	1,601
NSE	Base YR Rec	0	0	0	0	0	0	0	0	0
Total		1,674	1,674	1,674	0	455	705	1,674	2,129	2,379
FTE	Base YR Rec	6.5	6.5	6.5	0.0	2.0	2.0	6.5	8.5	8.5

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010 Total	0	0	0	0	0.0	
2011	0	250	0	250	0.0	1-Sided Adj
2011_ Right-Of-Way Maintenance Funding, Increase in activity						
2011	110	0	0	110	0.0	1-Sided Adj
2011_ Field Services Project Mgmt position						
2011	0	0	0	0	1.0	1-Sided Adj
2011_ Field Services Project Mgmt position						
2011	95	0	0	95	0.0	1-Sided Adj
2011_ Field Services Process Advisor position						
2011	0	0	0	0	1.0	1-Sided Adj
2011_ Field Services Process Advisor position						
2011 Total	205	250	0	455	2.0	
2012	0	250	0	250	0.0	1-Sided Adj
2011_ Right-Of-Way Maintenance Funding, Increase in activity						

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: C. Technical Services
 Category-Sub: 1. Technical Services
 Workpaper: 2GT002.000 - Transmission Field Technical Services

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2012	0	250	0	250	0.0	1-Sided Adj
2012_ Right-Of-Way Maintenance Funding, Increase in activity						
2012	110	0	0	110	0.0	1-Sided Adj
2011_ Field Services Project Mgmt position						
2012	95	0	0	95	0.0	1-Sided Adj
2011_ Field Services Process Advisor position						
2012	0	0	0	0	1.0	1-Sided Adj
2011_ Field Services Project Mgmt position						
2012	0	0	0	0	1.0	1-Sided Adj
2011_ Field Services Process Advisor position						
2012 Total	205	500	0	705	2.0	

Southern California Gas Company
Test Year 2012 GRC - APP
Non-Shared Service Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: C. Technical Services
Category-Sub: 1. Technical Services
Workpaper: 2GT002.000 - Transmission Field Technical Services

Determination of Adjusted-Recorded:

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	523	480	561	107	485
Non-Labor	2,770	2,610	2,062	2,238	1,101
NSE	0	0	0	0	0
Total	3,293	3,090	2,623	2,344	1,586
FTE	7.3	6.2	7.0	1.3	5.5
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	523	480	561	107	485
Non-Labor	2,770	2,610	2,062	2,238	1,101
NSE	0	0	0	0	0
Total	3,293	3,090	2,623	2,344	1,586
FTE	7.3	6.2	7.0	1.3	5.5
Vacation & Sick (Nominal \$)					
Labor	89	86	98	21	88
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	89	86	98	21	88
FTE	1.3	1.1	1.3	0.3	1.0
Escalation to 2009\$					
Labor	73	50	39	3	0
Non-Labor	340	217	99	-6	0
NSE	0	0	0	0	0
Total	413	267	139	-2	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	685	615	699	131	573
Non-Labor	3,110	2,827	2,161	2,232	1,101
NSE	0	0	0	0	0
Total	3,795	3,442	2,860	2,363	1,674
FTE	8.6	7.3	8.3	1.6	6.5

* After company-wide exclusions of Non-GRC costs

** Refer to "Detail of Adjustments to Recorded" page for line item adjustments

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: C. Technical Services
 Category-Sub: 1. Technical Services
 Workpaper: 2GT002.000 - Transmission Field Technical Services

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000)				
	2005	2006	2007	2008	2009
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0

Detail of Adjustments to Recorded:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005 Total	0	0	0	0.0			
2006 Total	0	0	0	0.0			
2007 Total	0	0	0	0.0			
2008 Total	0	0	0	0.0			
2009 Total	0	0	0	0.0			

Supplemental Workpapers for Workpaper 2GT002.000

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

**Socal Gas _ Right-Of-Way Maintenance
 2005 - 2012**

Cost Basis Background and Forecast

Budget Year	Historical Recorded Spend	2010 Forecast	2011 Forecast	TY-2012 Forecast
2005	\$ 1,890,823			
2006	\$ 1,767,244			
2007	\$ 992,351			
2008	\$ 1,519,857			
2009	\$ 685,055			
2010 *YearEnd Forecast	TBD	TBD		
2011 *Incremental			\$ 250,000	\$ 250,000
2012 *Incremental				\$ 250,000

Forecasted TY2012 Increase \$ - \$ 250,000 \$ 500,000

4Yr Annual Average (2006 - 2009)	\$ 1,241,127	-38.0% TY-2012 compared to 4Yr Hist Avg Spend
3Yr Annual Average Spend (2007 - 2009)	\$ 1,065,754	-27.8% TY-2012 compared to 3Yr Hist Avg Spend
2Yr Annual Average Spend (2008 - 2009)	\$ 1,102,456	-30.2% TY-2012 compared to 2Yr Hist Avg Spend

The activity of maintaining these roadways has grown increasingly more difficult due in large part to increased level of restrictive changes in environmental regulations that govern the vast majority of the areas the lines are located in. These roadway areas are highly susceptible to natural habitat growth encroachment, and natural species nesting protection restrictions.

Maintenance of access roads is essential toward minimizing third party pipeline damage, discovery of leakage conditions which would not otherwise be detectable, prevention of wild fire damages, and the overall general safety of the public. This activity consists of painting, pipeline maintenance, vegetation removal, right of way maintenance, storm damage repair, and project mitigation requirements. Painting is performed on pipeline spans due to external element damage resulting in general deterioration (scaling, metal exposure, rust formation), and measurement and regulation facilities. Additional activities include pipeline depth/cover protection, location marking, span and suspension bridge maintenance. Vegetation removal is required by Federal, State and Local fire agency authority's, facilitates line surveillance and maintenance and mitigation of vegetative formations resulting from water pooling. In addition to retaining patrol roads, also serves to comply with shared access requirements of authorized land management agencies and private property owners.

TY-2012 funding forecast reflects a -32% multi-year average reduction in funding for this activity. The increase in funding is required in order to adequately address increased cost being incurred to safeguard accessibility and safe navigation along the roadways.

Southern California Gas Company
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Non-Shared Service Workpapers

**Socal Gas _ Right-Of-Way Maintenance
2005 - 2012**

Cost Basis Background and Forecast

Appendix A (Current Pending / Identified Projects for Scheduling of Completion)

District	Facility	2010 Storm Damage	Priority (Ops)	Project Title (Facility or Line #-Activity)	Status	Direct (\$\$\$)	Comments	Notes
Brea			High	Pixley Station Weed Abatement	Complete	2		
Ventura			High	Sage Institute - Matilija Creek, Los Sausus - Ongoing Mitigation	Ongoing	6	Support ongoing permitting activity	
Beaumont			High	Temecula Weed Abatement - Condo Community CC&R's Requirement	Pending Approval	7		
Beaumont	LG916		High	Line 6916 Bank Stabilization - Yucca valley	Pending Approval	7	Install rip-rap and slurry approximately 25-ft wide and 100-ft long over our pipeline to protect it from future exposure in the San Bernardino Flood Control	Cost only required for Bio-Monitor
Various			High	Rincon Consultants - Salt Creek, Chino Hills, Cold Springs - Ongoing Mitigation	Ongoing	8	Support ongoing permitting activity	
Olympic	L3003		High	Lines 3003/407 - Sullivan Canyon - Queen's Ferry Road - Unauthorized Maintenance <u>Work Will Continue Through 2011</u>	Ongoing	10	Ongoing compliance requirements for watering, vegetation removal / replacement, and reporting	
Ventura	L1011		High	Wrap Abatement - Slide east of Ventura Sta N 34*17.544 W 119*17.237	Complete	10	Wrap falling onto ground	
Olympic	Westside Station		High	Westside Station Liquid Separators - Paint	2010 Approved Project	12	Both separators need to be repainted	Current coating is deteriorating quickly due to the wet external conditions and the below ground vault configuration
Olympic	L3003		High	Lines 3003/407 - Sullivan Canyon - Queen's Ferry Road - Fire Dept notice to clear vegetation	Ongoing	15	have been requested by the fire department to extend our brush clearance work down Queensferry Road to where the pavement meets the dirt. 10' wide clearance off the sides of the drivable road way.	
Brea			High	Yorba Station Trees	ready to schedule work	16		
Ventura	L1011	Yes	High	Line 1011 & 404 Hall Mountain Access Road Grading Project	Pending Approval	17	ROW grading and drainage structure installation northeast of our Aera Energy MSA.	Shared cost with Lloyd Corporation and American Towers
Beaumont			High	Various Fire Department Vegetation Clearance Compliance Projects	Ongoing	20		

Southern California Gas Company
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 Non-Shared Service Workpapers

SoCal Gas _ Right-Of-Way Maintenance
 2005 - 2012

Ventura			High	Venoco Carpentaria Material Settlement	Paid in 2010	38		
System			High	Repair / clean wrap on span ends	Investigating	400	This would be for brush clearing, fixing washouts, and repairing the broken grout where the span enters the ground	
Brea			High	Chino Hills Fire Damage Span Repair	Need State Park Approval	550	Repair burned spans and access road maintenance	
Brea	L2001	Yes	Med	Line 2001 - exposure by the 60fwy has now become a span - Walnut Creek		2	City of Diamond Bar to perform work at their expense - SCG to repair pipe wrap	Since the line was exposed we've gotten Tech Services involved and were told the issue would be resolved with a county storm drain project that would correct the problem but has only gotten worse. I will bring this back to light but considering our finan
Blythe	Blythe Station	Yes	Med	300 feet of fence blown over by small tornado		10	Required for station security	
Ventura			Med	Center Road PV-897 Painting	Pending	10	PV-897 The vessel appears to be in good overall condition. It is strongly recommended that the areas of the shell where paint is cracking be properly prepped and coated with a suitable paint coating to protect the vessel.	
Taft			Med	Liebre Bridge Slope Deflection Monitoring	Pending	14	Annual requirement to monitor ground movement for pipe tower support	
Taft	L300 & 90		Med	Line 300 & 90 ROW Grading	Investigating	15	Grade overgrown patrol road	
Brea	L1026		Med	Line 1026 ROW Grading Camp Pendleton	Obtaining Permits	20		
Brea	L1228		Med	Line 1228 Bolsa Chica Pipe Supports	Investigating	20	Pipe is elevated across property on supports and supports have failed	
Victorville	L4000	Yes	Med	Milpas Rd. in Lucerne Valley. This pipe is exposed each time that it rains. The repairs have been completed. Milpas Rd is the only access to over 100 homes in the area. I would like to have a protective cover installed over the pipe to keep this from		20	Access road required for homeowners - install concrete pad to protect pipe and road. Concern about vehicles driving over pipe.	
Brea	L1026		Med	Line 1026 MP 36.45 Vegetation Clearance-San Onofre	Obtaining Permits	25	Vegetation around pipe impacting paint and proper coating protection	
Brea	L1228		Med	Line 1228 Road Crossing Project - Site # 7 Bolsa Chica Wetlands W/OA=23198 IO+300427015	Need Site #7 Approval	25	Need approval from property owner to complete site #7 - shorted casing CP compliance	

Southern California Gas Company
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SoCal Gas _ Right-Of-Way Maintenance
2005 - 2012

Ventura	L8109	Yes	Med	Pipeline exposure south of Manuel Canyon N 34°19.858 W 119°16.150		30	Safety - Potential for property owners cars to fall in ditch onto pipe	From aerial patrol.
Brea	L1228		Med	Line 1228 Bolsa Chica Pipe Painting/Coating	Investigating	40	Pipe across wetlands is bare metal and rusting	
Ventura	L404	Yes	Med	Slide east of Ventura Sta N 34°17.557 W 119°17.237	Investigating	50	Repair pipe wrap and paint - Investigating support	From aerial patrol. District is working with Gailing to assess
Ventura	L1011	Yes	Med	Slide east of Ventura Sta N 34°17.544 W 119°17.237	Investigating	50	Repair pipe wrap and paint - Investigating support	From aerial patrol. District is working with Gailing to assess
Brea	L1026		Med	Line 1026 San Onofre - Access Clearing / Cover Span with dirt - San Onofre	Obtaining Permits	100	Washout at span, remove vegetation, restore access. Gnatcatcher observed.	
Taft	L85		Med	Line 85 Kelly Pump Station - Repair Road and Culvert	Obtaining Permits	105	Need ROW work for access to site	
Beaumont	L6900		Med	Line 6900 New Gas Line Yearly Monitoring Report	Ongoing			
System			Med	Cable-Supported Pipeline Bridges - Inspections	To Be Determined		Need to determine if work is required	
Taft	L8109		Med	L8109 Exposure North of Apache Valve			Pipeline exposure in creek-not an application for concrete reatment mats	USFS has not officially transferred the ROW to SCG since our purchase of the pipeline from Cuyama Castias/ARCO
Victorville	L6905		Med	Line 6905 Kramer Junction Re-Vegetation Compliance	Ongoing		Invoice paid	
Ventura	L8109		Low	Line 8109 @ Seaward - CalTrans repair exposure - Re-wrap pipe	Waiting on CalTrans	0	Caltrans completed the work in 2009.	
Victorville	Newberry Station		Low	Newberry Springs Station Water Discharge Handling - DI Trailer	Pending	0	Existing evaporation pond and Duckworth property may not be able to handle discharge requirements. Funding for GE DI Trailer and / or water testing support at station	
Beaumont	L5000	Yes	Low	MP 154.00. Pipe exposed either side of span ends.		2	Backfill	
Beaumont	L2000	Yes	Low	MP 152.95. Pipe exposed either side of span ends. Patrol rd washed out.washed out.		3	Backfill	
Beaumont	L2000	Yes	Low	MP 172.13. 3ft exposed W/O span end.		3	Backfill	
Beaumont	L2001	Yes	Low	MP 167.00. 8ft exposed E/O span end.		3	Backfill	
Victorville	L4000	Yes	Low	South of Kenwood, the patrol road has a bad wash out. The pipe may be exposed, but the site needs attention.		3	Patrol road washout	
Goleta	L1003		Low	L-1003 ROW & Paint - Robert's Property	Investigating	4	Robert's property. Clear r/w, clean, prime and paint span.	

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SoCal Gas -- Right-Of-Way Maintenance
2005 - 2012

Beaumont			Low	Imperial Valley Projects - Cuff Rd in Niland, Brown and Yound Canal Bank & Drip Line	Pending Approval	5	Requesting work due to upcoming CPUC audit	
Beaumont	Moreno Station	Yes	Low	Wfndows blown out from rain event		5		
Beaumont	L2000	Yes	Low	2000 & 2001 MP-110.57. Both lines exposed W/O Desert Moon. 1/4 mile of patrol rd		6	Backfill	
Olympic			Low	GEM Sites & Valve Stations		7		
Beaumont	L2000	Yes	Low	MP 150.94. 80ft exposed W/O Jack Rabbit Trail.		10	Backfill	
Beaumont	L2000	Yes	Low	South of Banning airport 12ft exposed.		10	Backfill - cars driving near exposed pipe	
Goleta	L127/1003		Low	L-127/1003 ROW-Mesa Area. Backfill exposed pipeline, repair culvert crossing.	Investigating 5-yr Maint	10		
Taft	L225		Low	Line 225 Edmunston Pump Road to just above Bear Trap Road - Brush Clearance		10	Extreme fire hazard (Tejon Ranch Property)	
Ventura	L1003		Low	Line 1003 Applegate Farm - Veg Trimming and Repair Exposed Pipe	Need Design	10	Vegetation removal required for access to site. Need to inspect span and paint.	
Victorville	L6916	Yes	Low	Northeast of Paxton and Balsa in Yucca Valley. Approximately 20 feet of exposed pipe.		10	Exposed pipe caused by washout - backfill	FYI Jack Rabbit Trail is no longer passable from the 60 fwy to MLV 14.6 line 5000. The only way in is from Gilman Springs Rd and this is getting pretty bad. Jack Rabbit Trail is no longer maintained by the county.
Beaumont	L5000	Yes	Low	MP 154.90. 50ft exposed between Gilman Springs and Jack Rabbit Trail.		12	Backfill	
Goleta	L1004		Low	L-1004 Paint - Laguna Channel, Sycamore Creek	Need to Schedule Work	12	Inspect, prime and paint spans: Line 1004: Mission Creek, Laguna Channel, Sycamore Creek.	
Goleta	L247		Low	L-247 Paint - Goleta Slough	Waiting on Permits	15	Paint span-spanning Goleta Slough.	
Goleta	L1004		Low	L-1004 ROW - Arroyo Burro Span - Vegetation Clearing	Investigating 5-yr Maint	20	Arroyo Burro span, RW and brush clearance, both sides of span and within creek.	
Olympic	L2002		Low	Line 2002, 2006, & 767 (4 spans) - Paint	Need Site Visit	20		
Taft	L225	Yes	Low	Washout north of tap 225-59.88		20	Need to complete investigation	From serial patrol.

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SoCal Gas _ Right-Of-Way Maintenance
2005 - 2012

Valencia			Low	ANF - Brush removal from spans and ROW	Seeking approval from ANF	20		
Valencia	L85	Yes	Low	Washout south of tap 85-134.68		20	Need to complete investigation	From aerial patrol.
Ventura	L1010		Low	Line 1010, Gypsy Wagon Span, Lompoc, Santa Barbara	Submitting Permits	20		
Ventura	L127		Low	Line 127, 1003, 1004 Span Maintenance, More Mesa, Goleta	Submitting Permits	20		
Taft	L225		Low	Line 225 All Liebre Span sites - Brush clearance		25	Extreme fire hazard	
Ventura	L1005		Low	Line 1005 ROW Clearance		25	A backhoe will be used to clear vegetation along the existing access road for line 1005. This is to allow access to the line for pigging purposes	
Olympic	L3000 & 2006 & 767		Low	Lines 2006, 3000, and 767 Span Painting at Olympic / Saticoy		26	Option 1: clean and paint existing - \$26K Option 2: abate all lead paint and paint - \$40K	
Needles			Low	Line 235 ROW Grading	Waiting on Permits	30		
Needles	L3000	Yes	Low	3-Exposures (in 2-miles) East of I-40 crossing at Park Moabi	Pending Approval	30		
Taft	L85		Low	Taft - Line 85 ROW Various Locations Tejon Ranch	On Hold	30	Tejon Ranch requested we perform some ROW grading but have not met with us to define actual work request	
Valencia			Low	Line 225 Castaic Creek - Paint 1 span	Ready to Schedule Work	30		
Victorville	L235/335		Low	Palmdale Ave S - add cover over both lines	Pending Approval	30	There is about 12-inches of cover. Property owner maintains north/south access road and the east/west one is our ROW access.	Need approximately 200 tons of import material (decomposed granite)
Taft	L119		Low	L119 Culvert Installation		35		
Valencia	L324	Yes	Low	L324 Exposure / Road Washout - E/O ETS 44.07 - El Petro Cyn		35	GPS 34.39503 / 118.61485	Patrol road is washed out approximately 3.5-ft
Taft	L225		Low	ANF - Line 225 Access Road Grading to Blow Off		40		
Ventura	L404		Low	L-404 ROW - Santa Rosa Road - vegetation trimming	Investigating	40	R/W Access Roads from Mil. 27.82, S/of A.P. off Santa Rosa Road, to Mountcler Blvd. and Olsen Road	
Ventura	L406		Low	Line 406 ROW - Long Cyn & Brown Cyn Spans - vegetation trimming	Investigating	40	R/W Access Roads from Mil. 7.17, @ Long Cyn. Span, to Mil. 7.38, @ Brown Cyn. Span, needs to be cleared	
Ventura			Low	L-1004 ROW Veg Removal (CP extensions)	Waiting on Permits	40	Vegetation clearance is complete. CP lead wire extensions are not necessary.	

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Social Gas _ Right-Of-Way Maintenance
 2005 - 2012

Victorville	Newberry Station		Low	Newberry Springs Duckworth Property - remove weeds, fix sprinklers, install gravel bags, clean drain line		40	Need to clear weeds and prep site for better water drainage (disk)	
Taft	L85		Low	Shallow Pipeline Protection - Install 20-ft X 10-ft Arizona Crossing - Possible Wrap Damage		45		
Valencia	L324		Low	Line 324 ROW Grading / Pipe Exposure Repairs	Need Site Visit	45		best to replace the plastic line, and this can be done with the least disturbance to the area (environmentally) by boring a new one in
Bythe	Desert Center		Low	Desert Center Water Line		50	The Desert Center water line is also broken and OUT OF SERVICE. "Earthquakes"	From aerial patrol. District determined this to be the old section of L85
Taft	L85	Yes	Low	Pipe exposure north of tap 85-114.79 N 3448.783 W 11853.066 (Frazier park)		60	Exposed pipe caused by washout - backfill	
Victorville			Low	Line 235, 3000, & 4000 ROW Grading (Sydnor)		60		
Valencia	L225		Low	Line 225 MP 75.78 to 76.06 - Santa Clarita Bridge - Vegetation Clearing	Complete 5-yr Maint	70	Obtained approval to clear vegetation 12-ft from span. Existing clearance is 3-ft with rapid regrowth that is impacting paint on pipe	
Valencia	L225		Low	L-225 Paint 9 Spans	Waiting on Permits	70	Paint spans as follows: MP 72.9 (High Priority) 73.15, 68.58, 67.92, 67.86, 67.38, 66.21, 66.17, 66.09, 66.04.	The right of way for Line 6916 cannot be done because that is the new line we purchased from Questar and we have no permits for that area, besides, that work is being done by Roger Warr's group and should be a part of their overall scope of work
Needles	L6916		Low	Line 6916 ROW Grading - 65 miles		80	ROW is drivable, but in very poor shape. 65 miles of grading would greatly improve the ROW. Lots of exposures	
Beaumont			Low	Lines 2000 / 2001 / 5000	Ready to Schedule Work	100		
Needles	L3000		Low	Line 3000 ROW Grading - 99 miles		100	From mile 0 to mile 5, there are 3 exposed pipeline areas. We need some loader work done to repair all the rain damage in the clay area by Park Moabi.	Mile 40 to 50 needs loader work also due to the sandy areas where employees are getting stuck. The Sacramento Radio Tower Road is not accessible and needs Loader and grader work

Southern California Gas Company
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SoCal Gas _ Right-Of-Way Maintenance
 2005 - 2012

Needles	L235		Low	Line 235 ROW Grading - 90 miles		100	90 miles of grading would "clean up the ROW". There appears to be no exposed areas. This ROW has not been cleaned up years, and plant growth may become a problem in the future.	
Victorville	L235/335		Low	ROW Grading from Sand Canyon to Avenue S in Palmdale		125		
Valencia	L225		Low	L-225 Access Road Grading / Span Painting		140		Issued environmental clearance in 2009. Need to update.
Victorville	Newberry Station		Low	Neberry Springs Pond - Vegetation Removal / Dredging	Need Permits	200	RWQCB asked that vegetation in pond be removed	
Taft	L8109	Yes	Low	Pipeline exposure north of Apache valve. N 3444, 166 W 11924, 584 and N 3443, 692 W 11924, 060		400	Capital project - install drop section	From aerial patrol.
Bythe	L2000		Low	Line 2000 ROW Grading - 76 miles			Roughly 76 miles needs grading due to not grading last year along side all 3 pipelines.	
Bythe	L2001		Low	Line 2001 Exposure Mesa Verde Mile 12			An abandoned section of line 2001 is exposed at Mesa Verde. Roughly mile 12.	
Bythe	L2000		Low	Line 2000 Exposure Mile 29			L2000 has an exposed area on mile 29.	
Bythe	L2000		Low	Line 2000 ROW Grading Mile 32			The ROW has been closed at roughly mile 32 because the Cal Trans dike and been eroded by running water and the ROW is not drivable.	
Bythe	L2001		Low	Line 2001 / 2000 Exposure Eagle Mountain Mile 40			There is a small pipeline exposure at Eagle Mountain Rd on Line 2001/2000. Roughly Mile 40.	
Bythe	L6902		Low	Line 6902 ROW Grading El Centro / Bradshaw Trail			The El Centro /Bradshaw Trail ROW needs grading due to not grading last year.	
Bythe	Line 2000		Low	Line 2000 / 2001 Exposure Mecca Road Mile 77			There is a small exposure at Mecca Rd. on Line 2000/2001. Roughly mile 77.	Received a call from Steve Hale who had been notified by Enchira; we sent someone out the same day and by the time they arrived someone had already backfilled the exposed line. We're thinking the railroad backfilled the line but we're still investigating
Brea	L1026	Yes	Low	Line 1026 was exposed behind Enchira Power Plant near the railroad.			Need to investigate	

Southern California Gas Company
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**Socal Gas _ Right-Of-Way Maintenance
 2005 - 2012**

Taft	L8105	Low	Line 8105-8106, MP 13.78, 13.70 & 13.58, ROW/Access Rd. Maintenance	5-year Maint			
Taft	L85	Low	Taft - Line 85 ROW various locations (Blunt Nose Lizard Locations)	On Hold			\$20K - On Hold
Taft	L225	Low	ANF - Line 225 /19/85 Taft Culvert Repairs and Installation	On Hold			\$17K - On Hold
Taft		Low	ANF - Headwall Installations and Drainages - Taft	On Hold			\$20K - CDFG requiring mitigation - On Hold
Taft		Low	Line 225 MLV Gorman Post road	Complete			
Valencia		Low	ANF - Headwall and Culvert Installations in Drainages - Valencia - On Hold	On Hold			\$50K - CDFG requiring mitigation - On Hold
Valencia	L119	Low	ANF - Line 119 Pipeline Exposures in Access Roads / Vault abandonment MP 61.07 - Valencia	On Hold		Waiting to see if ANF requires work	\$15K - On Hold
Valencia	L119	Low	ANF - Line 119 Pipeline Exposures not in Access Roads - Posey canyon	On Hold			\$20K - On Hold
Valencia	L85	Low	ANF - Line 85 Posey Cyn	On Hold		Waiting to see if ANF requires work	\$25K - On Hold
Valencia	L104	Low	Line 104 Aliso Canyon ROW Grading / Culverts / Headwalls	Need Site Visit			
Ventura	L406	Low	Line 406, MP 4.23, Vegetation Clearance from around Pipeline Span, Barlow Canyon	Complete 5-year Maint			
Ventura	L406	Low	Line 406 - Hammon Canyon	Need to Investigate			
Ventura	L8109	Low	Line 8109 Bridge Supports and Painting	Permits Pending			
Ventura	L8109	Low	L-8109-Spans-Permitting, Removing exposed asbestos wrap, support deterring span banks, Coating/painting new exposed and span PL	Investigating		\$200K - Submit as Capital - Pipe supports on bridge need repair and pipe needs paint. E-mail from Mark Amendola to Jon Garcia dated 5/29/08 subject CIS testing Line 8109 found couple spans in poor condition w/external corrosion and questionable girth weld.	

High Priority	Total	\$1,118	15 Projects YTD
Medium Priority	Total	\$ 536	20 Projects YTD
Low Priority	Total	\$2,421	80 Projects YTD
	Grand Total	\$4,075	

[Forecast Reflects Only Costing Estimates as Determined To-Date]

Socal Gas Right-Of-Way Historical Spend Overview
 2005 - 2009

Cost Basis Background and Forecast

Appendix B (Right-of-Way - Historical Cost 2005 ~ 2009)

Direct Cost by Hier Node-Date Range

Company code 2200
 Plan Category O&M
 Fiscal year/period JAN 2005.. December 2009
 Key Figures Actual
 Cost center SEMIP/2200-0255 TECHNICAL SERVICES MGR
 CHATSWORTH - NSS

Fiscal year/period	SEMPSEU-COSTS		
	Purchased Labor	Materials	Services
JAN 2005	\$ 80,239		
February 2005	\$ 2,207		
MAR 2005	\$ 251,748		\$ 6,381
April 2005	\$ 55,016		
May 2005	\$ 9,814		
June 2005	\$ 109,340		\$ 6,820
July 2005	\$ 102,793		\$ 17,695
August 2005	\$ 105,798		\$ 14,908
September 2005	\$ 18,842		\$ 13,769
October 2005	\$ 105,499	\$ 87,442	\$ 18,057
November 2005	\$ 127,520		
December 2005	\$ 908,805	\$ 861,097	\$ 47,708
	\$ 1,890,823		

JAN 2006	\$ 36,903		
February 2006	\$ 68,019		
MAR 2006	\$ 116,641		\$ 750
April 2006	\$ 64,490		
May 2006	\$ 176,538		\$ 21,769
June 2006	\$ 76,280		
July 2006	\$ 196,942		
August 2006	\$ 146,668		
September 2006	\$ 296,577		
October 2006	\$ 47,800		
November 2006	\$ 143,287		
December 2006	\$ 397,100		
	\$ 1,767,244		

Southern California Gas Company
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**Socal Gas Right-Of-Way Historical Spend Overview
 2005 - 2009**

Fiscal year/period	SEMPSEU-COSTS		
	Purchased Labor	Materials	Services
JAN 2007	\$ 31,785		
February 2007	\$ 45,083		
MAR 2007	\$ 427,010	\$ 415,746	\$ 11,265
April 2007	\$ 42,673	\$ 42,673	
May 2007	\$ 10,859	\$ 10,859	
June 2007	\$ 51,802	\$ 51,802	
July 2007	\$ 570	\$ 570	
August 2007	\$ 55,307	\$ 52,078	\$ 3,230
September 2007	\$ 11,582	\$ 11,582	
October 2007	\$ 32,691	\$ 30,739	\$ 1,953
November 2007	\$ 123,621	\$ 123,621	
December 2007	\$ 159,367	\$ 159,367	
	\$ 992,351		
JAN 2008	\$ 6,552	\$ 6,552	
February 2008	\$ 78,752	\$ 78,752	
MAR 2008	\$ 44,525	\$ 44,525	
April 2008	\$ 2,245	\$ 2,052	\$ 193
May 2008	\$ 58,806	\$ 58,806	
June 2008	\$ 149,381	\$ 149,381	
July 2008	\$ 76,825	\$ 76,825	
August 2008	\$ 55,130	\$ 55,130	
September 2008	\$ 22,673	\$ 22,673	
October 2008	\$ 332,409	\$ 332,409	
November 2008	\$ 96,598	\$ 96,598	
December 2008	\$ 595,962	\$ 591,250	\$ 4,712
	\$ 1,519,857		
JAN 2009	\$ 44,357	\$ 44,340	\$ 17
February 2009	\$ 108,985	\$ 108,985	
MAR 2009	\$ 300,783	\$ 300,783	
April 2009	\$ 171,166	\$ 170,084	1,082
May 2009	\$ 1,698	\$ 1,664	\$ 34
June 2009	\$ 5,832	\$ 5,832	
July 2009	\$ 20,176	\$ 20,176	
August 2009	\$ 4,043	\$ 4,043	
September 2009	\$ 13,167	\$ 13,167	
October 2009	\$ 407		\$ 390
November 2009	\$ 2,647	\$ 2,647	\$ 17
December 2009	\$ 11,795	\$ 11,480	\$ 315
	\$ 685,054.73		

SoCal Gas _ Technical Service_ Process Manager and Advisor

Cost Basis Background and Forecast

The Technical Services staff is responsible for developing operational process changes in response to continuous and ever changing business needs. These process changes are designed to achieve multiple goals which include: regulatory compliance, operational efficiency, and employee and public safety. The functional work environment and activity of gas transportation is increasingly influenced by, and continuously evolving, as a result of the implementation of new technologies which are applicable to both field and administrative functions. The nature of these changes is not expected to slow down in future years, but rather is expected to increase in both frequency and magnitude. The expected increase in this activity necessitates an increase in managerial resources in order to remain proactive in our approach to ensuring system reliability and safety of operation.

Activities performed in support of sustaining system reliability, operational efficiency, and safe operation requires an adequate support staff capable of identifying operating impacts that result from regulatory changes, and identifying efficiency improvements to be realized through the adoption of new technologies.

Understanding the correlation and impact of such changes and working with the operating departments to address and mitigate out, as much as is practical, any negative impacts is crucial toward reducing the cost associated with our need to respond and comply with the changing operating environment, in addition to working to prevent higher cost which would otherwise result from non-compliance or disregard for potential operating improvements new technologies are capable of providing.

The two proposed incremental positions result in an annual increase of \$205,000 beginning in 2011.

The annual compensation forecast is based on comparative skill-set and task performance activities.

Position Title	Annual Cost	FTE
Process Manager	\$ 110,000	1.0
Process Analyst	95,000	1.0
Forecasted TY2012 Increase	\$ 205,000	2.0

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L

Summary of Shared Services Workpapers:

Description	In 2009 \$ (000) "Book Expense"			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
<i>A. Gas Transmission Operations</i>	3,983	3,865	4,161	4,152
<i>B. USS Billed-in from SDG&E</i>	0	0	0	0
<i>Total</i>	3,983	3,865	4,161	4,152

Southern California Gas Company
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 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Cost Center: VARIOUS

Summary for Category: A. Gas Transmission Operations

	In 2009\$ (000) "Book Expense"			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	3,435	3,292	3,579	3,579
Non-Labor	548	573	582	573
NSE	0	0	0	0
Total	3,983	3,865	4,161	4,152
FTE	43.7	44.8	48.8	48.8

Cost Centers belonging to this Category:

2200-0253.000 DIR TRANSMISSION - USS

Labor	238	245	245	245
Non-Labor	16	48	48	48
NSE	0	0	0	0
Total	254	293	293	293
FTE	2.5	4.0	4.0	4.0

2200-0265.000 FOM VICTORVILLE - USS

Labor	238	203	203	203
Non-Labor	31	29	29	29
NSE	0	0	0	0
Total	269	232	232	232
FTE	3.0	3.0	3.0	3.0

2200-0275.000 FOM OLYMPIC - USS

Labor	152	48	48	48
Non-Labor	10	2	2	2
NSE	0	0	0	0
Total	162	50	50	50
FTE	1.8	1.8	1.8	1.8

2200-0329.000 GAS SYSTEM OPERATIONS - USS

Labor	1,903	1,915	2,127	2,127
Non-Labor	449	452	461	452
NSE	0	0	0	0
Total	2,352	2,367	2,588	2,579
FTE	25.1	25.1	28.1	28.1

2200-2158.000 GAS SCHEDULING

Labor	403	396	471	471
Non-Labor	41	41	41	41
NSE	0	0	0	0
Total	444	437	512	512
FTE	5.4	5.4	6.4	6.4

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Cost Center: VARIOUS

In 2009\$ (000) "Book Expense"			
Adjusted-Recorded	Adjusted-Forecast		
2009	2010	2011	2012

2200-2172.000 TECHNICAL SERVICES MGR CHAT USS

Labor	501	485	485	485
Non-Labor	1	1	1	1
NSE	0	0	0	0
Total	502	486	486	486
FTE	5.9	5.5	5.5	5.5

Beginning of Workpaper
2200-0253.000 - DIR TRANSMISSION - USS

Southern California Gas Company
Test Year 2012 GRC - APP
Shared Services Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Gas Transmission Operations
Category-Sub: 1. Director Transmission
Cost Center: 2200-0253.000 - DIR TRANSMISSION - USS

Activity Description:

Salaries and expense associated with administration and leadership of the combined utility's Gas Transmission department are charged to this cost center. The cost center organization is responsible for overall operational and direction leadership, organization staffing requirements, work measurement and financial performance reporting. These task are performed by the Director, Administrative Associate, Senior Business Analyst, and Technical Specialist. Each of these positions performs task that are subject to allocation.

Forecast Methodology:

Labor - Base YR Rec

Base year recorded, adjusted as warranted to reflect any material changes in staffing.

Non-Labor - Base YR Rec

Base year recorded, adjusted as warranted to reflect any material changes in expenditure requirement.

NSE - Base YR Rec

Not Applicable

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 1. Director Transmission
 Cost Center: 2200-0253.000 - DIR TRANSMISSION - USS

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		350	302	311	301	270	279	279	279
Non-Labor		78	29	27	20	18	54	54	54
NSE		0	0	0	0	0	0	0	0
Total		428	331	338	321	288	333	333	333
FTE		3.8	3.0	2.8	2.8	2.5	4.0	4.0	4.0
		Allocations Out							
Labor		44	39	40	39	32	34	34	34
Non-Labor		5	4	4	3	2	6	6	6
NSE		0	0	0	0	0	0	0	0
Total		49	43	44	42	34	40	40	40
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		306	263	271	262	238	245	245	245
Non-Labor		73	25	23	17	16	48	48	48
NSE		0	0	0	0	0	0	0	0
Total		379	288	294	279	254	293	293	293
FTE		3.8	3.0	2.8	2.8	2.5	4.0	4.0	4.0
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		306	263	271	262	238	245	245	245
Non-Labor		73	25	23	17	16	48	48	48
NSE		0	0	0	0	0	0	0	0
Total		379	288	294	279	254	293	293	293
FTE		3.8	3.0	2.8	2.8	2.5	4.0	4.0	4.0

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 1. Director Transmission
 Cost Center: 2200-0253.000 - DIR TRANSMISSION - USS

Calculation of Book Expense:

	2009 Adjusted-Recorded					2010 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	6	0	0	6	0.00	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	264	18	0	282	2.50	279	54	0	333	4.00
% Allocation										
Retained	88.00%	88.00%				88.00%	88.00%			
SEU	12.00%	12.00%				12.00%	12.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	232	16	0	248		245	48	0	293	
SEU	32	2	0	34		34	6	0	40	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	270	18	0	288	2.50	279	54	0	333	4.00
Total Alloc. Out	32	2	0	34		34	6	0	40	
Total Retained	238	16	0	254		245	48	0	293	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	238	16	0	254		245	48	0	293	

	2011 Adjusted-Forecast					2012 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	0	0	0	0.00	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	279	54	0	333	4.00	279	54	0	333	4.00
% Allocation										
Retained	88.00%	88.00%				88.00%	88.00%			
SEU	12.00%	12.00%				12.00%	12.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	245	48	0	293		245	48	0	293	
SEU	34	6	0	40		34	6	0	40	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	279	54	0	333	4.00	279	54	0	333	4.00
Total Alloc. Out	34	6	0	40		34	6	0	40	
Total Retained	245	48	0	293		245	48	0	293	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	245	48	0	293		245	48	0	293	

Southern California Gas Company
Test Year 2012 GRC - APP
Shared Services Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Gas Transmission Operations
Category-Sub: 1. Director Transmission
Cost Center: 2200-0253.000 - DIR TRANSMISSION - USS

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

Expenses were allocated to SDG&E based on number of SDG&E Gas Transmission employees (34) divided by the total number of Gas Transmission employees (SoCalGas and SDG&E) (275). This methodology produced an allocation percentage to SDG&E of 12.0%.

Cost Center Allocation Percentage for 2010

Forecast of expense to be allocated to SDG&E based on number of SDG&E Gas Transmission employees (31) divided by the total number of Gas Transmission employees (SoCalGas and SDG&E) (251). This methodology produces an allocation percentage to SDG&E of 12.3%.

Cost Center Allocation Percentage for 2011

Same as applied to 2010

Cost Center Allocation Percentage for 2012

Same as applied to 2010

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 1. Director Transmission
 Cost Center: 2200-0253.000 - DIR TRANSMISSION - USS

Forecast Summary:

		In 2009 \$(000) "Incurred Costs"								
Forecast Method		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Labor	Base YR Rec	270	270	270	9	9	9	279	279	279
Non-Labor	Base YR Rec	18	18	18	36	36	36	54	54	54
NSE	Base YR Rec	0	0	0	0	0	0	0	0	0
Total		288	288	288	45	45	45	333	333	333
FTE	Base YR Rec	2.5	2.5	2.5	1.5	1.5	1.5	4.0	4.0	4.0

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010	-6	0	0	-6	0.0	1-Sided Adj
Due to budget alignment correction						
2010	15	0	0	15	0.0	1-Sided Adj
Due to budget alignment correction						
2010	0	0	0	0	1.5	1-Sided Adj
Due to budget alignment correction						
2010	0	36	0	36	0.0	1-Sided Adj
Due to budget alignment correction						
2010 Total	9	36	0	45	1.5	
2011	15	0	0	15	0.0	1-Sided Adj
Due to budget alignment correction						
2011	0	0	0	0	1.5	1-Sided Adj
Due to budget alignment correction						
2011	-6	0	0	-6	0.0	1-Sided Adj
Due to budget alignment correction						

Southern California Gas Company
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 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 1. Director Transmission
 Cost Center: 2200-0253.000 - DIR TRANSMISSION - USS

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2011	0	36	0	36	0.0	1-Sided Adj
Due to budget alignment correction						
2011 Total	9	36	0	45	1.5	
2012	-6	0	0	-6	0.0	1-Sided Adj
Due to budget alignment correction						
2012	15	0	0	15	0.0	1-Sided Adj
Due to budget alignment correction						
2012	0	36	0	36	0.0	1-Sided Adj
Due to budget alignment correction						
2012	0	0	0	0	1.5	1-Sided Adj
Due to budget alignment correction						
2012 Total	9	36	0	45	1.5	

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 1. Director Transmission
 Cost Center: 2200-0253.000 - DIR TRANSMISSION - USS

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	266	235	251	248	229
Non-Labor	70	27	-38	20	18
NSE	0	0	0	0	0
Total	335	262	213	268	247
FTE	3.2	2.5	2.4	2.3	2.1
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	0	0	64	0	0
NSE	0	0	0	0	0
Total	0	0	64	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	266	235	251	248	229
Non-Labor	70	27	26	20	18
NSE	0	0	0	0	0
Total	335	262	277	268	247
FTE	3.2	2.5	2.4	2.3	2.1
Vacation & Sick (Nominal \$)					
Labor	45	42	44	48	41
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	45	42	44	48	41
FTE	0.6	0.5	0.4	0.5	0.4
Escalation to 2009\$					
Labor	39	25	17	4	0
Non-Labor	9	2	1	0	0
NSE	0	0	0	0	0
Total	47	27	18	5	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	350	302	311	301	270
Non-Labor	78	29	27	20	18
NSE	0	0	0	0	0
Total	428	331	339	321	288
FTE	3.8	3.0	2.8	2.8	2.5

* After company-wide exclusions of Non-GRC costs

** Refer to "Detail of Adjustments to Recorded" page for line item adjustments

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 1. Director Transmission
 Cost Center: 2200-0253.000 - DIR TRANSMISSION - USS

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000) "Incurred Costs"				
	2005	2006	2007	2008	2009
Labor	0	0	0	0	0
Non-Labor	0	0	64	0	0
NSE	0	0	0	0	0
Total	0	0	64	0	0
FTE	0.0	0.0	0.0	0.0	0.0

Detail of Adjustments to Recorded:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005 Total	0	0	0	0.0			
2006 Total	0	0	0	0.0			
2007	0	60	0	0.0	1-Sided Adj	N/A	TP2RXL2009101 5173433747
Accounting adjustment: reallocation of shared operation & maintenance expense reimbursed SCG by PG&E for operation of pipeline 7200. \$64,000 credit posting included \$48,000 in reimbursable cost applicable to 1998, and \$12,000 in reimbursed cost applicable to period of 1999 through 2004. Remaining \$4,000 was applicable to periods of operation covering 2005 and 2006.							
2007	0	4	0	0.0	CCTR Transf	To 2200-0262.000	TP2RXL2009101 5175145157
Accounting adjustment: transfer of remaining credit posting for reimbursed shared pipeline maintenance expense applicable to periods of operation covering 2005 and 2006. Further reallocation of credits to applicable years is reflected in transferred cost center (2200-0262) detail.							
2007 Total	0	64	0	0.0			
2008 Total	0	0	0	0.0			

Southern California Gas Company
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Shared Services Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Gas Transmission Operations
Category-Sub: 1. Director Transmission
Cost Center: 2200-0253.000 - DIR TRANSMISSION - USS

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2009 Total	0	0	0	0.0			

Beginning of Workpaper
2200-0265.000 - FOM VICTORVILLE - USS

Southern California Gas Company
Test Year 2012 GRC - APP
Shared Services Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Gas Transmission Operations
Category-Sub: 2. FOM - Victorville
Cost Center: 2200-0265.000 - FOM VICTORVILLE - USS

Activity Description:

The cost center organization is responsible for departmental operational leadership, staffing management, operations and maintenance, regulatory compliance, work measurement and performance reporting for gas compression operations within both utilities. Responsibility for SDG&E's assets and operations include Moreno and Rainbow compressor stations. The shared services task are performed by the Field Operations Manager, 1 District Operation Manager and 1 Technical Specialist.positions. Each of these positions performs task that are subject to allocation.

Forecast Methodology:

Labor - Base YR Rec

Base year recorded, adjusted as warranted to reflect any material changes in staffing.

Non-Labor - Base YR Rec

Base year recorded, adjusted as warranted to reflect any material changes in expenditure requirement.

NSE - Base YR Rec

Not Applicable

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 2. FOM - Victorville
 Cost Center: 2200-0265.000 - FOM VICTORVILLE - USS

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		298	370	369	367	279	283	283	283
Non-Labor		24	46	39	33	36	40	40	40
NSE		0	0	0	0	0	0	0	0
Total		322	416	408	400	315	323	323	323
FTE		3.1	4.0	4.0	4.0	3.0	3.0	3.0	3.0
		Allocations Out							
Labor		46	59	59	59	41	80	80	80
Non-Labor		4	7	6	5	5	11	11	11
NSE		0	0	0	0	0	0	0	0
Total		50	66	65	64	46	91	91	91
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		252	311	310	308	238	203	203	203
Non-Labor		20	39	33	28	31	29	29	29
NSE		0	0	0	0	0	0	0	0
Total		272	350	343	336	269	232	232	232
FTE		3.1	4.0	4.0	4.0	3.0	3.0	3.0	3.0
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		252	311	310	308	238	203	203	203
Non-Labor		20	39	33	28	31	29	29	29
NSE		0	0	0	0	0	0	0	0
Total		272	350	343	336	269	232	232	232
FTE		3.1	4.0	4.0	4.0	3.0	3.0	3.0	3.0

Southern California Gas Company
Test Year 2012 GRC - APP
Shared Services Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Gas Transmission Operations
Category-Sub: 2. FOM - Victorville
Cost Center: 2200-0265.000 - FOM VICTORVILLE - USS

Calculation of Book Expense:

	2009 Adjusted-Recorded					2010 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	5	1	0	6	0.00	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	274	35	0	309	3.00	283	40	0	323	3.00
% Allocation										
Retained	84.91%	84.90%				71.80%	71.80%			
SEU	15.09%	15.10%				28.20%	28.20%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	233	30	0	263		203	29	0	232	
SEU	41	5	0	46		80	11	0	91	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	279	36	0	315	3.00	283	40	0	323	3.00
Total Alloc. Out	41	5	0	46		80	11	0	91	
Total Retained	238	31	0	269		203	29	0	232	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	238	31	0	269		203	29	0	232	

	2011 Adjusted-Forecast					2012 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	0	0	0	0.00	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	283	40	0	323	3.00	283	40	0	323	3.00
% Allocation										
Retained	71.80%	71.80%				71.80%	71.80%			
SEU	28.20%	28.20%				28.20%	28.20%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	203	29	0	232		203	29	0	232	
SEU	80	11	0	91		80	11	0	91	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	283	40	0	323	3.00	283	40	0	323	3.00
Total Alloc. Out	80	11	0	91		80	11	0	91	
Total Retained	203	29	0	232		203	29	0	232	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	203	29	0	232		203	29	0	232	

Southern California Gas Company
Test Year 2012 GRC - APP
Shared Services Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Gas Transmission Operations
Category-Sub: 2. FOM - Victorville
Cost Center: 2200-0265.000 - FOM VICTORVILLE - USS

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

Expenses were allocated to SDG&E based on number of SDG&E Gas Transmission employees (17) divided by the total number of Gas Transmission employees (SoCalGas and SDG&E) (105) reporting within this cost center organization. This methodology produced an allocation percentage to SDG&E of 16%.

Cost Center Allocation Percentage for 2010

Forecast of expense to be allocated to SDG&E based on number of SDG&E Gas Transmission employees (29) divided by the total number of Gas Transmission employees (SoCalGas and SDG&E) (103) reporting within this cost center organization. This methodology produces an allocation percentage to SDG&E of 28%.

Cost Center Allocation Percentage for 2011

Same as applied to 2010

Cost Center Allocation Percentage for 2012

Same as applied to 2010

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 2. FOM - Victorville
 Cost Center: 2200-0265.000 - FOM VICTORVILLE - USS

Forecast Summary:

		In 2009 \$(000) "Incurred Costs"								
Forecast Method		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Labor	Base YR Rec	279	279	279	4	4	4	283	283	283
Non-Labor	Base YR Rec	36	36	36	4	4	4	40	40	40
NSE	Base YR Rec	0	0	0	0	0	0	0	0	0
Total		315	315	315	8	8	8	323	323	323
FTE	Base YR Rec	3.0	3.0	3.0	0.0	0.0	0.0	3.0	3.0	3.0

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010	-5	0	0	-5	0.0	1-Sided Adj
Due to budget alignment correction						
2010	0	-1	0	-1	0.0	1-Sided Adj
Due to budget alignment correction						
2010	9	0	0	9	0.0	1-Sided Adj
Due to budget alignment correction						
2010	0	5	0	5	0.0	1-Sided Adj
Due to budget alignment correction						
2010 Total	4	4	0	8	0.0	
2011	-5	0	0	-5	0.0	1-Sided Adj
Due to budget alignment correction						
2011	0	-1	0	-1	0.0	1-Sided Adj
Due to budget alignment correction						
2011	9	0	0	9	0.0	1-Sided Adj
Due to budget alignment correction						

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 2. FOM - Victorville
 Cost Center: 2200-0265.000 - FOM VICTORVILLE - USS

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2011	0	5	0	5	0.0	1-Sided Adj
Due to budget alignment correction						
2011 Total	4	4	0	8	0.0	
2012	-5	0	0	-5	0.0	1-Sided Adj
Due to budget alignment correction						
2012	0	-1	0	-1	0.0	1-Sided Adj
Due to budget alignment correction						
2012	9	0	0	9	0.0	1-Sided Adj
Due to budget alignment correction						
2012	0	5	0	5	0.0	1-Sided Adj
Due to budget alignment correction						
2012 Total	4	4	0	8	0.0	

Southern California Gas Company
Test Year 2012 GRC - APP
Shared Services Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Gas Transmission Operations
Category-Sub: 2. FOM - Victorville
Cost Center: 2200-0265.000 - FOM VICTORVILLE - USS

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	226	288	298	303	236
Non-Labor	22	42	72	32	36
NSE	0	0	0	0	0
Total	248	331	370	335	271
FTE	2.6	3.4	3.4	3.3	2.6
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	0	0	-36	0	0
NSE	0	0	0	0	0
Total	0	0	-36	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	226	288	298	303	236
Non-Labor	22	42	37	32	36
NSE	0	0	0	0	0
Total	248	331	334	335	271
FTE	2.6	3.4	3.4	3.3	2.5
Vacation & Sick (Nominal \$)					
Labor	39	52	52	58	43
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	39	52	52	58	43
FTE	0.5	0.6	0.6	0.7	0.5
Escalation to 2009\$					
Labor	33	30	20	5	0
Non-Labor	3	4	2	0	0
NSE	0	0	0	0	0
Total	36	34	22	6	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	298	370	369	367	278
Non-Labor	24	46	39	33	36
NSE	0	0	0	0	0
Total	322	416	408	399	314
FTE	3.1	4.0	4.0	4.0	3.0

* After company-wide exclusions of Non-GRC costs

** Refer to "Detail of Adjustments to Recorded" page for line item adjustments

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 2. FOM - Victorville
 Cost Center: 2200-0265.000 - FOM VICTORVILLE - USS

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000) "Incurred Costs"				
	2005	2006	2007	2008	2009
Labor	0	0	0	0	0
Non-Labor	0	0	-36	0	0
NSE	0	0	0	0	0
Total	0	0	-36	0	0
FTE	0.0	0.0	0.0	0.0	0.0

Detail of Adjustments to Recorded:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005 Total	0	0	0	0.0			
2006 Total	0	0	0	0.0			
2007	0	-2	0	0.0	CCTR Transf	To 2200-0262.000	TP2RXL2009111 2091027967
							Odorant purchase associated with pipeline operation & maintenace, Taft district
2007	0	-6	0	0.0	CCTR Transf	To 2200-0262.000	TP2RXL2009111 2094119173
							Odorant purchase associated with pipeline operations within Taft District
2007	0	-28	0	0.0	CCTR Transf	To 2200-0264.000	TP2RXL2009111 2094308300
							Odorant purchase associated with gas compression, Wheeler Station
2007 Total	0	-36	0	0.0			
2008 Total	0	0	0	0.0			
2009 Total	0	0	0	0.0			

Beginning of Workpaper
2200-0275.000 - FOM OLYMPIC - USS

Southern California Gas Company
Test Year 2012 GRC - APP
Shared Services Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Gas Transmission Operations
Category-Sub: 3. FOM - Olympic
Cost Center: 2200-0275.000 - FOM OLYMPIC - USS

Activity Description:

The cost center organization responsible for departmental operational leadership, staffing management, operations and maintenance, regulatory compliance, work measurement and performance reporting for pipeline operations within both utilities. Responsibility for SDG&E's assets and operations consist of the Gas Transmission Pipeline system, and all associated metering & pressure monitoring equipment. Shared service task performed by the Field Operations Manager and 1 Technical Specialist. Each of the positions perform task subject to allocation.

Forecast Methodology:

Labor - Base YR Rec

Base year recorded, adjusted as warranted to reflect any material changes in staffing.

Non-Labor - Base YR Rec

Base year recorded, adjusted as warranted to reflect any material changes in expenditure requirement.

NSE - Base YR Rec

Not Applicable

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 3. FOM - Olympic
 Cost Center: 2200-0275.000 - FOM OLYMPIC - USS

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		189	273	270	148	176	48	48	48
Non-Labor		19	31	22	13	11	2	2	2
NSE		0	0	0	0	0	0	0	0
Total		208	304	292	161	187	50	50	50
FTE		2.0	3.0	2.8	1.3	1.8	1.8	1.8	1.8
		Allocations Out							
Labor		26	38	38	21	24	0	0	0
Non-Labor		3	4	3	2	1	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		29	42	41	23	25	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		163	235	232	127	152	48	48	48
Non-Labor		16	27	19	11	10	2	2	2
NSE		0	0	0	0	0	0	0	0
Total		179	262	251	138	162	50	50	50
FTE		2.0	3.0	2.8	1.3	1.8	1.8	1.8	1.8
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		163	235	232	127	152	48	48	48
Non-Labor		16	27	19	11	10	2	2	2
NSE		0	0	0	0	0	0	0	0
Total		179	262	251	138	162	50	50	50
FTE		2.0	3.0	2.8	1.3	1.8	1.8	1.8	1.8

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 3. FOM - Olympic
 Cost Center: 2200-0275.000 - FOM OLYMPIC - USS

Calculation of Book Expense:

	2009 Adjusted-Recorded					2010 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	0	0	0	0.00	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	176	11	0	187	1.80	48	2	0	50	1.80
% Allocation										
Retained	86.50%	86.50%				100.00%	100.00%			
SEU	13.50%	13.50%				0.00%	0.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	152	10	0	162		48	2	0	50	
SEU	24	1	0	25		0	0	0	0	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	176	11	0	187	1.80	48	2	0	50	1.80
Total Alloc. Out	24	1	0	25		0	0	0	0	
Total Retained	152	10	0	162		48	2	0	50	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	152	10	0	162		48	2	0	50	

	2011 Adjusted-Forecast					2012 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	0	0	0	0.00	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	48	2	0	50	1.80	48	2	0	50	1.80
% Allocation										
Retained	100.00%	100.00%				100.00%	100.00%			
SEU	0.00%	0.00%				0.00%	0.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	48	2	0	50		48	2	0	50	
SEU	0	0	0	0		0	0	0	0	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	48	2	0	50	1.80	48	2	0	50	1.80
Total Retained	48	2	0	50		48	2	0	50	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	48	2	0	50		48	2	0	50	

Southern California Gas Company
Test Year 2012 GRC - APP
Shared Services Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Gas Transmission Operations
Category-Sub: 3. FOM - Olympic
Cost Center: 2200-0275.000 - FOM OLYMPIC - USS

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

Expenses were allocated to SDG&E based on number of SDG&E Gas Transmission employees (14) divided by the total number of Gas Transmission employees (SoCalGas and SDG&E) (104) reporting within this cost center organization. This methodology produced an allocation percentage to SDG&E of 13.5%.

Cost Center Allocation Percentage for 2010

Expenses were allocated to SDG&E based on number of SDG&E Gas Transmission employees (14) divided by the total number of Gas Transmission employees (SoCalGas and SDG&E) (102) reporting within this cost center organization. This methodology produces an allocation percentage to SDG&E of 13.7%

Cost Center Allocation Percentage for 2011

Same as applied to 2010

Cost Center Allocation Percentage for 2012

Same as applied to 2010

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 3. FOM - Olympic
 Cost Center: 2200-0275.000 - FOM OLYMPIC - USS

Forecast Summary:

		In 2009 \$(000) "Incurred Costs"								
Forecast Method		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Labor	Base YR Rec	176	176	176	-128	-128	-128	48	48	48
Non-Labor	Base YR Rec	11	11	11	-9	-9	-9	2	2	2
NSE	Base YR Rec	0	0	0	0	0	0	0	0	0
Total		187	187	187	-137	-137	-137	50	50	50
FTE	Base YR Rec	1.8	1.8	1.8	0.0	0.0	0.0	1.8	1.8	1.8

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010	-128	0	0	-128	0.0	1-Sided Adj
2010 - Organization structure change; Adjustments to planned activity, costing, and shared service responsibility assignments.						
2010	0	-9	0	-9	0.0	1-Sided Adj
2010 - Organization structure change; Adjustments to planned activity, costing, and shared service responsibility assignments.						
2010 Total	-128	-9	0	-137	0.0	

2011	-128	0	0	-128	0.0	1-Sided Adj
2010 - Organization structure change; Adjustments to planned activity, costing, and shared service responsibility assignments.						
2011	0	-9	0	-9	0.0	1-Sided Adj
2010 - Organization structure change; Adjustments to planned activity, costing, and shared service responsibility assignments.						
2011 Total	-128	-9	0	-137	0.0	

2012	-128	0	0	-128	0.0	1-Sided Adj
2010 - Organization structure change; Adjustments to planned activity, costing, and shared service responsibility assignments.						

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 3. FOM - Olympic
 Cost Center: 2200-0275.000 - FOM OLYMPIC - USS

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2012	0	-9	0	-9	0.0	1-Sided Adj

2010 - Organization structure change; Adjustments to planned activity, costing, and shared service responsibility assignments.

2012 Total	-128	-9	0	-137	0.0	
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Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 3. FOM - Olympic
 Cost Center: 2200-0275.000 - FOM OLYMPIC - USS

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	144	213	218	122	149
Non-Labor	17	29	21	12	11
NSE	0	0	0	0	0
Total	161	241	239	135	159
FTE	1.7	2.5	2.4	1.1	1.5
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	144	213	218	122	149
Non-Labor	17	29	21	12	11
NSE	0	0	0	0	0
Total	161	241	239	135	159
FTE	1.7	2.5	2.4	1.1	1.5
Vacation & Sick (Nominal \$)					
Labor	25	38	38	24	27
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	25	38	38	24	27
FTE	0.3	0.5	0.4	0.2	0.3
Escalation to 2009\$					
Labor	21	22	14	2	0
Non-Labor	2	3	1	0	0
NSE	0	0	0	0	0
Total	23	25	16	2	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	189	273	270	148	176
Non-Labor	19	31	22	13	11
NSE	0	0	0	0	0
Total	208	304	292	161	186
FTE	2.0	3.0	2.8	1.3	1.8

* After company-wide exclusions of Non-GRC costs

** Refer to "Detail of Adjustments to Recorded" page for line item adjustments

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 3. FOM - Olympic
 Cost Center: 2200-0275.000 - FOM OLYMPIC - USS

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000) "Incurred Costs"				
	2005	2006	2007	2008	2009
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0

Detail of Adjustments to Recorded:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj_Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005 Total	0	0	0	0.0			
2006 Total	0	0	0	0.0			
2007 Total	0	0	0	0.0			
2008 Total	0	0	0	0.0			
2009 Total	0	0	0	0.0			

Beginning of Workpaper
2200-2172.000 - TECHNICAL SERVICES MGR CHAT USS

Southern California Gas Company
Test Year 2012 GRC - APP
Shared Services Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Gas Transmission Operations
Category-Sub: 4. Technical Services Manager
Cost Center: 2200-2172.000 - TECHNICAL SERVICES MGR CHAT USS

Activity Description:

The cost center organization is responsible for departmental operational leadership, staffing management, and technical support services of the combined utility's Gas Transmission - Technical Service departments. Shared service tasks are performed by the Technical Services Manager, Sr Engineer, Environmental Team Lead, 2 Technical Specialist and Environmental Admin Assistant. Each of the positions performs task that are subject to allocation.

Forecast Methodology:

Labor - Base YR Rec

Base year recorded, adjusted as warranted to reflect any material changes in staffing.

Non-Labor - Base YR Rec

Base year recorded, adjusted as warranted to reflect any material changes in expenditure requirement.

NSE - Base YR Rec

Not Applicable

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 4. Technical Services Manager
 Cost Center: 2200-2172.000 - TECHNICAL SERVICES MGR CHAT USS

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		335	309	304	512	545	528	528	528
Non-Labor		17	0	0	0	1	1	1	1
NSE		0	0	0	0	0	0	0	0
Total		352	309	304	512	546	529	529	529
FTE		3.5	3.5	3.2	6.0	5.9	5.5	5.5	5.5
		Allocations Out							
Labor		44	40	44	66	44	43	43	43
Non-Labor		2	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		46	40	44	66	44	43	43	43
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		291	269	260	446	501	485	485	485
Non-Labor		15	0	0	0	1	1	1	1
NSE		0	0	0	0	0	0	0	0
Total		306	269	260	446	502	486	486	486
FTE		3.5	3.5	3.2	6.0	5.9	5.5	5.5	5.5
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		291	269	260	446	501	485	485	485
Non-Labor		15	0	0	0	1	1	1	1
NSE		0	0	0	0	0	0	0	0
Total		306	269	260	446	502	486	486	486
FTE		3.5	3.5	3.2	6.0	5.9	5.5	5.5	5.5

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 4. Technical Services Manager
 Cost Center: 2200-2172.000 - TECHNICAL SERVICES MGR CHAT USS

Calculation of Book Expense:

	2009 Adjusted-Recorded					2010 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	0	0	0	0.00	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	545	1	0	546	5.90	528	1	0	529	5.50
% Allocation										
Retained	92.01%	92.01%				92.00%	92.00%			
SEU	7.99%	7.99%				8.00%	8.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	501	1	0	502		485	1	0	486	
SEU	44	0	0	44		43	0	0	43	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	545	1	0	546	5.90	528	1	0	529	5.50
Total Alloc. Out	44	0	0	44		43	0	0	43	
Total Retained	501	1	0	502		485	1	0	486	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	501	1	0	502		485	1	0	486	

	2011 Adjusted-Forecast					2012 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	0	0	0	0.00	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	528	1	0	529	5.50	528	1	0	529	5.50
% Allocation										
Retained	92.00%	92.00%				92.00%	92.00%			
SEU	8.00%	8.00%				8.00%	8.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	485	1	0	486		485	1	0	486	
SEU	43	0	0	43		43	0	0	43	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	528	1	0	529	5.50	528	1	0	529	5.50
Total Alloc. Out	43	0	0	43		43	0	0	43	
Total Retained	485	1	0	486		485	1	0	486	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	485	1	0	486		485	1	0	486	

Southern California Gas Company
Test Year 2012 GRC - APP
Shared Services Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Gas Transmission Operations
Category-Sub: 4. Technical Services Manager
Cost Center: 2200-2172.000 - TECHNICAL SERVICES MGR CHAT USS

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

Expenses were allocated to SDG&E based on number of SDG&E Gas Transmission employees (2) divided by the total number of Gas Transmission employees (SoCalGas and SDG&E) (25) reporting within this cost center organization. This methodology produced an allocation percentage to SDG&E of 8%.

Cost Center Allocation Percentage for 2010

Forecast of expense to be allocated to SDG&E based on number of SDG&E Gas Transmission employees (2) divided by the total number of Gas Transmission employees (SoCalGas and SDG&E) (25) reporting within this cost center organization. This methodology produces an allocation percentage to SDG&E of 8%.

Cost Center Allocation Percentage for 2011

Same as applied to 2010

Cost Center Allocation Percentage for 2012

Same as applied to 2010

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 4. Technical Services Manager
 Cost Center: 2200-2172.000 - TECHNICAL SERVICES MGR CHAT USS

Forecast Summary:

		In 2009 \$(000) "Incurred Costs"								
Forecast Method		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Labor	Base YR Rec	545	545	545	-17	-17	-17	528	528	528
Non-Labor	Base YR Rec	1	1	1	0	0	0	1	1	1
NSE	Base YR Rec	0	0	0	0	0	0	0	0	0
Total		546	546	546	-17	-17	-17	529	529	529
FTE	Base YR Rec	5.9	5.9	5.9	-0.4	-0.4	-0.4	5.5	5.5	5.5

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010	-17	0	0	-17	0.0	1-Sided Adj
Due to budget alignment correction						
2010	0	0	0	0	-0.4	1-Sided Adj
Due to budget alignment correction						
2010 Total	-17	0	0	-17	-0.4	
2011	-17	0	0	-17	0.0	1-Sided Adj
Due to budget alignment correction						
2011	0	0	0	0	-0.4	1-Sided Adj
Due to budget alignment correction						
2011 Total	-17	0	0	-17	-0.4	
2012	-17	0	0	-17	0.0	1-Sided Adj
Due to budget alignment correction						
2012	0	0	0	0	-0.4	1-Sided Adj
Due to budget alignment correction						

Southern California Gas Company
Test Year 2012 GRC - APP
Shared Services Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Gas Transmission Operations
Category-Sub: 4. Technical Services Manager
Cost Center: 2200-2172.000 - TECHNICAL SERVICES MGR CHAT USS

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2012 Total	-17	0	0	-17	-0.4	

Southern California Gas Company
Test Year 2012 GRC - APP
Shared Services Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Gas Transmission Operations
Category-Sub: 4. Technical Services Manager
Cost Center: 2200-2172.000 - TECHNICAL SERVICES MGR CHAT USS

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	255	240	245	423	462
Non-Labor	15	0	0	0	1
NSE	0	0	0	0	0
Total	270	241	245	423	463
FTE	3.0	3.0	2.8	5.0	5.0
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	255	240	245	423	462
Non-Labor	15	0	0	0	1
NSE	0	0	0	0	0
Total	270	241	245	423	463
FTE	3.0	3.0	2.7	5.0	5.0
Vacation & Sick (Nominal \$)					
Labor	43	43	43	81	83
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	43	43	43	81	83
FTE	0.5	0.5	0.5	1.0	0.9
Escalation to 2009\$					
Labor	37	25	16	8	0
Non-Labor	2	0	0	0	0
NSE	0	0	0	0	0
Total	39	25	16	8	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	335	309	304	512	545
Non-Labor	17	0	0	0	1
NSE	0	0	0	0	0
Total	352	309	304	512	546
FTE	3.5	3.5	3.2	6.0	5.9

* After company-wide exclusions of Non-GRC costs

** Refer to "Detail of Adjustments to Recorded" page for line item adjustments

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 4. Technical Services Manager
 Cost Center: 2200-2172.000 - TECHNICAL SERVICES MGR CHAT USS

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000) "Incurred Costs"				
	2005	2006	2007	2008	2009
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0

Detail of Adjustments to Recorded:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005 Total	0	0	0	0.0			
2006 Total	0	0	0	0.0			
2007 Total	0	0	0	0.0			
2008 Total	0	0	0	0.0			
2009 Total	0	0	0	0.0			

Beginning of Workpaper
2200-0329.000 - GAS SYSTEM OPERATIONS - USS

Southern California Gas Company
Test Year 2012 GRC - APP
Shared Services Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Gas Transmission Operations
Category-Sub: 5. Gas System Operations & Scheduling
Cost Center: 2200-0329.000 - GAS SYSTEM OPERATIONS - USS

Activity Description:

The cost center organization is responsible for real time operation and control of gas flow through the pipeline system. The group manages the planning, operation and maintenance of the Supervisory Control and Data Acquisition system (SCADA) that provides for remote monitoring and operation of valves, compressors, pressure regulation equipment, and gas flow across the system. The organization also is responsible for performance of studies and developing recommendations for pipeline or compression facility changes due to revised demand forecasts, new customers desiring service at a certain point for receipt, or suppliers requesting receipt point access. All positions assigned to the organization perform task that are subject to allocation.

Forecast Methodology:

Labor - Base YR Rec

Base year recorded, adjusted as warranted to reflect any material changes in staffing.

Non-Labor - Base YR Rec

Base year recorded, adjusted as warranted to reflect any material changes in expenditure requirement.

NSE - Base YR Rec

Not Applicable

Southern California Gas Company
Test Year 2012 GRC - APP
Shared Services Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Gas Transmission Operations
Category-Sub: 5. Gas System Operations & Scheduling
Cost Center: 2200-0329.000 - GAS SYSTEM OPERATIONS - USS

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		2,184	2,223	2,234	2,216	2,194	2,194	2,437	2,437
Non-Labor		664	617	552	682	514	514	524	514
NSE		0	0	0	0	0	0	0	0
Total		2,848	2,840	2,786	2,898	2,708	2,708	2,961	2,951
FTE		24.6	25.4	25.3	25.0	25.1	25.1	28.1	28.1
		Allocations Out							
Labor		285	286	289	335	291	279	310	310
Non-Labor		56	49	44	90	65	62	63	62
NSE		0	0	0	0	0	0	0	0
Total		341	335	333	425	356	341	373	372
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		1,899	1,937	1,945	1,881	1,903	1,915	2,127	2,127
Non-Labor		608	568	508	592	449	452	461	452
NSE		0	0	0	0	0	0	0	0
Total		2,507	2,505	2,453	2,473	2,352	2,367	2,588	2,579
FTE		24.6	25.4	25.3	25.0	25.1	25.1	28.1	28.1
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		1,899	1,937	1,945	1,881	1,903	1,915	2,127	2,127
Non-Labor		608	568	508	592	449	452	461	452
NSE		0	0	0	0	0	0	0	0
Total		2,507	2,505	2,453	2,473	2,352	2,367	2,588	2,579
FTE		24.6	25.4	25.3	25.0	25.1	25.1	28.1	28.1

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 5. Gas System Operations & Scheduling
 Cost Center: 2200-0329.000 - GAS SYSTEM OPERATIONS - USS

Calculation of Book Expense:

	2009 Adjusted-Recorded					2010 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	5	27	0	32	0.00	5	27	0	32	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	2,189	487	0	2,676	25.10	2,189	487	0	2,676	25.10
% Allocation										
Retained	86.71%	86.71%				87.24%	87.24%			
SEU	13.29%	13.29%				12.76%	12.76%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	1,898	422	0	2,320		1,910	425	0	2,335	
SEU	291	65	0	356		279	62	0	341	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	2,194	514	0	2,708	25.10	2,194	514	0	2,708	25.10
Total Alloc. Out	291	65	0	356		279	62	0	341	
Total Retained	1,903	449	0	2,352		1,915	452	0	2,367	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	1,903	449	0	2,352		1,915	452	0	2,367	

	2011 Adjusted-Forecast					2012 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	5	27	0	32	0.00	5	27	0	32	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	2,432	497	0	2,929	28.10	2,432	487	0	2,919	28.10
% Allocation										
Retained	87.24%	87.24%				87.24%	87.24%			
SEU	12.76%	12.76%				12.76%	12.76%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	2,122	434	0	2,556		2,122	425	0	2,547	
SEU	310	63	0	373		310	62	0	372	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	2,437	524	0	2,961	28.10	2,437	514	0	2,951	28.10
Total Alloc. Out	310	63	0	373		310	62	0	372	
Total Retained	2,127	461	0	2,588		2,127	452	0	2,579	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	2,127	461	0	2,588		2,127	452	0	2,579	

Southern California Gas Company
Test Year 2012 GRC - APP
Shared Services Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Gas Transmission Operations
Category-Sub: 5. Gas System Operations & Scheduling
Cost Center: 2200-0329.000 - GAS SYSTEM OPERATIONS - USS

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

Expenses were allocated to SDG&E based on the number of total customer SDG&E meters (838,806) divided by sum of total SoCalGas and SDG&E customer meters (6,306,817). This methodology produced an allocation percentage to SDG&E of 13.30%.

Cost Center Allocation Percentage for 2010

Forecast of expense to be allocated to SDG&E based on the number of total customer SDG&E meters (846,945) divided by sum of total SoCalGas and SDG&E customer meters (6,638,877). This methodology produces an allocation percentage to SDG&E of 12.76%.

Cost Center Allocation Percentage for 2011

Same as applied to 2010

Cost Center Allocation Percentage for 2012

Same as applied to 2010

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 5. Gas System Operations & Scheduling
 Cost Center: 2200-0329.000 - GAS SYSTEM OPERATIONS - USS

Forecast Summary:

		In 2009 \$(000) "Incurred Costs"								
Forecast Method		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Labor	Base YR Rec	2,194	2,194	2,194	0	243	243	2,194	2,437	2,437
Non-Labor	Base YR Rec	514	514	514	0	10	0	514	524	514
NSE	Base YR Rec	0	0	0	0	0	0	0	0	0
Total		2,708	2,708	2,708	0	253	243	2,708	2,961	2,951
FTE	Base YR Rec	25.1	25.1	25.1	0.0	3.0	3.0	25.1	28.1	28.1

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010 Total	0	0	0	0	0.0	
2011	0	10	0	10	0.0	1-Sided Adj
2011_ Equipment procurement - Compliance with new Federal Control Room Management legislation. (non-recurring annual expense)						
2011	73	0	0	73	0.0	1-Sided Adj
2011_ Gas Control Engineer - Staffing increase - Compliance with new Federal Control Room Management legislation.						
2011	78	0	0	78	0.0	1-Sided Adj
2011_ Gas Controller - Staffing increase - Compliance with new Federal Control Room Management legislation.						
2011	92	0	0	92	0.0	1-Sided Adj
2011_ Gas Control Supervisor - Staffing increase - Compliance with new Federal Control Room Management legislation.						
2011	0	0	0	0	1.0	1-Sided Adj
2011_ Gas Control Engineer - Staffing increase - Compliance with new Federal Control Room Management legislation.						
2011	0	0	0	0	1.0	1-Sided Adj
2011_ Gas Controller - Staffing increase - Compliance with new Federal Control Room Management legislation.						

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 5. Gas System Operations & Scheduling
 Cost Center: 2200-0329.000 - GAS SYSTEM OPERATIONS - USS

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2011	0	0	0	0	1.0	1-Sided Adj
2011_ Gas Control Supervisor - Staffing increase - Compliance with new Federal Control Room Management legislation.						
2011 Total	243	10	0	253	3.0	
2012	78	0	0	78	0.0	1-Sided Adj
2011_ Gas Controller - Staffing increase - Compliance with new Federal Control Room Management legislation.						
2012	92	0	0	92	0.0	1-Sided Adj
2011_ Gas Control Supervisor - Staffing increase - Compliance with new Federal Control Room Management legislation.						
2012	0	0	0	0	1.0	1-Sided Adj
2011_ Gas Controller - Staffing increase - Compliance with new Federal Control Room Management legislation.						
2012	0	0	0	0	1.0	1-Sided Adj
2011_ Gas Control Supervisor - Staffing increase - Compliance with new Federal Control Room Management legislation.						
2012	73	0	0	73	0.0	1-Sided Adj
2011_ Gas Control Engineer - Staffing increase - Compliance with new Federal Control Room Management legislation.						
2012	0	0	0	0	1.0	1-Sided Adj
2011_ Gas Control Engineer - Staffing increase - Compliance with new Federal Control Room Management legislation.						
2012 Total	243	0	0	243	3.0	

Southern California Gas Company
Test Year 2012 GRC - APP
Shared Services Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Gas Transmission Operations
Category-Sub: 5. Gas System Operations & Scheduling
Cost Center: 2200-0329.000 - GAS SYSTEM OPERATIONS - USS

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	1,660	1,731	1,801	808	598
Non-Labor	590	566	522	357	106
NSE	0	0	0	0	0
Total	2,249	2,297	2,323	1,165	704
FTE	20.8	21.4	21.4	9.0	6.7
Adjustments (Nominal \$) **					
Labor	0	0	0	1,022	1,260
Non-Labor	0	0	0	315	409
NSE	0	0	0	0	0
Total	0	0	0	1,337	1,669
FTE	0.0	0.0	0.0	11.9	14.4
Recorded-Adjusted (Nominal \$)					
Labor	1,660	1,731	1,801	1,830	1,858
Non-Labor	590	566	522	672	515
NSE	0	0	0	0	0
Total	2,249	2,297	2,323	2,502	2,373
FTE	20.8	21.5	21.4	20.9	21.1
Vacation & Sick (Nominal \$)					
Labor	283	309	314	353	336
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	283	309	314	353	336
FTE	3.8	3.9	3.9	4.1	4.0
Escalation to 2009\$					
Labor	241	182	119	33	0
Non-Labor	73	50	29	10	0
NSE	0	0	0	0	0
Total	315	232	148	43	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	2,184	2,222	2,234	2,215	2,194
Non-Labor	663	617	551	682	515
NSE	0	0	0	0	0
Total	2,847	2,839	2,785	2,897	2,709
FTE	24.6	25.4	25.3	25.0	25.1

* After company-wide exclusions of Non-GRC costs

** Refer to "Detail of Adjustments to Recorded" page for line item adjustments

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 5. Gas System Operations & Scheduling
 Cost Center: 2200-0329.000 - GAS SYSTEM OPERATIONS - USS

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000) "Incurred Costs"				
	2005	2006	2007	2008	2009
Labor	0	0	0	1,022	1,260
Non-Labor	0	0	0	315	409
NSE	0	0	0	0	0
Total	0	0	0	1,337	1,669
FTE	0.0	0.0	0.0	11.9	14.4

Detail of Adjustments to Recorded:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005 Total	0	0	0	0.0			
2006 Total	0	0	0	0.0			
2007 Total	0	0	0	0.0			
2008	71	0	0	0.0	1-Sided Adj	N/A	TP1RMC2009102 5090624897
Adjustment to compensate for unfilled position during year. Position was filled towards end of year as is evident in 2009 costs.							
2008	0	0	0	0.8	1-Sided Adj	N/A	TP1RMC2009102 5090957510
Adjustment to compensate for unfilled position during year. Position was filled towards end of year as is evident in 2009 costs.							
2008	951	0	0	0.0	CCTR Transf	From 2200-2289.000	TP2RXL2009092 4163553637
Adjustment reflects correction for cost center shared service designation error. Impacted cost represent expenses incurred in support of shared services.							
2008	0	315	0	0.0	CCTR Transf	From 2200-2289.000	TP2RXL2009092 4163703637
Adjustment reflects correction for cost center shared service designation error. Impacted cost represent expenses incurred in support of shared services.							

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 5. Gas System Operations & Scheduling
 Cost Center: 2200-0329.000 - GAS SYSTEM OPERATIONS - USS

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From Cctr</u>	<u>RefID</u>
2008	0	0	0	11.1	CCTR Transf	From 2200-2289.000	TP2RXL2009092 4163811153

Adjustment reflects correction for cost center shared service designation error.
 Impacted cost and resulting FTE's are reflective of expenses incurred in support of shared services.

2008 Total	1,022	315	0	11.9			
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2009	1,260	0	0	0.0	CCTR Transf	From 2200-2289.000	TP1RMC2010050 3100541703
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Adjustment reflects correction for cost center shared service designation error.
 Impacted cost and resulting FTE's are reflective of expenses incurred in support of shared services.

2009	0	409	0	0.0	CCTR Transf	From 2200-2289.000	TP1RMC2010050 3100610657
------	---	-----	---	-----	-------------	--------------------	-----------------------------

Adjustment reflects correction for cost center shared service designation error.
 Impacted cost and resulting FTE's are reflective of expenses incurred in support of shared services.

2009	0	0	0	14.4	CCTR Transf	From 2200-2289.000	TP1RMC2010050 3100640157
------	---	---	---	------	-------------	--------------------	-----------------------------

Adjustment reflects correction for cost center shared service designation error.
 Impacted cost and resulting FTE's are reflective of expenses incurred in support of shared services.

2009 Total	1,260	409	0	14.4			
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Beginning of Workpaper
2200-2158.000 - GAS SCHEDULING

Southern California Gas Company
Test Year 2012 GRC - APP
Shared Services Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Gas Transmission Operations
Category-Sub: 5. Gas System Operations & Scheduling
Cost Center: 2200-2158.000 - GAS SCHEDULING

Activity Description:

The cost center organization is responsible for managing the gas industry standard process of scheduling gas into the transmission pipeline system. Responsibilities include maximizing system capacity by balancing the system between in-state and out-of-state scheduled receipts and forecasted system demand, declaring operational flow orders and winter balancing enforcement. The organization is also responsible for managing transportation nominations based on priority rights to receipt capacities, confirming nominations to interstate and intrastate pipelines, reporting scheduling volumes to customers, tracking storage accounts and the imbalance trading process for customer owned gas supplies. The staff is also responsible for making regular postings to Envoy (electronic bulletin board system) regarding gas system conditions. These posting provide for communication, in a consistent manner, with the gas marketplace. All positions assigned to the organization perform task that are subject to allocation.

Forecast Methodology:

Labor - Base YR Rec

Base year recorded, adjusted as warranted to reflect any material changes in staffing.

Non-Labor - Base YR Rec

Base year recorded, adjusted as warranted to reflect any material changes in expenditure requirement.

NSE - Base YR Rec

Not Applicable

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 5. Gas System Operations & Scheduling
 Cost Center: 2200-2158.000 - GAS SCHEDULING

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		436	493	515	470	448	448	533	533
Non-Labor		16	19	25	28	46	46	46	46
NSE		0	0	0	0	0	0	0	0
Total		452	512	540	498	494	494	579	579
FTE		4.8	5.4	5.9	5.5	5.4	5.4	6.4	6.4
		Allocations Out							
Labor		36	39	41	46	45	52	62	62
Non-Labor		1	2	2	3	5	5	5	5
NSE		0	0	0	0	0	0	0	0
Total		37	41	43	49	50	57	67	67
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		400	454	474	424	403	396	471	471
Non-Labor		15	17	23	25	41	41	41	41
NSE		0	0	0	0	0	0	0	0
Total		415	471	497	449	444	437	512	512
FTE		4.8	5.4	5.9	5.5	5.4	5.4	6.4	6.4
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		400	454	474	424	403	396	471	471
Non-Labor		15	17	23	25	41	41	41	41
NSE		0	0	0	0	0	0	0	0
Total		415	471	497	449	444	437	512	512
FTE		4.8	5.4	5.9	5.5	5.4	5.4	6.4	6.4

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 5. Gas System Operations & Scheduling
 Cost Center: 2200-2158.000 - GAS SCHEDULING

Calculation of Book Expense:

	2009 Adjusted-Recorded					2010 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	0	0	0	0.00	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	448	46	0	494	5.40	448	46	0	494	5.40
% Allocation										
Retained	89.96%	89.97%				88.43%	88.43%			
SEU	10.04%	10.03%				11.57%	11.57%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	403	41	0	444		396	41	0	437	
SEU	45	5	0	50		52	5	0	57	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	448	46	0	494	5.40	448	46	0	494	5.40
Total Alloc. Out	45	5	0	50		52	5	0	57	
Total Retained	403	41	0	444		396	41	0	437	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	403	41	0	444		396	41	0	437	

	2011 Adjusted-Forecast					2012 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	0	0	0	0.00	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	533	46	0	579	6.40	533	46	0	579	6.40
% Allocation										
Retained	88.43%	88.43%				88.43%	88.43%			
SEU	11.57%	11.57%				11.57%	11.57%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	471	41	0	512		471	41	0	512	
SEU	62	5	0	67		62	5	0	67	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	533	46	0	579	6.40	533	46	0	579	6.40
Total Alloc. Out	62	5	0	67		62	5	0	67	
Total Retained	471	41	0	512		471	41	0	512	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	471	41	0	512		471	41	0	512	

Southern California Gas Company
Test Year 2012 GRC - APP
Shared Services Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Gas Transmission Operations
Category-Sub: 5. Gas System Operations & Scheduling
Cost Center: 2200-2158.000 - GAS SCHEDULING

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

Expenses were allocated to SDG&E based on the number of total non-core customer SDG&E meters (124) divided by sum of total SoCalGas and SDG&E non-core customer meters (1111). This methodology produced an allocation percentage to SDG&E of 11.16%.

Cost Center Allocation Percentage for 2010

Forecast of expense to be allocated to SDG&E based on the number of total non-core customer SDG&E meters (125) divided by sum of total SoCalGas and SDG&E non-core customer meters (1080). This methodology produces an allocation percentage to SDG&E of 11.57%.

Cost Center Allocation Percentage for 2011

Same as applied to 2010

Cost Center Allocation Percentage for 2012

Same as applied to 2010

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 5. Gas System Operations & Scheduling
 Cost Center: 2200-2158.000 - GAS SCHEDULING

Forecast Summary:

		In 2009 \$(000) "Incurred Costs"								
Forecast Method		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Labor	Base YR Rec	448	448	448	0	85	85	448	533	533
Non-Labor	Base YR Rec	46	46	46	0	0	0	46	46	46
NSE	Base YR Rec	0	0	0	0	0	0	0	0	0
Total		494	494	494	0	85	85	494	579	579
FTE	Base YR Rec	5.4	5.4	5.4	0.0	1.0	1.0	5.4	6.4	6.4

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010 Total	0	0	0	0	0.0	
2011	85	0	0	85	0.0	1-Sided Adj
2011_ Gas Scheduler - Staffing increase - Response to increasing legislative changes resulting in increased gas scheduling activity.						
2011	0	0	0	0	1.0	1-Sided Adj
2011_ Gas Scheduler - Staffing increase - Response to increasing legislative changes resulting in increased gas scheduling activity.						
2011 Total	85	0	0	85	1.0	
2012	85	0	0	85	0.0	1-Sided Adj
2011_ Gas Scheduler - Staffing increase - Response to increasing legislative changes resulting in increased gas scheduling activity.						
2012	0	0	0	0	1.0	1-Sided Adj
2011_ Gas Scheduler - Staffing increase - Response to increasing legislative changes resulting in increased gas scheduling activity.						
2012 Total	85	0	0	85	1.0	

Southern California Gas Company
Test Year 2012 GRC - APP
Shared Services Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: A. Gas Transmission Operations
Category-Sub: 5. Gas System Operations & Scheduling
Cost Center: 2200-2158.000 - GAS SCHEDULING

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	331	384	415	388	380
Non-Labor	14	17	23	67	46
NSE	0	0	0	0	0
Total	346	401	439	456	426
FTE	4.1	4.6	5.0	4.6	4.5
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	0	0	0	-39	0
NSE	0	0	0	0	0
Total	0	0	0	-39	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	331	384	415	388	380
Non-Labor	14	17	23	28	46
NSE	0	0	0	0	0
Total	346	401	439	416	426
FTE	4.1	4.6	5.0	4.6	4.5
Vacation & Sick (Nominal \$)					
Labor	57	69	72	75	69
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	57	69	72	75	69
FTE	0.7	0.8	0.9	0.9	0.9
Escalation to 2009\$					
Labor	48	40	27	7	0
Non-Labor	2	2	1	0	0
NSE	0	0	0	0	0
Total	50	42	29	7	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	436	493	515	470	448
Non-Labor	16	19	25	28	46
NSE	0	0	0	0	0
Total	452	511	540	499	494
FTE	4.8	5.4	5.9	5.5	5.4

* After company-wide exclusions of Non-GRC costs

** Refer to "Detail of Adjustments to Recorded" page for line item adjustments

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: A. Gas Transmission Operations
 Category-Sub: 5. Gas System Operations & Scheduling
 Cost Center: 2200-2158.000 - GAS SCHEDULING

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000) "Incurred Costs"				
	2005	2006	2007	2008	2009
Labor	0	0	0	0	0
Non-Labor	0	0	0	-39	0
NSE	0	0	0	0	0
Total	0	0	0	-39	0
FTE	0.0	0.0	0.0	0.0	0.0

Detail of Adjustments to Recorded:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005 Total	0	0	0	0.0			
2006 Total	0	0	0	0.0			
2007 Total	0	0	0	0.0			
2008	0	-39	0	0.0	1-Sided Adj	N/A	TP1RMC2009101 9141715167
One-time nonrecurring charge for special project assistance, Svc-Temp Agency Labor (CE 6220380).							
2008 Total	0	-39	0	0.0			
2009 Total	0	0	0	0.0			

Supplemental Workpapers for Workpaper 2200-2158.000

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

USS Cost		SDG&E Gas Trans Org Emp's		SCG GT Org Emp's		% SDG FTE's to Total FTE's		USS % to SDG	
Center & Positions subject to Alloc.		Mgmt	Repre	Total	Mgmt	Repre	Total	Total	12.4%
2200-0253		7	27	34	84	157	241	12.4%	Based on % SDG FTE's To Total FTE's
Director		Miles of Pipelines			Miles of Pipelines				
SBA II		160			2879			5.3%	
CMMS		# Compressor Stations			# Compressor Stations				
Adm Assoc		2			11			15.4%	

USS Cost		SDG&E Cc Org Emp's		SCG Cc Org Emp's		% SDG FTE's to Total FTE's		USS % to SDG	
Center & Positions subject to Alloc.		Mgmt	Repre	Total	Mgmt	Repre	Total	Total	16.2%
2200-0265		2	15	17	12	76	88	16.2%	Based on % SDG FTE's To Total FTE's
FOM - Vict		Miles of Pipelines			Miles of Pipelines				
DOM		0			1640			N/A	
T.S. Op's		# Compressor Stations			# Compressor Stations				
		2			11			15.4%	

USS Cost		SDG&E Cc Org Emp's		SCG Cc Org Emp's		% SDG FTE's to Total FTE's		USS % to SDG	
Center & Positions subject to Alloc.		Mgmt	Repre	Total	Mgmt	Repre	Total	Total	13.5%
2200-0275		2	12	14	12	78	90	13.5%	Based on % SDG FTE's To Total FTE's
FOM - Oly		Miles of Pipelines			Miles of Pipelines				
T.S. Op's		160			1,239			11.4%	
		# Compressor Stations			# Compressor Stations				
		N/A			N/A			N/A	

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

USS Cost Center & Positions subject to Alloc.		SDG&E Cc Org Emp's		SCG Cc Org Emp's		% SDG FTE's to Total FTE's		USS % to SDG	
Mgmt	Repre	Total	Mgmt	Repre	Total	Total		Based on % SDG FTE's To Total FTE's	
2200-2172	2	0	20	3	23	8.0%			
T.S. Mgr									
Env. TL									
2 Env T.S.									
Miles of Pipelines		Miles of Pipelines		Miles of Pipelines		Miles of Pipelines			
N/A		N/A		N/A		N/A			
# Compressor Stations		# Compressor Stations		# Compressor Stations		# Compressor Stations			
N/A		N/A		N/A		N/A			

	Forecasted Annual Average Gas Transmission Staffing			Total Gas Transmission		
	Mgmt	Repre	Total	Mgmt	Repre	Total
Dagg	0	0	0	3	0	3
Langer	2	15	17	14	91	105
Garcia	2	12	14	14	90	104
Wiegman	2	0	2	22	3	25
Ahern	1	0	1	38	0	38
Total Count	7	27	34	91	184	275

USS Cost Center & Positions subject to Alloc.	Forecasted Annual Average Core and Non-Core Meter Count (Envoy System)			% SDG to Total Meters			Total						
	SDG Core	Core & Non-Core	Total	Core	Non-Core	Total							
2200-0329	838,682	124	838,806	13.30%	11.16%	13.30%	6,305,706						
2200-2158							1,111						
All reporting under Cost Centers				Gas System Operations & Planning									
Gas Scheduling				Gas Scheduling									
				<table border="1"> <thead> <tr> <th># Core Meters</th> <th># Non-Core Meters</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>838,806</td> <td>5,468,011</td> <td>6,306,817</td> </tr> </tbody> </table>				# Core Meters	# Non-Core Meters	Total	838,806	5,468,011	6,306,817
# Core Meters	# Non-Core Meters	Total											
838,806	5,468,011	6,306,817											
				<table border="1"> <thead> <tr> <th>% of total</th> <th>13.30%</th> <th>86.70%</th> <th>100.00%</th> </tr> </thead> </table>				% of total	13.30%	86.70%	100.00%		
% of total	13.30%	86.70%	100.00%										

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

USS Cost Center & Positions subject to Alloc. 2200-0253 Director SBA II CMMS Adm Assoc	SDG&E Gas Trans Org Emp's		SCG GT Org Emp's		% SDG FTE's to Total FTE's		USS % to SDG	
	Mgmt	Repre	Mgmt	Repre	Total	Total	Based on % SDG FTE's To Total FTE's	12.4%
	6	25	71	149	12.4%			
	Total 31		Total 220					
	Miles of Pipelines		Miles of Pipelines		Miles of Pipelines			
	160		2879		5.3%			
	# Compressor Stations		# Compressor Stations		# Compressor Stations			
	2		11		15.4%			

rev: 4/1/10

USS Cost Center & Positions subject to Alloc. 2200-0265 FOM - V/ct DOM T.S. Ops	SDG&E Cc Org Emp's		SCG Cc Org Emp's		% SDG FTE's to Total FTE's		USS % to SDG	
	Mgmt	Repre	Mgmt	Repre	Total	Total	Based on % SDG FTE's To Total FTE's	28.2%
	4	25	8	66	28.2%			
	Total 29		Total 74					
	Miles of Pipelines		Miles of Pipelines		Miles of Pipelines			
	0		1640		N/A			
	# Compressor Stations		# Compressor Stations		# Compressor Stations			
	2		11		15.4%			

rev: 4/1/10

USS Cost Center & Positions subject to Alloc. 2200-0275 FOM - Oly T.S. Ops	SDG&E Cc Org Emp's		SCG Cc Org Emp's		% SDG FTE's to Total FTE's		USS % to SDG	
	Mgmt	Repre	Mgmt	Repre	Total	Total	Based on % SDG FTE's To Total FTE's	13.7%
	2	12	10	78	13.7%			
	Total 14		Total 88					
	Miles of Pipelines		Miles of Pipelines		Miles of Pipelines			
	160		1,239		11.4%			
	# Compressor Stations		# Compressor Stations		# Compressor Stations			
	N/A		N/A		N/A			

Cost Increase Driver

Department Of Transportation (DOT) 49 CFR, Parts 192 and 195
Pipeline and Hazardous Materials Safety Administration (PHMSA);
Docket ID PHMSA – 2007-27954; Amdt. Nos. 192-112 and 195-93

Final Ruling Summary

PHMSA is amending the Federal pipeline safety regulations to address human factors and other aspects of Control Room Management (CRM) for pipelines where controllers use Supervisory Control And Data Acquisition (SCADA) systems. Under the final rule, affected pipeline operators must define the roles and responsibilities of controllers and provide controllers with the necessary information, training and processes to fulfill these responsibilities. Operators must also implement methods to prevent controller fatigue. The final rule further requires operators to manage SCADA alarms, assure control room considerations are taken into account when changing pipeline equipment or configurations, and review reportable incidents or accidents to determine whether control room actions contributed to the event.

Basis for Increase

New PHMSA Alarm Management requirements

- Must have a written alarm management plan to provide for effective controller response to alarms – Alarm Philosophy
- Identify and review SCADA safety-alarms utilizing process that ensures alarms are accurate and support safe pipeline operations.
- Identify at minimum, once each calendar month, points affecting safety.
- Verify the correct safety-related alarm set-point values and alarm descriptions – once a year.
- Review alarm management plan annually.
- Monitor the content and volume of general activity – weekly
- Weekly audits of safety of safety related alarms – documentation
- SCADA Screen displays – review /current-validate accuracy (API RP 1165)
- Weekly reviews of nuisance/false alarms

Management of Change:

- Reduce or eliminate disruptions
- Improve consistency and ensure scheduled implementation
- Ensure that all parties affected are informed
- Documentation
 - Impact .50 FTE - Control Supervisor responsibility
 - .25 FTE - Engineer position responsibility w/final review by Gas Control Manager position

New PHMSA Fatigue Management requirements

Development, coordination and documentation of a wellness/safety program that will provide for "off board" time of controllers
Fatigue Recognition

Training

Procedures

Pipeline Control Room environment –(API RP 1113)

Requirement for restrictive work hours – daily and weekly, resulting in need for additional trained personnel.

Limitation restrictions on allowable hours of work resulting in need for re-flexibility in order to adequately staff shift-operations.

Work Schedules – limit on consecutive hours worked & consecutive shifts worked

Downtime between shifts

Rotating shift implications

Start time

Travel time – demographics of the work force

Sleep deprivation

Shift turnover duration

Absence coverage – (vacation, training, illness)

Management of Change:

Impact – .25 FTE - Control Supervisor responsibilities

Impact – .25 FTE - Controller responsibilities

New ongoing controller training requirements

Each operator must establish a controller training program and review the training program content to identify potential improvements at least once a year. An operator's program must provide for training each controller to carry out the roles and responsibilities defined by the operator.

- Responding top abnormal operating conditions
- Use of SCADA system
- Training of controllers on communication responsibilities
- Training on working knowledge of pipeline system/Storage
- Pipeline setups
- Compliance validation
- Records-documentation

Takes Controllers "off board" for periodic retraining and training updates

Yearly review and updates to program

Meet OPQUAL requirements

Management of Change:

Impact – .25 FTE - Control Supervisor responsibilities
Impact – .25 FTE - Controller responsibilities

Firm Access Rights - New California Regulatory requirements”

Application 10-03-028 (Filed March 29, 2010)
Southern California Gas Company (U 904 G) and
San Diego Gas & Electric Company (U 902 G)
Updating Firm Access Rights Service and Rates
Requires additional resources dedicated to forecasting and providing additional data to Envoy for posting – four cycles
OFO DATA
Blythe minimum forecast – daily – four cycles

Management of Change:

Impact – .25 Engineer/Supervisor responsibilities

Off-System Delivery Authority - New California Regulatory requirements

Application 08-06-006 (Filed June 6, 2008)
Southern California Gas Company (U 904 G) and
San Diego Gas & Electric Company (U 902 G)
To Expand Existing
Requires continual monitoring of minimum Off System deliveries allowed by receipt point and zone

Management of Change:

Impact – .25 FTE Supervisor responsibilities
Impact – .25 Engineer responsibilities

New requirements to manage Fire Preparedness program (RED FLAG):

Gas Control is responsible for the initiation of the Gas Operations Power Shutdown (GOPS) at the three main storage fields (Alliso, Honor Rancho & Goleta). A protocol has been developed outlining the actions to be followed during Red Flag episodes (De-energizing Overhead Power Lines at the Storage Fields).

New protocols implemented for monitoring wind speed and moisture content to trigger potential operational changes for Storage Fields
Requires program management and documentation

Management of Change:

Impact – .25 FTE Engineer responsibilities

Producer access:

Application 04-08-018 (Filed August 16, 2004)

Southern California gas Company

Establish Regulatory Authority Over the Access for Natural Gas provided California Gas Producers

California Gas Producers:

- Monitoring scheduled rates
- Imbalances
- Gas Quality
- Capacity limitations

Total impact potential is undergoing review.

Additional Tasks planned for spreading of responsibilities among the added personnel:

- o Monitoring Gas Quality
 - Monitor all GC DATA/LNG
 - CARB SPECS
 - Blending operations
 - Equipment status
 - Envoy postings
- o Emergency Planning
 - Relocation Exercises
 - Emergency Manuals/BRP/Curtailment& on call binders.

- o Shutdown Planning (Outage Coordinator)
 - Capacity impacts
 - Postings – and updates
 - Pipeline Integrity Inspection Operations
 - o Data requests
 - Research, Reporting, Documentation
- Management Change – .25 Engineer FTE/ Controller (pending requirements to be published by California Air Resources Board)

Cost Impact Calculation:

4 existing Gas Controller Staffed positions Annual Compensation Position #1 \$ 77,298 Position #2 \$ 77,548 Position #3 \$ 78,196 Position #4 \$ 80,054 <hr/> Avg Annual Compensation \$ 78,274	5 existing Gas Control Supervisor Staffed positions Annual Compensation Position #1 \$ 88,134 Position #2 \$ 91,204 Position #3 \$ 93,062 Position #4 \$ 93,835 Position #5 \$ 95,547 <hr/> Avg Annual Compensation \$ 92,356
1 existing Gas Control Engineer Staffed position Annual Compensation \$ 72,788	TY2012 Forecasted Increase \$ 243,418

Above cost forecast methodology was selected due to various tangibles (which are less predictable) i.e. selected candidates prior experience, knowledge of processes, then current compensation level in existing position, etc... will all impact final level of compensation the added position will warrant.

Basis for increase by 1 FTE is attributable to three pending applications currently before the CPUC. The final decisions from the CPUC will have impact to the already complex scheduling processes that occur for the 5 scheduling cycles per day plus added customer education and inquiries made to the existing staff.

The three applications are:

1. Application 04-08-018

(Filed August 16, 2004)
In the Matter of the Application of
Southern California Gas Company to
Establish Regulatory Authority Over the
Access for Natural Gas Provided by
California Gas Producers.

California Producer Balancing – Final decision would provide California gas producers to balance within ten percent on a weekly basis (defined as a seven-day rolling period x MDV x 10%) and that the payback period be for 14 days. If the imbalance is not paid back in 14 days, the under delivery and over delivery will be cashed out. (Approximately 1-3 hours per day)

- Additional customer inquiries and communication
- Monitor and Track Imbalances
- Manage Producer Trading Board
- Review, approve and close out balancing reports for cash outs

2. Application 08-06-006

(Filed June 6, 2008)
Application of Southern California Gas Company
(U 904G) and San Diego Gas & Electric
Company (U 902 G) to Expand Existing
Off-System Delivery Authority.

Off System Deliveries/Shipper Imbalances – This service would allow shippers to deliver gas supplies from SoCalGas to interconnecting pipelines via displacement.

(4 cycles per day - Approximately 2-4 hours per day)

- Additional customer inquiries and communication
- Manage system balancing between on-system receipts and off-system deliveries of gas supplies
- Increased complexity in scheduling at all major interconnects affecting nominations/confirmations/scheduled volumes
- Additional reporting
- Verification of cash outs
- Track, verify and clear out shipper imbalances occurring due to scheduling mismatches in Cycle 4.

3. Application 10-03-028

(Filed March 29, 2010)
Application of San Diego Gas & Electric Company
(U 902 G) and Southern California Gas Company
(U 904 G) Updating Firm Access Rights Service and
Rates.

FAR Update Application - Requests to make changes and modifications to the Firm Access Rights Service and authorize a fully-unbundled, cost-based rate design and the resulting FAR (Backbone Transportation Service) rate as well as the resultant updated rates by customer class. Requests authority for in-kind treatment of transmission fuel.

Additional processes or reporting for Gas Scheduling will be dependent on the final outcome of this application. (Approximately 1-4 hours per day)

- o Modification to scheduling priorities and OFO Calculation
- o Tracking and Reporting Reservation Charge Credits
- o In-Kind fuel tracking and reporting
- o Receipt Point Pools*

*Intervenors are proposing Receipt Point Pools which would add significantly to the scheduling complexity that is currently experienced on the SDG&E and SoCalGas System.

Cost Impact Calculation:

3 existing Senior Gas Scheduling Advisor positions	
Annual Compensation	
Position #1	\$ 82,225
Position #2	\$ 86,965
Position #3	\$ 86,986
Avg-Annual Compensation Basis	\$ 85,392

Above cost forecast methodology was selected due to various tangibles (which are less predictable) i.e. selected candidates prior experience, knowledge of processes, then current compensation level in existing position, etc... will all impact final level of compensation the added position will warrant.

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: B. USS Billed-in from SDG&E
 Cost Center: 2200-8922.000

Summary for Category: B. USS Billed-in from SDG&E

	In 2009\$ (000) "Book Expense"			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	0	0	0	0
Non-Labor	0	0	0	0
NSE	0	0	0	0
Total	0	0	0	0
FTE	0.0	0.0	0.0	0.0

Cost Centers belonging to this Category:

2200-8922.000 Billed-in Cost Center for GAS TRANSMISSION

Labor	0	0	0	0
Non-Labor	0	0	0	0
NSE	0	0	0	0
Total	0	0	0	0
FTE	0.0	0.0	0.0	0.0

Beginning of Workpaper
2200-8922.000 - Billed-in Cost Center for GAS TRANSMISSION

Southern California Gas Company
Test Year 2012 GRC - APP
Shared Services Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: B. USS Billed-in from SDG&E
Category-Sub: 1. USS Billed_to_CCTR for Gas Transmission
Cost Center: 2200-8922.000 - Billed-in Cost Center for GAS TRANSMISSION

Activity Description:

This cost center was created for GRC to receive the billed-in costs for functional area - GAS TRANSMISSION

Forecast Methodology:

Labor - Base YR Rec

Cost center not utilized because of absence of applicable cost

Non-Labor - Base YR Rec

Cost center not utilized because of absence of applicable cost

NSE - Base YR Rec

Cost center not utilized because of absence of applicable cost

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: B. USS Billed-in from SDG&E
 Category-Sub: 1. USS Billed_to_CCTR for Gas Transmission
 Cost Center: 2200-8922.000 - Billed-in Cost Center for GAS TRANSMISSION

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Allocations Out							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: B. USS Billed-in from SDG&E
 Category-Sub: 1. USS Billed_to_CCTR for Gas Transmission
 Cost Center: 2200-8922.000 - Billed-in Cost Center for GAS TRANSMISSION

Calculation of Book Expense:

	2009 Adjusted-Recorded					2010 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	0	0	0	0.00	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	0	0	0	0	0.00	0	0	0	0	0.00
\$ Allocation										
Retained	0	0	0	0		0	0	0	0	
SEU	0	0	0	0		0	0	0	0	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	0	0	0	0	0.00	0	0	0	0	0.00
Total Retained	0	0	0	0		0	0	0	0	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	0	0	0	0		0	0	0	0	

	2011 Adjusted-Forecast					2012 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	0	0	0	0.00	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	0	0	0	0	0.00	0	0	0	0	0.00
\$ Allocation										
Retained	0	0	0	0		0	0	0	0	
SEU	0	0	0	0		0	0	0	0	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	0	0	0	0	0.00	0	0	0	0	0.00
Total Retained	0	0	0	0		0	0	0	0	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	0	0	0	0		0	0	0	0	

Southern California Gas Company
Test Year 2012 GRC - APP
Shared Services Workpapers

Area: GAS TRANSMISSION
Witness: Dagg, John L
Category: B. USS Billed-in from SDG&E
Category-Sub: 1. USS Billed_to_CCTR for Gas Transmission
Cost Center: 2200-8922.000 - Billed-in Cost Center for GAS TRANSMISSION

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

N/A

Cost Center Allocation Percentage for 2010

N/A

Cost Center Allocation Percentage for 2011

N/A

Cost Center Allocation Percentage for 2012

N/A

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: B. USS Billed-in from SDG&E
 Category-Sub: 1. USS Billed_to_CCTR for Gas Transmission
 Cost Center: 2200-8922.000 - Billed-in Cost Center for GAS TRANSMISSION

Forecast Summary:

		In 2009 \$(000) "Incurred Costs"								
Forecast Method		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Labor	Base YR Rec	0	0	0	0	0	0	0	0	0
Non-Labor	Base YR Rec	0	0	0	0	0	0	0	0	0
NSE	Base YR Rec	0	0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0	0
FTE	Base YR Rec	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010 Total	0	0	0	0	0.0	
2011 Total	0	0	0	0	0.0	
2012 Total	0	0	0	0	0.0	

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: B. USS Billed-in from SDG&E
 Category-Sub: 1. USS Billed to CCTR for Gas Transmission
 Cost Center: 2200-8922.000 - Billed-in Cost Center for GAS TRANSMISSION

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Vacation & Sick (Nominal \$)					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Escalation to 2009\$					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0

* After company-wide exclusions of Non-GRC costs

** Refer to "Detail of Adjustments to Recorded" page for line item adjustments

Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: GAS TRANSMISSION
 Witness: Dagg, John L
 Category: B. USS Billed-in from SDG&E
 Category-Sub: 1. USS Billed_to_CCTR for Gas Transmission
 Cost Center: 2200-8922.000 - Billed-in Cost Center for GAS TRANSMISSION

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000) "Incurred Costs"				
	2005	2006	2007	2008	2009
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0

Detail of Adjustments to Recorded:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj_Type</u>	<u>From Cctr</u>	<u>RefID</u>
2005 Total	0	0	0	0.0			
2006 Total	0	0	0	0.0			
2007 Total	0	0	0	0.0			
2008 Total	0	0	0	0.0			
2009 Total	0	0	0	0.0			

Southern California Gas Company
 Test Year 2012 GRC - APP
 Non-Shared Service Workpapers

Area: GOGT - GAS TRANSMISSION
 Witness: Dagg, John L

Appendix A: List of Non-Shared Cost Centers

Cost Center	Sub	Description
2200-0255	000	TECHNICAL SERVICES MGR CHATSWORTH - NSS
2200-0257	000	DOM VENTURA
2200-0258	000	FOS VALENCIA
2200-0259	000	DOM VENTURA
2200-0260	000	FOS GOLETA
2200-0261	000	DOM TAFT
2200-0262	000	TAFT
2200-0263	000	COMPRESSOR STATION - VENTURA
2200-0264	000	COMPRESSOR STATION WHEELER RIDGE
2200-0266	000	DOM BLYTHE/NDLS (BR)
2200-0267	000	STA MAINT BLYTHE - (BJ)
2200-0268	000	BLYTHE PIPELINE - (Y4)
2200-0269	000	STAT MAINT NDLS - (BS)
2200-0270	000	NEEDLES PIPELINE(Y6)
2200-0271	000	DOM VICTORVILLE - NSS
2200-0272	000	STA MAINT SUPR NEWBERRY
2200-0273	000	FOS BEAUMONT
2200-0274	000	FOS VICTORVILLE
2200-0276	000	DOM BREA
2200-0277	000	DOM OLYMPIC
2200-1215	000	COMP STAT-N.NDLS - (9H)
2200-1216	000	COMP STAT-KELSO - (9J)
2200-1219	000	COMP STA - NEWBERRY
2200-1221	000	COMP STAT - DC (9K)
2200-1222	000	COMP STAT - CC (9L)
2200-1223	000	COMP STA - ADELANTO
2200-1265	000	COMPRESSOR STATION SYLMAR
2200-2170	000	DIR TRANSMISSION - NSS
2200-2173	000	FOM VICTORVILLE - NSS
2200-2175	000	FOM OLYMPIC - NSS
2200-2209	000	C.P. OPERATIONS VICTORVILLE
2200-2210	000	C.P. OPERATIONS CHATSWORTH