

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-12-WP)

WORKPAPERS TO  
PREPARED DIRECT TESTIMONY  
OF JEFFREY C. NICHOLS  
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

DECEMBER 2010



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DECEMBER 2010



**2012 General Rate Case - APP  
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**Exhibit SCG-12 - INFORMATION TECHNOLOGY**

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**Overall Summary For Exhibit No. SCG-12**

**Area: INFORMATION TECHNOLOGY**

**Witness: Nichols, Jeffrey Cecil**

| Description                | In 2009 \$ (000)  |                   |        |        |
|----------------------------|-------------------|-------------------|--------|--------|
|                            | Adjusted-Recorded | Adjusted-Forecast |        |        |
|                            | 2009              | 2010              | 2011   | 2012   |
| <i>Non-Shared Services</i> | 26                | 377               | 377    | 377    |
| <i>Shared Services</i>     | 44,137            | 47,175            | 49,591 | 52,029 |
| <b>Total</b>               | 44,163            | 47,552            | 49,968 | 52,406 |

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

Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil

**Summary of Non-Shared Services Workpapers:**

| Description           | In 2009 \$ (000)  |                   |      |      |
|-----------------------|-------------------|-------------------|------|------|
|                       | Adjusted-Recorded | Adjusted-Forecast |      |      |
|                       | 2009              | 2010              | 2011 | 2012 |
| A. ED, TRNG, COMM SCG | 26                | 377               | 377  | 377  |
| Total                 | 26                | 377               | 377  | 377  |

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

Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil  
 Category: A. ED, TRNG, COMM SCG  
 Workpaper: 2IT001.000

**Summary for Category: A. ED, TRNG, COMM SCG**

|           | In 2009\$ (000)   |                   |      |      |
|-----------|-------------------|-------------------|------|------|
|           | Adjusted-Recorded | Adjusted-Forecast |      |      |
|           | 2009              | 2010              | 2011 | 2012 |
| Labor     | 6                 | 328               | 328  | 328  |
| Non-Labor | 20                | 49                | 49   | 49   |
| NSE       | 0                 | 0                 | 0    | 0    |
| Total     | 26                | 377               | 377  | 377  |
| FTE       | 0.1               | 4.0               | 4.0  | 4.0  |

**Workpapers belonging to this Category:**  
**2IT001.000 ETC Smart Meter**

|           |     |     |     |     |
|-----------|-----|-----|-----|-----|
| Labor     | 6   | 328 | 328 | 328 |
| Non-Labor | 20  | 49  | 49  | 49  |
| NSE       | 0   | 0   | 0   | 0   |
| Total     | 26  | 377 | 377 | 377 |
| FTE       | 0.1 | 4.0 | 4.0 | 4.0 |

**Beginning of Workpaper  
2IT001.000 - ETC Smart Meter**

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

Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil  
 Category: A. ED, TRNG, COMM SCG  
 Category-Sub: 1. ED, TRNG, COMM SCG  
 Workpaper: 2IT001.000 - ETC Smart Meter

**Activity Description:**

). This group represents IT's services to these internal clients in an account management function to assist clients in achieving greater business optimization through the improved and effective use of IT's services. Specific functions include facilitating the resolution of problems where standard processes are not adequate, understanding the business operations and recommending further use of IT or outside technology services to improve the business and/or to save money. Educating clients on the value of IT policies and standards and bringing client needs to IT that would otherwise go unrecognized.

**Forecast Methodology:**

**Labor - Zero-Based**

Forecast amounts for years 2010-2012 were developed based on zero based method this is a new cost center and this method more accurately reflects the expected costs as there are no trends to be used for comparisons.

**Non-Labor - Zero-Based**

Forecast amounts for years 2010-2012 were developed based on zero based method this is a new cost center and this method more accurately reflects the expected costs as there are no trends to be used for comparisons.

**NSE - Zero-Based**

Forecast amounts for years 2010-2012 were developed based on zero based method this is a new cost center and this method more accurately reflects the expected costs as there are no trends to be used for comparisons.

**Summary of Results:**

|           | In 2009\$ (000)   |      |      |      |      |                   |      |      |
|-----------|-------------------|------|------|------|------|-------------------|------|------|
|           | Adjusted-Recorded |      |      |      |      | Adjusted-Forecast |      |      |
|           | 2005              | 2006 | 2007 | 2008 | 2009 | 2010              | 2011 | 2012 |
| Years     |                   |      |      |      |      |                   |      |      |
| Labor     | 0                 | 0    | 0    | 0    | 6    | 328               | 328  | 328  |
| Non-Labor | 0                 | 0    | 0    | 0    | 20   | 49                | 49   | 49   |
| NSE       | 0                 | 0    | 0    | 0    | 0    | 0                 | 0    | 0    |
| Total     | 0                 | 0    | 0    | 0    | 26   | 377               | 377  | 377  |
| FTE       | 0.0               | 0.0  | 0.0  | 0.0  | 0.1  | 4.0               | 4.0  | 4.0  |

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

Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil  
 Category: A. ED, TRNG, COMM SCG  
 Category-Sub: 1. ED, TRNG, COMM SCG  
 Workpaper: 2IT001.000 - ETC Smart Meter

**Forecast Summary:**

| Forecast Method |            | In 2009 \$(000) |      |      |                      |      |      |                   |      |      |
|-----------------|------------|-----------------|------|------|----------------------|------|------|-------------------|------|------|
|                 |            | Base Forecast   |      |      | Forecast Adjustments |      |      | Adjusted-Forecast |      |      |
|                 |            | 2010            | 2011 | 2012 | 2010                 | 2011 | 2012 | 2010              | 2011 | 2012 |
| Labor           | Zero-Based | 0               | 0    | 0    | 328                  | 328  | 328  | 328               | 328  | 328  |
| Non-Labor       | Zero-Based | 0               | 0    | 0    | 49                   | 49   | 49   | 49                | 49   | 49   |
| NSE             | Zero-Based | 0               | 0    | 0    | 0                    | 0    | 0    | 0                 | 0    | 0    |
| Total           |            | 0               | 0    | 0    | 377                  | 377  | 377  | 377               | 377  | 377  |
| FTE             | Zero-Based | 0.0             | 0.0  | 0.0  | 4.0                  | 4.0  | 4.0  | 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   | 328          | 0           | 0          | 328          | 0.0        | 1-Sided Adj     |
| This is the labor for 4 FTE's  |              |             |            |              |            |                 |
| 2010   | 0            | 0           | 0          | 0            | 4.0        | 1-Sided Adj     |
| This is the labor for 4 FTE's  |              |             |            |              |            |                 |
| 2010   | 0            | 49          | 0          | 49           | 0.0        | 1-Sided Adj     |
| This non labor funding cover employee expenses, material and services. |              |             |            |              |            |                 |
| <b>2010 Total</b>  | <b>328</b>   | <b>49</b>   | <b>0</b>   | <b>377</b>   | <b>4.0</b> |                 |
| 2011   | 328          | 0           | 0          | 328          | 0.0        | 1-Sided Adj     |
| This is the labor for 4 FTE's  |              |             |            |              |            |                 |
| 2011   | 0            | 0           | 0          | 0            | 4.0        | 1-Sided Adj     |
| This is the labor for 4 FTE's  |              |             |            |              |            |                 |
| 2011   | 0            | 49          | 0          | 49           | 0.0        | 1-Sided Adj     |
| This non labor funding cover employee expenses, material and services. |              |             |            |              |            |                 |
| <b>2011 Total</b>  | <b>328</b>   | <b>49</b>   | <b>0</b>   | <b>377</b>   | <b>4.0</b> |                 |

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

Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil  
 Category: A. ED, TRNG, COMM SCG  
 Category-Sub: 1. ED, TRNG, COMM SCG  
 Workpaper: 2IT001.000 - ETC Smart Meter

| <u>Year/Expl.</u>  | <u>Labor</u> | <u>NLbr</u> | <u>NSE</u> | <u>Total</u> | <u>FTE</u> | <u>Adj Type</u> |
|--|--------------|-------------|------------|--------------|------------|-----------------|
| 2012   | 328          | 0           | 0          | 328          | 0.0        | 1-Sided Adj     |
| This is the labor for 4 FTE's  |              |             |            |              |            |                 |
| 2012   | 0            | 0           | 0          | 0            | 4.0        | 1-Sided Adj     |
| This is the labor for 4 FTE's  |              |             |            |              |            |                 |
| 2012   | 0            | 49          | 0          | 49           | 0.0        | 1-Sided Adj     |
| This non labor funding cover employee expenses, material and services. |              |             |            |              |            |                 |
| <b>2012 Total</b>  | <b>328</b>   | <b>49</b>   | <b>0</b>   | <b>377</b>   | <b>4.0</b> |                 |

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

Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil  
 Category: A. ED, TRNG, COMM SCG  
 Category-Sub: 1. ED, TRNG, COMM SCG  
 Workpaper: 2IT001.000 - ETC Smart Meter

**Determination of Adjusted-Recorded:**

|  | 2005 (\$000) | 2006 (\$000) | 2007 (\$000) | 2008 (\$000) | 2009 (\$000) |
|--|--------------|--------------|--------------|--------------|--------------|
| <b>Recorded (Nominal \$)*</b>              |              |              |              |              |              |
| Labor                                      | 0            | 0            | 0            | 0            | 5            |
| Non-Labor                                  | 0            | 0            | 0            | 0            | 20           |
| NSE  | 0            | 0            | 0            | 0            | 0            |
| Total                                      | 0            | 0            | 0            | 0            | 25           |
| FTE  | 0.0          | 0.0          | 0.0          | 0.0          | 0.1          |
| <b>Adjustments (Nominal \$) **</b>         |              |              |              |              |              |
| 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          |
| <b>Recorded-Adjusted (Nominal \$)</b>      |              |              |              |              |              |
| Labor                                      | 0            | 0            | 0            | 0            | 5            |
| Non-Labor                                  | 0            | 0            | 0            | 0            | 20           |
| NSE  | 0            | 0            | 0            | 0            | 0            |
| Total                                      | 0            | 0            | 0            | 0            | 25           |
| FTE  | 0.0          | 0.0          | 0.0          | 0.0          | 0.1          |
| <b>Vacation &amp; Sick (Nominal \$)</b>    |              |              |              |              |              |
| Labor                                      | 0            | 0            | 0            | 0            | 1            |
| Non-Labor                                  | 0            | 0            | 0            | 0            | 0            |
| NSE  | 0            | 0            | 0            | 0            | 0            |
| Total                                      | 0            | 0            | 0            | 0            | 1            |
| FTE  | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Escalation to 2009\$</b>                |              |              |              |              |              |
| 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          |
| <b>Recorded-Adjusted (Constant 2009\$)</b> |              |              |              |              |              |
| Labor                                      | 0            | 0            | 0            | 0            | 6            |
| Non-Labor                                  | 0            | 0            | 0            | 0            | 20           |
| NSE  | 0            | 0            | 0            | 0            | 0            |
| Total                                      | 0            | 0            | 0            | 0            | 26           |
| FTE  | 0.0          | 0.0          | 0.0          | 0.0          | 0.1          |

\* 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  
 Non-Shared Service Workpapers

Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil  
 Category: A. ED, TRNG, COMM SCG  
 Category-Sub: 1. ED, TRNG, COMM SCG  
 Workpaper: 2IT001.000 - ETC Smart Meter

**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        |                 |                  |              |

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

Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil

**Summary of Shared Services Workpapers:**

| Description  | In 2009 \$ (000) "Book Expense" |                   |        |        |
|--|---------------------------------|-------------------|--------|--------|
|  | Adjusted-Recorded               | Adjusted-Forecast |        |        |
|  | 2009                            | 2010              | 2011   | 2012   |
| <i>A. VP Information Technology</i>                    | 93                              | 95                | 95     | 95     |
| <i>B. Client Services &amp; Enterprise Support Dir</i> | 136                             | 165               | 165    | 165    |
| <i>C. Network Communication Services Director</i>      | 1,722                           | 1,722             | 1,751  | 1,751  |
| <i>D. USS Billed-in from SDG&amp;E</i>                 | 42,186                          | 45,193            | 47,580 | 50,018 |
| <i>Total</i>   | 44,137                          | 47,175            | 49,591 | 52,029 |

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

Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil  
 Category: A. VP Information Technology  
 Cost Center: 2200-2166.000

**Summary for Category: A. VP Information Technology**

|           | In 2009\$ (000) "Book Expense" |                   |      |      |
|-----------|--------------------------------|-------------------|------|------|
|           | Adjusted-Recorded              | Adjusted-Forecast |      |      |
|           | 2009                           | 2010              | 2011 | 2012 |
| Labor     | 88                             | 90                | 90   | 90   |
| Non-Labor | 5                              | 5                 | 5    | 5    |
| NSE       | 0                              | 0                 | 0    | 0    |
| Total     | 93                             | 95                | 95   | 95   |
| FTE       | 0.8                            | 1.0               | 1.0  | 1.0  |

**Cost Centers belonging to this Category:  
 2200-2166.000 VP Information Technology**

|           |     |     |     |     |
|-----------|-----|-----|-----|-----|
| Labor     | 88  | 90  | 90  | 90  |
| Non-Labor | 5   | 5   | 5   | 5   |
| NSE       | 0   | 0   | 0   | 0   |
| Total     | 93  | 95  | 95  | 95  |
| FTE       | 0.8 | 1.0 | 1.0 | 1.0 |

**Beginning of Workpaper**  
**2200-2166.000 - VP Information Technology**

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

Area: INFORMATION TECHNOLOGY  
Witness: Nichols, Jeffrey Cecil  
Category: A. VP Information Technology  
Category-Sub: 1. VP Information Technology  
Cost Center: 2200-2166.000 - VP Information Technology

**Activity Description:**

Recorded to the cost center are the labor and non labor personal costs for the IT Vice President. Also recorded are small one time expenses.

**Forecast Methodology:**

**Labor - Base YR Rec**

Forecast amounts for years 2010-2012 were developed based on incremental changes to the 2009 base year as it more accurately reflects the expected costs compared to using trends.

**Non-Labor - Base YR Rec**

Forecast amounts for years 2010-2012 were developed based on incremental changes to the 2009 base year as it more accurately reflects the expected costs compared to using trends.

**NSE - Base YR Rec**

Forecast amounts for years 2010-2012 were developed based on incremental changes to the 2009 base year as it more accurately reflects the expected costs compared to using trends.

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

Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil  
 Category: A. VP Information Technology  
 Category-Sub: 1. VP Information Technology  
 Cost Center: 2200-2166.000 - VP Information Technology

**Summary of Results:**

| Years                              | In 2009\$ (000)   |      |      |      |      |                   |      |      |
|------------------------------------|-------------------|------|------|------|------|-------------------|------|------|
|                                    | Adjusted-Recorded |      |      |      |      | Adjusted-Forecast |      |      |
|                                    | 2005              | 2006 | 2007 | 2008 | 2009 | 2010              | 2011 | 2012 |
| <b>Total Incurred (100% Level)</b> |                   |      |      |      |      |                   |      |      |
| Labor                              | 0                 | 0    | 0    | 0    | 176  | 210               | 210  | 210  |
| Non-Labor                          | 0                 | 0    | 0    | 0    | 7    | 7                 | 7    | 7    |
| NSE                                | 0                 | 0    | 0    | 0    | 0    | 0                 | 0    | 0    |
| Total                              | 0                 | 0    | 0    | 0    | 183  | 217               | 217  | 217  |
| FTE                                | 0.0               | 0.0  | 0.0  | 0.0  | 0.8  | 1.0               | 1.0  | 1.0  |
| <b>Allocations Out</b>             |                   |      |      |      |      |                   |      |      |
| Labor                              | 0                 | 0    | 0    | 0    | 88   | 120               | 120  | 120  |
| Non-Labor                          | 0                 | 0    | 0    | 0    | 2    | 2                 | 2    | 2    |
| NSE                                | 0                 | 0    | 0    | 0    | 0    | 0                 | 0    | 0    |
| Total                              | 0                 | 0    | 0    | 0    | 90   | 122               | 122  | 122  |
| FTE                                | 0.0               | 0.0  | 0.0  | 0.0  | 0.0  | 0.0               | 0.0  | 0.0  |
| <b>Retained</b>                    |                   |      |      |      |      |                   |      |      |
| Labor                              | 0                 | 0    | 0    | 0    | 88   | 90                | 90   | 90   |
| Non-Labor                          | 0                 | 0    | 0    | 0    | 5    | 5                 | 5    | 5    |
| NSE                                | 0                 | 0    | 0    | 0    | 0    | 0                 | 0    | 0    |
| Total                              | 0                 | 0    | 0    | 0    | 93   | 95                | 95   | 95   |
| FTE                                | 0.0               | 0.0  | 0.0  | 0.0  | 0.8  | 1.0               | 1.0  | 1.0  |
| <b>Allocations In</b>              |                   |      |      |      |      |                   |      |      |
| 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  |
| <b>Book Expense</b>                |                   |      |      |      |      |                   |      |      |
| Labor                              | 0                 | 0    | 0    | 0    | 88   | 90                | 90   | 90   |
| Non-Labor                          | 0                 | 0    | 0    | 0    | 5    | 5                 | 5    | 5    |
| NSE                                | 0                 | 0    | 0    | 0    | 0    | 0                 | 0    | 0    |
| Total                              | 0                 | 0    | 0    | 0    | 93   | 95                | 95   | 95   |
| FTE                                | 0.0               | 0.0  | 0.0  | 0.0  | 0.8  | 1.0               | 1.0  | 1.0  |

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

Area: INFORMATION TECHNOLOGY  
Witness: Nichols, Jeffrey Cecil  
Category: A. VP Information Technology  
Category-Sub: 1. VP Information Technology  
Cost Center: 2200-2166.000 - VP Information Technology

**Calculation of Book Expense:**

|                           | 2009 Adjusted-Recorded |           |          |            |             | 2010 Adjusted-Forecast |           |          |            |             |
|---------------------------|------------------------|-----------|----------|------------|-------------|------------------------|-----------|----------|------------|-------------|
|                           | Labor                  | Non-Labor | NSE      | Total      | FTE         | Labor                  | Non-Labor | NSE      | Total      | FTE         |
| <b>Directly Retained</b>  | 0                      | 3         | 0        | 3          | 0.00        | 0                      | 3         | 0        | 3          | 0.00        |
| <b>Directly Allocated</b> | 0                      | 0         | 0        | 0          | 0.00        | 0                      | 0         | 0        | 0          | 0.00        |
| <b>Subj. To % Alloc.</b>  | 176                    | 4         | 0        | 180        | 0.80        | 210                    | 4         | 0        | 214        | 1.00        |
| <b>% Allocation</b>       |                        |           |          |            |             |                        |           |          |            |             |
| Retained                  | 50.19%                 | 50.19%    |          |            |             | 42.54%                 | 42.54%    |          |            |             |
| SEU                       | 42.53%                 | 42.54%    |          |            |             | 50.18%                 | 50.18%    |          |            |             |
| CORP                      | 6.77%                  | 6.76%     |          |            |             | 6.76%                  | 6.76%     |          |            |             |
| Unreg                     | 0.51%                  | 0.51%     |          |            |             | 0.52%                  | 0.52%     |          |            |             |
| <b>\$ Allocation</b>      |                        |           |          |            |             |                        |           |          |            |             |
| Retained                  | 88                     | 2         | 0        | 90         |             | 90                     | 2         | 0        | 92         |             |
| SEU                       | 75                     | 2         | 0        | 77         |             | 105                    | 2         | 0        | 107        |             |
| CORP                      | 12                     | 0         | 0        | 12         |             | 14                     | 0         | 0        | 14         |             |
| Unreg                     | 1                      | 0         | 0        | 1          |             | 1                      | 0         | 0        | 1          |             |
| <b>Total Incurred</b>     | <b>176</b>             | <b>7</b>  | <b>0</b> | <b>183</b> | <b>0.80</b> | <b>210</b>             | <b>7</b>  | <b>0</b> | <b>217</b> | <b>1.00</b> |
| <b>Total Alloc. Out</b>   | <b>88</b>              | <b>2</b>  | <b>0</b> | <b>90</b>  |             | <b>120</b>             | <b>2</b>  | <b>0</b> | <b>122</b> |             |
| <b>Total Retained</b>     | <b>88</b>              | <b>5</b>  | <b>0</b> | <b>93</b>  |             | <b>90</b>              | <b>5</b>  | <b>0</b> | <b>95</b>  |             |
| <b>Allocations In</b>     | <b>0</b>               | <b>0</b>  | <b>0</b> | <b>0</b>   |             | <b>0</b>               | <b>0</b>  | <b>0</b> | <b>0</b>   |             |
| <b>Book Expense</b>       | <b>88</b>              | <b>5</b>  | <b>0</b> | <b>93</b>  |             | <b>90</b>              | <b>5</b>  | <b>0</b> | <b>95</b>  |             |

|                           | 2011 Adjusted-Forecast |           |          |            |             | 2012 Adjusted-Forecast |           |          |            |             |
|---------------------------|------------------------|-----------|----------|------------|-------------|------------------------|-----------|----------|------------|-------------|
|                           | Labor                  | Non-Labor | NSE      | Total      | FTE         | Labor                  | Non-Labor | NSE      | Total      | FTE         |
| <b>Directly Retained</b>  | 0                      | 3         | 0        | 3          | 0.00        | 0                      | 3         | 0        | 3          | 0.00        |
| <b>Directly Allocated</b> | 0                      | 0         | 0        | 0          | 0.00        | 0                      | 0         | 0        | 0          | 0.00        |
| <b>Subj. To % Alloc.</b>  | 210                    | 4         | 0        | 214        | 1.00        | 210                    | 4         | 0        | 214        | 1.00        |
| <b>% Allocation</b>       |                        |           |          |            |             |                        |           |          |            |             |
| Retained                  | 42.54%                 | 42.54%    |          |            |             | 42.54%                 | 42.54%    |          |            |             |
| SEU                       | 50.18%                 | 50.18%    |          |            |             | 50.18%                 | 50.18%    |          |            |             |
| CORP                      | 6.76%                  | 6.76%     |          |            |             | 6.76%                  | 6.76%     |          |            |             |
| Unreg                     | 0.52%                  | 0.52%     |          |            |             | 0.52%                  | 0.52%     |          |            |             |
| <b>\$ Allocation</b>      |                        |           |          |            |             |                        |           |          |            |             |
| Retained                  | 90                     | 2         | 0        | 92         |             | 90                     | 2         | 0        | 92         |             |
| SEU                       | 105                    | 2         | 0        | 107        |             | 105                    | 2         | 0        | 107        |             |
| CORP                      | 14                     | 0         | 0        | 14         |             | 14                     | 0         | 0        | 14         |             |
| Unreg                     | 1                      | 0         | 0        | 1          |             | 1                      | 0         | 0        | 1          |             |
| <b>Total Incurred</b>     | <b>210</b>             | <b>7</b>  | <b>0</b> | <b>217</b> | <b>1.00</b> | <b>210</b>             | <b>7</b>  | <b>0</b> | <b>217</b> | <b>1.00</b> |
| <b>Total Alloc. Out</b>   | <b>120</b>             | <b>2</b>  | <b>0</b> | <b>122</b> |             | <b>120</b>             | <b>2</b>  | <b>0</b> | <b>122</b> |             |
| <b>Total Retained</b>     | <b>90</b>              | <b>5</b>  | <b>0</b> | <b>95</b>  |             | <b>90</b>              | <b>5</b>  | <b>0</b> | <b>95</b>  |             |
| <b>Allocations In</b>     | <b>0</b>               | <b>0</b>  | <b>0</b> | <b>0</b>   |             | <b>0</b>               | <b>0</b>  | <b>0</b> | <b>0</b>   |             |
| <b>Book Expense</b>       | <b>90</b>              | <b>5</b>  | <b>0</b> | <b>95</b>  |             | <b>90</b>              | <b>5</b>  | <b>0</b> | <b>95</b>  |             |

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

Area: INFORMATION TECHNOLOGY  
Witness: Nichols, Jeffrey Cecil  
Category: A. VP Information Technology  
Category-Sub: 1. VP Information Technology  
Cost Center: 2200-2166.000 - VP Information Technology

**Cost Center Allocation Percentage Drivers/Methodology:**

**Cost Center Allocation Percentage for 2009**

Using the prior year weighted average allocation of the entire IT division is the most defensible methodology to use in allocating the costs as the VP supports the entire division. Weighted average allocations typically experience non material changes from year to year.

**Cost Center Allocation Percentage for 2010**

Using the prior year weighted average allocation of the entire IT division is the most defensible methodology to use in allocating the costs as the VP supports the entire division. Weighted average allocations typically experience non material changes from year to year.

**Cost Center Allocation Percentage for 2011**

Using the prior year weighted average allocation of the entire IT division is the most defensible methodology to use in allocating the costs as the VP supports the entire division. Weighted average allocations typically experience non material changes from year to year.

**Cost Center Allocation Percentage for 2012**

Using the prior year weighted average allocation of the entire IT division is the most defensible methodology to use in allocating the costs as the VP supports the entire division. Weighted average allocations typically experience non material changes from year to year.

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

Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil  
 Category: A. VP Information Technology  
 Category-Sub: 1. VP Information Technology  
 Cost Center: 2200-2166.000 - VP Information Technology

**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         | 34                   | 34          | 34          | 210               | 210         | 210         |
| Non-Labor       | Base YR Rec | 7                                | 7           | 7           | 0                    | 0           | 0           | 7                 | 7           | 7           |
| NSE             | Base YR Rec | 0                                | 0           | 0           | 0                    | 0           | 0           | 0                 | 0           | 0           |
| Total           |             | 183                              | 183         | 183         | 34                   | 34          | 34          | 217               | 217         | 217         |
| FTE             | Base YR Rec | 0.8                              | 0.8         | 0.8         | 0.2                  | 0.2         | 0.2         | 1.0               | 1.0         | 1.0         |

**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              | 34                                       | 0           | 0          | 34           | 0.0        | 1-Sided Adj     |
|                   | adjust to full year salary for VP .2 FTE |             |            |              |            |                 |
| 2010              | 0  | 0           | 0          | 0            | 0.2        | 1-Sided Adj     |
|                   | adjust to full year salary for VP .2 FTE |             |            |              |            |                 |
| <b>2010 Total</b> | <b>34</b>                                | <b>0</b>    | <b>0</b>   | <b>34</b>    | <b>0.2</b> |                 |
| 2011              | 34                                       | 0           | 0          | 34           | 0.0        | 1-Sided Adj     |
|                   | adjust to full year salary for VP .2 FTE |             |            |              |            |                 |
| 2011              | 0  | 0           | 0          | 0            | 0.2        | 1-Sided Adj     |
|                   | adjust to full year salary for VP .2 FTE |             |            |              |            |                 |
| <b>2011 Total</b> | <b>34</b>                                | <b>0</b>    | <b>0</b>   | <b>34</b>    | <b>0.2</b> |                 |
| 2012              | 34                                       | 0           | 0          | 34           | 0.0        | 1-Sided Adj     |
|                   | adjust to full year salary for VP .2 FTE |             |            |              |            |                 |
| 2012              | 0  | 0           | 0          | 0            | 0.2        | 1-Sided Adj     |
|                   | adjust to full year salary for VP .2 FTE |             |            |              |            |                 |

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

Area: INFORMATION TECHNOLOGY  
Witness: Nichols, Jeffrey Cecil  
Category: A. VP Information Technology  
Category-Sub: 1. VP Information Technology  
Cost Center: 2200-2166.000 - VP Information Technology

| <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        | 34           | 0           | 0          | 34           | 0.2        |                 |

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

Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil  
 Category: A. VP Information Technology  
 Category-Sub: 1. VP Information Technology  
 Cost Center: 2200-2166.000 - VP Information Technology

**Determination of Adjusted-Recorded (Incurred Costs):**

|  | 2005 (\$000) | 2006 (\$000) | 2007 (\$000) | 2008 (\$000) | 2009 (\$000) |
|--|--------------|--------------|--------------|--------------|--------------|
| <b>Recorded (Nominal \$)*</b>              |              |              |              |              |              |
| Labor                                      | 0            | 0            | 0            | 0            | 149          |
| Non-Labor                                  | 0            | 0            | 0            | 0            | 7            |
| NSE  | 0            | 0            | 0            | 0            | 0            |
| Total                                      | 0            | 0            | 0            | 0            | 156          |
| FTE  | 0.0          | 0.0          | 0.0          | 0.0          | 0.7          |
| <b>Adjustments (Nominal \$) **</b>         |              |              |              |              |              |
| 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          |
| <b>Recorded-Adjusted (Nominal \$)</b>      |              |              |              |              |              |
| Labor                                      | 0            | 0            | 0            | 0            | 149          |
| Non-Labor                                  | 0            | 0            | 0            | 0            | 7            |
| NSE  | 0            | 0            | 0            | 0            | 0            |
| Total                                      | 0            | 0            | 0            | 0            | 156          |
| FTE  | 0.0          | 0.0          | 0.0          | 0.0          | 0.7          |
| <b>Vacation &amp; Sick (Nominal \$)</b>    |              |              |              |              |              |
| Labor                                      | 0            | 0            | 0            | 0            | 27           |
| Non-Labor                                  | 0            | 0            | 0            | 0            | 0            |
| NSE  | 0            | 0            | 0            | 0            | 0            |
| Total                                      | 0            | 0            | 0            | 0            | 27           |
| FTE  | 0.0          | 0.0          | 0.0          | 0.0          | 0.1          |
| <b>Escalation to 2009\$</b>                |              |              |              |              |              |
| 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          |
| <b>Recorded-Adjusted (Constant 2009\$)</b> |              |              |              |              |              |
| Labor                                      | 0            | 0            | 0            | 0            | 176          |
| Non-Labor                                  | 0            | 0            | 0            | 0            | 7            |
| NSE  | 0            | 0            | 0            | 0            | 0            |
| Total                                      | 0            | 0            | 0            | 0            | 183          |
| FTE  | 0.0          | 0.0          | 0.0          | 0.0          | 0.8          |

\* 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: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil  
 Category: A. VP Information Technology  
 Category-Sub: 1. VP Information Technology  
 Cost Center: 2200-2166.000 - VP Information Technology

**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  
 Shared Services Workpapers

Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil  
 Category: B. Client Services & Enterprise Support Dir  
 Cost Center: 2200-2047.000

**Summary for Category: B. Client Services & Enterprise Support Dir**

|           | In 2009\$ (000) "Book Expense" |                   |      |      |
|-----------|--------------------------------|-------------------|------|------|
|           | Adjusted-Recorded              | Adjusted-Forecast |      |      |
|           | 2009                           | 2010              | 2011 | 2012 |
| Labor     | 127                            | 137               | 137  | 137  |
| Non-Labor | 9                              | 28                | 28   | 28   |
| NSE       | 0                              | 0                 | 0    | 0    |
| Total     | 136                            | 165               | 165  | 165  |
| FTE       | 1.7                            | 2.0               | 2.0  | 2.0  |

**Cost Centers belonging to this Category:**

**2200-2047.000 IT ACCOUNT MANAGEMENT**

|           |     |     |     |     |
|-----------|-----|-----|-----|-----|
| Labor     | 127 | 137 | 137 | 137 |
| Non-Labor | 9   | 28  | 28  | 28  |
| NSE       | 0   | 0   | 0   | 0   |
| Total     | 136 | 165 | 165 | 165 |
| FTE       | 1.7 | 2.0 | 2.0 | 2.0 |

**Beginning of Workpaper**  
**2200-2047.000 - IT ACCOUNT MANAGEMENT**

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

Area: INFORMATION TECHNOLOGY  
Witness: Nichols, Jeffrey Cecil  
Category: B. Client Services & Enterprise Support Dir  
Category-Sub: 1. IT Account Management  
Cost Center: 2200-2047.000 - IT ACCOUNT MANAGEMENT

**Activity Description:**

A business relationship management function between IT and IT's clients (Sempra's regulated utilities, Corporate Center). This group represents IT's services to these internal clients in an account management function to assist clients in achieving greater business optimization through the improved and effective use of IT's services. Specific functions include facilitating the resolution of problems where standard processes are not adequate, understanding the business operations and recommending further use of IT or outside technology services to improve the business and/or to save money. Educating clients on the value of IT policies and standards and bringing client needs to IT that would otherwise go unrecognized.

**Forecast Methodology:**

**Labor - Base YR Rec**

Forecast amounts for years 2010-2012 were developed based on incremental changes to the 2009 base year as it more accurately reflects the expected costs compared to using trends.

**Non-Labor - Base YR Rec**

Forecast amounts for years 2010-2012 were developed based on incremental changes to the 2009 base year as it more accurately reflects the expected costs compared to using trends.

**NSE - Base YR Rec**

Forecast amounts for years 2010-2012 were developed based on incremental changes to the 2009 base year as it more accurately reflects the expected costs compared to using trends.

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

Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil  
 Category: B. Client Services & Enterprise Support Dir  
 Category-Sub: 1. IT Account Management  
 Cost Center: 2200-2047.000 - IT ACCOUNT MANAGEMENT

**Summary of Results:**

|           |  | In 2009\$ (000)                    |      |      |      |      |                   |      |      |
|-----------|--|------------------------------------|------|------|------|------|-------------------|------|------|
|           |  | Adjusted-Recorded                  |      |      |      |      | Adjusted-Forecast |      |      |
| Years     |  | 2005                               | 2006 | 2007 | 2008 | 2009 | 2010              | 2011 | 2012 |
|           |  | <b>Total Incurred (100% Level)</b> |      |      |      |      |                   |      |      |
| Labor     |  | 214                                | 303  | 272  | 173  | 159  | 171               | 171  | 171  |
| Non-Labor |  | 16                                 | 19   | 21   | 19   | 11   | 35                | 35   | 35   |
| NSE       |  | 0                                  | 0    | 0    | 0    | 0    | 0                 | 0    | 0    |
| Total     |  | 230                                | 322  | 293  | 192  | 170  | 206               | 206  | 206  |
| FTE       |  | 2.1                                | 3.3  | 3.1  | 1.9  | 1.7  | 2.0               | 2.0  | 2.0  |
|           |  | <b>Allocations Out</b>             |      |      |      |      |                   |      |      |
| Labor     |  | 78                                 | 120  | 54   | 35   | 32   | 34                | 34   | 34   |
| Non-Labor |  | 6                                  | 7    | 4    | 3    | 2    | 7                 | 7    | 7    |
| NSE       |  | 0                                  | 0    | 0    | 0    | 0    | 0                 | 0    | 0    |
| Total     |  | 84                                 | 127  | 58   | 38   | 34   | 41                | 41   | 41   |
| FTE       |  | 0.0                                | 0.0  | 0.0  | 0.0  | 0.0  | 0.0               | 0.0  | 0.0  |
|           |  | <b>Retained</b>                    |      |      |      |      |                   |      |      |
| Labor     |  | 136                                | 183  | 218  | 138  | 127  | 137               | 137  | 137  |
| Non-Labor |  | 10                                 | 12   | 17   | 16   | 9    | 28                | 28   | 28   |
| NSE       |  | 0                                  | 0    | 0    | 0    | 0    | 0                 | 0    | 0    |
| Total     |  | 146                                | 195  | 235  | 154  | 136  | 165               | 165  | 165  |
| FTE       |  | 2.1                                | 3.3  | 3.1  | 1.9  | 1.7  | 2.0               | 2.0  | 2.0  |
|           |  | <b>Allocations In</b>              |      |      |      |      |                   |      |      |
| 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  |
|           |  | <b>Book Expense</b>                |      |      |      |      |                   |      |      |
| Labor     |  | 136                                | 183  | 218  | 138  | 127  | 137               | 137  | 137  |
| Non-Labor |  | 10                                 | 12   | 17   | 16   | 9    | 28                | 28   | 28   |
| NSE       |  | 0                                  | 0    | 0    | 0    | 0    | 0                 | 0    | 0    |
| Total     |  | 146                                | 195  | 235  | 154  | 136  | 165               | 165  | 165  |
| FTE       |  | 2.1                                | 3.3  | 3.1  | 1.9  | 1.7  | 2.0               | 2.0  | 2.0  |

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

Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil  
 Category: B. Client Services & Enterprise Support Dir  
 Category-Sub: 1. IT Account Management  
 Cost Center: 2200-2047.000 - IT ACCOUNT MANAGEMENT

**Calculation of Book Expense:**

|                           | 2009 Adjusted-Recorded |           |          |            |             | 2010 Adjusted-Forecast |           |          |            |             |
|---------------------------|------------------------|-----------|----------|------------|-------------|------------------------|-----------|----------|------------|-------------|
|                           | Labor                  | Non-Labor | NSE      | Total      | FTE         | Labor                  | Non-Labor | NSE      | Total      | FTE         |
| <b>Directly Retained</b>  | 0                      | 0         | 0        | 0          | 0.00        | 0                      | 0         | 0        | 0          | 0.00        |
| <b>Directly Allocated</b> | 0                      | 0         | 0        | 0          | 0.00        | 0                      | 0         | 0        | 0          | 0.00        |
| <b>Subj. To % Alloc.</b>  | 159                    | 11        | 0        | 170        | 1.70        | 171                    | 35        | 0        | 206        | 2.00        |
| <b>% Allocation</b>       |                        |           |          |            |             |                        |           |          |            |             |
| Retained                  | 80.01%                 | 80.00%    |          |            |             | 80.00%                 | 80.00%    |          |            |             |
| SEU                       | 19.99%                 | 20.00%    |          |            |             | 20.00%                 | 20.00%    |          |            |             |
| CORP                      | 0.00%                  | 0.00%     |          |            |             | 0.00%                  | 0.00%     |          |            |             |
| Unreg                     | 0.00%                  | 0.00%     |          |            |             | 0.00%                  | 0.00%     |          |            |             |
| <b>\$ Allocation</b>      |                        |           |          |            |             |                        |           |          |            |             |
| Retained                  | 127                    | 9         | 0        | 136        |             | 137                    | 28        | 0        | 165        |             |
| SEU                       | 32                     | 2         | 0        | 34         |             | 34                     | 7         | 0        | 41         |             |
| CORP                      | 0                      | 0         | 0        | 0          |             | 0                      | 0         | 0        | 0          |             |
| Unreg                     | 0                      | 0         | 0        | 0          |             | 0                      | 0         | 0        | 0          |             |
| <b>Total Incurred</b>     | <b>159</b>             | <b>11</b> | <b>0</b> | <b>170</b> | <b>1.70</b> | <b>171</b>             | <b>35</b> | <b>0</b> | <b>206</b> | <b>2.00</b> |
| <b>Total Alloc. Out</b>   | <b>32</b>              | <b>2</b>  | <b>0</b> | <b>34</b>  |             | <b>34</b>              | <b>7</b>  | <b>0</b> | <b>41</b>  |             |
| <b>Total Retained</b>     | <b>127</b>             | <b>9</b>  | <b>0</b> | <b>136</b> |             | <b>137</b>             | <b>28</b> | <b>0</b> | <b>165</b> |             |
| <b>Allocations In</b>     | <b>0</b>               | <b>0</b>  | <b>0</b> | <b>0</b>   |             | <b>0</b>               | <b>0</b>  | <b>0</b> | <b>0</b>   |             |
| <b>Book Expense</b>       | 127                    | 9         | 0        | 136        |             | 137                    | 28        | 0        | 165        |             |

|                           | 2011 Adjusted-Forecast |           |          |            |             | 2012 Adjusted-Forecast |           |          |            |             |
|---------------------------|------------------------|-----------|----------|------------|-------------|------------------------|-----------|----------|------------|-------------|
|                           | Labor                  | Non-Labor | NSE      | Total      | FTE         | Labor                  | Non-Labor | NSE      | Total      | FTE         |
| <b>Directly Retained</b>  | 0                      | 0         | 0        | 0          | 0.00        | 0                      | 0         | 0        | 0          | 0.00        |
| <b>Directly Allocated</b> | 0                      | 0         | 0        | 0          | 0.00        | 0                      | 0         | 0        | 0          | 0.00        |
| <b>Subj. To % Alloc.</b>  | 171                    | 35        | 0        | 206        | 2.00        | 171                    | 35        | 0        | 206        | 2.00        |
| <b>% Allocation</b>       |                        |           |          |            |             |                        |           |          |            |             |
| Retained                  | 80.00%                 | 80.00%    |          |            |             | 80.00%                 | 80.00%    |          |            |             |
| SEU                       | 20.00%                 | 20.00%    |          |            |             | 20.00%                 | 20.00%    |          |            |             |
| CORP                      | 0.00%                  | 0.00%     |          |            |             | 0.00%                  | 0.00%     |          |            |             |
| Unreg                     | 0.00%                  | 0.00%     |          |            |             | 0.00%                  | 0.00%     |          |            |             |
| <b>\$ Allocation</b>      |                        |           |          |            |             |                        |           |          |            |             |
| Retained                  | 137                    | 28        | 0        | 165        |             | 137                    | 28        | 0        | 165        |             |
| SEU                       | 34                     | 7         | 0        | 41         |             | 34                     | 7         | 0        | 41         |             |
| CORP                      | 0                      | 0         | 0        | 0          |             | 0                      | 0         | 0        | 0          |             |
| Unreg                     | 0                      | 0         | 0        | 0          |             | 0                      | 0         | 0        | 0          |             |
| <b>Total Incurred</b>     | <b>171</b>             | <b>35</b> | <b>0</b> | <b>206</b> | <b>2.00</b> | <b>171</b>             | <b>35</b> | <b>0</b> | <b>206</b> | <b>2.00</b> |
| <b>Total Alloc. Out</b>   | <b>34</b>              | <b>7</b>  | <b>0</b> | <b>41</b>  |             | <b>34</b>              | <b>7</b>  | <b>0</b> | <b>41</b>  |             |
| <b>Total Retained</b>     | <b>137</b>             | <b>28</b> | <b>0</b> | <b>165</b> |             | <b>137</b>             | <b>28</b> | <b>0</b> | <b>165</b> |             |
| <b>Allocations In</b>     | <b>0</b>               | <b>0</b>  | <b>0</b> | <b>0</b>   |             | <b>0</b>               | <b>0</b>  | <b>0</b> | <b>0</b>   |             |
| <b>Book Expense</b>       | 137                    | 28        | 0        | 165        |             | 137                    | 28        | 0        | 165        |             |

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

Area: INFORMATION TECHNOLOGY  
Witness: Nichols, Jeffrey Cecil  
Category: B. Client Services & Enterprise Support Dir  
Category-Sub: 1. IT Account Management  
Cost Center: 2200-2047.000 - IT ACCOUNT MANAGEMENT

**Cost Center Allocation Percentage Drivers/Methodology:**

**Cost Center Allocation Percentage for 2009**

The percentage allocations used for this cost center are based on the historical consumption of IT services by the business units, calculated from usage and IT metrics. These allocations are then applied to current year plan amounts for each IT service type. IT metrics include usage of client services, headcount, and registered users of various SAP applications, etc.

**Cost Center Allocation Percentage for 2010**

The percentage allocations used for this cost center are based on the historical consumption of IT services by the business units, calculated from usage and IT metrics. These allocations are then applied to current year plan amounts for each IT service type. IT metrics include usage of client services, headcount, and registered users of various SAP applications, etc.

**Cost Center Allocation Percentage for 2011**

The percentage allocations used for this cost center are based on the historical consumption of IT services by the business units, calculated from usage and IT metrics. These allocations are then applied to current year plan amounts for each IT service type. IT metrics include usage of client services, headcount, and registered users of various SAP applications, etc.

**Cost Center Allocation Percentage for 2012**

The percentage allocations used for this cost center are based on the historical consumption of IT services by the business units, calculated from usage and IT metrics. These allocations are then applied to current year plan amounts for each IT service type. IT metrics include usage of client services, headcount, and registered users of various SAP applications, etc.

Southern California Gas Company  
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 Shared Services Workpapers

Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil  
 Category: B. Client Services & Enterprise Support Dir  
 Category-Sub: 1. IT Account Management  
 Cost Center: 2200-2047.000 - IT ACCOUNT MANAGEMENT

**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 | 159                              | 159         | 159         | 12                   | 12          | 12          | 171               | 171         | 171         |
| Non-Labor       | Base YR Rec | 11                               | 11          | 11          | 24                   | 24          | 24          | 35                | 35          | 35          |
| NSE             | Base YR Rec | 0                                | 0           | 0           | 0                    | 0           | 0           | 0                 | 0           | 0           |
| Total           |             | 170                              | 170         | 170         | 36                   | 36          | 36          | 206               | 206         | 206         |
| FTE             | Base YR Rec | 1.7                              | 1.7         | 1.7         | 0.3                  | 0.3         | 0.3         | 2.0               | 2.0         | 2.0         |

**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   | 12           | 0           | 0          | 12           | 0.0        | 1-Sided Adj     |
| Labor increased to anticipated spending for 2 FTE's                                    |              |             |            |              |            |                 |
| 2010   | 0            | 0           | 0          | 0            | 0.3        | 1-Sided Adj     |
| Labor increased to anticipated spending for 2 FTE's                                    |              |             |            |              |            |                 |
| 2010   | 0            | 24          | 0          | 24           | 0.0        | 1-Sided Adj     |
| Non Labor increases funding to cover services for Information Security communications. |              |             |            |              |            |                 |

|                   |           |           |          |           |            |  |
|-------------------|-----------|-----------|----------|-----------|------------|--|
| <b>2010 Total</b> | <b>12</b> | <b>24</b> | <b>0</b> | <b>36</b> | <b>0.3</b> |  |
|-------------------|-----------|-----------|----------|-----------|------------|--|

|  |    |    |   |    |     |             |
|--|----|----|---|----|-----|-------------|
| 2011   | 12 | 0  | 0 | 12 | 0.0 | 1-Sided Adj |
| Labor increased to anticipated spending for 2 FTE's                                    |    |    |   |    |     |             |
| 2011   | 0  | 0  | 0 | 0  | 0.3 | 1-Sided Adj |
| Labor increased to anticipated spending for 2 FTE's                                    |    |    |   |    |     |             |
| 2011   | 0  | 24 | 0 | 24 | 0.0 | 1-Sided Adj |
| Non Labor increases funding to cover services for Information Security communications. |    |    |   |    |     |             |

|                   |           |           |          |           |            |  |
|-------------------|-----------|-----------|----------|-----------|------------|--|
| <b>2011 Total</b> | <b>12</b> | <b>24</b> | <b>0</b> | <b>36</b> | <b>0.3</b> |  |
|-------------------|-----------|-----------|----------|-----------|------------|--|

Southern California Gas Company  
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 Shared Services Workpapers

Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil  
 Category: B. Client Services & Enterprise Support Dir  
 Category-Sub: 1. IT Account Management  
 Cost Center: 2200-2047.000 - IT ACCOUNT MANAGEMENT

| <u>Year/Expl.</u>  | <u>Labor</u> | <u>NLbr</u> | <u>NSE</u> | <u>Total</u> | <u>FTE</u> | <u>Adj Type</u> |
|--|--------------|-------------|------------|--------------|------------|-----------------|
| 2012   | 12           | 0           | 0          | 12           | 0.0        | 1-Sided Adj     |
| Labor increased to anticipated spending for 2 FTE's                                    |              |             |            |              |            |                 |
| 2012   | 0            | 0           | 0          | 0            | 0.3        | 1-Sided Adj     |
| Labor increased to anticipated spending for 2 FTE's                                    |              |             |            |              |            |                 |
| 2012   | 0            | 24          | 0          | 24           | 0.0        | 1-Sided Adj     |
| Non Labor increases funding to cover services for Information Security communications. |              |             |            |              |            |                 |
| <b>2012 Total</b>  | <b>12</b>    | <b>24</b>   | <b>0</b>   | <b>36</b>    | <b>0.3</b> |                 |

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Shared Services Workpapers

Area: INFORMATION TECHNOLOGY  
Witness: Nichols, Jeffrey Cecil  
Category: B. Client Services & Enterprise Support Dir  
Category-Sub: 1. IT Account Management  
Cost Center: 2200-2047.000 - IT ACCOUNT MANAGEMENT

**Determination of Adjusted-Recorded (Incurred Costs):**

|  | 2005 (\$000) | 2006 (\$000) | 2007 (\$000) | 2008 (\$000) | 2009 (\$000) |
|--|--------------|--------------|--------------|--------------|--------------|
| <b>Recorded (Nominal \$)*</b>              |              |              |              |              |              |
| Labor                                      | 163          | 236          | 219          | 143          | 134          |
| Non-Labor                                  | 14           | 17           | 20           | 19           | 11           |
| NSE  | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     |
| Total                                      | 177          | 253          | 239          | 162          | 145          |
| FTE  | 1.8          | 2.8          | 2.6          | 1.6          | 1.4          |
| <b>Adjustments (Nominal \$) **</b>         |              |              |              |              |              |
| Labor                                      | 0            | 0            | 0            | 0            | 0            |
| Non-Labor                                  | 0            | 0            | 0            | 0            | 0            |
| NSE  | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     |
| Total                                      | 0            | 0            | 0            | 0            | 0            |
| FTE  | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Recorded-Adjusted (Nominal \$)</b>      |              |              |              |              |              |
| Labor                                      | 163          | 236          | 219          | 143          | 134          |
| Non-Labor                                  | 14           | 17           | 20           | 19           | 11           |
| NSE  | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     |
| Total                                      | 177          | 253          | 239          | 162          | 145          |
| FTE  | 1.8          | 2.8          | 2.6          | 1.6          | 1.4          |
| <b>Vacation &amp; Sick (Nominal \$)</b>    |              |              |              |              |              |
| Labor                                      | 28           | 42           | 38           | 28           | 24           |
| Non-Labor                                  | 0            | 0            | 0            | 0            | 0            |
| NSE  | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     |
| Total                                      | 28           | 42           | 38           | 28           | 24           |
| FTE  | 0.3          | 0.5          | 0.5          | 0.3          | 0.3          |
| <b>Escalation to 2009\$</b>                |              |              |              |              |              |
| Labor                                      | 24           | 25           | 14           | 3            | 0            |
| Non-Labor                                  | 2            | 2            | 1            | 0            | 0            |
| NSE  | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     |
| Total                                      | 25           | 26           | 16           | 3            | 0            |
| FTE  | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Recorded-Adjusted (Constant 2009\$)</b> |              |              |              |              |              |
| Labor                                      | 214          | 303          | 272          | 173          | 159          |
| Non-Labor                                  | 16           | 19           | 21           | 19           | 11           |
| NSE  | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     |
| Total                                      | 230          | 321          | 293          | 192          | 170          |
| FTE  | 2.1          | 3.3          | 3.1          | 1.9          | 1.7          |

\* After company-wide exclusions of Non-GRC costs

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

Southern California Gas Company  
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 Shared Services Workpapers

Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil  
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 Category-Sub: 1. IT Account Management  
 Cost Center: 2200-2047.000 - IT ACCOUNT MANAGEMENT

**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  
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 Shared Services Workpapers

Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil  
 Category: C. Network Communication Services Director  
 Cost Center: 2200-0619.000

**Summary for Category: C. Network Communication Services Director**

|           | In 2009\$ (000) "Book Expense" |                   |       |       |
|-----------|--------------------------------|-------------------|-------|-------|
|           | Adjusted-Recorded              | Adjusted-Forecast |       |       |
|           | 2009                           | 2010              | 2011  | 2012  |
| Labor     | 1,391                          | 1,391             | 1,391 | 1,391 |
| Non-Labor | 331                            | 331               | 360   | 360   |
| NSE       | 0                              | 0                 | 0     | 0     |
| Total     | 1,722                          | 1,722             | 1,751 | 1,751 |
| FTE       | 20.8                           | 20.8              | 20.8  | 20.8  |

**Cost Centers belonging to this Category:**

**2200-0619.000 TELECOM FIELD VOICE - SCG**

|           |       |       |       |       |
|-----------|-------|-------|-------|-------|
| Labor     | 1,391 | 1,391 | 1,391 | 1,391 |
| Non-Labor | 331   | 331   | 360   | 360   |
| NSE       | 0     | 0     | 0     | 0     |
| Total     | 1,722 | 1,722 | 1,751 | 1,751 |
| FTE       | 20.8  | 20.8  | 20.8  | 20.8  |

**Beginning of Workpaper**  
**2200-0619.000 - TELECOM FIELD VOICE - SCG**

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

Area: INFORMATION TECHNOLOGY  
Witness: Nichols, Jeffrey Cecil  
Category: C. Network Communication Services Director  
Category-Sub: 1. Telecom Field Voice - SCG  
Cost Center: 2200-0619.000 - TELECOM FIELD VOICE - SCG

**Activity Description:**

Provide maintenance and support for various Company network and communications systems. Maintenance and support includes repair, troubleshooting, installation and replacement activities. The network and communications systems that are supported includes the Company's network infrastructure consists of microwave and fiber optics transport systems; the gas SCADA (Supervisory Control and Data Acquisition) system consisting of wireless and wired systems; land mobile radio network systems for voice and mobile data communications; and telephony systems.

**Forecast Methodology:**

**Labor - Base YR Rec**

The Base year forecast method for years 2010-2012 that develops forecasted amounts based on the identification and calculation of incremental changes from the drivers of growth, changing technology, business and customer requirements, was used as the basis for forecasting amounts. This method more accurately reflects the expected costs compared to using the Linear Trending, Averaging, and Zero-Based Methods.

**Non-Labor - Base YR Rec**

The Base year forecast method for years 2010-2012 that develops forecasted amounts based on the identification and calculation of incremental changes from the drivers of growth, changing technology, business and customer requirements, was used as the basis for forecasting amounts. This method more accurately reflects the expected costs compared to using the Linear Trending, Averaging, and Zero-Based Methods.

**NSE - Base YR Rec**

The Base year forecast method for years 2010-2012 that develops forecasted amounts based on the identification and calculation of incremental changes from the drivers of growth, changing technology, business and customer requirements, was used as the basis for forecasting amounts. This method more accurately reflects the expected costs compared to using the Linear Trending, Averaging, and Zero-Based Methods.

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

Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil  
 Category: C. Network Communication Services Director  
 Category-Sub: 1. Telecom Field Voice - SCG  
 Cost Center: 2200-0619.000 - TELECOM FIELD VOICE - SCG

**Summary of Results:**

|           |  | In 2009\$ (000)                    |       |       |       |       |                   |       |       |
|-----------|--|------------------------------------|-------|-------|-------|-------|-------------------|-------|-------|
|           |  | Adjusted-Recorded                  |       |       |       |       | Adjusted-Forecast |       |       |
| Years     |  | 2005                               | 2006  | 2007  | 2008  | 2009  | 2010              | 2011  | 2012  |
|           |  | <b>Total Incurred (100% Level)</b> |       |       |       |       |                   |       |       |
| Labor     |  | 2,500                              | 2,564 | 2,342 | 2,062 | 1,856 | 1,856             | 1,856 | 1,856 |
| Non-Labor |  | 668                                | 590   | 534   | 428   | 443   | 443               | 482   | 482   |
| NSE       |  | 0                                  | 0     | 0     | 0     | 0     | 0                 | 0     | 0     |
| Total     |  | 3,168                              | 3,154 | 2,876 | 2,490 | 2,299 | 2,299             | 2,338 | 2,338 |
| FTE       |  | 29.7                               | 30.2  | 27.1  | 24.8  | 20.8  | 20.8              | 20.8  | 20.8  |
|           |  | <b>Allocations Out</b>             |       |       |       |       |                   |       |       |
| Labor     |  | 0                                  | 0     | 0     | 690   | 465   | 465               | 465   | 465   |
| Non-Labor |  | 0                                  | 0     | 0     | 136   | 112   | 112               | 122   | 122   |
| NSE       |  | 0                                  | 0     | 0     | 0     | 0     | 0                 | 0     | 0     |
| Total     |  | 0                                  | 0     | 0     | 826   | 577   | 577               | 587   | 587   |
| FTE       |  | 0.0                                | 0.0   | 0.0   | 0.0   | 0.0   | 0.0               | 0.0   | 0.0   |
|           |  | <b>Retained</b>                    |       |       |       |       |                   |       |       |
| Labor     |  | 2,500                              | 2,564 | 2,342 | 1,372 | 1,391 | 1,391             | 1,391 | 1,391 |
| Non-Labor |  | 668                                | 590   | 534   | 292   | 331   | 331               | 360   | 360   |
| NSE       |  | 0                                  | 0     | 0     | 0     | 0     | 0                 | 0     | 0     |
| Total     |  | 3,168                              | 3,154 | 2,876 | 1,664 | 1,722 | 1,722             | 1,751 | 1,751 |
| FTE       |  | 29.7                               | 30.2  | 27.1  | 24.8  | 20.8  | 20.8              | 20.8  | 20.8  |
|           |  | <b>Allocations In</b>              |       |       |       |       |                   |       |       |
| 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   |
|           |  | <b>Book Expense</b>                |       |       |       |       |                   |       |       |
| Labor     |  | 2,500                              | 2,564 | 2,342 | 1,372 | 1,391 | 1,391             | 1,391 | 1,391 |
| Non-Labor |  | 668                                | 590   | 534   | 292   | 331   | 331               | 360   | 360   |
| NSE       |  | 0                                  | 0     | 0     | 0     | 0     | 0                 | 0     | 0     |
| Total     |  | 3,168                              | 3,154 | 2,876 | 1,664 | 1,722 | 1,722             | 1,751 | 1,751 |
| FTE       |  | 29.7                               | 30.2  | 27.1  | 24.8  | 20.8  | 20.8              | 20.8  | 20.8  |

Southern California Gas Company  
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Shared Services Workpapers

Area: INFORMATION TECHNOLOGY  
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Category-Sub: 1. Telecom Field Voice - SCG  
Cost Center: 2200-0619.000 - TELECOM FIELD VOICE - SCG

**Calculation of Book Expense:**

|                           | 2009 Adjusted-Recorded |            |          |              |              | 2010 Adjusted-Forecast |            |          |              |              |
|---------------------------|------------------------|------------|----------|--------------|--------------|------------------------|------------|----------|--------------|--------------|
|                           | Labor                  | Non-Labor  | NSE      | Total        | FTE          | Labor                  | Non-Labor  | NSE      | Total        | FTE          |
| <b>Directly Retained</b>  | 36                     | 3          | 0        | 39           | 0.00         | 36                     | 3          | 0        | 39           | 0.00         |
| <b>Directly Allocated</b> | 5                      | 0          | 0        | 5            | 0.00         | 5                      | 0          | 0        | 5            | 0.00         |
| <b>Subj. To % Alloc.</b>  | 1,815                  | 440        | 0        | 2,255        | 20.80        | 1,815                  | 440        | 0        | 2,255        | 20.80        |
| <b>% Allocation</b>       |                        |            |          |              |              |                        |            |          |              |              |
| Retained                  | 74.65%                 | 74.65%     |          |              |              | 74.63%                 | 74.63%     |          |              |              |
| SEU                       | 24.50%                 | 24.50%     |          |              |              | 24.51%                 | 24.51%     |          |              |              |
| CORP                      | 0.73%                  | 0.73%      |          |              |              | 0.73%                  | 0.73%      |          |              |              |
| Unreg                     | 0.12%                  | 0.12%      |          |              |              | 0.13%                  | 0.13%      |          |              |              |
| <b>\$ Allocation</b>      |                        |            |          |              |              |                        |            |          |              |              |
| Retained                  | 1,355                  | 328        | 0        | 1,683        |              | 1,355                  | 328        | 0        | 1,683        |              |
| SEU                       | 445                    | 108        | 0        | 553          |              | 445                    | 108        | 0        | 553          |              |
| CORP                      | 13                     | 3          | 0        | 16           |              | 13                     | 3          | 0        | 16           |              |
| Unreg                     | 2                      | 1          | 0        | 3            |              | 2                      | 1          | 0        | 3            |              |
| <b>Total Incurred</b>     | <b>1,856</b>           | <b>443</b> | <b>0</b> | <b>2,299</b> | <b>20.80</b> | <b>1,856</b>           | <b>443</b> | <b>0</b> | <b>2,299</b> | <b>20.80</b> |
| <b>Total Alloc. Out</b>   | <b>465</b>             | <b>112</b> | <b>0</b> | <b>577</b>   |              | <b>465</b>             | <b>112</b> | <b>0</b> | <b>577</b>   |              |
| <b>Total Retained</b>     | <b>1,391</b>           | <b>331</b> | <b>0</b> | <b>1,722</b> |              | <b>1,391</b>           | <b>331</b> | <b>0</b> | <b>1,722</b> |              |
| <b>Allocations In</b>     | <b>0</b>               | <b>0</b>   | <b>0</b> | <b>0</b>     |              | <b>0</b>               | <b>0</b>   | <b>0</b> | <b>0</b>     |              |
| <b>Book Expense</b>       | <b>1,391</b>           | <b>331</b> | <b>0</b> | <b>1,722</b> |              | <b>1,391</b>           | <b>331</b> | <b>0</b> | <b>1,722</b> |              |

|                           | 2011 Adjusted-Forecast |            |          |              |              | 2012 Adjusted-Forecast |            |          |              |              |
|---------------------------|------------------------|------------|----------|--------------|--------------|------------------------|------------|----------|--------------|--------------|
|                           | Labor                  | Non-Labor  | NSE      | Total        | FTE          | Labor                  | Non-Labor  | NSE      | Total        | FTE          |
| <b>Directly Retained</b>  | 36                     | 3          | 0        | 39           | 0.00         | 36                     | 3          | 0        | 39           | 0.00         |
| <b>Directly Allocated</b> | 5                      | 0          | 0        | 5            | 0.00         | 5                      | 0          | 0        | 5            | 0.00         |
| <b>Subj. To % Alloc.</b>  | 1,815                  | 479        | 0        | 2,294        | 20.80        | 1,815                  | 479        | 0        | 2,294        | 20.80        |
| <b>% Allocation</b>       |                        |            |          |              |              |                        |            |          |              |              |
| Retained                  | 74.63%                 | 74.63%     |          |              |              | 74.63%                 | 74.63%     |          |              |              |
| SEU                       | 24.51%                 | 24.51%     |          |              |              | 24.51%                 | 24.51%     |          |              |              |
| CORP                      | 0.73%                  | 0.73%      |          |              |              | 0.73%                  | 0.73%      |          |              |              |
| Unreg                     | 0.13%                  | 0.13%      |          |              |              | 0.13%                  | 0.13%      |          |              |              |
| <b>\$ Allocation</b>      |                        |            |          |              |              |                        |            |          |              |              |
| Retained                  | 1,355                  | 357        | 0        | 1,712        |              | 1,355                  | 357        | 0        | 1,712        |              |
| SEU                       | 445                    | 118        | 0        | 563          |              | 445                    | 118        | 0        | 563          |              |
| CORP                      | 13                     | 3          | 0        | 16           |              | 13                     | 3          | 0        | 16           |              |
| Unreg                     | 2                      | 1          | 0        | 3            |              | 2                      | 1          | 0        | 3            |              |
| <b>Total Incurred</b>     | <b>1,856</b>           | <b>482</b> | <b>0</b> | <b>2,338</b> | <b>20.80</b> | <b>1,856</b>           | <b>482</b> | <b>0</b> | <b>2,338</b> | <b>20.80</b> |
| <b>Total Alloc. Out</b>   | <b>465</b>             | <b>122</b> | <b>0</b> | <b>587</b>   |              | <b>465</b>             | <b>122</b> | <b>0</b> | <b>587</b>   |              |
| <b>Total Retained</b>     | <b>1,391</b>           | <b>360</b> | <b>0</b> | <b>1,751</b> |              | <b>1,391</b>           | <b>360</b> | <b>0</b> | <b>1,751</b> |              |
| <b>Allocations In</b>     | <b>0</b>               | <b>0</b>   | <b>0</b> | <b>0</b>     |              | <b>0</b>               | <b>0</b>   | <b>0</b> | <b>0</b>     |              |
| <b>Book Expense</b>       | <b>1,391</b>           | <b>360</b> | <b>0</b> | <b>1,751</b> |              | <b>1,391</b>           | <b>360</b> | <b>0</b> | <b>1,751</b> |              |

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

Area: INFORMATION TECHNOLOGY  
Witness: Nichols, Jeffrey Cecil  
Category: C. Network Communication Services Director  
Category-Sub: 1. Telecom Field Voice - SCG  
Cost Center: 2200-0619.000 - TELECOM FIELD VOICE - SCG

**Cost Center Allocation Percentage Drivers/Methodology:**

**Cost Center Allocation Percentage for 2009**

The percentage allocations used for this cost center are based on the historical consumption of IT services by the business units, calculated from usage and IT metrics. These allocations are then applied to current year plan amount for each IT service type. IT metrics include network connections, telecom and computing equipment, etc.

**Cost Center Allocation Percentage for 2010**

The percentage allocations used for this cost center are based on the historical consumption of IT services by the business units, calculated from usage and IT metrics. These allocations are then applied to current year plan amount for each IT service type. IT metrics include network connections, telecom and computing equipment, etc.

**Cost Center Allocation Percentage for 2011**

The percentage allocations used for this cost center are based on the historical consumption of IT services by the business units, calculated from usage and IT metrics. These allocations are then applied to current year plan amount for each IT service type. IT metrics include network connections, telecom and computing equipment, etc.

**Cost Center Allocation Percentage for 2012**

The percentage allocations used for this cost center are based on the historical consumption of IT services by the business units, calculated from usage and IT metrics. These allocations are then applied to current year plan amount for each IT service type. IT metrics include network connections, telecom and computing equipment, etc.

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Area: INFORMATION TECHNOLOGY  
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**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 | 1,856                            | 1,856       | 1,856       | 0                    | 0           | 0           | 1,856             | 1,856       | 1,856       |
| Non-Labor       | Base YR Rec | 443                              | 443         | 443         | 0                    | 39          | 39          | 443               | 482         | 482         |
| NSE             | Base YR Rec | 0                                | 0           | 0           | 0                    | 0           | 0           | 0                 | 0           | 0           |
| Total           |             | 2,299                            | 2,299       | 2,299       | 0                    | 39          | 39          | 2,299             | 2,338       | 2,338       |
| FTE             | Base YR Rec | 20.8                             | 20.8        | 20.8        | 0.0                  | 0.0         | 0.0         | 20.8              | 20.8        | 20.8        |

**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> |
|---|--------------|-------------|------------|--------------|------------|-----------------|
| <b>2010 Total</b>   | <b>0</b>     | <b>0</b>    | <b>0</b>   | <b>0</b>     | <b>0.0</b> |                 |
| 2011  | 0            | 39          | 0          | 39           | 0.0        | 1-Sided Adj     |
| #83 - Unmanned site tower inspection, repair needed for system reliability. |              |             |            |              |            |                 |
| <b>2011 Total</b>   | <b>0</b>     | <b>39</b>   | <b>0</b>   | <b>39</b>    | <b>0.0</b> |                 |
| 2012  | 0            | 39          | 0          | 39           | 0.0        | 1-Sided Adj     |
| #83 - Unmanned site tower inspection, repair needed for system reliability. |              |             |            |              |            |                 |
| <b>2012 Total</b>   | <b>0</b>     | <b>39</b>   | <b>0</b>   | <b>39</b>    | <b>0.0</b> |                 |

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Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil  
 Category: C. Network Communication Services Director  
 Category-Sub: 1. Telecom Field Voice - SCG  
 Cost Center: 2200-0619.000 - TELECOM FIELD VOICE - SCG

**Determination of Adjusted-Recorded (Incurred Costs):**

|  | 2005 (\$000) | 2006 (\$000) | 2007 (\$000) | 2008 (\$000) | 2009 (\$000) |
|--|--------------|--------------|--------------|--------------|--------------|
| <b>Recorded (Nominal \$)*</b>              |              |              |              |              |              |
| Labor                                      | 1,900        | 1,997        | 1,888        | 1,703        | 1,572        |
| Non-Labor                                  | 594          | 542          | 506          | 422          | 443          |
| NSE  | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     |
| Total                                      | 2,494        | 2,539        | 2,395        | 2,125        | 2,015        |
| FTE  | 25.2         | 25.5         | 22.9         | 20.7         | 17.5         |
| <b>Adjustments (Nominal \$) **</b>         |              |              |              |              |              |
| Labor                                      | 0            | 0            | 0            | 0            | 0            |
| Non-Labor                                  | 0            | 0            | 0            | 0            | 0            |
| NSE  | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     |
| Total                                      | 0            | 0            | 0            | 0            | 0            |
| FTE  | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Recorded-Adjusted (Nominal \$)</b>      |              |              |              |              |              |
| Labor                                      | 1,900        | 1,997        | 1,888        | 1,703        | 1,572        |
| Non-Labor                                  | 594          | 542          | 506          | 422          | 443          |
| NSE  | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     |
| Total                                      | 2,494        | 2,539        | 2,395        | 2,125        | 2,015        |
| FTE  | 25.2         | 25.5         | 22.9         | 20.7         | 17.5         |
| <b>Vacation &amp; Sick (Nominal \$)</b>    |              |              |              |              |              |
| Labor                                      | 324          | 357          | 330          | 328          | 284          |
| Non-Labor                                  | 0            | 0            | 0            | 0            | 0            |
| NSE  | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     |
| Total                                      | 324          | 357          | 330          | 328          | 284          |
| FTE  | 4.5          | 4.7          | 4.2          | 4.1          | 3.3          |
| <b>Escalation to 2009\$</b>                |              |              |              |              |              |
| Labor                                      | 276          | 210          | 124          | 30           | 0            |
| Non-Labor                                  | 74           | 48           | 28           | 6            | 0            |
| NSE  | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     |
| Total                                      | 350          | 258          | 153          | 37           | 0            |
| FTE  | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Recorded-Adjusted (Constant 2009\$)</b> |              |              |              |              |              |
| Labor                                      | 2,500        | 2,564        | 2,342        | 2,062        | 1,856        |
| Non-Labor                                  | 668          | 590          | 535          | 428          | 443          |
| NSE  | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     | <u>0</u>     |
| Total                                      | 3,168        | 3,154        | 2,877        | 2,490        | 2,299        |
| FTE  | 29.7         | 30.2         | 27.1         | 24.8         | 20.8         |

\* After company-wide exclusions of Non-GRC costs

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

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 Shared Services Workpapers

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 Category: C. Network Communication Services Director  
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 Cost Center: 2200-0619.000 - TELECOM FIELD VOICE - SCG

**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  
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 Shared Services Workpapers

Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil  
 Category: D. USS Billed-in from SDG&E  
 Cost Center: 2200-8925.000

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

|           | In 2009\$ (000) "Book Expense" |                   |        |        |
|-----------|--------------------------------|-------------------|--------|--------|
|           | Adjusted-Recorded              | Adjusted-Forecast |        |        |
|           | 2009                           | 2010              | 2011   | 2012   |
| Labor     | 19,218                         | 21,022            | 22,861 | 23,549 |
| Non-Labor | 22,968                         | 16,117            | 17,397 | 18,611 |
| NSE       | 0                              | 8,054             | 7,322  | 7,858  |
| Total     | 42,186                         | 45,193            | 47,580 | 50,018 |
| FTE       | 0.0                            | 0.0               | 0.0    | 0.0    |

**Cost Centers belonging to this Category:**

**2200-8925.000 Billed-in Cost Center for INFORMATION TECHNOLOGY**

|           |        |        |        |        |
|-----------|--------|--------|--------|--------|
| Labor     | 19,218 | 21,022 | 22,861 | 23,549 |
| Non-Labor | 22,968 | 16,117 | 17,397 | 18,611 |
| NSE       | 0      | 8,054  | 7,322  | 7,858  |
| Total     | 42,186 | 45,193 | 47,580 | 50,018 |
| FTE       | 0.0    | 0.0    | 0.0    | 0.0    |

**Beginning of Workpaper**  
**2200-8925.000 - Billed-in Cost Center for INFORMATION TECHNOLOGY**

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

Area: INFORMATION TECHNOLOGY  
Witness: Nichols, Jeffrey Cecil  
Category: D. USS Billed-in from SDG&E  
Category-Sub: 1. USS Billed\_to\_CCTR for Information Technology  
Cost Center: 2200-8925.000 - Billed-in Cost Center for INFORMATION TECHNOLOGY

**Activity Description:**

N/A

**Forecast Methodology:**

**Labor - Base YR Rec**

N/A

**Non-Labor - Base YR Rec**

N/A

**NSE - Base YR Rec**

N/A

Southern California Gas Company  
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Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil  
 Category: D. USS Billed-in from SDG&E  
 Category-Sub: 1. USS Billed\_to\_CCTR for Information Technology  
 Cost Center: 2200-8925.000 - Billed-in Cost Center for INFORMATION TECHNOLOGY

**Summary of Results:**

|           |  | In 2009\$ (000)                    |        |        |        |        |                   |        |        |
|-----------|--|------------------------------------|--------|--------|--------|--------|-------------------|--------|--------|
|           |  | Adjusted-Recorded                  |        |        |        |        | Adjusted-Forecast |        |        |
| Years     |  | 2005                               | 2006   | 2007   | 2008   | 2009   | 2010              | 2011   | 2012   |
|           |  | <b>Total Incurred (100% Level)</b> |        |        |        |        |                   |        |        |
| 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    |
|           |  | <b>Allocations Out</b>             |        |        |        |        |                   |        |        |
| 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    |
|           |  | <b>Retained</b>                    |        |        |        |        |                   |        |        |
| 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    |
|           |  | <b>Allocations In</b>              |        |        |        |        |                   |        |        |
| Labor     |  | 20,300                             | 20,822 | 17,572 | 18,032 | 19,218 | 21,022            | 22,861 | 23,549 |
| Non-Labor |  | 23,340                             | 22,401 | 24,769 | 25,083 | 22,968 | 16,117            | 17,397 | 18,611 |
| NSE       |  | 0                                  | 0      | 0      | 0      | 0      | 8,054             | 7,322  | 7,858  |
| Total     |  | 43,640                             | 43,223 | 42,341 | 43,115 | 42,186 | 45,193            | 47,580 | 50,018 |
| FTE       |  | 0.0                                | 0.0    | 0.0    | 0.0    | 0.0    | 0.0               | 0.0    | 0.0    |
|           |  | <b>Book Expense</b>                |        |        |        |        |                   |        |        |
| Labor     |  | 20,300                             | 20,822 | 17,572 | 18,032 | 19,218 | 21,022            | 22,861 | 23,549 |
| Non-Labor |  | 23,340                             | 22,401 | 24,769 | 25,083 | 22,968 | 16,117            | 17,397 | 18,611 |
| NSE       |  | 0                                  | 0      | 0      | 0      | 0      | 8,054             | 7,322  | 7,858  |
| Total     |  | 43,640                             | 43,223 | 42,341 | 43,115 | 42,186 | 45,193            | 47,580 | 50,018 |
| FTE       |  | 0.0                                | 0.0    | 0.0    | 0.0    | 0.0    | 0.0               | 0.0    | 0.0    |

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Area: INFORMATION TECHNOLOGY  
 Witness: Nichols, Jeffrey Cecil  
 Category: D. USS Billed-in from SDG&E  
 Category-Sub: 1. USS Billed\_to\_CCTR for Information Technology  
 Cost Center: 2200-8925.000 - Billed-in Cost Center for INFORMATION TECHNOLOGY

**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        |
| <b>\$ Allocation</b>  |                        |               |          |               |             |                        |               |              |               |             |
| 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             |             |
| <b>Total Incurred</b> | <b>0</b>               | <b>0</b>      | <b>0</b> | <b>0</b>      | <b>0.00</b> | <b>0</b>               | <b>0</b>      | <b>0</b>     | <b>0</b>      | <b>0.00</b> |
| <b>Total Retained</b> | <b>0</b>               | <b>0</b>      | <b>0</b> | <b>0</b>      |             | <b>0</b>               | <b>0</b>      | <b>0</b>     | <b>0</b>      |             |
| <b>Allocations In</b> | <b>19,218</b>          | <b>22,968</b> | <b>0</b> | <b>42,186</b> |             | <b>21,022</b>          | <b>16,117</b> | <b>8,054</b> | <b>45,193</b> |             |
| <b>Book Expense</b>   | 19,218                 | 22,968        | 0        | 42,186        |             | 21,022                 | 16,117        | 8,054        | 45,193        |             |

|                       | 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        |
| <b>\$ Allocation</b>  |                        |               |              |               |             |                        |               |              |               |             |
| 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             |             |
| <b>Total Incurred</b> | <b>0</b>               | <b>0</b>      | <b>0</b>     | <b>0</b>      | <b>0.00</b> | <b>0</b>               | <b>0</b>      | <b>0</b>     | <b>0</b>      | <b>0.00</b> |
| <b>Total Retained</b> | <b>0</b>               | <b>0</b>      | <b>0</b>     | <b>0</b>      |             | <b>0</b>               | <b>0</b>      | <b>0</b>     | <b>0</b>      |             |
| <b>Allocations In</b> | <b>22,861</b>          | <b>17,397</b> | <b>7,322</b> | <b>47,580</b> |             | <b>23,549</b>          | <b>18,611</b> | <b>7,858</b> | <b>50,018</b> |             |
| <b>Book Expense</b>   | 22,861                 | 17,397        | 7,322        | 47,580        |             | 23,549                 | 18,611        | 7,858        | 50,018        |             |

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

Area: INFORMATION TECHNOLOGY  
Witness: Nichols, Jeffrey Cecil  
Category: D. USS Billed-in from SDG&E  
Category-Sub: 1. USS Billed\_to\_CCTR for Information Technology  
Cost Center: 2200-8925.000 - Billed-in Cost Center for INFORMATION TECHNOLOGY

**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

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**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> |
|-------------------|--------------|-------------|------------|--------------|------------|-----------------|
| <b>2010 Total</b> | <b>0</b>     | <b>0</b>    | <b>0</b>   | <b>0</b>     | <b>0.0</b> |                 |
| <b>2011 Total</b> | <b>0</b>     | <b>0</b>    | <b>0</b>   | <b>0</b>     | <b>0.0</b> |                 |
| <b>2012 Total</b> | <b>0</b>     | <b>0</b>    | <b>0</b>   | <b>0</b>     | <b>0.0</b> |                 |

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**Determination of Adjusted-Recorded (Incurred Costs):**

|  | 2005 (\$000) | 2006 (\$000) | 2007 (\$000) | 2008 (\$000) | 2009 (\$000) |
|--|--------------|--------------|--------------|--------------|--------------|
| <b>Recorded (Nominal \$)*</b>              |              |              |              |              |              |
| 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          |
| <b>Adjustments (Nominal \$) **</b>         |              |              |              |              |              |
| 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          |
| <b>Recorded-Adjusted (Nominal \$)</b>      |              |              |              |              |              |
| 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          |
| <b>Vacation &amp; Sick (Nominal \$)</b>    |              |              |              |              |              |
| 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          |
| <b>Escalation to 2009\$</b>                |              |              |              |              |              |
| 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          |
| <b>Recorded-Adjusted (Constant 2009\$)</b> |              |              |              |              |              |
| 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  
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 Shared Services Workpapers

Area: INFORMATION TECHNOLOGY  
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**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: ITIT - INFORMATION TECHNOLOGY  
Witness: Nichols, Jeffrey Cecil

**Appendix A: List of Non-Shared Cost Centers**

| <u>Cost Center</u> | <u>Sub</u> | <u>Description</u>                   |
|--------------------|------------|--------------------------------------|
| 2200-2319          | 000        | IT OPEX ENTERPRISE TRAINING AND COMM |