

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-22-WP)

WORKPAPERS TO
PREPARED DIRECT TESTIMONY
OF KENNETH J. DEREMER
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

DECEMBER 2010



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Overall Summary For Exhibit No. SCG-22

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS

Witness: Deremer, Kenneth J

Description	In 2009 \$ (000)			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
<i>Non-Shared Services</i>	8,713	9,530	9,530	9,530
<i>Shared Services</i>	11,126	12,527	12,690	12,690
Total	19,839	22,057	22,220	22,220

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J

Summary of Non-Shared Services Workpapers:

Description	In 2009 \$ (000)			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
A. Controller - Accounting Operations	1,921	2,141	2,141	2,141
B. Controller - Claims Payment & Recovery	6,704	7,309	7,309	7,309
C. Regulatory - GRC, Rates & Analysis	88	80	80	80
Total	8,713	9,530	9,530	9,530

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: A. Controller - Accounting Operations
 Workpaper: 2CN001.000

Summary for Category: A. Controller - Accounting Operations

	In 2009\$ (000)			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	1,891	2,085	2,085	2,085
Non-Labor	30	56	56	56
NSE	0	0	0	0
Total	1,921	2,141	2,141	2,141
FTE	28.5	32.6	32.6	32.6

Workpapers belonging to this Category:

2CN001.000 Cost Accounting

Labor	1,891	2,085	2,085	2,085
Non-Labor	30	56	56	56
NSE	0	0	0	0
Total	1,921	2,141	2,141	2,141
FTE	28.5	32.6	32.6	32.6

Beginning of Workpaper
2CN001.000 - Cost Accounting

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: A. Controller - Accounting Operations
 Category-Sub: 1. Cost Accounting
 Workpaper: 2CN001.000 - Cost Accounting

Activity Description:

Cost Accounting is responsible for rate base accounting, operating cost accounting, new business accounting, fixed asset management and construction billing.

Forecast Methodology:

Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

Non-Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

NSE - 5-YR Average

Not applicable.

Summary of Results:

Years	In 2009\$ (000)								
	Adjusted-Recorded					Adjusted-Forecast			
	2005	2006	2007	2008	2009	2010	2011	2012	
Labor	2,065	2,181	2,189	2,101	1,891	2,085	2,085	2,085	
Non-Labor	84	59	66	45	30	56	56	56	
NSE	0	0	0	0	0	0	0	0	
Total	2,149	2,240	2,255	2,146	1,921	2,141	2,141	2,141	
FTE	33.2	34.4	34.2	32.9	28.5	32.6	32.6	32.6	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: A. Controller - Accounting Operations
 Category-Sub: 1. Cost Accounting
 Workpaper: 2CN001.000 - Cost Accounting

Forecast Summary:

Forecast Method		In 2009 \$(000)								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Labor	5-YR Average	2,085	2,085	2,085	0	0	0	2,085	2,085	2,085
Non-Labor	5-YR Average	56	56	56	0	0	0	56	56	56
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		2,141	2,141	2,141	0	0	0	2,141	2,141	2,141
FTE	5-YR Average	32.6	32.6	32.6	0.0	0.0	0.0	32.6	32.6	32.6

Forecast Adjustment Details:

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: A. Controller - Accounting Operations
Category-Sub: 1. Cost Accounting
Workpaper: 2CN001.000 - Cost Accounting

Determination of Adjusted-Recorded:

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	1,576	1,700	1,759	1,718	1,602
Non-Labor	75	54	63	45	30
NSE	0	0	0	0	0
Total	1,651	1,755	1,821	1,763	1,632
FTE	28.1	29.1	28.9	27.5	24.0
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	1,576	1,700	1,759	1,718	1,602
Non-Labor	75	54	63	45	30
NSE	0	0	0	0	0
Total	1,651	1,755	1,821	1,763	1,632
FTE	28.1	29.1	28.9	27.5	24.0
Vacation & Sick (Nominal \$)					
Labor	269	304	307	331	289
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	269	304	307	331	289
FTE	5.1	5.3	5.3	5.4	4.5
Escalation to 2009\$					
Labor	220	177	123	52	0
Non-Labor	9	5	3	0	0
NSE	0	0	0	0	0
Total	230	181	126	52	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	2,065	2,181	2,189	2,101	1,891
Non-Labor	84	59	66	45	30
NSE	0	0	0	0	0
Total	2,149	2,240	2,254	2,146	1,921
FTE	33.2	34.4	34.2	32.9	28.5

* After company-wide exclusions of Non-GRC costs

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: A. Controller - Accounting Operations
 Category-Sub: 1. Cost Accounting
 Workpaper: 2CN001.000 - Cost Accounting

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
 Non-Shared Service Workpapers

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: B. Controller - Claims Payment & Recovery
 Workpaper: 2CN010.000

Summary for Category: B. Controller - Claims Payment & Recovery

	In 2009\$ (000)			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	0	0	0	0
Non-Labor	6,704	7,309	7,309	7,309
NSE	0	0	0	0
Total	6,704	7,309	7,309	7,309
FTE	0.0	0.0	0.0	0.0

Workpapers belonging to this Category:

2CN010.000 Claims Pmts & Recovery - SCG

Labor	0	0	0	0
Non-Labor	6,704	7,309	7,309	7,309
NSE	0	0	0	0
Total	6,704	7,309	7,309	7,309
FTE	0.0	0.0	0.0	0.0

Beginning of Workpaper
2CN010.000 - Claims Pmts & Recovery - SCG

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: B. Controller - Claims Payment & Recovery
 Category-Sub: 1. Claims Pmts & Recovery - SCG
 Workpaper: 2CN010.000 - Claims Pmts & Recovery - SCG

Activity Description:

Net payments for all third party property damage, bodily injury and recovery claims for SCG.

Forecast Methodology:

Labor - 3-YR Average

The 3-year averaging methodology produces the most representative forecast of 2010-2012 Claims Payments and Recovery expenses because it most accurately captures current and anticipated future claims costs. The increasing trend in the cost to litigate and settle claims has moved well beyond levels incurred in 2005 and 2006, and we do not expect a decline in claims costs in the foreseeable future.

Non-Labor - 3-YR Average

The 3-year averaging methodology produces the most representative forecast of 2010-2012 Claims Payments and Recovery expenses because it most accurately captures current and anticipated future claims costs. The increasing trend in the cost to litigate and settle claims has moved well beyond levels incurred in 2005 and 2006, and we do not expect a decline in claims costs in the foreseeable future.

NSE - 3-YR Average

Not applicable.

Summary of Results:

	In 2009\$ (000)								
	Adjusted-Recorded					Adjusted-Forecast			
	2005	2006	2007	2008	2009	2010	2011	2012	
Years									
Labor	0	0	0	0	0	0	0	0	
Non-Labor	4,441	4,892	3,503	3,689	6,704	7,309	7,309	7,309	
NSE	0	0	0	0	0	0	0	0	
Total	4,441	4,892	3,503	3,689	6,704	7,309	7,309	7,309	
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: B. Controller - Claims Payment & Recovery
 Category-Sub: 1. Claims Pmts & Recovery - SCG
 Workpaper: 2CN010.000 - Claims Pmts & Recovery - SCG

Forecast Summary:

Forecast Method		In 2009 \$(000)								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		2010	2011	2012	2010	2011	2012	2010	2011	2012
Labor	3-YR Average	0	0	0	0	0	0	0	0	0
Non-Labor	3-YR Average	4,632	4,632	4,632	2,677	2,677	2,677	7,309	7,309	7,309
NSE	3-YR Average	0	0	0	0	0	0	0	0	0
Total		4,632	4,632	4,632	2,677	2,677	2,677	7,309	7,309	7,309
FTE	3-YR Average	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010	0	2,677	0	2,677	0.0	1-Sided Adj
New \$4 million SIR effect.						
2010 Total	0	2,677	0	2,677	0.0	
2011	0	2,677	0	2,677	0.0	1-Sided Adj
New \$4 million SIR effect.						
2011 Total	0	2,677	0	2,677	0.0	
2012	0	2,677	0	2,677	0.0	1-Sided Adj
New \$4 million SIR effect.						
2012 Total	0	2,677	0	2,677	0.0	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: B. Controller - Claims Payment & Recovery
Category-Sub: 1. Claims Pmts & Recovery - SCG
Workpaper: 2CN010.000 - Claims Pmts & Recovery - SCG

Determination of Adjusted-Recorded:

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	3,955	4,517	3,342	3,698	6,704
NSE	0	0	0	0	0
Total	3,955	4,517	3,342	3,698	6,704
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	0	0	0	0	0
Non-Labor	3,955	4,517	3,342	3,698	6,704
NSE	0	0	0	0	0
Total	3,955	4,517	3,342	3,698	6,704
FTE	0.0	0.0	0.0	0.0	0.0
Vacation & Sick (Nominal \$)					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Escalation to 2009\$					
Labor	0	0	0	0	0
Non-Labor	485	376	161	-9	0
NSE	0	0	0	0	0
Total	485	376	161	-9	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	0	0	0	0	0
Non-Labor	4,441	4,892	3,503	3,689	6,704
NSE	0	0	0	0	0
Total	4,441	4,892	3,503	3,689	6,704
FTE	0.0	0.0	0.0	0.0	0.0

* After company-wide exclusions of Non-GRC costs

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: B. Controller - Claims Payment & Recovery
 Category-Sub: 1. Claims Pmts & Recovery - SCG
 Workpaper: 2CN010.000 - Claims Pmts & Recovery - SCG

Summary of Adjustments to Recorded:

In Nominal \$ (000)					
Year	2005	2006	2007	2008	2009
Labor	0	0	0	0	0
Non-Labor	3,955	4,517	3,342	3,698	6,704
NSE	0	0	0	0	0
Total	3,955	4,517	3,342	3,698	6,704
FTE	0.0	0.0	0.0	0.0	0.0

Detail of Adjustments to Recorded:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From Cctr</u>	<u>RefID</u>
2005	0	3,774	0	0.0	1-Sided Adj	N/A	TP1JMY2010041 5111900163
Claims payments (normalized)							
2005	0	182	0	0.0	1-Sided Adj	N/A	TP1JMY2010051 1122326080
Recovery expense data							
2005 Total	0	3,955	0	0.0			
2006	0	4,400	0	0.0	1-Sided Adj	N/A	TP1JMY2010041 5112122290
Claims payments (normalized)							
2006	0	116	0	0.0	1-Sided Adj	N/A	TP1JMY2010051 1122218360
Recovery expense data							
2006 Total	0	4,517	0	0.0			
2007	0	3,329	0	0.0	1-Sided Adj	N/A	TP1JMY2010041 5112455430
Claims payments (normalized)							
2007	0	13	0	0.0	1-Sided Adj	N/A	TP1JMY2010051 1122110017
Recovery expense data							
2007 Total	0	3,342	0	0.0			

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: B. Controller - Claims Payment & Recovery
 Category-Sub: 1. Claims Pmts & Recovery - SCG
 Workpaper: 2CN010.000 - Claims Pmts & Recovery - SCG

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2008	0	3,604	0	0.0	1-Sided Adj	N/A	TP1JMY2010041 5112654350
Claims payments (normalized)							
2008	0	94	0	0.0	1-Sided Adj	N/A	TP1JMY2010051 1122002800
Recovery expense data							
2008 Total	0	3,698	0	0.0			
2009	0	100	0	0.0	1-Sided Adj	N/A	TP1JMY2010021 2115900880
Recovery expense data							
2009	0	6,604	0	0.0	1-Sided Adj	N/A	TP1JMY2010041 5112912663
Claims payments (normalized)							
2009 Total	0	6,704	0	0.0			

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: C. Regulatory - GRC, Rates & Analysis
 Workpaper: 2RA001.000

Summary for Category: C. Regulatory - GRC, Rates & Analysis

	In 2009\$ (000)			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	88	79	79	79
Non-Labor	0	1	1	1
NSE	0	0	0	0
Total	88	80	80	80
FTE	1.1	1.0	1.0	1.0

Workpapers belonging to this Category:

2RA001.000 Regulatory Tariffs

Labor	88	79	79	79
Non-Labor	0	1	1	1
NSE	0	0	0	0
Total	88	80	80	80
FTE	1.1	1.0	1.0	1.0

Beginning of Workpaper
2RA001.000 - Regulatory Tariffs

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: C. Regulatory - GRC, Rates & Analysis
 Category-Sub: 1. Regulatory Tariffs
 Workpaper: 2RA001.000 - Regulatory Tariffs

Activity Description:

The Tariff groups are responsible for activities relating to: (1) filing advice letters and responding to protests and draft resolutions; (2) maintaining, interpreting and revising tariff schedules and developing new tariffs; (3) providing guidance to both SDG&E and SoCalGas on regulatory compliance with tariffs; and (4) responding to CPUC staff inquiries.

Forecast Methodology:

Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Regulatory Affairs division costs when applied to all Regulatory Affairs cost centers. This is because the 5-year average represents a typical business operating cycle for regulatory relations, case management, and other regulatory functions. Also, a 5-year average captures staffing increases and decreases as they relate to major multi-year regulatory proceedings like the General Rate Case.

Non-Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Regulatory Affairs division costs when applied to all Regulatory Affairs cost centers. This is because the 5-year average represents a typical business operating cycle for regulatory relations, case management, and other regulatory functions. Also, a 5-year average captures staffing increases and decreases as they relate to major multi-year regulatory proceedings like the General Rate Case.

NSE - 5-YR Average

Not Applicable

Summary of Results:

Years	In 2009\$ (000)								
	Adjusted-Recorded					Adjusted-Forecast			
	2005	2006	2007	2008	2009	2010	2011	2012	
Labor	38	75	92	102	88	79	79	79	
Non-Labor	3	1	0	1	0	1	1	1	
NSE	0	0	0	0	0	0	0	0	
Total	41	76	92	103	88	80	80	80	
FTE	0.5	1.1	1.2	1.3	1.1	1.0	1.0	1.0	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: C. Regulatory - GRC, Rates & Analysis
 Category-Sub: 1. Regulatory Tariffs
 Workpaper: 2RA001.000 - Regulatory Tariffs

Forecast Summary:

Forecast Method		In 2009 \$(000)								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		2010	2011	2012	2010	2011	2012	2010	2011	2012
Labor	5-YR Average	79	79	79	0	0	0	79	79	79
Non-Labor	5-YR Average	1	1	1	0	0	0	1	1	1
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		80	80	80	0	0	0	80	80	80
FTE	5-YR Average	1.0	1.0	1.0	0.0	0.0	0.0	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 Total	0	0	0	0	0.0	
2011 Total	0	0	0	0	0.0	
2012 Total	0	0	0	0	0.0	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: C. Regulatory - GRC, Rates & Analysis
Category-Sub: 1. Regulatory Tariffs
Workpaper: 2RA001.000 - Regulatory Tariffs

Determination of Adjusted-Recorded:

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	0	0	0	0	75
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	75
FTE	0.0	0.0	0.0	0.0	0.9
Adjustments (Nominal \$) **					
Labor	29	58	74	83	0
Non-Labor	2	1	0	1	0
NSE	0	0	0	0	0
Total	32	59	74	84	0
FTE	0.4	0.9	1.0	1.1	0.0
Recorded-Adjusted (Nominal \$)					
Labor	29	58	74	83	75
Non-Labor	2	1	0	1	0
NSE	0	0	0	0	0
Total	32	59	74	84	75
FTE	0.4	0.9	1.0	1.1	0.9
Vacation & Sick (Nominal \$)					
Labor	5	10	13	16	13
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	5	10	13	16	13
FTE	0.1	0.2	0.2	0.2	0.2
Escalation to 2009\$					
Labor	4	6	5	3	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	4	6	5	3	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	38	75	92	102	88
Non-Labor	3	1	0	1	0
NSE	0	0	0	0	0
Total	41	75	93	103	88
FTE	0.5	1.1	1.2	1.3	1.1

* After company-wide exclusions of Non-GRC costs

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

Southern California Gas Company
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 Non-Shared Service Workpapers

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: C. Regulatory - GRC, Rates & Analysis
 Category-Sub: 1. Regulatory Tariffs
 Workpaper: 2RA001.000 - Regulatory Tariffs

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000)				
	2005	2006	2007	2008	2009
Labor	29	58	74	83	0
Non-Labor	2	0.579	0.294	1	0
NSE	0	0	0	0	0
Total	32	59	74	84	0
FTE	0.4	0.9	1.0	1.1	0.0

Detail of Adjustments to Recorded:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005	0	0.062	0	0.0	CCTR Transf	From 2200-2091.000	ALEDGERW2009 0911113805493
<p>To move 50% of non-labor costs associated with cost center 2200-2091, Tariffs & Regulatory Accounts to the GRC, Rates, and Analysis department. In 2009, the Tariff Group split from the Regulatory Accounts group, so for proper GRC historical data presentation, the 2005-2008 costs related to Tariffs are being moved to their new Reg Affairs cost centers.</p>							
2005	0	44	0	0.0	CCTR Transf	From 2200-2091.000	ALEDGERW2009 0911113850167
<p>To move 50% of non-labor costs associated with cost center 2200-2091, Tariffs & Regulatory Accounts to the GRC, Rates, and Analysis department. In 2009, the Tariff Group split from the Regulatory Accounts group, so for proper GRC historical data presentation, the 2005-2008 costs related to Tariffs are being moved to their new Reg Affairs cost centers.</p>							
2005	0	2	0	0.0	CCTR Transf	From 2200-2091.000	ALEDGERW2009 0911113930043
<p>To move 50% of non-labor costs associated with cost center 2200-2091, Tariffs & Regulatory Accounts to the GRC, Rates, and Analysis department. In 2009, the Tariff Group split from the Regulatory Accounts group, so for proper GRC historical data presentation, the 2005-2008 costs related to Tariffs are being moved to their new Reg Affairs cost centers.</p>							
2005	74	0	0	0.0	CCTR Transf	From 2200-2091.000	ALEDGERW2009 0911114014497
<p>To move 50% of labor costs associated with cost center 2200-2091, Tariffs & Regulatory Accounts to the GRC, Rates, and Analysis department. In 2009, the Tariff Group split from the Regulatory Accounts group, so for proper GRC historical data presentation, the 2005-2008 costs related to Tariffs are being moved to their new Reg Affairs cost centers.</p>							

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: C. Regulatory - GRC, Rates & Analysis
 Category-Sub: 1. Regulatory Tariffs
 Workpaper: 2RA001.000 - Regulatory Tariffs

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From Cctr</u>	<u>RefID</u>
2005	0	0	0	1.0	CCTR Transf	From 2200-2091.000	ALEDGERW2009 0911114100280
To move 50% of FTEs associated with cost center 2200-2091, Tariffs & Regulatory Accounts to the GRC, Rates, and Analysis department. In 2009, the Tariff Group split from the Regulatory Accounts group, so for proper GRC historical data presentation, the 2005-2008 costs related to Tariffs are being moved to their new Reg Affairs cost centers.							
2005	0	-44	0	0.0	CCTR Transf	From 2200-2091.000	ALEDGERW2009 0914162751820
To reverse 50% non-labor cost transfer from cost center 2200-2091. Cost does not relate to Tariff Group costs but rather to the 2005 Affiliate Compliance audit which is to be excluded from the GRC costs.							
2005	-74	0	0	0.0	CCTR Transf	From 2200-2091.000	ALEDGERW2009 0916200003600
To reverse entry moving 50% of labor costs related to Tariffs group. An adjustment to exclude affiliate compliance costs need to be completed prior to the 50% transfer.							
2005	0	0	0	-1.0	CCTR Transf	From 2200-2091.000	ALEDGERW2009 0916200222870
To reverse entry moving one FTE to CC 2200-2309 related to Tariffs group. An entry to exclude affiliate compliance needs to be completed prior to the FTE transfer.							
2005	29	0	0	0.0	CCTR Transf	From 2200-2091.000	ALEDGERW2009 0916201028300
To move 50% of 2005 labor costs which are related to the Tariffs Group. The Tariifs Group was moved to a new cost center during 2009 reorganization.							
2005	0	0	0	0.4	CCTR Transf	From 2200-2091.000	ALEDGERW2009 0917103451480
To move 50% of FTE's which are related to the Tariffs group. The Tariffs group was moved out of cost center 2200-2091 during reorganization.							
2005 Total	29	2	0	0.4			

2006	58	0	0	0.0	CCTR Transf	From 2200-2091.000	ALEDGERW2009 0908201344190
To move 50% of labor costs associated with cost center 2200-2091, Tariffs & Regulatory Accounts to the GRC, Rates, and Analysis department. In 2009, the Tariff Group split from the Regulatory Accounts group, so for proper GRC historical data presentation, the 2005-2008 costs related to Tariffs are being moved to their new Reg Affairs cost centers.							

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: C. Regulatory - GRC, Rates & Analysis
 Category-Sub: 1. Regulatory Tariffs
 Workpaper: 2RA001.000 - Regulatory Tariffs

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2006	0	0.555	0	0.0	CCTR Transf	From 2200-2091.000	ALEDGERW2009 0908201430347

To move 50% of non-labor costs associated with cost center 2200-2091, Tariffs & Regulatory Accounts to the GRC, Rates, and Analysis department. In 2009, the Tariff Group split from the Regulatory Accounts group, so for proper GRC historical data presentation, the 2005-2008 costs related to Tariffs are being moved to their new Reg Affairs cost centers.

2006	0	0	0	0.9	CCTR Transf	From 2200-2091.000	ALEDGERW2009 0908201516033
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To move 50% of FTEs associated with cost center 2200-2091, Tariffs & Regulatory Accounts to the GRC, Rates, and Analysis department. In 2009, the Tariff Group split from the Regulatory Accounts group, so for proper GRC historical data presentation, the 2005-2008 costs related to Tariffs are being moved to their new Reg Affairs cost centers.

2006	0	0.024	0	0.0	CCTR Transf	From 2200-2091.000	ALEDGERW2009 0910123819793
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To move 50% of non-labor costs associated with cost center 2200-2091, Tariffs & Regulatory Accounts to the GRC, Rates, and Analysis department. In 2009, the Tariff Group split from the Regulatory Accounts group, so for proper GRC historical data presentation, the 2005-2008 costs related to Tariffs are being moved to their new Reg Affairs cost centers.

2006 Total	58	0.579	0	0.9			
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2007	74	0	0	0.0	CCTR Transf	From 2200-2091.000	ALEDGERW2009 0908200311267
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To move 50% of labor costs associated with cost center 2200-2091, Tariffs & Regulatory Accounts to the GRC, Rates, and Analysis department. In 2009, the Tariff Group split from the Regulatory Accounts group, so for proper GRC historical data presentation, the 2005-2008 costs related to Tariffs are being moved to their new Reg Affairs cost centers.

2007	0	0.294	0	0.0	CCTR Transf	From 2200-2091.000	ALEDGERW2009 0908200652257
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To move 50% of non-labor costs associated with cost center 2200-2091, Tariffs & Regulatory Accounts to the GRC, Rates, and Analysis department. In 2009, the Tariff Group split from the Regulatory Accounts group, so for proper GRC historical data presentation, the 2005-2008 costs related to Tariffs are being moved to their new Reg Affairs cost centers.

Southern California Gas Company
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 Non-Shared Service Workpapers

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: C. Regulatory - GRC, Rates & Analysis
 Category-Sub: 1. Regulatory Tariffs
 Workpaper: 2RA001.000 - Regulatory Tariffs

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2007	0	0	0	1.0	CCTR Transf	From 2200-2091.000	ALEDGERW2009 0909093045137
<p>To move 50% of FTEs associated with cost center 2200-2091, Tariffs & Regulatory Accounts to the GRC, Rates, and Analysis department. In 2009, the Tariff Group split from the Regulatory Accounts group, so for proper GRC historical data presentation, the 2005-2008 costs related to Tariffs are being moved to their new Reg Affairs cost centers.</p>							

2007 Total	74	0.294	0	1.0			
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2008	0.598	0	0	0.0	CCTR Transf	From 2200-2091.000	ALEDGERW2009 0908194134640
<p>To move 50% of labor costs associated with cost center 2200-2091, Tariffs & Regulatory Accounts to the GRC, Rates, and Analysis department. In 2009, the Tariff Group split from the Regulatory Accounts group, so for proper GRC historical data presentation, the 2005-2008 costs related to Tariffs are being moved to their new Reg Affairs cost centers.</p>							

2008	82	0	0	0.0	CCTR Transf	From 2200-2091.000	ALEDGERW2009 0908194312750
<p>To move 50% of labor costs associated with cost center 2200-2091, Tariffs & Regulatory Accounts to the GRC, Rates, and Analysis department. In 2009, the Tariff Group split from the Regulatory Accounts group, so for proper GRC historical data presentation, the 2005-2008 costs related to Tariffs are being moved to their new Reg Affairs cost centers.</p>							

2008	0	1	0	0.0	CCTR Transf	From 2200-2091.000	ALEDGERW2009 0908194440533
<p>To move 50% of non-labor costs associated with cost center 2200-2091, Tariffs & Regulatory Accounts to the GRC, Rates, and Analysis department. In 2009, the Tariff Group split from the Regulatory Accounts group, so for proper GRC historical data presentation, the 2005-2008 costs related to Tariffs are being moved to their new Reg Affairs cost centers.</p>							

2008	0	0	0	1.1	CCTR Transf	From 2200-2091.000	ALEDGERW2009 0908194716633
<p>To move 50% of FTEs associated with cost center 2200-2091, Tariffs & Regulatory Accounts to the GRC, Rates, and Analysis department. In 2009, the Tariff Group split from the Regulatory Accounts group, so for proper GRC historical data presentation, the 2005-2008 costs related to Tariffs are being moved to their new Reg Affairs cost centers.</p>							

2008 Total	83	1	0	1.1			
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Southern California Gas Company
Test Year 2012 GRC - APP
Non-Shared Service Workpapers

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: C. Regulatory - GRC, Rates & Analysis
Category-Sub: 1. Regulatory Tariffs
Workpaper: 2RA001.000 - Regulatory Tariffs

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J

Summary of Shared Services Workpapers:

Description	In 2009 \$ (000) "Book Expense"			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
A. Controller - VP / CFO	128	409	409	409
B. Controller - Accounting Operations	787	848	848	848
C. Controller - Fin Systems & Bus Controls	1,619	1,678	1,678	1,678
D. Controller - Planning & Analysis	1,125	1,163	1,163	1,163
E. California Case Management	420	520	520	520
F. Regulatory - GRC, Rates & Analysis	1,085	702	702	702
G. FERC, CAISO, & Compliance	72	68	68	68
H. Finance - Financial Analysis	147	133	133	133
I. USS Billed-in from SDG&E	5,743	7,006	7,169	7,169
Total	11,126	12,527	12,690	12,690

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: A. Controller - VP / CFO
 Cost Center: VARIOUS

Summary for Category: A. Controller - VP / CFO

	In 2009\$ (000) "Book Expense"			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	113	343	343	343
Non-Labor	15	66	66	66
NSE	0	0	0	0
Total	128	409	409	409
FTE	1.0	3.6	3.6	3.6

Cost Centers belonging to this Category:

2200-8962.000 CFO - CONTROLLER - VP

Labor	0	239	239	239
Non-Labor	2	55	55	55
NSE	0	0	0	0
Total	2	294	294	294
FTE	0.0	2.7	2.7	2.7

2200-8963.000 DIRECTOR OF FINANCE

Labor	113	104	104	104
Non-Labor	13	11	11	11
NSE	0	0	0	0
Total	126	115	115	115
FTE	1.0	0.9	0.9	0.9

Beginning of Workpaper
2200-8962.000 - CFO - CONTROLLER - VP

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: A. Controller - VP / CFO
Category-Sub: 1. CFO - Controller - VP
Cost Center: 2200-8962.000 - CFO - CONTROLLER - VP

Activity Description:

Salary and expenses of the SCG CFO-Controller-VP and assistant(s).

Forecast Methodology:

Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

Non-Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

NSE - 5-YR Average

Not Applicable

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: A. Controller - VP / CFO
Category-Sub: 1. CFO - Controller - VP
Cost Center: 2200-8962.000 - CFO - CONTROLLER - VP

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		745	868	402	367	0	476	476	476
Non-Labor		254	165	66	64	3	110	110	110
NSE		0	0	0	0	0	0	0	0
Total		999	1,033	468	431	3	586	586	586
FTE		4.4	5.3	2.1	1.9	0.0	2.7	2.7	2.7
		Allocations Out							
Labor		371	432	200	182	0	237	237	237
Non-Labor		126	82	33	32	1	55	55	55
NSE		0	0	0	0	0	0	0	0
Total		497	514	233	214	1	292	292	292
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		374	436	202	185	0	239	239	239
Non-Labor		128	83	33	32	2	55	55	55
NSE		0	0	0	0	0	0	0	0
Total		502	519	235	217	2	294	294	294
FTE		4.4	5.3	2.1	1.9	0.0	2.7	2.7	2.7
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		374	436	202	185	0	239	239	239
Non-Labor		128	83	33	32	2	55	55	55
NSE		0	0	0	0	0	0	0	0
Total		502	519	235	217	2	294	294	294
FTE		4.4	5.3	2.1	1.9	0.0	2.7	2.7	2.7

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: A. Controller - VP / CFO
 Category-Sub: 1. CFO - Controller - VP
 Cost Center: 2200-8962.000 - CFO - CONTROLLER - VP

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	3	0	3	0.00	476	110	0	586	2.70
% Allocation										
Retained	50.27%	50.27%				50.27%	50.27%			
SEU	49.73%	49.73%				49.73%	49.73%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	0	2	0	2		239	55	0	294	
SEU	0	1	0	1		237	55	0	292	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	0	3	0	3	0.00	476	110	0	586	2.70
Total Alloc. Out	0	1	0	1		237	55	0	292	
Total Retained	0	2	0	2		239	55	0	294	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	0	2	0	2		239	55	0	294	

	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.	476	110	0	586	2.70	476	110	0	586	2.70
% Allocation										
Retained	50.27%	50.27%				50.27%	50.27%			
SEU	49.73%	49.73%				49.73%	49.73%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	239	55	0	294		239	55	0	294	
SEU	237	55	0	292		237	55	0	292	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	476	110	0	586	2.70	476	110	0	586	2.70
Total Alloc. Out	237	55	0	292		237	55	0	292	
Total Retained	239	55	0	294		239	55	0	294	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	239	55	0	294		239	55	0	294	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: A. Controller - VP / CFO
Category-Sub: 1. CFO - Controller - VP
Cost Center: 2200-8962.000 - CFO - CONTROLLER - VP

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

The CA Utility Multi-Factor allocation is appropriate based on the equal weighting of operating revenues; operation expenses; gross noncurrent assets; and, FTE's for each utility.

Cost Center Allocation Percentage for 2010

The CA Utility Multi-Factor allocation is appropriate based on the equal weighting of operating revenues; operation expenses; gross noncurrent assets; and, FTE's for each utility.

Cost Center Allocation Percentage for 2011

The CA Utility Multi-Factor allocation is appropriate based on the equal weighting of operating revenues; operation expenses; gross noncurrent assets; and, FTE's for each utility.

Cost Center Allocation Percentage for 2012

The CA Utility Multi-Factor allocation is appropriate based on the equal weighting of operating revenues; operation expenses; gross noncurrent assets; and, FTE's for each utility.

Southern California Gas Company
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Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: A. Controller - VP / CFO
 Category-Sub: 1. CFO - Controller - VP
 Cost Center: 2200-8962.000 - CFO - CONTROLLER - VP

Forecast Summary:

Forecast Method		In 2009 \$(000) "Incurred Costs"								
		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	5-YR Average	476	476	476	0	0	0	476	476	476
Non-Labor	5-YR Average	110	110	110	0	0	0	110	110	110
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		586	586	586	0	0	0	586	586	586
FTE	5-YR Average	2.7	2.7	2.7	0.0	0.0	0.0	2.7	2.7	2.7

Forecast Adjustment Details:

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

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Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: A. Controller - VP / CFO
Category-Sub: 1. CFO - Controller - VP
Cost Center: 2200-8962.000 - CFO - CONTROLLER - VP

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Adjustments (Nominal \$) **					
Labor	566	676	324	303	0
Non-Labor	226	152	63	64	3
NSE	0	0	0	0	0
Total	792	828	387	367	3
FTE	3.7	4.5	1.8	1.6	0.0
Recorded-Adjusted (Nominal \$)					
Labor	566	676	324	303	0
Non-Labor	226	152	63	64	3
NSE	0	0	0	0	0
Total	792	828	387	367	3
FTE	3.7	4.5	1.8	1.6	0.0
Vacation & Sick (Nominal \$)					
Labor	97	121	57	58	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	97	121	57	58	0
FTE	0.7	0.8	0.3	0.3	0.0
Escalation to 2009\$					
Labor	82	71	21	5	0
Non-Labor	28	14	4	1	0
NSE	0	0	0	0	0
Total	110	84	25	6	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	745	868	402	367	0
Non-Labor	254	165	66	64	3
NSE	0	0	0	0	0
Total	999	1,033	469	431	3
FTE	4.4	5.3	2.1	1.9	0.0

* After company-wide exclusions of Non-GRC costs

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: A. Controller - VP / CFO
Category-Sub: 1. CFO - Controller - VP
Cost Center: 2200-8962.000 - CFO - CONTROLLER - VP

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000) "Incurred Costs"				
	2005	2006	2007	2008	2009
Labor	566	676	324	303	0
Non-Labor	226	152	63	64	3
NSE	0	0	0	0	0
Total	792	828	387	367	3
FTE	3.7	4.5	1.8	1.6	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	343	0	0	0.0	1-Sided Adj	N/A	TP1JMY2010060 8152055797
Move CFO costs from 2100-3161 to SCG CFO cost center.							
2005	0	171	0	0.0	1-Sided Adj	N/A	TP1JMY2010060 8152132013
Move CFO costs from 2100-3161 to SCG CFO cost center.							
2005	0	0	0	1.7	1-Sided Adj	N/A	TP1JMY2010060 8152209110
Move CFO costs from 2100-3161 to SCG CFO cost center.							
2005	223	0	0	0.0	CCTR Transf	From 2200-0334.000	TP1JMY2010060 8171247690
Move VP FinPln costs from NSS cctr to USS cctr.							
2005	0	55	0	0.0	CCTR Transf	From 2200-0334.000	TP1JMY2010060 8171408847
Move VP FinPln costs from NSS cctr to USS cctr.							
2005	0	0	0	2.0	CCTR Transf	From 2200-0334.000	TP1JMY2010060 8171437427
Move VP FinPln costs from NSS cctr to USS cctr.							
2005 Total	566	226	0	3.7			

2006	343	0	0	0.0	1-Sided Adj	N/A	TP1JMY2010060 8152337533
Move CFO costs from 2100-3161 to SCG CFO cost center.							
2006	0	69	0	0.0	1-Sided Adj	N/A	TP1JMY2010060 8152437283
Move CFO costs from 2100-3161 to SCG CFO cost center.							

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Category: A. Controller - VP / CFO
Category-Sub: 1. CFO - Controller - VP
Cost Center: 2200-8962.000 - CFO - CONTROLLER - VP

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From Cctr</u>	<u>RefID</u>
2006	0	0	0	1.7	1-Sided Adj	N/A	TP1JMY2010060 8152458067
Move CFO costs from 2100-3161 to SCG CFO cost center.							
2006	333	0	0	0.0	CCTR Transf	From 2200-0334.000	TP1JMY2010060 8171538677
Move VP FinPln costs from NSS cctr to USS cctr.							
2006	0	83	0	0.0	CCTR Transf	From 2200-0334.000	TP1JMY2010060 8171608367
Move VP FinPln costs from NSS cctr to USS cctr.							
2006	0	0	0	2.8	CCTR Transf	From 2200-0334.000	TP1JMY2010060 8171639553
Move VP FinPln costs from NSS cctr to USS cctr.							
2006 Total	676	152	0	4.5			

2007	325	0	0	0.0	1-Sided Adj	N/A	TP1JMY2010060 8152623630
Move CFO costs from 2100-3161 to SCG CFO cost center.							
2007	0	52	0	0.0	1-Sided Adj	N/A	TP1JMY2010060 8152700333
Move CFO costs from 2100-3161 to SCG CFO cost center.							
2007	0	0	0	1.7	1-Sided Adj	N/A	TP1JMY2010060 8152758037
Move CFO costs from 2100-3161 to SCG CFO cost center.							
2007	-0.635	0	0	0.0	CCTR Transf	From 2200-0334.000	TP1JMY2010060 8171732773
Move VP FinPln costs from NSS cctr to USS cctr.							
2007	0	11	0	0.0	CCTR Transf	From 2200-0334.000	TP1JMY2010060 8171800930
Move VP FinPln costs from NSS cctr to USS cctr.							
2007	0	0	0	0.1	CCTR Transf	From 2200-0334.000	TP1JMY2010060 8171830477
Move VP FinPln costs from NSS cctr to USS cctr.							
2007 Total	324	63	0	1.8			

2008	303	0	0	0.0	1-Sided Adj	N/A	TP1JMY2010060 8152911993
Move CFO costs from 2100-3161 to SCG CFO cost center.							

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 Witness: Deremer, Kenneth J
 Category: A. Controller - VP / CFO
 Category-Sub: 1. CFO - Controller - VP
 Cost Center: 2200-8962.000 - CFO - CONTROLLER - VP

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2008	0	57	0	0.0	1-Sided Adj	N/A	TP1JMY2010060 8152941727
Move CFO costs from 2100-3161 to SCG CFO cost center.							
2008	0	0	0	1.6	1-Sided Adj	N/A	TP1JMY2010060 8153006710
Move CFO costs from 2100-3161 to SCG CFO cost center.							
2008	0	7	0	0.0	CCTR Transf	From 2200-0334.000	TP1JMY2010060 8172003340
Move VP Controller costs from NSS cctr to USS cctr.							
2008 Total	303	64	0	1.6			
2009	0	3	0	0.0	CCTR Transf	From 2200-0334.000	TP1JMY2010060 8172106310
Move VP Controller costs from NSS cctr to USS cctr.							
2009 Total	0	3	0	0.0			

Beginning of Workpaper
2200-8963.000 - DIRECTOR OF FINANCE

Southern California Gas Company
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Shared Services Workpapers

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: A. Controller - VP / CFO
Category-Sub: 2. Director of Finance
Cost Center: 2200-8963.000 - DIRECTOR OF FINANCE

Activity Description:

Salary and expenses of the Director of Finance.

Forecast Methodology:

Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

Non-Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

NSE - 5-YR Average

Not Applicable

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Shared Services Workpapers

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: A. Controller - VP / CFO
Category-Sub: 2. Director of Finance
Cost Center: 2200-8963.000 - DIRECTOR OF FINANCE

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		189	198	202	221	224	206	206	206
Non-Labor		16	21	34	12	26	21	21	21
NSE		0	0	0	0	0	0	0	0
Total		205	219	236	233	250	227	227	227
FTE		0.9	0.9	0.9	1.0	1.0	0.9	0.9	0.9
		Allocations Out							
Labor		94	98	101	110	111	102	102	102
Non-Labor		8	10	17	6	13	10	10	10
NSE		0	0	0	0	0	0	0	0
Total		102	108	118	116	124	112	112	112
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		95	100	101	111	113	104	104	104
Non-Labor		8	11	17	6	13	11	11	11
NSE		0	0	0	0	0	0	0	0
Total		103	111	118	117	126	115	115	115
FTE		0.9	0.9	0.9	1.0	1.0	0.9	0.9	0.9
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		95	100	101	111	113	104	104	104
Non-Labor		8	11	17	6	13	11	11	11
NSE		0	0	0	0	0	0	0	0
Total		103	111	118	117	126	115	115	115
FTE		0.9	0.9	0.9	1.0	1.0	0.9	0.9	0.9

Southern California Gas Company
Test Year 2012 GRC - APP
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Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: A. Controller - VP / CFO
 Category-Sub: 2. Director of Finance
 Cost Center: 2200-8963.000 - DIRECTOR OF FINANCE

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.	224	26	0	250	1.00	206	21	0	227	0.90
% Allocation										
Retained	50.27%	50.27%				50.27%	50.27%			
SEU	49.73%	49.73%				49.73%	49.73%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	113	13	0	126		104	11	0	115	
SEU	111	13	0	124		102	10	0	112	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	224	26	0	250	1.00	206	21	0	227	0.90
Total Alloc. Out	111	13	0	124		102	10	0	112	
Total Retained	113	13	0	126		104	11	0	115	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	113	13	0	126		104	11	0	115	

	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.	206	21	0	227	0.90	206	21	0	227	0.90
% Allocation										
Retained	50.27%	50.27%				50.27%	50.27%			
SEU	49.73%	49.73%				49.73%	49.73%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	104	11	0	115		104	11	0	115	
SEU	102	10	0	112		102	10	0	112	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	206	21	0	227	0.90	206	21	0	227	0.90
Total Alloc. Out	102	10	0	112		102	10	0	112	
Total Retained	104	11	0	115		104	11	0	115	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	104	11	0	115		104	11	0	115	

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Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: A. Controller - VP / CFO
Category-Sub: 2. Director of Finance
Cost Center: 2200-8963.000 - DIRECTOR OF FINANCE

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

The CA Utility Multi-Factor allocation is appropriate based on the equal weighting of operating revenues; operation expenses; gross noncurrent assets; and, FTE's for each utility.

Cost Center Allocation Percentage for 2010

The CA Utility Multi-Factor allocation is appropriate based on the equal weighting of operating revenues; operation expenses; gross noncurrent assets; and, FTE's for each utility.

Cost Center Allocation Percentage for 2011

The CA Utility Multi-Factor allocation is appropriate based on the equal weighting of operating revenues; operation expenses; gross noncurrent assets; and, FTE's for each utility.

Cost Center Allocation Percentage for 2012

The CA Utility Multi-Factor allocation is appropriate based on the equal weighting of operating revenues; operation expenses; gross noncurrent assets; and, FTE's for each utility.

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 Category: A. Controller - VP / CFO
 Category-Sub: 2. Director of Finance
 Cost Center: 2200-8963.000 - DIRECTOR OF FINANCE

Forecast Summary:

Forecast Method		In 2009 \$(000) "Incurred Costs"								
		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	5-YR Average	206	206	206	0	0	0	206	206	206
Non-Labor	5-YR Average	21	21	21	0	0	0	21	21	21
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		227	227	227	0	0	0	227	227	227
FTE	5-YR Average	0.9	0.9	0.9	0.0	0.0	0.0	0.9	0.9	0.9

Forecast Adjustment Details:

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

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

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 Witness: Deremer, Kenneth J
 Category: A. Controller - VP / CFO
 Category-Sub: 2. Director of Finance
 Cost Center: 2200-8963.000 - DIRECTOR OF FINANCE

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Adjustments (Nominal \$) **					
Labor	144	154	163	183	190
Non-Labor	14	19	32	12	26
NSE	0	0	0	0	0
Total	158	173	195	195	216
FTE	0.8	0.8	0.8	0.8	0.8
Recorded-Adjusted (Nominal \$)					
Labor	144	154	163	183	190
Non-Labor	14	19	32	12	26
NSE	0	0	0	0	0
Total	158	173	195	195	216
FTE	0.8	0.8	0.8	0.8	0.8
Vacation & Sick (Nominal \$)					
Labor	25	28	28	35	34
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	25	28	28	35	34
FTE	0.1	0.1	0.1	0.2	0.2
Escalation to 2009\$					
Labor	21	16	11	3	0
Non-Labor	2	2	2	0	0
NSE	0	0	0	0	0
Total	23	18	13	3	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	189	198	202	221	224
Non-Labor	16	21	34	12	26
NSE	0	0	0	0	0
Total	205	219	236	234	250
FTE	0.9	0.9	0.9	1.0	1.0

* After company-wide exclusions of Non-GRC costs

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

Southern California Gas Company
 Test Year 2012 GRC - APP
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 Category-Sub: 2. Director of Finance
 Cost Center: 2200-8963.000 - DIRECTOR OF FINANCE

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000) "Incurred Costs"				
	2005	2006	2007	2008	2009
Labor	144	154	163	183	190
Non-Labor	14	19	32	12	26
NSE	0	0	0	0	0
Total	158	173	195	195	216
FTE	0.8	0.8	0.8	0.8	0.8

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	144	0	0	0.0	CCTR Transf	From 2200-2336.000	TP1JMY2010060 8154810653
Correction to move SCG Finance Director costs from NSS cctr to USS cctr. Costs were initially transferred from 2100-0272.							
2005	0	14	0	0.0	CCTR Transf	From 2200-2336.000	TP1JMY2010060 8154857483
Correction to move SCG Finance Director costs from NSS cctr to USS cctr. Costs were initially transferred from 2100-0272.							
2005	0	0	0	0.8	CCTR Transf	From 2200-2336.000	TP1JMY2010060 8154934547
Correction to move SCG Finance Director FTEs from NSS cctr to USS cctr. FTEs were initially transferred from 2100-0272.							
2005 Total	144	14	0	0.8			
2006	154	0	0	0.0	CCTR Transf	From 2200-2336.000	TP1JMY2010060 8155058190
Correction to move SCG Finance Director costs from NSS cctr to USS cctr. Costs were initially transferred from 2100-0272.							
2006	0	19	0	0.0	CCTR Transf	From 2200-2336.000	TP1JMY2010060 8155126737
Correction to move SCG Finance Director costs from NSS cctr to USS cctr. Costs were initially transferred from 2100-0272.							
2006	0	0	0	0.8	CCTR Transf	From 2200-2336.000	TP1JMY2010060 8155151173
Correction to move SCG Finance Director FTEs from NSS cctr to USS cctr. FTEs were initially transferred from 2100-0272.							

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 Category: A. Controller - VP / CFO
 Category-Sub: 2. Director of Finance
 Cost Center: 2200-8963.000 - DIRECTOR OF FINANCE

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From Cctr</u>	<u>RefID</u>
2006 Total	154	19	0	0.8			
2007	163	0	0	0.0	CCTR Transf	From 2200-2336.000	TP1JMY2010060 8155307317
							Correction to move SCG Finance Director costs from NSS cctr to USS cctr. Costs were initially transferred from 2100-0272.
2007	0	32	0	0.0	CCTR Transf	From 2200-2336.000	TP1JMY2010060 8155340613
							Correction to move SCG Finance Director costs from NSS cctr to USS cctr. Costs were initially transferred from 2100-0272.
2007	0	0	0	0.8	CCTR Transf	From 2200-2336.000	TP1JMY2010060 8155407193
							Correction to move SCG Finance Director FTEs from NSS cctr to USS cctr. FTEs were initially transferred from 2100-0272.
2007 Total	163	32	0	0.8			
2008	183	0	0	0.0	CCTR Transf	From 2200-2336.000	TP1JMY2010060 8155526333
							Correction to move SCG Finance Director costs from NSS cctr to USS cctr. Costs were initially transferred from 2100-0272.
2008	0	12	0	0.0	CCTR Transf	From 2200-2336.000	TP1JMY2010060 8155627367
							Correction to move SCG Finance Director costs from NSS cctr to USS cctr. Costs were initially transferred from 2100-0272.
2008	0	0	0	0.8	CCTR Transf	From 2200-2336.000	TP1JMY2010060 8155707743
							Correction to move SCG Finance Director FTEs from NSS cctr to USS cctr. FTEs were initially transferred from 2100-0272.
2008 Total	183	12	0	0.8			
2009	190	0	0	0.0	CCTR Transf	From 2200-2336.000	TP1JMY2010060 8155813150
							Correction to move SCG Finance Director costs from NSS cctr to USS cctr. Costs were initially transferred from 2100-0272.
2009	0	26	0	0.0	CCTR Transf	From 2200-2336.000	TP1JMY2010060 8155849057
							Correction to move SCG Finance Director costs from NSS cctr to USS cctr. Costs were initially transferred from 2100-0272.

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: A. Controller - VP / CFO
 Category-Sub: 2. Director of Finance
 Cost Center: 2200-8963.000 - DIRECTOR OF FINANCE

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From Cctr</u>	<u>RefID</u>
2009	0	0	0	0.8	CCTR Transf	From 2200-2336.000	TP1JMY2010060 8155919247

Correction to move SCG Finance Director FTEs from NSS cctr to USS cctr. FTEs were initially transferred from 2100-0272.

2009 Total	190	26	0	0.8			
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Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: B. Controller - Accounting Operations
 Cost Center: VARIOUS

Summary for Category: B. Controller - Accounting Operations

	In 2009\$ (000) "Book Expense"			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	770	813	813	813
Non-Labor	17	35	35	35
NSE	0	0	0	0
Total	787	848	848	848
FTE	15.1	16.4	16.4	16.4

Cost Centers belonging to this Category:

2200-1334.000 AFFILIATE BILLING & COSTING

Labor	290	293	293	293
Non-Labor	8	15	15	15
NSE	0	0	0	0
Total	298	308	308	308
FTE	6.3	6.5	6.5	6.5

2200-2039.000 SUNDRY BILLING

Labor	378	383	383	383
Non-Labor	4	14	14	14
NSE	0	0	0	0
Total	382	397	397	397
FTE	7.0	7.1	7.1	7.1

2200-2178.000 SUNDRY SERVICES & RATE BASE

Labor	65	87	87	87
Non-Labor	4	4	4	4
NSE	0	0	0	0
Total	69	91	91	91
FTE	0.8	1.5	1.5	1.5

2200-2195.000 SUNDRY SVCS POLICY & COMPLIANCE

Labor	37	50	50	50
Non-Labor	1	2	2	2
NSE	0	0	0	0
Total	38	52	52	52
FTE	1.0	1.3	1.3	1.3

Beginning of Workpaper
2200-1334.000 - AFFILIATE BILLING & COSTING

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: B. Controller - Accounting Operations
Category-Sub: 1. Controller - Accounting Operations
Cost Center: 2200-1334.000 - AFFILIATE BILLING & COSTING

Activity Description:

ABC performs all overhead and clearing studies required to reassign overhead and clearing costs to appropriate Plan Categories, e.g., Capital, O&M, Special Billables, etc. The aforementioned clearing/overhead costs are "loaded" on affiliate billings in accordance with company and Affiliate Compliance guidelines. Additionally the department performs the CO close, Affiliate Billing, SOX compliance requirements, supports regulatory filings, and participates in multiple inter-departmental special projects.

Forecast Methodology:

Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

Non-Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

NSE - 5-YR Average

Not applicable.

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: B. Controller - Accounting Operations
Category-Sub: 1. Controller - Accounting Operations
Cost Center: 2200-1334.000 - AFFILIATE BILLING & COSTING

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		344	517	478	517	459	463	463	463
Non-Labor		32	34	19	16	11	22	22	22
NSE		0	0	0	0	0	0	0	0
Total		376	551	497	533	470	485	485	485
FTE		5.2	7.2	6.6	7.2	6.3	6.5	6.5	6.5
		Allocations Out							
Labor		73	130	129	139	169	170	170	170
Non-Labor		7	6	5	4	3	7	7	7
NSE		0	0	0	0	0	0	0	0
Total		80	136	134	143	172	177	177	177
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		271	387	349	378	290	293	293	293
Non-Labor		25	28	14	12	8	15	15	15
NSE		0	0	0	0	0	0	0	0
Total		296	415	363	390	298	308	308	308
FTE		5.2	7.2	6.6	7.2	6.3	6.5	6.5	6.5
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		271	387	349	378	290	293	293	293
Non-Labor		25	28	14	12	8	15	15	15
NSE		0	0	0	0	0	0	0	0
Total		296	415	363	390	298	308	308	308
FTE		5.2	7.2	6.6	7.2	6.3	6.5	6.5	6.5

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: B. Controller - Accounting Operations
 Category-Sub: 1. Controller - Accounting Operations
 Cost Center: 2200-1334.000 - AFFILIATE BILLING & COSTING

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	2	0	2	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	459	11	0	470	6.30	463	20	0	483	6.50
% Allocation										
Retained	63.25%	63.25%				63.25%	63.25%			
SEU	31.12%	31.12%				31.12%	31.12%			
CORP	1.81%	1.81%				1.81%	1.81%			
Unreg	3.82%	3.82%				3.82%	3.82%			
\$ Allocation										
Retained	290	8	0	298		293	13	0	306	
SEU	143	3	0	146		144	6	0	150	
CORP	8	0	0	8		8	0	0	8	
Unreg	18	0	0	18		18	1	0	19	
Total Incurred	459	11	0	470	6.30	463	22	0	485	6.50
Total Alloc. Out	169	3	0	172		170	7	0	177	
Total Retained	290	8	0	298		293	15	0	308	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	290	8	0	298		293	15	0	308	

	2011 Adjusted-Forecast					2012 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	2	0	2	0.00	0	2	0	2	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	463	20	0	483	6.50	463	20	0	483	6.50
% Allocation										
Retained	63.25%	63.25%				63.25%	63.25%			
SEU	31.12%	31.12%				31.12%	31.12%			
CORP	1.81%	1.81%				1.81%	1.81%			
Unreg	3.82%	3.82%				3.82%	3.82%			
\$ Allocation										
Retained	293	13	0	306		293	13	0	306	
SEU	144	6	0	150		144	6	0	150	
CORP	8	0	0	8		8	0	0	8	
Unreg	18	1	0	19		18	1	0	19	
Total Incurred	463	22	0	485	6.50	463	22	0	485	6.50
Total Alloc. Out	170	7	0	177		170	7	0	177	
Total Retained	293	15	0	308		293	15	0	308	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	293	15	0	308		293	15	0	308	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: B. Controller - Accounting Operations
Category-Sub: 1. Controller - Accounting Operations
Cost Center: 2200-1334.000 - AFFILIATE BILLING & COSTING

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

For labor, the department established a high-level "work break-down structure" (WBS) survey of departmental tasks based on the most recent level of effort required to perform departmental duties; as such, this method provides the best estimate of future activities and related allocation percentages. Non-labor expenses are deemed to be incurred in direct proportion to the departments labor efforts and were allocated accordingly.

Cost Center Allocation Percentage for 2010

For labor, the department established a high-level "work break-down structure" (WBS) survey of departmental tasks based on the most recent level of effort required to perform departmental duties; as such, this method provides the best estimate of future activities and related allocation percentages. Non-labor expenses are deemed to be incurred in direct proportion to the departments labor efforts and were allocated accordingly.

Cost Center Allocation Percentage for 2011

For labor, the department established a high-level "work break-down structure" (WBS) survey of departmental tasks based on the most recent level of effort required to perform departmental duties; as such, this method provides the best estimate of future activities and related allocation percentages. Non-labor expenses are deemed to be incurred in direct proportion to the departments labor efforts and were allocated accordingly.

Cost Center Allocation Percentage for 2012

For labor, the department established a high-level "work break-down structure" (WBS) survey of departmental tasks based on the most recent level of effort required to perform departmental duties; as such, this method provides the best estimate of future activities and related allocation percentages. Non-labor expenses are deemed to be incurred in direct proportion to the departments labor efforts and were allocated accordingly.

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: B. Controller - Accounting Operations
 Category-Sub: 1. Controller - Accounting Operations
 Cost Center: 2200-1334.000 - AFFILIATE BILLING & COSTING

Forecast Summary:

Forecast Method		In 2009 \$(000) "Incurred Costs"								
		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	5-YR Average	463	463	463	0	0	0	463	463	463
Non-Labor	5-YR Average	22	22	22	0	0	0	22	22	22
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		485	485	485	0	0	0	485	485	485
FTE	5-YR Average	6.5	6.5	6.5	0.0	0.0	0.0	6.5	6.5	6.5

Forecast Adjustment Details:

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: B. Controller - Accounting Operations
Category-Sub: 1. Controller - Accounting Operations
Cost Center: 2200-1334.000 - AFFILIATE BILLING & COSTING

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	261	403	385	427	389
Non-Labor	28	31	19	16	11
NSE	0	0	0	0	0
Total	289	434	404	443	399
FTE	4.4	6.1	5.6	6.0	5.3
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	261	403	385	427	389
Non-Labor	28	31	19	16	11
NSE	0	0	0	0	0
Total	289	434	404	443	399
FTE	4.4	6.1	5.6	6.0	5.3
Vacation & Sick (Nominal \$)					
Labor	45	72	67	82	70
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	45	72	67	82	70
FTE	0.8	1.1	1.0	1.2	1.0
Escalation to 2009\$					
Labor	38	42	25	8	0
Non-Labor	3	3	1	0	0
NSE	0	0	0	0	0
Total	41	45	26	8	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	344	517	478	517	459
Non-Labor	32	34	20	16	11
NSE	0	0	0	0	0
Total	375	551	498	534	469
FTE	5.2	7.2	6.6	7.2	6.3

* After company-wide exclusions of Non-GRC costs

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: B. Controller - Accounting Operations
 Category-Sub: 1. Controller - Accounting Operations
 Cost Center: 2200-1334.000 - AFFILIATE BILLING & COSTING

Summary of Adjustments to Recorded:

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

Detail of Adjustments to Recorded:

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

Beginning of Workpaper
2200-2039.000 - SUNDRY BILLING

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: B. Controller - Accounting Operations
Category-Sub: 1. Controller - Accounting Operations
Cost Center: 2200-2039.000 - SUNDRY BILLING

Activity Description:

Organization is primarily responsible for processing sales orders and D-tickets. Also prepares billings for damage claims caused by third parties, oil revenues, O&M producers, collectible jobs, insurance reimbursements, federal projects, corporate real estate, pipeline services and SDG&E's Construction and Jobbing projects.

Forecast Methodology:

Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

Non-Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

NSE - 5-YR Average

Not applicable.

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: B. Controller - Accounting Operations
Category-Sub: 1. Controller - Accounting Operations
Cost Center: 2200-2039.000 - SUNDRY BILLING

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		415	425	443	403	415	420	420	420
Non-Labor		48	17	4	5	4	15	15	15
NSE		0	0	0	0	0	0	0	0
Total		463	442	447	408	419	435	435	435
FTE		7.0	7.1	7.4	6.9	7.0	7.1	7.1	7.1
		Allocations Out							
Labor		0	0	31	28	37	37	37	37
Non-Labor		0	0	0	0	0	1	1	1
NSE		0	0	0	0	0	0	0	0
Total		0	0	31	28	37	38	38	38
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		415	425	412	375	378	383	383	383
Non-Labor		48	17	4	5	4	14	14	14
NSE		0	0	0	0	0	0	0	0
Total		463	442	416	380	382	397	397	397
FTE		7.0	7.1	7.4	6.9	7.0	7.1	7.1	7.1
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		415	425	412	375	378	383	383	383
Non-Labor		48	17	4	5	4	14	14	14
NSE		0	0	0	0	0	0	0	0
Total		463	442	416	380	382	397	397	397
FTE		7.0	7.1	7.4	6.9	7.0	7.1	7.1	7.1

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: B. Controller - Accounting Operations
 Category-Sub: 1. Controller - Accounting Operations
 Cost Center: 2200-2039.000 - SUNDRY BILLING

Calculation of Book Expense:

	2009 Adjusted-Recorded					2010 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	3	0	0	3	0.00	1	0	0	1	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	412	4	0	416	7.00	419	15	0	434	7.10
% Allocation										
Retained	91.12%	91.12%				91.12%	91.12%			
SEU	8.88%	8.88%				8.88%	8.88%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	375	4	0	379		382	14	0	396	
SEU	37	0	0	37		37	1	0	38	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	415	4	0	419	7.00	420	15	0	435	7.10
Total Alloc. Out	37	0	0	37		37	1	0	38	
Total Retained	378	4	0	382		383	14	0	397	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	378	4	0	382		383	14	0	397	

	2011 Adjusted-Forecast					2012 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	1	0	0	1	0.00	1	0	0	1	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	419	15	0	434	7.10	419	15	0	434	7.10
% Allocation										
Retained	91.12%	91.12%				91.12%	91.12%			
SEU	8.88%	8.88%				8.88%	8.88%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	382	14	0	396		382	14	0	396	
SEU	37	1	0	38		37	1	0	38	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	420	15	0	435	7.10	420	15	0	435	7.10
Total Alloc. Out	37	1	0	38		37	1	0	38	
Total Retained	383	14	0	397		383	14	0	397	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	383	14	0	397		383	14	0	397	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: B. Controller - Accounting Operations
Category-Sub: 1. Controller - Accounting Operations
Cost Center: 2200-2039.000 - SUNDRY BILLING

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

Allocations based on activity study for employees in this cost center.

Cost Center Allocation Percentage for 2010

Allocations based on activity study for employees in this cost center.

Cost Center Allocation Percentage for 2011

Allocations based on activity study for employees in this cost center.

Cost Center Allocation Percentage for 2012

Allocations based on activity study for employees in this cost center.

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: B. Controller - Accounting Operations
 Category-Sub: 1. Controller - Accounting Operations
 Cost Center: 2200-2039.000 - SUNDRY BILLING

Forecast Summary:

Forecast Method		In 2009 \$(000) "Incurred Costs"								
		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	5-YR Average	420	420	420	0	0	0	420	420	420
Non-Labor	5-YR Average	15	15	15	0	0	0	15	15	15
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		435	435	435	0	0	0	435	435	435
FTE	5-YR Average	7.1	7.1	7.1	0.0	0.0	0.0	7.1	7.1	7.1

Forecast Adjustment Details:

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: B. Controller - Accounting Operations
Category-Sub: 1. Controller - Accounting Operations
Cost Center: 2200-2039.000 - SUNDRY BILLING

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	315	332	357	333	351
Non-Labor	43	15	4	5	4
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	358	347	361	338	355
FTE	5.9	6.1	6.4	5.8	5.9
Adjustments (Nominal \$) **					
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
Recorded-Adjusted (Nominal \$)					
Labor	315	332	357	333	351
Non-Labor	43	15	4	5	4
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	358	347	361	338	355
FTE	5.9	6.0	6.3	5.8	5.9
Vacation & Sick (Nominal \$)					
Labor	54	59	62	64	63
Non-Labor	0	0	0	0	0
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	54	59	62	64	63
FTE	1.1	1.1	1.1	1.1	1.1
Escalation to 2009\$					
Labor	46	35	24	6	0
Non-Labor	5	1	0	0	0
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	51	36	24	6	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	415	426	443	403	415
Non-Labor	48	17	4	5	4
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	463	442	447	408	418
FTE	7.0	7.1	7.4	6.9	7.0

* After company-wide exclusions of Non-GRC costs

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: B. Controller - Accounting Operations
 Category-Sub: 1. Controller - Accounting Operations
 Cost Center: 2200-2039.000 - SUNDRY BILLING

Summary of Adjustments to Recorded:

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

Detail of Adjustments to Recorded:

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

Beginning of Workpaper
2200-2178.000 - SUNDRY SERVICES & RATE BASE

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: B. Controller - Accounting Operations
Category-Sub: 1. Controller - Accounting Operations
Cost Center: 2200-2178.000 - SUNDRY SERVICES & RATE BASE

Activity Description:

Manages the Sundry Services function, including Sundry Billing, at both utilities. Coordinates the summarization of rate base for the GRC and other CPUC filings and performs analysis for both utilities.

Forecast Methodology:

Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

Non-Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

NSE - 5-YR Average

Not applicable.

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: B. Controller - Accounting Operations
 Category-Sub: 1. Controller - Accounting Operations
 Cost Center: 2200-2178.000 - SUNDRY SERVICES & RATE BASE

Summary of Results:

		In 2009\$ (000)								
		Adjusted-Recorded					Adjusted-Forecast			
Years		2005	2006	2007	2008	2009	2010	2011	2012	
		Total Incurred (100% Level)								
Labor		168	229	144	133	118	158	158	158	
Non-Labor		10	9	11	8	7	8	8	8	
NSE		0	0	0	0	0	0	0	0	
Total		178	238	155	141	125	166	166	166	
FTE		2.0	2.5	1.4	1.0	0.8	1.5	1.5	1.5	
		Allocations Out								
Labor		85	114	72	62	53	71	71	71	
Non-Labor		3	5	6	4	3	4	4	4	
NSE		0	0	0	0	0	0	0	0	
Total		88	119	78	66	56	75	75	75	
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
		Retained								
Labor		83	115	72	71	65	87	87	87	
Non-Labor		7	4	5	4	4	4	4	4	
NSE		0	0	0	0	0	0	0	0	
Total		90	119	77	75	69	91	91	91	
FTE		2.0	2.5	1.4	1.0	0.8	1.5	1.5	1.5	
		Allocations In								
Labor		0	0	0	0	0	0	0	0	
Non-Labor		0	0	0	0	0	0	0	0	
NSE		0	0	0	0	0	0	0	0	
Total		0	0	0	0	0	0	0	0	
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
		Book Expense								
Labor		83	115	72	71	65	87	87	87	
Non-Labor		7	4	5	4	4	4	4	4	
NSE		0	0	0	0	0	0	0	0	
Total		90	119	77	75	69	91	91	91	
FTE		2.0	2.5	1.4	1.0	0.8	1.5	1.5	1.5	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: B. Controller - Accounting Operations
 Category-Sub: 1. Controller - Accounting Operations
 Cost Center: 2200-2178.000 - SUNDRY SERVICES & RATE BASE

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.	118	7	0	125	0.80	158	8	0	166	1.50
% Allocation										
Retained	55.24%	55.24%				55.24%	55.24%			
SEU	44.76%	44.76%				44.76%	44.76%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	65	4	0	69		87	4	0	91	
SEU	53	3	0	56		71	4	0	75	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	118	7	0	125	0.80	158	8	0	166	1.50
Total Alloc. Out	53	3	0	56		71	4	0	75	
Total Retained	65	4	0	69		87	4	0	91	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	65	4	0	69		87	4	0	91	

	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.	158	8	0	166	1.50	158	8	0	166	1.50
% Allocation										
Retained	55.24%	55.24%				55.24%	55.24%			
SEU	44.76%	44.76%				44.76%	44.76%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	87	4	0	91		87	4	0	91	
SEU	71	4	0	75		71	4	0	75	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	158	8	0	166	1.50	158	8	0	166	1.50
Total Alloc. Out	71	4	0	75		71	4	0	75	
Total Retained	87	4	0	91		87	4	0	91	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	87	4	0	91		87	4	0	91	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: B. Controller - Accounting Operations
Category-Sub: 1. Controller - Accounting Operations
Cost Center: 2200-2178.000 - SUNDRY SERVICES & RATE BASE

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

The departmental weighted average is the most appropriate methodology because it reflects the Manager's oversight of each of the Sundry Billing, Sundry Services Policy & Compliance, and Rate Base analysis functions.

Cost Center Allocation Percentage for 2010

The departmental weighted average is the most appropriate methodology because it reflects the Manager's oversight of each of the Sundry Billing, Sundry Services Policy & Compliance, and Rate Base analysis functions.

Cost Center Allocation Percentage for 2011

The departmental weighted average is the most appropriate methodology because it reflects the Manager's oversight of each of the Sundry Billing, Sundry Services Policy & Compliance, and Rate Base analysis functions.

Cost Center Allocation Percentage for 2012

The departmental weighted average is the most appropriate methodology because it reflects the Manager's oversight of each of the Sundry Billing, Sundry Services Policy & Compliance, and Rate Base analysis functions.

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: B. Controller - Accounting Operations
 Category-Sub: 1. Controller - Accounting Operations
 Cost Center: 2200-2178.000 - SUNDRY SERVICES & RATE BASE

Forecast Summary:

Forecast Method		In 2009 \$(000) "Incurred Costs"								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		2010	2011	2012	2010	2011	2012	2010	2011	2012
Labor	5-YR Average	158	158	158	0	0	0	158	158	158
Non-Labor	5-YR Average	8	8	8	0	0	0	8	8	8
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		166	166	166	0	0	0	166	166	166
FTE	5-YR Average	1.5	1.5	1.5	0.0	0.0	0.0	1.5	1.5	1.5

Forecast Adjustment Details:

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: B. Controller - Accounting Operations
Category-Sub: 1. Controller - Accounting Operations
Cost Center: 2200-2178.000 - SUNDRY SERVICES & RATE BASE

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	252	232	185	110	100
Non-Labor	16	13	13	8	7
NSE	0	0	0	0	0
Total	268	244	198	118	107
FTE	3.1	2.6	1.7	0.8	0.7
Adjustments (Nominal \$) **					
Labor	-124	-53	-69	0	0
Non-Labor	-8	-4	-3	0	0
NSE	0	0	0	0	0
Total	-132	-57	-72	0	0
FTE	-1.3	-0.5	-0.6	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	128	178	116	110	100
Non-Labor	8	9	10	8	7
NSE	0	0	0	0	0
Total	136	187	126	118	107
FTE	1.7	2.1	1.2	0.8	0.7
Vacation & Sick (Nominal \$)					
Labor	22	32	20	21	18
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	22	32	20	21	18
FTE	0.3	0.4	0.2	0.2	0.1
Escalation to 2009\$					
Labor	19	19	8	2	0
Non-Labor	1	1	1	0	0
NSE	0	0	0	0	0
Total	20	20	8	2	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	168	229	144	133	118
Non-Labor	10	10	11	8	7
NSE	0	0	0	0	0
Total	178	238	155	141	125
FTE	2.0	2.5	1.4	1.0	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: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: B. Controller - Accounting Operations
Category-Sub: 1. Controller - Accounting Operations
Cost Center: 2200-2178.000 - SUNDRY SERVICES & RATE BASE

Summary of Adjustments to Recorded:

In Nominal \$ (000) "Incurred Costs"					
Year	2005	2006	2007	2008	2009
Labor	-124	-53	-69	0	0
Non-Labor	-8	-4	-3	0	0
NSE	0	0	0	0	0
Total	-132	-57	-72	0	0
FTE	-1.3	-0.5	-0.6	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	-53	0	0	0.0	CCTR Transf	To 2200-2195.000	TP1JMY2009091 7111825997
Reorg: Move labor for one Sr. Analyst pos to Sundry Svcs cctr.							
2005	0	-4	0	0.0	CCTR Transf	To 2200-2195.000	TP1JMY2009091 7112052953
Reorg: Move nonlabor for one Sr. Analyst pos to Sundry Svcs cctr.							
2005	0	0	0	-0.6	CCTR Transf	To 2200-2195.000	TP1JMY2009091 7112158470
Reorg: Move hours for one Sr. Analyst pos to Sundry Svcs cctr.							
2005	-71	0	0	0.0	1-Sided Adj	N/A	TP1JMY2009091 7112421300
Reorg: Move labor for one Mgr pos to Sundry Svcs South cctr.							
2005	0	-4	0	0.0	1-Sided Adj	N/A	TP1JMY2009091 7112617897
Reorg: Move nonlabor for one Mgr pos to Sundry Svcs cctr.							
2005	0	0	0	-0.7	1-Sided Adj	N/A	TP1JMY2009091 7112716803
Reorg: Move hours for one Mgr pos to Sundry Svcs cctr.							
2005 Total	-124	-8	0	-1.3			

2006	-53	0	0	0.0	1-Sided Adj	N/A	TP1JMY2009091 7112823603
Reorg: Move labor for one Mgr pos to Sundry Svcs cctr.							
2006	0	-4	0	0.0	1-Sided Adj	N/A	TP1JMY2009091 7113008667
Reorg: Move nonlabor for one Mgr pos to Sundry Svcs South cctr.							

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: B. Controller - Accounting Operations
 Category-Sub: 1. Controller - Accounting Operations
 Cost Center: 2200-2178.000 - SUNDRY SERVICES & RATE BASE

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2006	0	0	0	-0.5	1-Sided Adj	N/A	TP1JMY2009091 7113115823

Reorg: Move hours for one Mgr pos to Sundry Svcs South cctr.

2006 Total	-53	-4	0	-0.5			
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2007	-69	0	0	0.0	1-Sided Adj	N/A	TP1JMY2009091 7113226340
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Reorg: Move labor for one Mgr pos to Sundry Svcs South cctr.

2007	0	-3	0	0.0	1-Sided Adj	N/A	TP1JMY2009091 7113257250
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Reorg: Move nonlabor for one Mgr pos to Sundry Svcs South cctr.

2007	0	0	0	-0.6	1-Sided Adj	N/A	TP1JMY2009091 7113340810
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Reorg: Move hours for one Mgr pos to Sundry Svcs South cctr.

2007 Total	-69	-3	0	-0.6			
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2008 Total	0	0	0	0.0			
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2009 Total	0	0	0	0.0			
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Beginning of Workpaper
2200-2195.000 - SUNDRY SVCS POLICY & COMPLIANCE

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: B. Controller - Accounting Operations
Category-Sub: 1. Controller - Accounting Operations
Cost Center: 2200-2195.000 - SUNDRY SVCS POLICY & COMPLIANCE

Activity Description:

Manage and coordinate all activities relating to sundry activities. Review and determine if the correct accounting treatment is being used with each sundry activity. Review all sundry contracts to ensure compliance and accuracy. Prepare and manage the Non-tariffed Products and Services report. Direct all sundry revenue activities involved with SOX compliance.

Forecast Methodology:

Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

Non-Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

NSE - 5-YR Average

Not applicable.

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: B. Controller - Accounting Operations
 Category-Sub: 1. Controller - Accounting Operations
 Cost Center: 2200-2195.000 - SUNDRY SVCS POLICY & COMPLIANCE

Summary of Results:

Years	In 2009\$ (000)							
	Adjusted-Recorded					Adjusted-Forecast		
	2005	2006	2007	2008	2009	2010	2011	2012
	Total Incurred (100% Level)							
Labor	70	140	163	69	75	103	103	103
Non-Labor	4	9	6	5	2	5	5	5
NSE	0	0	0	0	0	0	0	0
Total	74	149	169	74	77	108	108	108
FTE	0.7	1.7	1.9	1.0	1.0	1.3	1.3	1.3
	Allocations Out							
Labor	0	70	81	41	38	53	53	53
Non-Labor	0	4	3	3	1	3	3	3
NSE	0	0	0	0	0	0	0	0
Total	0	74	84	44	39	56	56	56
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Retained							
Labor	70	70	82	28	37	50	50	50
Non-Labor	4	5	3	2	1	2	2	2
NSE	0	0	0	0	0	0	0	0
Total	74	75	85	30	38	52	52	52
FTE	0.7	1.7	1.9	1.0	1.0	1.3	1.3	1.3
	Allocations In							
Labor	0	0	0	0	0	0	0	0
Non-Labor	0	0	0	0	0	0	0	0
NSE	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Book Expense							
Labor	70	70	82	28	37	50	50	50
Non-Labor	4	5	3	2	1	2	2	2
NSE	0	0	0	0	0	0	0	0
Total	74	75	85	30	38	52	52	52
FTE	0.7	1.7	1.9	1.0	1.0	1.3	1.3	1.3

Southern California Gas Company
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 Category-Sub: 1. Controller - Accounting Operations
 Cost Center: 2200-2195.000 - SUNDRY SVCS POLICY & COMPLIANCE

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.	75	2	0	77	1.00	103	5	0	108	1.30
% Allocation										
Retained	49.00%	49.00%				49.00%	49.00%			
SEU	51.00%	51.00%				51.00%	51.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	37	1	0	38		50	2	0	52	
SEU	38	1	0	39		53	3	0	56	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	75	2	0	77	1.00	103	5	0	108	1.30
Total Alloc. Out	38	1	0	39		53	3	0	56	
Total Retained	37	1	0	38		50	2	0	52	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	37	1	0	38		50	2	0	52	

	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.	103	5	0	108	1.30	103	5	0	108	1.30
% Allocation										
Retained	49.00%	49.00%				49.00%	49.00%			
SEU	51.00%	51.00%				51.00%	51.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	50	2	0	52		50	2	0	52	
SEU	53	3	0	56		53	3	0	56	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	103	5	0	108	1.30	103	5	0	108	1.30
Total Alloc. Out	53	3	0	56		53	3	0	56	
Total Retained	50	2	0	52		50	2	0	52	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	50	2	0	52		50	2	0	52	

Southern California Gas Company
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Shared Services Workpapers

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
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Category-Sub: 1. Controller - Accounting Operations
Cost Center: 2200-2195.000 - SUNDRY SVCS POLICY & COMPLIANCE

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

It is estimated that time spent on the Sundry activities in this cost center will be split between the two utilities at the rate of 51% for SDG&E and 49% for SCG.

Cost Center Allocation Percentage for 2010

It is estimated that time spent on the Sundry activities in this cost center will be split between the two utilities at the rate of 51% for SDG&E and 49% for SCG.

Cost Center Allocation Percentage for 2011

It is estimated that time spent on the Sundry activities in this cost center will be split between the two utilities at the rate of 51% for SDG&E and 49% for SCG.

Cost Center Allocation Percentage for 2012

It is estimated that time spent on the Sundry activities in this cost center will be split between the two utilities at the rate of 51% for SDG&E and 49% for SCG.

Southern California Gas Company
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Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
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 Category-Sub: 1. Controller - Accounting Operations
 Cost Center: 2200-2195.000 - SUNDRY SVCS POLICY & COMPLIANCE

Forecast Summary:

Forecast Method		In 2009 \$(000) "Incurred Costs"								
		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	5-YR Average	103	103	103	0	0	0	103	103	103
Non-Labor	5-YR Average	5	5	5	0	0	0	5	5	5
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		108	108	108	0	0	0	108	108	108
FTE	5-YR Average	1.3	1.3	1.3	0.0	0.0	0.0	1.3	1.3	1.3

Forecast Adjustment Details:

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: B. Controller - Accounting Operations
Category-Sub: 1. Controller - Accounting Operations
Cost Center: 2200-2195.000 - SUNDRY SVCS POLICY & COMPLIANCE

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	0	109	131	57	64
Non-Labor	0	8	5	5	2
NSE	0	0	0	0	0
Total	0	117	137	62	66
FTE	0.0	1.4	1.6	0.8	0.8
Adjustments (Nominal \$) **					
Labor	53	0	0	0	0
Non-Labor	4	0	0	0	0
NSE	0	0	0	0	0
Total	57	0	0	0	0
FTE	0.6	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	53	109	131	57	64
Non-Labor	4	8	5	5	2
NSE	0	0	0	0	0
Total	57	117	137	62	66
FTE	0.6	1.4	1.6	0.8	0.8
Vacation & Sick (Nominal \$)					
Labor	9	20	23	11	12
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	9	20	23	11	12
FTE	0.1	0.3	0.3	0.2	0.2
Escalation to 2009\$					
Labor	8	11	9	1	0
Non-Labor	0	1	0	0	0
NSE	0	0	0	0	0
Total	8	12	9	1	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	70	140	163	69	75
Non-Labor	4	9	6	5	2
NSE	0	0	0	0	0
Total	74	149	168	74	77
FTE	0.7	1.7	1.9	1.0	1.0

* After company-wide exclusions of Non-GRC costs

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: B. Controller - Accounting Operations
 Category-Sub: 1. Controller - Accounting Operations
 Cost Center: 2200-2195.000 - SUNDRY SVCS POLICY & COMPLIANCE

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000) "Incurred Costs"				
	2005	2006	2007	2008	2009
Labor	53	0	0	0	0
Non-Labor	4	0	0	0	0
NSE	0	0	0	0	0
Total	57	0	0	0	0
FTE	0.6	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	53	0	0	0.0	CCTR Transf	From 2200-2178.000	TP1JMY2009091 7111825997
Reorg: Move labor for one Sr. Analyst pos to Sundry Svcs cctr.							
2005	0	4	0	0.0	CCTR Transf	From 2200-2178.000	TP1JMY2009091 7112052953
Reorg: Move nonlabor for one Sr. Analyst pos to Sundry Svcs cctr.							
2005	0	0	0	0.6	CCTR Transf	From 2200-2178.000	TP1JMY2009091 7112158470
Reorg: Move hours for one Sr. Analyst pos to Sundry Svcs cctr.							
2005 Total	53	4	0	0.6			
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: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: C. Controller - Fin Systems & Bus Controls
 Cost Center: VARIOUS

Summary for Category: C. Controller - Fin Systems & Bus Controls

	In 2009\$ (000) "Book Expense"			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	1,409	1,518	1,518	1,518
Non-Labor	210	160	160	160
NSE	0	0	0	0
Total	1,619	1,678	1,678	1,678
FTE	27.6	29.9	29.9	29.9

Cost Centers belonging to this Category:

2200-0338.000 Accounts Payable Dept

Labor	1,186	1,252	1,252	1,252
Non-Labor	194	141	141	141
NSE	0	0	0	0
Total	1,380	1,393	1,393	1,393
FTE	20.6	22.2	22.2	22.2

2200-1342.000 FINANCIAL SYSTEMS CLIENT SPT - REPORTING

Labor	117	147	147	147
Non-Labor	7	11	11	11
NSE	0	0	0	0
Total	124	158	158	158
FTE	2.7	3.5	3.5	3.5

2200-2049.000 ACCOUNTS PAYABLE

Labor	73	90	90	90
Non-Labor	5	5	5	5
NSE	0	0	0	0
Total	78	95	95	95
FTE	3.1	3.4	3.4	3.4

2200-2212.000 BUSINESS CONTROLS

Labor	33	29	29	29
Non-Labor	4	3	3	3
NSE	0	0	0	0
Total	37	32	32	32
FTE	1.2	0.8	0.8	0.8

Beginning of Workpaper
2200-0338.000 - Accounts Payable Dept

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: C. Controller - Fin Systems & Bus Controls
Category-Sub: 1. Controller - Fin Systems & Bus Controls
Cost Center: 2200-0338.000 - Accounts Payable Dept

Activity Description:

The SCG Accounts Payable group is responsible for timely and accurate payment of all service and material invoices and contract obligations for SCG. This group also processes transactions for SDG&E and SE Corporate Center.

Forecast Methodology:

Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

Non-Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

NSE - 5-YR Average

Not applicable.

Southern California Gas Company
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 Shared Services Workpapers

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: C. Controller - Fin Systems & Bus Controls
 Category-Sub: 1. Controller - Fin Systems & Bus Controls
 Cost Center: 2200-0338.000 - Accounts Payable Dept

Summary of Results:

Years	In 2009\$ (000)								
	Adjusted-Recorded					Adjusted-Forecast			
	2005	2006	2007	2008	2009	2010	2011	2012	
	Total Incurred (100% Level)								
Labor	1,408	1,418	1,378	1,330	1,290	1,364	1,364	1,364	
Non-Labor	118	89	153	203	211	154	154	154	
NSE	0	0	0	0	0	0	0	0	
Total	1,526	1,507	1,531	1,533	1,501	1,518	1,518	1,518	
FTE	23.2	23.3	22.3	21.8	20.6	22.2	22.2	22.2	
	Allocations Out								
Labor	0	71	138	67	104	112	112	112	
Non-Labor	0	5	15	10	17	13	13	13	
NSE	0	0	0	0	0	0	0	0	
Total	0	76	153	77	121	125	125	125	
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	Retained								
Labor	1,408	1,347	1,240	1,263	1,186	1,252	1,252	1,252	
Non-Labor	118	84	138	193	194	141	141	141	
NSE	0	0	0	0	0	0	0	0	
Total	1,526	1,431	1,378	1,456	1,380	1,393	1,393	1,393	
FTE	23.2	23.3	22.3	21.8	20.6	22.2	22.2	22.2	
	Allocations In								
Labor	0	0	0	0	0	0	0	0	
Non-Labor	0	0	0	0	0	0	0	0	
NSE	0	0	0	0	0	0	0	0	
Total	0	0	0	0	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	Book Expense								
Labor	1,408	1,347	1,240	1,263	1,186	1,252	1,252	1,252	
Non-Labor	118	84	138	193	194	141	141	141	
NSE	0	0	0	0	0	0	0	0	
Total	1,526	1,431	1,378	1,456	1,380	1,393	1,393	1,393	
FTE	23.2	23.3	22.3	21.8	20.6	22.2	22.2	22.2	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
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Category-Sub: 1. Controller - Fin Systems & Bus Controls
Cost Center: 2200-0338.000 - Accounts Payable Dept

Calculation of Book Expense:

	2009 Adjusted-Recorded					2010 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	16	0	0	16	0.00	4	0	0	4	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	1,274	211	0	1,485	20.60	1,360	154	0	1,514	22.20
% Allocation										
Retained	91.81%	91.81%				91.81%	91.81%			
SEU	7.63%	7.63%				7.63%	7.63%			
CORP	0.56%	0.56%				0.56%	0.56%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	1,170	194	0	1,364		1,248	141	0	1,389	
SEU	97	16	0	113		104	12	0	116	
CORP	7	1	0	8		8	1	0	9	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	1,290	211	0	1,501	20.60	1,364	154	0	1,518	22.20
Total Alloc. Out	104	17	0	121		112	13	0	125	
Total Retained	1,186	194	0	1,380		1,252	141	0	1,393	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	1,186	194	0	1,380		1,252	141	0	1,393	

	2011 Adjusted-Forecast					2012 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	4	0	0	4	0.00	4	0	0	4	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	1,360	154	0	1,514	22.20	1,360	154	0	1,514	22.20
% Allocation										
Retained	91.81%	91.81%				91.81%	91.81%			
SEU	7.63%	7.63%				7.63%	7.63%			
CORP	0.56%	0.56%				0.56%	0.56%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	1,248	141	0	1,389		1,248	141	0	1,389	
SEU	104	12	0	116		104	12	0	116	
CORP	8	1	0	9		8	1	0	9	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	1,364	154	0	1,518	22.20	1,364	154	0	1,518	22.20
Total Alloc. Out	112	13	0	125		112	13	0	125	
Total Retained	1,252	141	0	1,393		1,252	141	0	1,393	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	1,252	141	0	1,393		1,252	141	0	1,393	

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Category: C. Controller - Fin Systems & Bus Controls
Category-Sub: 1. Controller - Fin Systems & Bus Controls
Cost Center: 2200-0338.000 - Accounts Payable Dept

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

Allocation percentages are based on the number of transactions processed for each organization by SCG AP.

Cost Center Allocation Percentage for 2010

Allocation percentages are based on the number of transactions processed for each organization by SCG AP.

Cost Center Allocation Percentage for 2011

Allocation percentages are based on the number of transactions processed for each organization by SCG AP.

Cost Center Allocation Percentage for 2012

Allocation percentages are based on the number of transactions processed for each organization by SCG AP.

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 Shared Services Workpapers

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 Cost Center: 2200-0338.000 - Accounts Payable Dept

Forecast Summary:

Forecast Method		In 2009 \$(000) "Incurred Costs"								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		2010	2011	2012	2010	2011	2012	2010	2011	2012
Labor	5-YR Average	1,364	1,364	1,364	0	0	0	1,364	1,364	1,364
Non-Labor	5-YR Average	154	154	154	0	0	0	154	154	154
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		1,518	1,518	1,518	0	0	0	1,518	1,518	1,518
FTE	5-YR Average	22.2	22.2	22.2	0.0	0.0	0.0	22.2	22.2	22.2

Forecast Adjustment Details:

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

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Category-Sub: 1. Controller - Fin Systems & Bus Controls
Cost Center: 2200-0338.000 - Accounts Payable Dept

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	1,071	1,105	1,111	1,099	1,092
Non-Labor	105	82	145	200	211
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,176	1,187	1,256	1,299	1,304
FTE	19.7	19.6	18.9	18.2	17.3
Adjustments (Nominal \$) **					
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
Recorded-Adjusted (Nominal \$)					
Labor	1,071	1,105	1,111	1,099	1,092
Non-Labor	105	82	145	200	211
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,176	1,187	1,256	1,299	1,304
FTE	19.7	19.7	18.9	18.2	17.3
Vacation & Sick (Nominal \$)					
Labor	183	197	194	212	197
Non-Labor	0	0	0	0	0
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	183	197	194	212	197
FTE	3.5	3.6	3.4	3.6	3.3
Escalation to 2009\$					
Labor	156	116	73	20	0
Non-Labor	13	7	8	3	0
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	169	123	81	23	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	1,409	1,418	1,378	1,330	1,290
Non-Labor	118	89	153	203	211
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,527	1,508	1,531	1,533	1,501
FTE	23.2	23.3	22.3	21.8	20.6

* 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: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: C. Controller - Fin Systems & Bus Controls
 Category-Sub: 1. Controller - Fin Systems & Bus Controls
 Cost Center: 2200-0338.000 - Accounts Payable Dept

Summary of Adjustments to Recorded:

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

Detail of Adjustments to Recorded:

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

Beginning of Workpaper
2200-1342.000 - FINANCIAL SYSTEMS CLIENT SPT - REPORTING

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: C. Controller - Fin Systems & Bus Controls
Category-Sub: 1. Controller - Fin Systems & Bus Controls
Cost Center: 2200-1342.000 - FINANCIAL SYSTEMS CLIENT SPT - REPORTING

Activity Description:

Financial Systems supports SEU's use of its Financial System Applications. Financial Systems is responsible for developing and maintaining the Reporting Environments in SAP BW that are used by the organization for Internal Cost Management Reporting, as well as to assist in Business Process and System Process enhancements. The emphasis is to support the internal and external reporting needs, however this is primarily accomplished through developing standard processes, enhancements, or reports.

Forecast Methodology:

Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

Non-Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

NSE - 5-YR Average

Not applicable.

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: C. Controller - Fin Systems & Bus Controls
 Category-Sub: 1. Controller - Fin Systems & Bus Controls
 Cost Center: 2200-1342.000 - FINANCIAL SYSTEMS CLIENT SPT - REPORTING

Summary of Results:

		In 2009\$ (000)								
		Adjusted-Recorded					Adjusted-Forecast			
Years		2005	2006	2007	2008	2009	2010	2011	2012	
		Total Incurred (100% Level)								
Labor		307	290	314	327	232	293	293	293	
Non-Labor		40	24	17	15	15	22	22	22	
NSE		0	0	0	0	0	0	0	0	
Total		347	314	331	342	247	315	315	315	
FTE		3.2	3.7	3.8	4.0	2.7	3.5	3.5	3.5	
		Allocations Out								
Labor		138	131	144	151	115	146	146	146	
Non-Labor		18	11	8	7	8	11	11	11	
NSE		0	0	0	0	0	0	0	0	
Total		156	142	152	158	123	157	157	157	
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
		Retained								
Labor		169	159	170	176	117	147	147	147	
Non-Labor		22	13	9	8	7	11	11	11	
NSE		0	0	0	0	0	0	0	0	
Total		191	172	179	184	124	158	158	158	
FTE		3.2	3.7	3.8	4.0	2.7	3.5	3.5	3.5	
		Allocations In								
Labor		0	0	0	0	0	0	0	0	
Non-Labor		0	0	0	0	0	0	0	0	
NSE		0	0	0	0	0	0	0	0	
Total		0	0	0	0	0	0	0	0	
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
		Book Expense								
Labor		169	159	170	176	117	147	147	147	
Non-Labor		22	13	9	8	7	11	11	11	
NSE		0	0	0	0	0	0	0	0	
Total		191	172	179	184	124	158	158	158	
FTE		3.2	3.7	3.8	4.0	2.7	3.5	3.5	3.5	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: C. Controller - Fin Systems & Bus Controls
 Category-Sub: 1. Controller - Fin Systems & Bus Controls
 Cost Center: 2200-1342.000 - FINANCIAL SYSTEMS CLIENT SPT - REPORTING

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.	232	15	0	247	2.70	293	22	0	315	3.50
% Allocation										
Retained	50.27%	50.27%				50.27%	50.27%			
SEU	49.73%	49.73%				49.73%	49.73%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	117	7	0	124		147	11	0	158	
SEU	115	8	0	123		146	11	0	157	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	232	15	0	247	2.70	293	22	0	315	3.50
Total Alloc. Out	115	8	0	123		146	11	0	157	
Total Retained	117	7	0	124		147	11	0	158	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	117	7	0	124		147	11	0	158	

	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.	293	22	0	315	3.50	293	22	0	315	3.50
% Allocation										
Retained	50.27%	50.27%				50.27%	50.27%			
SEU	49.73%	49.73%				49.73%	49.73%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	147	11	0	158		147	11	0	158	
SEU	146	11	0	157		146	11	0	157	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	293	22	0	315	3.50	293	22	0	315	3.50
Total Alloc. Out	146	11	0	157		146	11	0	157	
Total Retained	147	11	0	158		147	11	0	158	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	147	11	0	158		147	11	0	158	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: C. Controller - Fin Systems & Bus Controls
Category-Sub: 1. Controller - Fin Systems & Bus Controls
Cost Center: 2200-1342.000 - FINANCIAL SYSTEMS CLIENT SPT - REPORTING

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

Financial Systems provides system support with an emphasis on internal and external reporting needs. The California Utility Multi-factor allocation is appropriate based on the equal weighting of operating revenues; operating expenses; gross noncurrent assets; and FTEs for each utility. Services are provided for both SCG and SDG&E.

Cost Center Allocation Percentage for 2010

Financial Systems provides system support with an emphasis on internal and external reporting needs. The California Utility Multi-factor allocation is appropriate based on the equal weighting of operating revenues; operating expenses; gross noncurrent assets; and FTEs for each utility. Services are provided for both SCG and SDG&E.

Cost Center Allocation Percentage for 2011

Financial Systems provides system support with an emphasis on internal and external reporting needs. The California Utility Multi-factor allocation is appropriate based on the equal weighting of operating revenues; operating expenses; gross noncurrent assets; and FTEs for each utility. Services are provided for both SCG and SDG&E.

Cost Center Allocation Percentage for 2012

Financial Systems provides system support with an emphasis on internal and external reporting needs. The California Utility Multi-factor allocation is appropriate based on the equal weighting of operating revenues; operating expenses; gross noncurrent assets; and FTEs for each utility. Services are provided for both SCG and SDG&E.

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: C. Controller - Fin Systems & Bus Controls
 Category-Sub: 1. Controller - Fin Systems & Bus Controls
 Cost Center: 2200-1342.000 - FINANCIAL SYSTEMS CLIENT SPT - REPORTING

Forecast Summary:

Forecast Method		In 2009 \$(000) "Incurred Costs"								
		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	5-YR Average	293	293	293	0	0	0	293	293	293
Non-Labor	5-YR Average	22	22	22	0	0	0	22	22	22
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		315	315	315	0	0	0	315	315	315
FTE	5-YR Average	3.5	3.5	3.5	0.0	0.0	0.0	3.5	3.5	3.5

Forecast Adjustment Details:

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: C. Controller - Fin Systems & Bus Controls
 Category-Sub: 1. Controller - Fin Systems & Bus Controls
 Cost Center: 2200-1342.000 - FINANCIAL SYSTEMS CLIENT SPT - REPORTING

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	233	226	253	270	197
Non-Labor	36	22	16	15	15
NSE	0	0	0	0	0
Total	269	248	269	285	212
FTE	2.7	3.1	3.2	3.3	2.3
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	233	226	253	270	197
Non-Labor	36	22	16	15	15
NSE	0	0	0	0	0
Total	269	248	269	285	212
FTE	2.7	3.1	3.2	3.3	2.3
Vacation & Sick (Nominal \$)					
Labor	40	40	44	52	36
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	40	40	44	52	36
FTE	0.5	0.6	0.6	0.7	0.4
Escalation to 2009\$					
Labor	34	24	17	5	0
Non-Labor	4	2	1	0	0
NSE	0	0	0	0	0
Total	38	26	18	5	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	307	290	314	327	232
Non-Labor	40	24	17	15	15
NSE	0	0	0	0	0
Total	347	314	331	342	248
FTE	3.2	3.7	3.8	4.0	2.7

* After company-wide exclusions of Non-GRC costs

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: C. Controller - Fin Systems & Bus Controls
 Category-Sub: 1. Controller - Fin Systems & Bus Controls
 Cost Center: 2200-1342.000 - FINANCIAL SYSTEMS CLIENT SPT - REPORTING

Summary of Adjustments to Recorded:

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

Detail of Adjustments to Recorded:

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

Beginning of Workpaper
2200-2049.000 - ACCOUNTS PAYABLE

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: C. Controller - Fin Systems & Bus Controls
Category-Sub: 1. Controller - Fin Systems & Bus Controls
Cost Center: 2200-2049.000 - ACCOUNTS PAYABLE

Activity Description:

The Accounts Payable Manager oversees both the SCG and SDG&E Accounts Payable groups.

Forecast Methodology:

Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

Non-Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

NSE - 5-YR Average

Not applicable.

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: C. Controller - Fin Systems & Bus Controls
 Category-Sub: 1. Controller - Fin Systems & Bus Controls
 Cost Center: 2200-2049.000 - ACCOUNTS PAYABLE

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		188	258	264	294	196	239	239	239
Non-Labor		7	5	15	19	11	11	11	11
NSE		0	0	0	0	0	0	0	0
Total		195	263	279	313	207	250	250	250
FTE		2.0	3.8	3.8	4.4	3.1	3.4	3.4	3.4
		Allocations Out							
Labor		133	153	155	177	123	149	149	149
Non-Labor		4	3	9	11	6	6	6	6
NSE		0	0	0	0	0	0	0	0
Total		137	156	164	188	129	155	155	155
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		55	105	109	117	73	90	90	90
Non-Labor		3	2	6	8	5	5	5	5
NSE		0	0	0	0	0	0	0	0
Total		58	107	115	125	78	95	95	95
FTE		2.0	3.8	3.8	4.4	3.1	3.4	3.4	3.4
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		55	105	109	117	73	90	90	90
Non-Labor		3	2	6	8	5	5	5	5
NSE		0	0	0	0	0	0	0	0
Total		58	107	115	125	78	95	95	95
FTE		2.0	3.8	3.8	4.4	3.1	3.4	3.4	3.4

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: C. Controller - Fin Systems & Bus Controls
Category-Sub: 1. Controller - Fin Systems & Bus Controls
Cost Center: 2200-2049.000 - ACCOUNTS PAYABLE

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.	196	11	0	207	3.10	239	11	0	250	3.40
% Allocation										
Retained	37.47%	37.47%				37.61%	37.61%			
SEU	58.41%	58.41%				57.88%	57.88%			
CORP	4.12%	4.12%				4.51%	4.51%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	73	5	0	78		90	5	0	95	
SEU	115	6	0	121		138	6	0	144	
CORP	8	0	0	8		11	0	0	11	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	196	11	0	207	3.10	239	11	0	250	3.40
Total Alloc. Out	123	6	0	129		149	6	0	155	
Total Retained	73	5	0	78		90	5	0	95	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	73	5	0	78		90	5	0	95	

	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.	239	11	0	250	3.40	239	11	0	250	3.40
% Allocation										
Retained	37.61%	37.61%				37.61%	37.61%			
SEU	57.88%	57.88%				57.88%	57.88%			
CORP	4.51%	4.51%				4.51%	4.51%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	90	5	0	95		90	5	0	95	
SEU	138	6	0	144		138	6	0	144	
CORP	11	0	0	11		11	0	0	11	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	239	11	0	250	3.40	239	11	0	250	3.40
Total Alloc. Out	149	6	0	155		149	6	0	155	
Total Retained	90	5	0	95		90	5	0	95	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	90	5	0	95		90	5	0	95	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: C. Controller - Fin Systems & Bus Controls
Category-Sub: 1. Controller - Fin Systems & Bus Controls
Cost Center: 2200-2049.000 - ACCOUNTS PAYABLE

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

Allocation percentages are based on the number of transactions processed for each organization by SDGE AP and SCG AP.

Cost Center Allocation Percentage for 2010

Allocation percentages are based on the number of transactions processed for each organization by SDGE AP and SCG AP.

Cost Center Allocation Percentage for 2011

Allocation percentages are based on the number of transactions processed for each organization by SDGE AP and SCG AP.

Cost Center Allocation Percentage for 2012

Allocation percentages are based on the number of transactions processed for each organization by SDGE AP and SCG AP.

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: C. Controller - Fin Systems & Bus Controls
 Category-Sub: 1. Controller - Fin Systems & Bus Controls
 Cost Center: 2200-2049.000 - ACCOUNTS PAYABLE

Forecast Summary:

Forecast Method		In 2009 \$(000) "Incurred Costs"								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		2010	2011	2012	2010	2011	2012	2010	2011	2012
Labor	5-YR Average	239	239	239	0	0	0	239	239	239
Non-Labor	5-YR Average	11	11	11	0	0	0	11	11	11
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		250	250	250	0	0	0	250	250	250
FTE	5-YR Average	3.4	3.4	3.4	0.0	0.0	0.0	3.4	3.4	3.4

Forecast Adjustment Details:

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: C. Controller - Fin Systems & Bus Controls
Category-Sub: 1. Controller - Fin Systems & Bus Controls
Cost Center: 2200-2049.000 - ACCOUNTS PAYABLE

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	143	201	213	243	166
Non-Labor	6	4	15	18	11
NSE	0	0	0	0	0
Total	149	206	227	261	177
FTE	1.7	3.2	3.2	3.7	2.6
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	143	201	213	243	166
Non-Labor	6	4	15	18	11
NSE	0	0	0	0	0
Total	149	206	227	261	177
FTE	1.7	3.2	3.2	3.7	2.6
Vacation & Sick (Nominal \$)					
Labor	24	36	37	47	30
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	24	36	37	47	30
FTE	0.3	0.6	0.6	0.7	0.5
Escalation to 2009\$					
Labor	21	21	14	4	0
Non-Labor	1	0	1	0	0
NSE	0	0	0	0	0
Total	22	22	15	5	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	188	258	264	294	196
Non-Labor	7	5	15	19	11
NSE	0	0	0	0	0
Total	195	263	279	313	207
FTE	2.0	3.8	3.8	4.4	3.1

* After company-wide exclusions of Non-GRC costs

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: C. Controller - Fin Systems & Bus Controls
 Category-Sub: 1. Controller - Fin Systems & Bus Controls
 Cost Center: 2200-2049.000 - ACCOUNTS PAYABLE

Summary of Adjustments to Recorded:

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

Detail of Adjustments to Recorded:

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

Beginning of Workpaper
2200-2212.000 - BUSINESS CONTROLS

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: C. Controller - Fin Systems & Bus Controls
Category-Sub: 1. Controller - Fin Systems & Bus Controls
Cost Center: 2200-2212.000 - BUSINESS CONTROLS

Activity Description:

The Business Controls group is responsible for managing the utilities' policies, business controls and leading accounting research. The group provides policy guidance and interpretation to both utilities' employees, manages the Sarbanes-Oxley Act compliance efforts for the utilities, performs forensic accounting reviews, and performs accounting review on contracts, energy procurement deals and other special projects. The group is a shared service group for both SDG&E and SCG.

Forecast Methodology:

Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

Non-Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

NSE - 5-YR Average

Not applicable.

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: C. Controller - Fin Systems & Bus Controls
 Category-Sub: 1. Controller - Fin Systems & Bus Controls
 Cost Center: 2200-2212.000 - BUSINESS CONTROLS

Summary of Results:

Years	In 2009\$ (000)							
	Adjusted-Recorded					Adjusted-Forecast		
	2005	2006	2007	2008	2009	2010	2011	2012
	Total Incurred (100% Level)							
Labor	68	70	69	50	72	65	65	65
Non-Labor	6	10	9	2	8	7	7	7
NSE	0	0	0	0	0	0	0	0
Total	74	80	78	52	80	72	72	72
FTE	0.6	0.7	0.6	0.8	1.2	0.8	0.8	0.8
	Allocations Out							
Labor	0	0	0	23	39	36	36	36
Non-Labor	0	0	0	1	4	4	4	4
NSE	0	0	0	0	0	0	0	0
Total	0	0	0	24	43	40	40	40
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Retained							
Labor	68	70	69	27	33	29	29	29
Non-Labor	6	10	9	1	4	3	3	3
NSE	0	0	0	0	0	0	0	0
Total	74	80	78	28	37	32	32	32
FTE	0.6	0.7	0.6	0.8	1.2	0.8	0.8	0.8
	Allocations In							
Labor	0	0	0	0	0	0	0	0
Non-Labor	0	0	0	0	0	0	0	0
NSE	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Book Expense							
Labor	68	70	69	27	33	29	29	29
Non-Labor	6	10	9	1	4	3	3	3
NSE	0	0	0	0	0	0	0	0
Total	74	80	78	28	37	32	32	32
FTE	0.6	0.7	0.6	0.8	1.2	0.8	0.8	0.8

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: C. Controller - Fin Systems & Bus Controls
 Category-Sub: 1. Controller - Fin Systems & Bus Controls
 Cost Center: 2200-2212.000 - BUSINESS CONTROLS

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.	72	8	0	80	1.20	65	7	0	72	0.80
% Allocation										
Retained	45.00%	45.00%				45.00%	45.00%			
SEU	55.00%	55.00%				55.00%	55.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	33	4	0	37		29	3	0	32	
SEU	39	4	0	43		36	4	0	40	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	72	8	0	80	1.20	65	7	0	72	0.80
Total Alloc. Out	39	4	0	43		36	4	0	40	
Total Retained	33	4	0	37		29	3	0	32	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	33	4	0	37		29	3	0	32	

	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.	65	7	0	72	0.80	65	7	0	72	0.80
% Allocation										
Retained	45.00%	45.00%				45.00%	45.00%			
SEU	55.00%	55.00%				55.00%	55.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	29	3	0	32		29	3	0	32	
SEU	36	4	0	40		36	4	0	40	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	65	7	0	72	0.80	65	7	0	72	0.80
Total Alloc. Out	36	4	0	40		36	4	0	40	
Total Retained	29	3	0	32		29	3	0	32	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	29	3	0	32		29	3	0	32	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: C. Controller - Fin Systems & Bus Controls
Category-Sub: 1. Controller - Fin Systems & Bus Controls
Cost Center: 2200-2212.000 - BUSINESS CONTROLS

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

This cost center works on SCG and SDG&E activities, such as SOX, Records Management, and policy. This cost center also performs accounting reviews on Power Purchase Agreements and other transactions predominantly related to SDG&E. The appropriate allocation between the two utilities combines the relative weighting of all activities.

Cost Center Allocation Percentage for 2010

This cost center works on SCG and SDG&E activities, such as SOX, Records Management, and policy. This cost center also performs accounting reviews on Power Purchase Agreements and other transactions predominantly related to SDG&E. The appropriate allocation between the two utilities combines the relative weighting of all activities.

Cost Center Allocation Percentage for 2011

This cost center works on SCG and SDG&E activities, such as SOX, Records Management, and policy. This cost center also performs accounting reviews on Power Purchase Agreements and other transactions predominantly related to SDG&E. The appropriate allocation between the two utilities combines the relative weighting of all activities.

Cost Center Allocation Percentage for 2012

This cost center works on SCG and SDG&E activities, such as SOX, Records Management, and policy. This cost center also performs accounting reviews on Power Purchase Agreements and other transactions predominantly related to SDG&E. The appropriate allocation between the two utilities combines the relative weighting of all activities.

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: C. Controller - Fin Systems & Bus Controls
 Category-Sub: 1. Controller - Fin Systems & Bus Controls
 Cost Center: 2200-2212.000 - BUSINESS CONTROLS

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	5-YR Average	65	65	65	0	0	0	65	65	65
Non-Labor	5-YR Average	7	7	7	0	0	0	7	7	7
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		72	72	72	0	0	0	72	72	72
FTE	5-YR Average	0.8	0.8	0.8	0.0	0.0	0.0	0.8	0.8	0.8

Forecast Adjustment Details:

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: C. Controller - Fin Systems & Bus Controls
Category-Sub: 1. Controller - Fin Systems & Bus Controls
Cost Center: 2200-2212.000 - BUSINESS CONTROLS

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	0	0	0	35	61
Non-Labor	0	0	0	2	8
NSE	0	0	0	0	0
Total	0	0	0	36	68
FTE	0.0	0.0	0.0	0.6	1.0
Adjustments (Nominal \$) **					
Labor	51	55	56	7	0
Non-Labor	6	9	8	0	0
NSE	0	0	0	0	0
Total	57	64	64	7	0
FTE	0.5	0.6	0.5	0.1	0.0
Recorded-Adjusted (Nominal \$)					
Labor	51	55	56	41	61
Non-Labor	6	9	8	2	8
NSE	0	0	0	0	0
Total	57	64	64	43	68
FTE	0.5	0.6	0.5	0.7	1.0
Vacation & Sick (Nominal \$)					
Labor	9	10	10	8	11
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	9	10	10	8	11
FTE	0.1	0.1	0.1	0.1	0.2
Escalation to 2009\$					
Labor	7	6	4	1	0
Non-Labor	1	1	0	0	0
NSE	0	0	0	0	0
Total	8	7	4	1	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	68	70	69	50	72
Non-Labor	6	10	9	2	8
NSE	0	0	0	0	0
Total	74	80	78	52	79
FTE	0.6	0.7	0.6	0.8	1.2

* 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: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: C. Controller - Fin Systems & Bus Controls
Category-Sub: 1. Controller - Fin Systems & Bus Controls
Cost Center: 2200-2212.000 - BUSINESS CONTROLS

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000) "Incurred Costs"				
	2005	2006	2007	2008	2009
Labor	51	55	56	7	0
Non-Labor	6	9	8	0	0
NSE	0	0	0	0	0
Total	57	64	64	7	0
FTE	0.5	0.6	0.5	0.1	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	51	0	0	0.0	1-Sided Adj	N/A	TP1JMY2009091 4104151860
To reflect the transfer of one pos from BusCntlsS to BusCntlsN							
2005	0	6	0	0.0	1-Sided Adj	N/A	TP1JMY2009091 4104252873
To reflect the transfer of one pos from BusCntlsS to BusCntlsN							
2005	0	0	0	0.5	1-Sided Adj	N/A	TP1JMY2009091 4104348690
To reflect the transfer of one pos from BusCntlsS to BusCntlsN							
2005 Total	51	6	0	0.5			
2006	55	0	0	0.0	1-Sided Adj	N/A	TP1JMY2009091 4104459987
To reflect the transfer of one pos from BusCntlsS to BusCntlsN							
2006	0	9	0	0.0	1-Sided Adj	N/A	TP1JMY2009091 4104550223
To reflect the transfer of one pos from BusCntlsS to BusCntlsN							
2006	0	0	0	0.6	1-Sided Adj	N/A	TP1JMY2009091 4104637300
To reflect the transfer of one pos from BusCntlsS to BusCntlsN							
2006 Total	55	9	0	0.6			
2007	56	0	0	0.0	1-Sided Adj	N/A	TP1JMY2009091 4104737113
To reflect the transfer of one pos from BusCntlsS to BusCntlsN							

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: C. Controller - Fin Systems & Bus Controls
 Category-Sub: 1. Controller - Fin Systems & Bus Controls
 Cost Center: 2200-2212.000 - BUSINESS CONTROLS

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2007	0	8	0	0.0	1-Sided Adj	N/A	TP1JMY2009091 4104843523
To reflect the transfer of one pos from BusCntlsS to BusCntlsN							
2007	0	0	0	0.5	1-Sided Adj	N/A	TP1JMY2009091 4104937570
To reflect the transfer of one pos from BusCntlsS to BusCntlsN							
2007 Total	56	8	0	0.5			
2008	7	0	0	0.0	1-Sided Adj	N/A	TP1JMY2009091 4105637580
To reflect the transfer of one pos from BusCntlsS to BusCntlsN (partial year)							
2008	0	0	0	0.1	1-Sided Adj	N/A	TP1JMY2009091 4105755910
To reflect the transfer of one pos from BusCntlsS to BusCntlsN							
2008 Total	7	0	0	0.1			
2009 Total	0	0	0	0.0			

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 Shared Services Workpapers

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: D. Controller - Planning & Analysis
 Cost Center: VARIOUS

Summary for Category: D. Controller - Planning & Analysis

	In 2009\$ (000) "Book Expense"			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	1,097	1,107	1,107	1,107
Non-Labor	28	56	56	56
NSE	0	0	0	0
Total	1,125	1,163	1,163	1,163
FTE	17.8	17.2	17.2	17.2

Cost Centers belonging to this Category:

2200-0339.000 FINL PLANNING

Labor	297	380	380	380
Non-Labor	4	27	27	27
NSE	0	0	0	0
Total	301	407	407	407
FTE	3.7	4.3	4.3	4.3

2200-2041.000 BUSINESS PLANNING & BUDGETS

Labor	120	134	134	134
Non-Labor	0	4	4	4
NSE	0	0	0	0
Total	120	138	138	138
FTE	2.7	2.9	2.9	2.9

2200-2095.000 CLAIMS

Labor	611	526	526	526
Non-Labor	24	24	24	24
NSE	0	0	0	0
Total	635	550	550	550
FTE	10.3	9.0	9.0	9.0

2200-2272.000 CAPITAL BUDGETS

Labor	69	67	67	67
Non-Labor	0	1	1	1
NSE	0	0	0	0
Total	69	68	68	68
FTE	1.1	1.0	1.0	1.0

Beginning of Workpaper
2200-0339.000 - FINL PLANNING

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: D. Controller - Planning & Analysis
Category-Sub: 1. Controller - Planning & Analysis
Cost Center: 2200-0339.000 - FINL PLANNING

Activity Description:

Financial Planning provides financial planning and performance review support to both utilities. This process includes development of the annual financial plan, and providing financial reviews & reports to management.

Forecast Methodology:

Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

Non-Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

NSE - 5-YR Average

Not applicable.

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: D. Controller - Planning & Analysis
 Category-Sub: 1. Controller - Planning & Analysis
 Cost Center: 2200-0339.000 - FINL PLANNING

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		562	445	343	314	297	392	392	392
Non-Labor		41	77	15	2	4	27	27	27
NSE		0	0	0	0	0	0	0	0
Total		603	522	358	316	301	419	419	419
FTE		5.9	4.5	3.9	3.7	3.7	4.3	4.3	4.3
		Allocations Out							
Labor		165	53	41	24	0	12	12	12
Non-Labor		9	9	2	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		174	62	43	24	0	12	12	12
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		397	392	302	290	297	380	380	380
Non-Labor		32	68	13	2	4	27	27	27
NSE		0	0	0	0	0	0	0	0
Total		429	460	315	292	301	407	407	407
FTE		5.3	4.5	3.9	3.7	3.7	4.2	4.2	4.2
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		397	392	302	290	297	380	380	380
Non-Labor		32	68	13	2	4	27	27	27
NSE		0	0	0	0	0	0	0	0
Total		429	460	315	292	301	407	407	407
FTE		5.3	4.5	3.9	3.7	3.7	4.2	4.2	4.2

Southern California Gas Company
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Shared Services Workpapers

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: D. Controller - Planning & Analysis
 Category-Sub: 1. Controller - Planning & Analysis
 Cost Center: 2200-0339.000 - FINL PLANNING

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	12	0	0	12	0.00
Subj. To % Alloc.	297	4	0	301	3.70	380	27	0	407	4.20
% Allocation										
Retained	100.00%	100.00%				100.00%	100.00%			
SEU	0.00%	0.00%				0.00%	0.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	297	4	0	301		380	27	0	407	
SEU	0	0	0	0		0	0	0	0	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	297	4	0	301	3.70	392	27	0	419	4.20
Total Alloc. Out	0	0	0	0		12	0	0	12	
Total Retained	297	4	0	301		380	27	0	407	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	297	4	0	301		380	27	0	407	

	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	12	0	0	12	0.00	12	0	0	12	0.00
Subj. To % Alloc.	380	27	0	407	4.20	380	27	0	407	4.20
% Allocation										
Retained	100.00%	100.00%				100.00%	100.00%			
SEU	0.00%	0.00%				0.00%	0.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	380	27	0	407		380	27	0	407	
SEU	0	0	0	0		0	0	0	0	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	392	27	0	419	4.20	392	27	0	419	4.20
Total Alloc. Out	12	0	0	12		12	0	0	12	
Total Retained	380	27	0	407		380	27	0	407	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	380	27	0	407		380	27	0	407	

Southern California Gas Company
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Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: D. Controller - Planning & Analysis
Category-Sub: 1. Controller - Planning & Analysis
Cost Center: 2200-0339.000 - FINL PLANNING

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

Allocation percentages are based on a department activity study.

Cost Center Allocation Percentage for 2010

Allocation percentages are based on a department activity study.

Cost Center Allocation Percentage for 2011

Allocation percentages are based on a department activity study.

Cost Center Allocation Percentage for 2012

Allocation percentages are based on a department activity study.

Southern California Gas Company
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Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
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 Category: D. Controller - Planning & Analysis
 Category-Sub: 1. Controller - Planning & Analysis
 Cost Center: 2200-0339.000 - FINL PLANNING

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	5-YR Average	392	392	392	0	0	0	392	392	392
Non-Labor	5-YR Average	27	27	27	0	0	0	27	27	27
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		419	419	419	0	0	0	419	419	419
FTE	5-YR Average	4.3	4.3	4.3	0.0	0.0	0.0	4.3	4.3	4.3

Forecast Adjustment Details:

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

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Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
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Category: D. Controller - Planning & Analysis
Category-Sub: 1. Controller - Planning & Analysis
Cost Center: 2200-0339.000 - FINL PLANNING

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	427	304	276	260	251
Non-Labor	37	64	14	2	4
NSE	0	0	0	0	0
Total	464	368	290	262	255
FTE	5.0	3.4	3.3	3.1	3.1
Adjustments (Nominal \$) **					
Labor	0	43	0	0	0
Non-Labor	0	7	0	0	0
NSE	0	0	0	0	0
Total	0	49	0	0	0
FTE	0.0	0.4	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	427	347	276	260	251
Non-Labor	37	71	14	2	4
NSE	0	0	0	0	0
Total	464	417	290	262	255
FTE	5.0	3.8	3.3	3.1	3.1
Vacation & Sick (Nominal \$)					
Labor	73	62	48	50	45
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	73	62	48	50	45
FTE	0.9	0.7	0.6	0.6	0.6
Escalation to 2009\$					
Labor	62	36	18	5	0
Non-Labor	5	6	1	0	0
NSE	0	0	0	0	0
Total	67	43	19	5	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	562	445	343	314	297
Non-Labor	41	77	15	2	4
NSE	0	0	0	0	0
Total	603	522	357	317	301
FTE	5.9	4.5	3.9	3.7	3.7

* 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: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: D. Controller - Planning & Analysis
 Category-Sub: 1. Controller - Planning & Analysis
 Cost Center: 2200-0339.000 - FINL PLANNING

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000) "Incurred Costs"				
	2005	2006	2007	2008	2009
Labor	0	43	0	0	0
Non-Labor	0	7	0	0	0
NSE	0	0	0	0	0
Total	0	49	0	0	0
FTE	0.0	0.4	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	43	0	0	0.0	1-Sided Adj	N/A	TP1JMY2009090 2121847263
Reorg: Transfer salary for ProjMgr to current/projected cctr.							
2006	0	7	0	0.0	1-Sided Adj	N/A	TP1JMY2009090 2122010500
Reorg: Transfer NL for ProjMgr to current/projected cctr.							
2006	0	0	0	0.4	1-Sided Adj	N/A	TP1JMY2009090 2122126643
Reorg: Transfer hours for Proj Mgr to current/projected cctr.							
2006 Total	43	7	0	0.4			
2007 Total	0	0	0	0.0			
2008 Total	0	0	0	0.0			
2009 Total	0	0	0	0.0			

Beginning of Workpaper
2200-2041.000 - BUSINESS PLANNING & BUDGETS

Southern California Gas Company
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Shared Services Workpapers

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: D. Controller - Planning & Analysis
Category-Sub: 1. Controller - Planning & Analysis
Cost Center: 2200-2041.000 - BUSINESS PLANNING & BUDGETS

Activity Description:

The Business Planning & Budgets group provides planning and budgeting support to both utilities. Responsibilities include development of the annual O&M budgets; preparing monthly O&M performance reports; and providing other financial consulting needs as required.

Forecast Methodology:

Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

Non-Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

NSE - 5-YR Average

Not applicable.

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Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
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Category: D. Controller - Planning & Analysis
Category-Sub: 1. Controller - Planning & Analysis
Cost Center: 2200-2041.000 - BUSINESS PLANNING & BUDGETS

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		309	288	295	199	239	266	266	266
Non-Labor		6	8	20	3	1	7	7	7
NSE		0	0	0	0	0	0	0	0
Total		315	296	315	202	240	273	273	273
FTE		3.5	3.1	3.1	2.2	2.7	2.9	2.9	2.9
		Allocations Out							
Labor		127	111	111	93	119	132	132	132
Non-Labor		2	3	7	2	1	3	3	3
NSE		0	0	0	0	0	0	0	0
Total		129	114	118	95	120	135	135	135
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		182	177	184	106	120	134	134	134
Non-Labor		4	5	13	1	0	4	4	4
NSE		0	0	0	0	0	0	0	0
Total		186	182	197	107	120	138	138	138
FTE		3.5	3.1	3.1	2.2	2.7	2.9	2.9	2.9
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		182	177	184	106	120	134	134	134
Non-Labor		4	5	13	1	0	4	4	4
NSE		0	0	0	0	0	0	0	0
Total		186	182	197	107	120	138	138	138
FTE		3.5	3.1	3.1	2.2	2.7	2.9	2.9	2.9

Southern California Gas Company
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 Shared Services Workpapers

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: D. Controller - Planning & Analysis
 Category-Sub: 1. Controller - Planning & Analysis
 Cost Center: 2200-2041.000 - BUSINESS PLANNING & BUDGETS

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.	239	1	0	240	2.70	266	7	0	273	2.90
% Allocation										
Retained	50.27%	50.27%				50.27%	50.27%			
SEU	49.73%	49.73%				49.73%	49.73%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	120	0	0	120		134	4	0	138	
SEU	119	1	0	120		132	3	0	135	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	239	1	0	240	2.70	266	7	0	273	2.90
Total Alloc. Out	119	1	0	120		132	3	0	135	
Total Retained	120	0	0	120		134	4	0	138	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	120	0	0	120		134	4	0	138	

	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.	266	7	0	273	2.90	266	7	0	273	2.90
% Allocation										
Retained	50.27%	50.27%				50.27%	50.27%			
SEU	49.73%	49.73%				49.73%	49.73%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	134	4	0	138		134	4	0	138	
SEU	132	3	0	135		132	3	0	135	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	266	7	0	273	2.90	266	7	0	273	2.90
Total Alloc. Out	132	3	0	135		132	3	0	135	
Total Retained	134	4	0	138		134	4	0	138	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	134	4	0	138		134	4	0	138	

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Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: D. Controller - Planning & Analysis
Category-Sub: 1. Controller - Planning & Analysis
Cost Center: 2200-2041.000 - BUSINESS PLANNING & BUDGETS

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

The California Utility Multi-factor allocation methodology has been determined to be the most appropriate method of allocating costs, as it represents a broad measurement of the relative size of the two utilities.

Cost Center Allocation Percentage for 2010

The California Utility Multi-factor allocation methodology has been determined to be the most appropriate method of allocating costs, as it represents a broad measurement of the relative size of the two utilities.

Cost Center Allocation Percentage for 2011

The California Utility Multi-factor allocation methodology has been determined to be the most appropriate method of allocating costs, as it represents a broad measurement of the relative size of the two utilities.

Cost Center Allocation Percentage for 2012

The California Utility Multi-factor allocation methodology has been determined to be the most appropriate method of allocating costs, as it represents a broad measurement of the relative size of the two utilities.

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Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
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 Category-Sub: 1. Controller - Planning & Analysis
 Cost Center: 2200-2041.000 - BUSINESS PLANNING & BUDGETS

Forecast Summary:

Forecast Method		In 2009 \$(000) "Incurred Costs"								
		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	5-YR Average	266	266	266	0	0	0	266	266	266
Non-Labor	5-YR Average	7	7	7	0	0	0	7	7	7
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		273	273	273	0	0	0	273	273	273
FTE	5-YR Average	2.9	2.9	2.9	0.0	0.0	0.0	2.9	2.9	2.9

Forecast Adjustment Details:

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

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Category-Sub: 1. Controller - Planning & Analysis
Cost Center: 2200-2041.000 - BUSINESS PLANNING & BUDGETS

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	302	293	298	164	202
Non-Labor	7	10	23	3	1
NSE	0	0	0	0	0
Total	308	303	321	168	203
FTE	3.8	3.4	3.3	1.8	2.3
Adjustments (Nominal \$) **					
Labor	-67	-68	-61	0	0
Non-Labor	-2	-3	-4	0	0
NSE	0	0	0	0	0
Total	-69	-71	-65	0	0
FTE	-0.8	-0.8	-0.7	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	235	224	238	164	202
Non-Labor	5	7	19	3	1
NSE	0	0	0	0	0
Total	240	232	256	168	203
FTE	3.0	2.6	2.6	1.8	2.3
Vacation & Sick (Nominal \$)					
Labor	40	40	41	32	37
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	40	40	41	32	37
FTE	0.5	0.5	0.5	0.4	0.4
Escalation to 2009\$					
Labor	34	24	16	3	0
Non-Labor	1	1	1	0	0
NSE	0	0	0	0	0
Total	35	24	17	3	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	309	288	295	199	239
Non-Labor	6	8	20	3	1
NSE	0	0	0	0	0
Total	315	296	315	202	240
FTE	3.5	3.1	3.1	2.2	2.7

* After company-wide exclusions of Non-GRC costs

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

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Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: D. Controller - Planning & Analysis
 Category-Sub: 1. Controller - Planning & Analysis
 Cost Center: 2200-2041.000 - BUSINESS PLANNING & BUDGETS

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000) "Incurred Costs"				
	2005	2006	2007	2008	2009
Labor	-67	-68	-61	0	0
Non-Labor	-2	-3	-4	0	0
NSE	0	0	0	0	0
Total	-69	-71	-65	0	0
FTE	-0.8	-0.8	-0.7	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	-67	0	0	0.0	CCTR Transf	To 2200-2272.000	TP1JMY2010043 0112547130
Move Sr. Analyst who performed same function from 2005-2009 but used diff cctrs due to reorg.							
2005	0	-2	0	0.0	CCTR Transf	To 2200-2272.000	TP1JMY2010043 0112644643
Move Sr. Analyst who performed same function from 2005-2009 but used diff cctrs due to reorg.							
2005	0	0	0	-0.8	CCTR Transf	To 2200-2272.000	TP1JMY2010043 0112731910
Move Sr. Analyst who performed same function from 2005-2009 but used diff cctrs due to reorg.							
2005 Total	-67	-2	0	-0.8			
2006	-68	0	0	0.0	CCTR Transf	To 2200-2272.000	TP1JMY2010043 0112840520
Move Sr. Analyst who performed same function from 2005-2009 but used diff cctrs due to reorg..							
2006	0	-3	0	0.0	CCTR Transf	To 2200-2272.000	TP1JMY2010043 0112927490
Move Sr. Analyst who performed same function from 2005-2009 but used diff cctrs due to reorg.							
2006	0	0	0	-0.8	CCTR Transf	To 2200-2272.000	TP1JMY2010043 0113017067
Move Sr. Analyst who performed same function from 2005-2009 but used diff cctrs due to reorg.							

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 Category-Sub: 1. Controller - Planning & Analysis
 Cost Center: 2200-2041.000 - BUSINESS PLANNING & BUDGETS

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2006 Total	-68	-3	0	-0.8			
2007	-61	0	0	0.0	CCTR Transf	To 2200-2272.000	TP1JMY2010043 0113108113
							Move Sr. Analyst who performed same function from 2005-2009 but used diff cctrs due to reorg.
2007	0	-4	0	0.0	CCTR Transf	To 2200-2272.000	TP1JMY2010043 0113152380
							Move Sr. Analyst who performed same function from 2005-2009 but used diff cctrs due to reorg.
2007	0	0	0	-0.7	CCTR Transf	To 2200-2272.000	TP1JMY2010043 0113239347
							Move Sr. Analyst who performed same function from 2005-2009 but used diff cctrs due to reorg.
2007 Total	-61	-4	0	-0.7			
2008 Total	0	0	0	0.0			
2009 Total	0	0	0	0.0			

**Beginning of Workpaper
2200-2095.000 - CLAIMS**

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: D. Controller - Planning & Analysis
Category-Sub: 1. Controller - Planning & Analysis
Cost Center: 2200-2095.000 - CLAIMS

Activity Description:

The Claims Department processes all third party property damage, bodily injury and recovery claims for the utilities.

Forecast Methodology:

Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

Non-Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

NSE - 5-YR Average

Not applicable.

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: D. Controller - Planning & Analysis
 Category-Sub: 1. Controller - Planning & Analysis
 Cost Center: 2200-2095.000 - CLAIMS

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		308	614	753	756	737	633	633	633
Non-Labor		21	17	45	31	28	28	28	28
NSE		0	0	0	0	0	0	0	0
Total		329	631	798	787	765	661	661	661
FTE		4.1	8.9	10.8	10.8	10.3	9.0	9.0	9.0
		Allocations Out							
Labor		55	110	129	129	126	107	107	107
Non-Labor		4	3	7	4	4	4	4	4
NSE		0	0	0	0	0	0	0	0
Total		59	113	136	133	130	111	111	111
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		253	504	624	627	611	526	526	526
Non-Labor		17	14	38	27	24	24	24	24
NSE		0	0	0	0	0	0	0	0
Total		270	518	662	654	635	550	550	550
FTE		4.1	8.9	10.8	10.8	10.3	9.0	9.0	9.0
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		253	504	624	627	611	526	526	526
Non-Labor		17	14	38	27	24	24	24	24
NSE		0	0	0	0	0	0	0	0
Total		270	518	662	654	635	550	550	550
FTE		4.1	8.9	10.8	10.8	10.3	9.0	9.0	9.0

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: D. Controller - Planning & Analysis
Category-Sub: 1. Controller - Planning & Analysis
Cost Center: 2200-2095.000 - CLAIMS

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	1	0	1	0.00	0	1	0	1	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	737	27	0	764	10.30	633	27	0	660	9.00
% Allocation										
Retained	83.00%	83.00%				83.00%	83.00%			
SEU	16.00%	16.00%				16.00%	16.00%			
CORP	0.50%	0.50%				0.50%	0.50%			
Unreg	0.50%	0.50%				0.50%	0.50%			
\$ Allocation										
Retained	611	23	0	634		526	23	0	549	
SEU	118	4	0	122		101	4	0	105	
CORP	4	0	0	4		3	0	0	3	
Unreg	4	0	0	4		3	0	0	3	
Total Incurred	737	28	0	765	10.30	633	28	0	661	9.00
Total Alloc. Out	126	4	0	130		107	4	0	111	
Total Retained	611	24	0	635		526	24	0	550	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	611	24	0	635		526	24	0	550	

	2011 Adjusted-Forecast					2012 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	1	0	1	0.00	0	1	0	1	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	633	27	0	660	9.00	633	27	0	660	9.00
% Allocation										
Retained	83.00%	83.00%				83.00%	83.00%			
SEU	16.00%	16.00%				16.00%	16.00%			
CORP	0.50%	0.50%				0.50%	0.50%			
Unreg	0.50%	0.50%				0.50%	0.50%			
\$ Allocation										
Retained	526	23	0	549		526	23	0	549	
SEU	101	4	0	105		101	4	0	105	
CORP	3	0	0	3		3	0	0	3	
Unreg	3	0	0	3		3	0	0	3	
Total Incurred	633	28	0	661	9.00	633	28	0	661	9.00
Total Alloc. Out	107	4	0	111		107	4	0	111	
Total Retained	526	24	0	550		526	24	0	550	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	526	24	0	550		526	24	0	550	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: D. Controller - Planning & Analysis
Category-Sub: 1. Controller - Planning & Analysis
Cost Center: 2200-2095.000 - CLAIMS

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

The Claims Department processes claims for SDG&E, SoCalGas, and affiliates. Allocation percentages are based on departmental workload studies.

Cost Center Allocation Percentage for 2010

The Claims Department processes claims for SDG&E, SoCalGas, and affiliates. Allocation percentages are based on departmental workload studies.

Cost Center Allocation Percentage for 2011

The Claims Department processes claims for SDG&E, SoCalGas, and affiliates. Allocation percentages are based on departmental workload studies.

Cost Center Allocation Percentage for 2012

The Claims Department processes claims for SDG&E, SoCalGas, and affiliates. Allocation percentages are based on departmental workload studies.

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: D. Controller - Planning & Analysis
 Category-Sub: 1. Controller - Planning & Analysis
 Cost Center: 2200-2095.000 - CLAIMS

Forecast Summary:

Forecast Method		In 2009 \$(000) "Incurred Costs"								
		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	5-YR Average	633	633	633	0	0	0	633	633	633
Non-Labor	5-YR Average	28	28	28	0	0	0	28	28	28
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		661	661	661	0	0	0	661	661	661
FTE	5-YR Average	9.0	9.0	9.0	0.0	0.0	0.0	9.0	9.0	9.0

Forecast Adjustment Details:

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: D. Controller - Planning & Analysis
Category-Sub: 1. Controller - Planning & Analysis
Cost Center: 2200-2095.000 - CLAIMS

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	234	478	607	624	624
Non-Labor	18	15	42	30	28
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	253	494	650	654	652
FTE	3.5	7.5	9.1	9.0	8.7
Adjustments (Nominal \$) **					
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
Recorded-Adjusted (Nominal \$)					
Labor	234	478	607	624	624
Non-Labor	18	15	42	30	28
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	253	494	650	654	652
FTE	3.5	7.5	9.1	9.0	8.7
Vacation & Sick (Nominal \$)					
Labor	40	85	106	120	113
Non-Labor	0	0	0	0	0
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	40	85	106	120	113
FTE	0.6	1.4	1.7	1.8	1.6
Escalation to 2009\$					
Labor	34	50	40	11	0
Non-Labor	2	1	2	0	0
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	36	52	42	12	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	308	614	753	755	737
Non-Labor	21	17	45	31	28
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	329	631	798	786	764
FTE	4.1	8.9	10.8	10.8	10.3

* After company-wide exclusions of Non-GRC costs

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: D. Controller - Planning & Analysis
 Category-Sub: 1. Controller - Planning & Analysis
 Cost Center: 2200-2095.000 - CLAIMS

Summary of Adjustments to Recorded:

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

Detail of Adjustments to Recorded:

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

Beginning of Workpaper
2200-2272.000 - CAPITAL BUDGETS

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: D. Controller - Planning & Analysis
Category-Sub: 1. Controller - Planning & Analysis
Cost Center: 2200-2272.000 - CAPITAL BUDGETS

Activity Description:

The Capital Budgets group oversees the planning, analysis and review of capital budgets for both Utilities.

Forecast Methodology:

Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

Non-Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Controllers division costs when applied to all cost centers. This is because the 5-year average reasonably reflects a typical business operating cycle for the Controller's Division. Also, since the Division's activities are managed at the "aggregate" Controller level, adopting a division-wide methodology is appropriate. Generally, resources are re-deployed within the division as the needs of each functional area change over time. The ability to balance changing business need through the multi-functional use of FTEs forms the basis for a division characterized by stability and modest growth.

NSE - 5-YR Average

Not applicable.

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: D. Controller - Planning & Analysis
Category-Sub: 1. Controller - Planning & Analysis
Cost Center: 2200-2272.000 - CAPITAL BUDGETS

Summary of Results:

		In 2009\$ (000)								
		Adjusted-Recorded					Adjusted-Forecast			
Years		2005	2006	2007	2008	2009	2010	2011	2012	
		Total Incurred (100% Level)								
Labor		88	88	90	87	92	89	89	89	
Non-Labor		2	3	5	0	0	2	2	2	
NSE		0	0	0	0	0	0	0	0	
Total		90	91	95	87	92	91	91	91	
FTE		0.9	0.9	0.9	1.0	1.1	1.0	1.0	1.0	
		Allocations Out								
Labor		22	22	22	22	23	22	22	22	
Non-Labor		0	1	1	0	0	1	1	1	
NSE		0	0	0	0	0	0	0	0	
Total		22	23	23	22	23	23	23	23	
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
		Retained								
Labor		66	66	68	65	69	67	67	67	
Non-Labor		2	2	4	0	0	1	1	1	
NSE		0	0	0	0	0	0	0	0	
Total		68	68	72	65	69	68	68	68	
FTE		0.9	0.9	0.9	1.0	1.1	1.0	1.0	1.0	
		Allocations In								
Labor		0	0	0	0	0	0	0	0	
Non-Labor		0	0	0	0	0	0	0	0	
NSE		0	0	0	0	0	0	0	0	
Total		0	0	0	0	0	0	0	0	
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
		Book Expense								
Labor		66	66	68	65	69	67	67	67	
Non-Labor		2	2	4	0	0	1	1	1	
NSE		0	0	0	0	0	0	0	0	
Total		68	68	72	65	69	68	68	68	
FTE		0.9	0.9	0.9	1.0	1.1	1.0	1.0	1.0	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: D. Controller - Planning & Analysis
 Category-Sub: 1. Controller - Planning & Analysis
 Cost Center: 2200-2272.000 - CAPITAL BUDGETS

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.	92	0	0	92	1.10	89	2	0	91	1.00
% Allocation										
Retained	75.00%	75.00%				75.00%	75.00%			
SEU	25.00%	25.00%				25.00%	25.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	69	0	0	69		67	1	0	68	
SEU	23	0	0	23		22	1	0	23	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	92	0	0	92	1.10	89	2	0	91	1.00
Total Alloc. Out	23	0	0	23		22	1	0	23	
Total Retained	69	0	0	69		67	1	0	68	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	69	0	0	69		67	1	0	68	

	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.	89	2	0	91	1.00	89	2	0	91	1.00
% Allocation										
Retained	75.00%	75.00%				75.00%	75.00%			
SEU	25.00%	25.00%				25.00%	25.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	67	1	0	68		67	1	0	68	
SEU	22	1	0	23		22	1	0	23	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	89	2	0	91	1.00	89	2	0	91	1.00
Total Alloc. Out	22	1	0	23		22	1	0	23	
Total Retained	67	1	0	68		67	1	0	68	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	67	1	0	68		67	1	0	68	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: D. Controller - Planning & Analysis
Category-Sub: 1. Controller - Planning & Analysis
Cost Center: 2200-2272.000 - CAPITAL BUDGETS

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

Work assigned to this cost center will be in support of the Capital Budgeting function for SCG, as well as O&C budget support for both Utilities. The derived allocation for this cost center is 25% to SDG&E and 75% to SCG.

Cost Center Allocation Percentage for 2010

Work assigned to this cost center will be in support of the Capital Budgeting function for SCG, as well as O&C budget support for both Utilities. The derived allocation for this cost center is 25% to SDG&E and 75% to SCG.

Cost Center Allocation Percentage for 2011

Work assigned to this cost center will be in support of the Capital Budgeting function for SCG, as well as O&C budget support for both Utilities. The derived allocation for this cost center is 25% to SDG&E and 75% to SCG.

Cost Center Allocation Percentage for 2012

Work assigned to this cost center will be in support of the Capital Budgeting function for SCG, as well as O&C budget support for both Utilities. The derived allocation for this cost center is 25% to SDG&E and 75% to SCG.

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: D. Controller - Planning & Analysis
 Category-Sub: 1. Controller - Planning & Analysis
 Cost Center: 2200-2272.000 - CAPITAL BUDGETS

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	5-YR Average	89	89	89	0	0	0	89	89	89
Non-Labor	5-YR Average	2	2	2	0	0	0	2	2	2
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		91	91	91	0	0	0	91	91	91
FTE	5-YR Average	1.0	1.0	1.0	0.0	0.0	0.0	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 Total	0	0	0	0	0.0	
2011 Total	0	0	0	0	0.0	
2012 Total	0	0	0	0	0.0	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: D. Controller - Planning & Analysis
Category-Sub: 1. Controller - Planning & Analysis
Cost Center: 2200-2272.000 - CAPITAL BUDGETS

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	0	0	12	72	78
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	12	73	78
FTE	0.0	0.0	0.1	0.8	0.9
Adjustments (Nominal \$) **					
Labor	67	68	61	0	0
Non-Labor	2	3	4	0	0
NSE	0	0	0	0	0
Total	69	71	65	0	0
FTE	0.8	0.8	0.7	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	67	68	72	72	78
Non-Labor	2	3	4	0	0
NSE	0	0	0	0	0
Total	69	71	77	73	78
FTE	0.8	0.8	0.8	0.8	0.9
Vacation & Sick (Nominal \$)					
Labor	11	12	13	14	14
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	11	12	13	14	14
FTE	0.1	0.1	0.1	0.2	0.2
Escalation to 2009\$					
Labor	10	7	5	1	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	10	7	5	1	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	88	88	90	87	92
Non-Labor	2	3	5	0	0
NSE	0	0	0	0	0
Total	90	91	94	88	92
FTE	0.9	0.9	0.9	1.0	1.1

* After company-wide exclusions of Non-GRC costs

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: D. Controller - Planning & Analysis
 Category-Sub: 1. Controller - Planning & Analysis
 Cost Center: 2200-2272.000 - CAPITAL BUDGETS

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000) "Incurred Costs"				
	2005	2006	2007	2008	2009
Labor	67	68	61	0	0
Non-Labor	2	3	4	0	0
NSE	0	0	0	0	0
Total	69	71	65	0	0
FTE	0.8	0.8	0.7	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	67	0	0	0.0	CCTR Transf	From 2200-2041.000	TP1JMY2010043 0112547130
Move Sr. Analyst who performed same function from 2005-2009 but used diff cctrs due to reorg.							
2005	0	2	0	0.0	CCTR Transf	From 2200-2041.000	TP1JMY2010043 0112644643
Move Sr. Analyst who performed same function from 2005-2009 but used diff cctrs due to reorg.							
2005	0	0	0	0.8	CCTR Transf	From 2200-2041.000	TP1JMY2010043 0112731910
Move Sr. Analyst who performed same function from 2005-2009 but used diff cctrs due to reorg.							
2005 Total	67	2	0	0.8			
2006	68	0	0	0.0	CCTR Transf	From 2200-2041.000	TP1JMY2010043 0112840520
Move Sr. Analyst who performed same function from 2005-2009 but used diff cctrs due to reorg..							
2006	0	3	0	0.0	CCTR Transf	From 2200-2041.000	TP1JMY2010043 0112927490
Move Sr. Analyst who performed same function from 2005-2009 but used diff cctrs due to reorg.							
2006	0	0	0	0.8	CCTR Transf	From 2200-2041.000	TP1JMY2010043 0113017067
Move Sr. Analyst who performed same function from 2005-2009 but used diff cctrs due to reorg.							

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: D. Controller - Planning & Analysis
 Category-Sub: 1. Controller - Planning & Analysis
 Cost Center: 2200-2272.000 - CAPITAL BUDGETS

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2006 Total	68	3	0	0.8			
2007	61	0	0	0.0	CCTR Transf	From 2200-2041.000	TP1JMY2010043 0113108113
							Move Sr. Analyst who performed same function from 2005-2009 but used diff cctrs due to reorg.
2007	0	4	0	0.0	CCTR Transf	From 2200-2041.000	TP1JMY2010043 0113152380
							Move Sr. Analyst who performed same function from 2005-2009 but used diff cctrs due to reorg.
2007	0	0	0	0.7	CCTR Transf	From 2200-2041.000	TP1JMY2010043 0113239347
							Move Sr. Analyst who performed same function from 2005-2009 but used diff cctrs due to reorg.
2007 Total	61	4	0	0.7			
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: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: E. California Case Management
 Cost Center: 2200-2075.000

Summary for Category: E. California Case Management

	In 2009\$ (000) "Book Expense"			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	378	464	464	464
Non-Labor	42	56	56	56
NSE	0	0	0	0
Total	420	520	520	520
FTE	5.8	6.0	6.0	6.0

Cost Centers belonging to this Category:

2200-2075.000 CALIFORNIA CASE MANAGEMENT

Labor	378	464	464	464
Non-Labor	42	56	56	56
NSE	0	0	0	0
Total	420	520	520	520
FTE	5.8	6.0	6.0	6.0

Beginning of Workpaper
2200-2075.000 - CALIFORNIA CASE MANAGEMENT

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: E. California Case Management
Category-Sub: 1. California Case Management
Cost Center: 2200-2075.000 - CALIFORNIA CASE MANAGEMENT

Activity Description:

The California case management: (1) coordinates SDG&E's and SoCalGas' participation in all regulatory proceedings and related activities before the CPUC, including rate and non-rate applications, CPUC- initiated investigations and rulemakings, and related legislative activities; (2) managing all regulatory filings with the CPUC; and (3) ensuring compliance with all CPUC directives and requirements.

Forecast Methodology:

Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Regulatory Affairs division costs when applied to all Regulatory Affairs cost centers. This is because the 5-year average represents a typical business operating cycle for regulatory relations, case management, and other regulatory functions. Also, a 5-year average captures staffing increases and decreases as they relate to major multi-year regulatory proceedings like the General Rate Case.

Non-Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Regulatory Affairs division costs when applied to all Regulatory Affairs cost centers. This is because the 5-year average represents a typical business operating cycle for regulatory relations, case management, and other regulatory functions. Also, a 5-year average captures staffing increases and decreases as they relate to major multi-year regulatory proceedings like the General Rate Case.

NSE - 5-YR Average

Not Applicable

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: E. California Case Management
 Category-Sub: 1. California Case Management
 Cost Center: 2200-2075.000 - CALIFORNIA CASE MANAGEMENT

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		498	590	602	512	688	678	678	678
Non-Labor		53	79	75	72	76	81	81	81
NSE		0	0	0	0	0	0	0	0
Total		551	669	677	584	764	759	759	759
FTE		4.4	5.2	5.2	4.2	5.8	6.0	6.0	6.0
		Allocations Out							
Labor		64	236	222	248	310	214	214	214
Non-Labor		7	31	28	36	34	25	25	25
NSE		0	0	0	0	0	0	0	0
Total		71	267	250	284	344	239	239	239
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		434	354	380	264	378	464	464	464
Non-Labor		46	48	47	36	42	56	56	56
NSE		0	0	0	0	0	0	0	0
Total		480	402	427	300	420	520	520	520
FTE		4.4	5.2	5.2	4.2	5.8	6.0	6.0	6.0
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		434	354	380	264	378	464	464	464
Non-Labor		46	48	47	36	42	56	56	56
NSE		0	0	0	0	0	0	0	0
Total		480	402	427	300	420	520	520	520
FTE		4.4	5.2	5.2	4.2	5.8	6.0	6.0	6.0

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: E. California Case Management
 Category-Sub: 1. California Case Management
 Cost Center: 2200-2075.000 - CALIFORNIA CASE MANAGEMENT

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.	688	76	0	764	5.80	678	81	0	759	6.00
% Allocation										
Retained	55.00%	55.14%				69.00%	69.00%			
SEU	45.00%	44.86%				31.00%	31.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	378	42	0	420		464	56	0	520	
SEU	310	34	0	344		214	25	0	239	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	688	76	0	764	5.80	678	81	0	759	6.00
Total Alloc. Out	310	34	0	344		214	25	0	239	
Total Retained	378	42	0	420		464	56	0	520	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	378	42	0	420		464	56	0	520	

	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.	678	81	0	759	6.00	678	81	0	759	6.00
% Allocation										
Retained	69.00%	69.00%				69.00%	69.00%			
SEU	31.00%	31.00%				31.00%	31.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	464	56	0	520		464	56	0	520	
SEU	214	25	0	239		214	25	0	239	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	678	81	0	759	6.00	678	81	0	759	6.00
Total Alloc. Out	214	25	0	239		214	25	0	239	
Total Retained	464	56	0	520		464	56	0	520	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	464	56	0	520		464	56	0	520	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: E. California Case Management
Category-Sub: 1. California Case Management
Cost Center: 2200-2075.000 - CALIFORNIA CASE MANAGEMENT

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

Allocations were calculated based on the percentage of time that each employee or service is provided to SDG&E / SoCalGas.

Cost Center Allocation Percentage for 2010

Allocations were calculated based on the percentage of time that each employee or service is provided to SDG&E / SoCalGas.

Cost Center Allocation Percentage for 2011

Allocations were calculated based on the percentage of time that each employee or service is provided to SDG&E / SoCalGas.

Cost Center Allocation Percentage for 2012

Allocations were calculated based on the percentage of time that each employee or service is provided to SDG&E / SoCalGas.

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: E. California Case Management
 Category-Sub: 1. California Case Management
 Cost Center: 2200-2075.000 - CALIFORNIA CASE MANAGEMENT

Forecast Summary:

Forecast Method		In 2009 \$(000) "Incurred Costs"								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		2010	2011	2012	2010	2011	2012	2010	2011	2012
Labor	5-YR Average	578	578	578	100	100	100	678	678	678
Non-Labor	5-YR Average	71	71	71	10	10	10	81	81	81
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		649	649	649	110	110	110	759	759	759
FTE	5-YR Average	5.0	5.0	5.0	1.0	1.0	1.0	6.0	6.0	6.0

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	100	0	0	100	0.0	1-Sided Adj
Labor dollars for additional FTE to manage increasing regulatory caseload.						
2010	0	10	0	10	0.0	1-Sided Adj
Non-labor dollars for additional FTE to manage increasing regulatory caseload.						
2010	0	0	0	0	1.0	1-Sided Adj
Additional FTE to manage increasing regulatory caseload.						

2010 Total	100	10	0	110	1.0	
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2011	0	0	0	0	1.0	1-Sided Adj
Additional FTE to manage increasing regulatory caseload.						
2011	100	0	0	100	0.0	1-Sided Adj
Labor dollars for additional FTE to manage increasing regulatory caseload.						
2011	0	10	0	10	0.0	1-Sided Adj
Non-labor dollars for additional FTE to manage increasing regulatory caseload.						

2011 Total	100	10	0	110	1.0	
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Southern California Gas Company
 Test Year 2012 GRC - APP
 Shared Services Workpapers

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: E. California Case Management
 Category-Sub: 1. California Case Management
 Cost Center: 2200-2075.000 - CALIFORNIA CASE 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	0	0	0	0	1.0	1-Sided Adj
Additional FTE to manage increasing regulatory caseload.						
2012	0	10	0	10	0.0	1-Sided Adj
Non-labor dollars for additional FTE to manage increasing regulatory caseload.						
2012	100	0	0	100	0.0	1-Sided Adj
Labor dollars for additional FTE to manage increasing regulatory caseload.						
2012 Total	100	10	0	110	1.0	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: E. California Case Management
Category-Sub: 1. California Case Management
Cost Center: 2200-2075.000 - CALIFORNIA CASE MANAGEMENT

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	379	460	485	423	461
Non-Labor	47	72	71	71	54
NSE	0	0	0	0	0
Total	425	532	557	494	515
FTE	3.7	4.4	4.4	3.5	3.9
Adjustments (Nominal \$) **					
Labor	0	0	0	0	122
Non-Labor	0	0	0	0	22
NSE	0	0	0	0	0
Total	0	0	0	0	144
FTE	0.0	0.0	0.0	0.0	1.0
Recorded-Adjusted (Nominal \$)					
Labor	379	460	485	423	583
Non-Labor	47	72	71	71	76
NSE	0	0	0	0	0
Total	425	532	557	494	659
FTE	3.7	4.4	4.4	3.5	4.9
Vacation & Sick (Nominal \$)					
Labor	65	82	85	81	105
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	65	82	85	81	105
FTE	0.7	0.8	0.8	0.7	0.9
Escalation to 2009\$					
Labor	55	48	32	8	0
Non-Labor	6	6	4	1	0
NSE	0	0	0	0	0
Total	61	55	36	9	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	498	590	602	512	688
Non-Labor	52	79	75	72	76
NSE	0	0	0	0	0
Total	551	668	677	584	765
FTE	4.4	5.2	5.2	4.2	5.8

* 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: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: E. California Case Management
 Category-Sub: 1. California Case Management
 Cost Center: 2200-2075.000 - CALIFORNIA CASE MANAGEMENT

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000) "Incurred Costs"				
	2005	2006	2007	2008	2009
Labor	0	0	0	0	122
Non-Labor	0	0	0	0	22
NSE	0	0	0	0	0
Total	0	0	0	0	144
FTE	0.0	0.0	0.0	0.0	1.0

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	122	0	0	0.0	CCTR Transf	From 2200-2305.000	WFULLER201006 11143258290
	Transfer of labor dollars to 2200-2075 to align SCG Case Management director with SCG Case Management group.						
2009	0	22	0	0.0	CCTR Transf	From 2200-2305.000	WFULLER201006 11143334290
	Transfer of non-labor dollars to 2200-2075 to align SCG Case Management director with SCG Case Management group.						
2009	0	0	0	1.0	CCTR Transf	From 2200-2305.000	WFULLER201006 11143415167
	Transfer of FTE to 2200-2075 to align SCG Case Management director with SCG Case Management group.						
2009	0	0.040	0	0.0	CCTR Transf	From 2200-2305.000	WFULLER201006 14141239357
	Transfer of non-labor dollars to 2200-2075 to align SCG Case Management director with SCG Case Management group.						

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: E. California Case Management
Category-Sub: 1. California Case Management
Cost Center: 2200-2075.000 - CALIFORNIA CASE MANAGEMENT

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2009 Total	122	22	0	1.0			

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: F. Regulatory - GRC, Rates & Analysis
 Cost Center: VARIOUS

Summary for Category: F. Regulatory - GRC, Rates & Analysis

	In 2009\$ (000) "Book Expense"			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	764	582	582	582
Non-Labor	321	120	120	120
NSE	0	0	0	0
Total	1,085	702	702	702
FTE	15.2	15.4	15.4	15.4

Cost Centers belonging to this Category:

2200-2040.000 GENERAL RATE CASE

Labor	304	490	490	490
Non-Labor	249	106	106	106
NSE	0	0	0	0
Total	553	596	596	596
FTE	5.8	13.5	13.5	13.5

2200-2308.000 GAS DEMAND FORECAST & TARIFFS

Labor	460	92	92	92
Non-Labor	72	14	14	14
NSE	0	0	0	0
Total	532	106	106	106
FTE	9.4	1.9	1.9	1.9

Beginning of Workpaper
2200-2040.000 - GENERAL RATE CASE

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: F. Regulatory - GRC, Rates & Analysis
Category-Sub: 1. General Rate Case
Cost Center: 2200-2040.000 - GENERAL RATE CASE

Activity Description:

This cost center provides General Rate Case support for SCG and SDG&E

Forecast Methodology:

Labor - 5-YR Average

For costs related to SDG&E or SoCalGas General Rate Case, allocations were calculated based on the California Regulated Multi-Factor. For non-GRC related work, allocations were calculated based on the a FTE by FTE evaluation of time spent per utility. These two methodologies were aggregated to develop the total percent allocations.

Non-Labor - 5-YR Average

For costs related to SDG&E or SoCalGas General Rate Case, allocations were calculated based on the California Regulated Multi-Factor. For non-GRC related work, allocations were calculated based on the a FTE by FTE evaluation of time spent per utility. These two methodologies were aggregated to develop the total percent allocations.

NSE - 5-YR Average

Not Applicable

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: F. Regulatory - GRC, Rates & Analysis
 Category-Sub: 1. General Rate Case
 Cost Center: 2200-2040.000 - GENERAL RATE CASE

Summary of Results:

Years	In 2009\$ (000)								
	Adjusted-Recorded					Adjusted-Forecast			
	2005	2006	2007	2008	2009	2010	2011	2012	
	Total Incurred (100% Level)								
Labor	1,402	1,792	1,528	1,311	573	1,321	1,321	1,321	
Non-Labor	316	300	179	117	468	275	275	275	
NSE	0	0	0	0	0	0	0	0	
Total	1,718	2,092	1,707	1,428	1,041	1,596	1,596	1,596	
FTE	13.7	18.2	16.0	13.8	5.8	13.5	13.5	13.5	
	Allocations Out								
Labor	479	834	711	676	269	831	831	831	
Non-Labor	103	141	69	49	219	169	169	169	
NSE	0	0	0	0	0	0	0	0	
Total	582	975	780	725	488	1,000	1,000	1,000	
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	Retained								
Labor	923	958	817	635	304	490	490	490	
Non-Labor	213	159	110	68	249	106	106	106	
NSE	0	0	0	0	0	0	0	0	
Total	1,136	1,117	927	703	553	596	596	596	
FTE	13.7	18.2	16.0	13.8	5.8	13.5	13.5	13.5	
	Allocations In								
Labor	0	0	0	0	0	0	0	0	
Non-Labor	0	0	0	0	0	0	0	0	
NSE	0	0	0	0	0	0	0	0	
Total	0	0	0	0	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	Book Expense								
Labor	923	958	817	635	304	490	490	490	
Non-Labor	213	159	110	68	249	106	106	106	
NSE	0	0	0	0	0	0	0	0	
Total	1,136	1,117	927	703	553	596	596	596	
FTE	13.7	18.2	16.0	13.8	5.8	13.5	13.5	13.5	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: F. Regulatory - GRC, Rates & Analysis
Category-Sub: 1. General Rate Case
Cost Center: 2200-2040.000 - GENERAL RATE CASE

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	2	6	0	8	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	573	468	0	1,041	5.80	1,319	269	0	1,588	13.50
% Allocation										
Retained	53.11%	53.11%				37.00%	37.00%			
SEU	46.89%	46.89%				63.00%	63.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	304	249	0	553		488	100	0	588	
SEU	269	219	0	488		831	169	0	1,000	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	573	468	0	1,041	5.80	1,321	275	0	1,596	13.50
Total Alloc. Out	269	219	0	488		831	169	0	1,000	
Total Retained	304	249	0	553		490	106	0	596	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	304	249	0	553		490	106	0	596	

	2011 Adjusted-Forecast					2012 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	2	6	0	8	0.00	2	6	0	8	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	1,319	269	0	1,588	13.50	1,319	269	0	1,588	13.50
% Allocation										
Retained	37.00%	37.00%				37.00%	37.00%			
SEU	63.00%	63.00%				63.00%	63.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	488	100	0	588		488	100	0	588	
SEU	831	169	0	1,000		831	169	0	1,000	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	1,321	275	0	1,596	13.50	1,321	275	0	1,596	13.50
Total Alloc. Out	831	169	0	1,000		831	169	0	1,000	
Total Retained	490	106	0	596		490	106	0	596	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	490	106	0	596		490	106	0	596	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: F. Regulatory - GRC, Rates & Analysis
Category-Sub: 1. General Rate Case
Cost Center: 2200-2040.000 - GENERAL RATE CASE

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

Allocations were calculated based on the California Regulated Multi-Factor Methodology.

Cost Center Allocation Percentage for 2010

For costs related to SDG&E or SoCalGas General Rate Case, allocations were calculated based on the California Regulated Multi-Factor methodology. For non-GRC related work, allocations were calculated based on a FTE evaluation of time spent per utility. These two methodologies were aggregated to develop the total allocation percentages.

Cost Center Allocation Percentage for 2011

For costs related to SDG&E or SoCalGas General Rate Case, allocations were calculated based on the California Regulated Multi-Factor methodology. For non-GRC related work, allocations were calculated based on a FTE evaluation of time spent per utility. These two methodologies were aggregated to develop the total allocation percentages.

Cost Center Allocation Percentage for 2012

For costs related to SDG&E or SoCalGas General Rate Case, allocations were calculated based on the California Regulated Multi-Factor methodology. For non-GRC related work, allocations were calculated based on a FTE evaluation of time spent per utility. These two methodologies were aggregated to develop the total allocation percentages.

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: F. Regulatory - GRC, Rates & Analysis
 Category-Sub: 1. General Rate Case
 Cost Center: 2200-2040.000 - GENERAL RATE CASE

Forecast Summary:

Forecast Method		In 2009 \$(000) "Incurred Costs"								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		2010	2011	2012	2010	2011	2012	2010	2011	2012
Labor	5-YR Average	1,321	1,321	1,321	0	0	0	1,321	1,321	1,321
Non-Labor	5-YR Average	275	275	275	0	0	0	275	275	275
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		1,596	1,596	1,596	0	0	0	1,596	1,596	1,596
FTE	5-YR Average	13.5	13.5	13.5	0.0	0.0	0.0	13.5	13.5	13.5

Forecast Adjustment Details:

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: F. Regulatory - GRC, Rates & Analysis
Category-Sub: 1. General Rate Case
Cost Center: 2200-2040.000 - GENERAL RATE CASE

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	1,066	1,396	1,232	1,051	220
Non-Labor	282	275	169	115	76
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,348	1,671	1,402	1,165	296
FTE	11.7	15.4	13.6	11.5	2.3
Adjustments (Nominal \$) **					
Labor	0	0	0	33	265
Non-Labor	0	0	0	0	392
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	0	0	0	33	657
FTE	0.0	0.0	0.0	0.0	2.6
Recorded-Adjusted (Nominal \$)					
Labor	1,066	1,396	1,232	1,083	485
Non-Labor	282	275	169	115	468
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,348	1,671	1,402	1,198	953
FTE	11.6	15.4	13.5	11.5	4.9
Vacation & Sick (Nominal \$)					
Labor	182	249	215	209	88
Non-Labor	0	0	0	0	0
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	182	249	215	209	88
FTE	2.1	2.8	2.5	2.3	0.9
Escalation to 2009\$					
Labor	155	147	81	19	0
Non-Labor	35	25	9	2	0
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	190	171	91	21	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	1,403	1,792	1,528	1,311	573
Non-Labor	317	300	179	116	468
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,719	2,092	1,707	1,428	1,041
FTE	13.7	18.2	16.0	13.8	5.8

* 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: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: F. Regulatory - GRC, Rates & Analysis
 Category-Sub: 1. General Rate Case
 Cost Center: 2200-2040.000 - GENERAL RATE CASE

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000) "Incurred Costs"				
	2005	2006	2007	2008	2009
Labor	0	0	0	33	265
Non-Labor	0	0	0	0	392
NSE	0	0	0	0	0
Total	0	0	0	33	657
FTE	0.0	0.0	0.0	0.0	2.6

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	33	0	0	0.0	1-Sided Adj	N/A	TP4LMC2009090 4145051430
Correction to add back 2008 GRC Capital							
2008 Total	33	0	0	0.0			
2009	265	0	0	0.0	1-Sided Adj	N/A	WFULLER201003 02103937180
Adjustment to include labor costs from one-time capital project (GRID).							
2009	0	392	0	0.0	1-Sided Adj	N/A	WFULLER201003 02104334530
Adjustment to include non-labor costs from one-time capital project (GRID).							
2009	0	0	0	2.6	1-Sided Adj	N/A	WFULLER201003 05122422503
Adjustment to include FTE's from one-time capital project (GRID).							
2009 Total	265	392	0	2.6			

Beginning of Workpaper
2200-2308.000 - GAS DEMAND FORECAST & TARIFFS

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: F. Regulatory - GRC, Rates & Analysis
Category-Sub: 2. Gas Demand Forecast & Tariffs
Cost Center: 2200-2308.000 - GAS DEMAND FORECAST & TARIFFS

Activity Description:

This cost center provides gas and electric demand forecasts and analyses.

Forecast Methodology:

Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Regulatory Affairs division costs when applied to all Regulatory Affairs cost centers. This is because the 5-year average represents a typical business operating cycle for regulatory relations, case management, and other regulatory functions. Also, a 5-year average captures staffing increases and decreases as they relate to major multi-year regulatory proceedings like the General Rate Case.

Non-Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Regulatory Affairs division costs when applied to all Regulatory Affairs cost centers. This is because the 5-year average represents a typical business operating cycle for regulatory relations, case management, and other regulatory functions. Also, a 5-year average captures staffing increases and decreases as they relate to major multi-year regulatory proceedings like the General Rate Case.

NSE - 5-YR Average

Not Applicable

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: F. Regulatory - GRC, Rates & Analysis
Category-Sub: 2. Gas Demand Forecast & Tariffs
Cost Center: 2200-2308.000 - GAS DEMAND FORECAST & TARIFFS

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		0	0	0	0	921	184	184	184
Non-Labor		0	0	0	0	143	28	28	28
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	1,064	212	212	212
FTE		0.0	0.0	0.0	0.0	9.4	1.9	1.9	1.9
		Allocations Out							
Labor		0	0	0	0	461	92	92	92
Non-Labor		0	0	0	0	71	14	14	14
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	532	106	106	106
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		0	0	0	0	460	92	92	92
Non-Labor		0	0	0	0	72	14	14	14
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	532	106	106	106
FTE		0.0	0.0	0.0	0.0	9.4	1.9	1.9	1.9
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		0	0	0	0	460	92	92	92
Non-Labor		0	0	0	0	72	14	14	14
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	532	106	106	106
FTE		0.0	0.0	0.0	0.0	9.4	1.9	1.9	1.9

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: F. Regulatory - GRC, Rates & Analysis
 Category-Sub: 2. Gas Demand Forecast & Tariffs
 Cost Center: 2200-2308.000 - GAS DEMAND FORECAST & TARIFFS

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.	921	143	0	1,064	9.40	184	28	0	212	1.90
% Allocation										
Retained	50.00%	50.00%				50.00%	50.00%			
SEU	50.00%	50.00%				50.00%	50.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	460	72	0	532		92	14	0	106	
SEU	461	71	0	532		92	14	0	106	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	921	143	0	1,064	9.40	184	28	0	212	1.90
Total Alloc. Out	461	71	0	532		92	14	0	106	
Total Retained	460	72	0	532		92	14	0	106	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	460	72	0	532		92	14	0	106	

	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.	184	28	0	212	1.90	184	28	0	212	1.90
% Allocation										
Retained	50.00%	50.00%				50.00%	50.00%			
SEU	50.00%	50.00%				50.00%	50.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	92	14	0	106		92	14	0	106	
SEU	92	14	0	106		92	14	0	106	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	184	28	0	212	1.90	184	28	0	212	1.90
Total Alloc. Out	92	14	0	106		92	14	0	106	
Total Retained	92	14	0	106		92	14	0	106	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	92	14	0	106		92	14	0	106	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: F. Regulatory - GRC, Rates & Analysis
Category-Sub: 2. Gas Demand Forecast & Tariffs
Cost Center: 2200-2308.000 - GAS DEMAND FORECAST & TARIFFS

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

Allocations were calculated based on the percentage of time that each employee or service is provided to SDG&E / SoCalGas.

Cost Center Allocation Percentage for 2010

Allocations were calculated based on the percentage of time that each employee or service is provided to SDG&E / SoCalGas.

Cost Center Allocation Percentage for 2011

Allocations were calculated based on the percentage of time that each employee or service is provided to SDG&E / SoCalGas.

Cost Center Allocation Percentage for 2012

Allocations were calculated based on the percentage of time that each employee or service is provided to SDG&E / SoCalGas.

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: F. Regulatory - GRC, Rates & Analysis
 Category-Sub: 2. Gas Demand Forecast & Tariffs
 Cost Center: 2200-2308.000 - GAS DEMAND FORECAST & TARIFFS

Forecast Summary:

Forecast Method		In 2009 \$(000) "Incurred Costs"								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		2010	2011	2012	2010	2011	2012	2010	2011	2012
Labor	5-YR Average	184	184	184	0	0	0	184	184	184
Non-Labor	5-YR Average	28	28	28	0	0	0	28	28	28
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		212	212	212	0	0	0	212	212	212
FTE	5-YR Average	1.9	1.9	1.9	0.0	0.0	0.0	1.9	1.9	1.9

Forecast Adjustment Details:

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: F. Regulatory - GRC, Rates & Analysis
Category-Sub: 2. Gas Demand Forecast & Tariffs
Cost Center: 2200-2308.000 - GAS DEMAND FORECAST & TARIFFS

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	0	0	0	0	510
Non-Labor	0	0	0	0	134
NSE	0	0	0	0	0
Total	0	0	0	0	644
FTE	0.0	0.0	0.0	0.0	5.4
Adjustments (Nominal \$) **					
Labor	0	0	0	0	270
Non-Labor	0	0	0	0	9
NSE	0	0	0	0	0
Total	0	0	0	0	279
FTE	0.0	0.0	0.0	0.0	2.5
Recorded-Adjusted (Nominal \$)					
Labor	0	0	0	0	780
Non-Labor	0	0	0	0	143
NSE	0	0	0	0	0
Total	0	0	0	0	923
FTE	0.0	0.0	0.0	0.0	7.9
Vacation & Sick (Nominal \$)					
Labor	0	0	0	0	141
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	141
FTE	0.0	0.0	0.0	0.0	1.5
Escalation to 2009\$					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	0	0	0	0	921
Non-Labor	0	0	0	0	143
NSE	0	0	0	0	0
Total	0	0	0	0	1,064
FTE	0.0	0.0	0.0	0.0	9.4

* After company-wide exclusions of Non-GRC costs

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: F. Regulatory - GRC, Rates & Analysis
 Category-Sub: 2. Gas Demand Forecast & Tariffs
 Cost Center: 2200-2308.000 - GAS DEMAND FORECAST & TARIFFS

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000) "Incurred Costs"				
	2005	2006	2007	2008	2009
Labor	0	0	0	0	270
Non-Labor	0	0	0	0	9
NSE	0	0	0	0	0
Total	0	0	0	0	279
FTE	0.0	0.0	0.0	0.0	2.5

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	270	0	0	0.0	CCTR Transf	From 2200-2307.000	WFULLER201006 03095801833
	Remap labor costs to 2200-2308. Consolidation of related functions/costs.						
2009	0	9	0	0.0	CCTR Transf	From 2200-2307.000	WFULLER201006 03095907757
	Remap non-labor costs to 2200-2308. Consolidation of related functions/costs.						
2009	0	0	0	2.5	CCTR Transf	From 2200-2307.000	WFULLER201006 03095959337
	Remap FTEs to 2200-2308. Consolidation of related functions/costs.						
2009 Total	270	9	0	2.5			

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: G. FERC, CAISO, & Compliance
 Cost Center: 2200-2202.000

Summary for Category: G. FERC, CAISO, & Compliance

	In 2009\$ (000) "Book Expense"			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	71	66	66	66
Non-Labor	1	2	2	2
NSE	0	0	0	0
Total	72	68	68	68
FTE	2.0	2.2	2.2	2.2

**Cost Centers belonging to this Category:
 2200-2202.000 AFFILIATE COMPLIANCE**

Labor	71	66	66	66
Non-Labor	1	2	2	2
NSE	0	0	0	0
Total	72	68	68	68
FTE	2.0	2.2	2.2	2.2

Beginning of Workpaper
2200-2202.000 - AFFILIATE COMPLIANCE

Southern California Gas Company
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Shared Services Workpapers

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: G. FERC, CAISO, & Compliance
Category-Sub: 1. Affiliate Compliance
Cost Center: 2200-2202.000 - AFFILIATE COMPLIANCE

Activity Description:

The Affiliate Compliance department is responsible for facilitating compliance with state and federal affiliate transaction-type rules, such as the CPUC's Affiliate Rules and FERC Standards of Conduct.

Forecast Methodology:

Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Regulatory Affairs division costs when applied to all Regulatory Affairs cost centers. This is because the 5-year average represents a typical business operating cycle for regulatory relations, case management, and other regulatory functions. Also, a 5-year average captures staffing increases and decreases as they relate to major multi-year regulatory proceedings like the General Rate Case.

Non-Labor - 5-YR Average

The averaging methodology, namely the 5-year averaging methodology, produces the most representative forecast of 2010-2012 Regulatory Affairs division costs when applied to all Regulatory Affairs cost centers. This is because the 5-year average represents a typical business operating cycle for regulatory relations, case management, and other regulatory functions. Also, a 5-year average captures staffing increases and decreases as they relate to major multi-year regulatory proceedings like the General Rate Case.

NSE - 5-YR Average

Not Applicable

Southern California Gas Company
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 Shared Services Workpapers

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: G. FERC, CAISO, & Compliance
 Category-Sub: 1. Affiliate Compliance
 Cost Center: 2200-2202.000 - AFFILIATE COMPLIANCE

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		146	193	242	197	172	189	189	189
Non-Labor		0	7	10	9	3	5	5	5
NSE		0	0	0	0	0	0	0	0
Total		146	200	252	206	175	194	194	194
FTE		1.7	2.2	2.8	2.4	2.0	2.2	2.2	2.2
		Allocations Out							
Labor		73	116	121	104	101	123	123	123
Non-Labor		0	4	5	5	2	3	3	3
NSE		0	0	0	0	0	0	0	0
Total		73	120	126	109	103	126	126	126
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		73	77	121	93	71	66	66	66
Non-Labor		0	3	5	4	1	2	2	2
NSE		0	0	0	0	0	0	0	0
Total		73	80	126	97	72	68	68	68
FTE		1.7	2.2	2.8	2.4	2.0	2.2	2.2	2.2
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		73	77	121	93	71	66	66	66
Non-Labor		0	3	5	4	1	2	2	2
NSE		0	0	0	0	0	0	0	0
Total		73	80	126	97	72	68	68	68
FTE		1.7	2.2	2.8	2.4	2.0	2.2	2.2	2.2

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: G. FERC, CAISO, & Compliance
Category-Sub: 1. Affiliate Compliance
Cost Center: 2200-2202.000 - AFFILIATE COMPLIANCE

Calculation of Book Expense:

	2009 Adjusted-Recorded					2010 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	4	0	0	4	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.	168	3	0	171	2.00	189	5	0	194	2.20
% Allocation										
Retained	40.01%	40.00%				35.00%	35.00%			
SEU	59.99%	60.00%				65.00%	65.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	67	1	0	68		66	2	0	68	
SEU	101	2	0	103		123	3	0	126	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	172	3	0	175	2.00	189	5	0	194	2.20
Total Alloc. Out	101	2	0	103		123	3	0	126	
Total Retained	71	1	0	72		66	2	0	68	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	71	1	0	72		66	2	0	68	

	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.	189	5	0	194	2.20	189	5	0	194	2.20
% Allocation										
Retained	35.00%	35.00%				35.00%	35.00%			
SEU	65.00%	65.00%				65.00%	65.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	66	2	0	68		66	2	0	68	
SEU	123	3	0	126		123	3	0	126	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	189	5	0	194	2.20	189	5	0	194	2.20
Total Alloc. Out	123	3	0	126		123	3	0	126	
Total Retained	66	2	0	68		66	2	0	68	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	66	2	0	68		66	2	0	68	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: G. FERC, CAISO, & Compliance
Category-Sub: 1. Affiliate Compliance
Cost Center: 2200-2202.000 - AFFILIATE COMPLIANCE

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

Allocations were calculated based on the percentage of time that each employee or service is provided to SDG&E / SoCalGas.

Cost Center Allocation Percentage for 2010

Allocations were calculated based on the percentage of time that each employee or service is provided to SDG&E / SoCalGas.

Cost Center Allocation Percentage for 2011

Allocations were calculated based on the percentage of time that each employee or service is provided to SDG&E / SoCalGas.

Cost Center Allocation Percentage for 2012

Allocations were calculated based on the percentage of time that each employee or service is provided to SDG&E / SoCalGas.

Southern California Gas Company
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 Shared Services Workpapers

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: G. FERC, CAISO, & Compliance
 Category-Sub: 1. Affiliate Compliance
 Cost Center: 2200-2202.000 - AFFILIATE COMPLIANCE

Forecast Summary:

Forecast Method		In 2009 \$(000) "Incurred Costs"								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		2010	2011	2012	2010	2011	2012	2010	2011	2012
Labor	5-YR Average	189	189	189	0	0	0	189	189	189
Non-Labor	5-YR Average	5	5	5	0	0	0	5	5	5
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		194	194	194	0	0	0	194	194	194
FTE	5-YR Average	2.2	2.2	2.2	0.0	0.0	0.0	2.2	2.2	2.2

Forecast Adjustment Details:

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: G. FERC, CAISO, & Compliance
Category-Sub: 1. Affiliate Compliance
Cost Center: 2200-2202.000 - AFFILIATE COMPLIANCE

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	22	150	195	162	146
Non-Labor	0	6	9	9	3
NSE	0	0	0	0	0
Total	22	156	204	171	149
FTE	0.3	1.9	2.4	2.0	1.7
Adjustments (Nominal \$) **					
Labor	89	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	89	0	0	0	0
FTE	1.1	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	111	150	195	162	146
Non-Labor	0	6	9	9	3
NSE	0	0	0	0	0
Total	111	156	204	171	149
FTE	1.4	1.9	2.4	2.0	1.7
Vacation & Sick (Nominal \$)					
Labor	19	27	34	31	26
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	19	27	34	31	26
FTE	0.3	0.3	0.4	0.4	0.3
Escalation to 2009\$					
Labor	16	16	13	3	0
Non-Labor	0	1	1	0	0
NSE	0	0	0	0	0
Total	16	16	13	3	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	146	193	242	197	172
Non-Labor	0	7	10	9	3
NSE	0	0	0	0	0
Total	146	199	252	206	176
FTE	1.7	2.2	2.8	2.4	2.0

* After company-wide exclusions of Non-GRC costs

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: G. FERC, CAISO, & Compliance
 Category-Sub: 1. Affiliate Compliance
 Cost Center: 2200-2202.000 - AFFILIATE COMPLIANCE

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000) "Incurred Costs"				
	2005	2006	2007	2008	2009
Labor	89	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	89	0	0	0	0
FTE	1.1	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	89	0	0	0.0	CCTR Transf	From 2200-2091.000	ALEDGERW2009 0916200558513
To move 2005 Affiliate Compliance labor costs to CC 2200-2202 for proper historical data presentation. Affiliate Compliance was in CC 2200-2091 in 2005 and was moved during cost center reorganization.							
2005	0	0	0	1.1	CCTR Transf	From 2200-2091.000	ALEDGERW2009 0917103321477
To move FTE's related to affiliate compliance to proper cost center. Affiliate compliance was previously in CC 2200-2091 but was moved during reorganization.							

2005 Total	89	0	0	1.1			
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: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: H. Finance - Financial Analysis
 Cost Center: VARIOUS

Summary for Category: H. Finance - Financial Analysis

	In 2009\$ (000) "Book Expense"			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	141	128	128	128
Non-Labor	6	5	5	5
NSE	0	0	0	0
Total	147	133	133	133
FTE	3.0	3.0	3.0	3.0

Cost Centers belonging to this Category:

2200-2091.000 REGULATORY ACCOUNTS

Labor	74	74	74	74
Non-Labor	1	1	1	1
NSE	0	0	0	0
Total	75	75	75	75
FTE	1.0	1.0	1.0	1.0

2200-2189.000 REVENUE REQUIREMENTS

Labor	67	54	54	54
Non-Labor	5	4	4	4
NSE	0	0	0	0
Total	72	58	58	58
FTE	2.0	2.0	2.0	2.0

Beginning of Workpaper
2200-2091.000 - REGULATORY ACCOUNTS

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: H. Finance - Financial Analysis
Category-Sub: 1. Financial Analysis
Cost Center: 2200-2091.000 - REGULATORY ACCOUNTS

Activity Description:

Regulatory Accounts is responsible for managing regulatory accounts for SoCal Gas.

Forecast Methodology:

Labor - Base YR Rec

The base year forecast methodology represents the most reasonable basis for projecting costs for the finance division. The Finance Division has evolved over the last few years and stabilized under its current structure in 2009.

Non-Labor - Base YR Rec

The base year forecast methodology represents the most reasonable basis for projecting costs for the finance division. The Finance Division has evolved over the last few years and stabilized under its current structure in 2009.

NSE - Base YR Rec

Not applicable

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: H. Finance - Financial Analysis
Category-Sub: 1. Financial Analysis
Cost Center: 2200-2091.000 - REGULATORY ACCOUNTS

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		39	75	92	103	74	74	74	74
Non-Labor		3	1	0	1	1	1	1	1
NSE		0	0	0	0	0	0	0	0
Total		42	76	92	104	75	75	75	75
FTE		0.6	1.1	1.3	1.4	1.0	1.0	1.0	1.0
		Allocations Out							
Labor		11	41	50	55	0	0	0	0
Non-Labor		1	0	0	1	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		12	41	50	56	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		28	34	42	48	74	74	74	74
Non-Labor		2	1	0	0	1	1	1	1
NSE		0	0	0	0	0	0	0	0
Total		30	35	42	48	75	75	75	75
FTE		0.6	1.1	1.3	1.4	1.0	1.0	1.0	1.0
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		28	34	42	48	74	74	74	74
Non-Labor		2	1	0	0	1	1	1	1
NSE		0	0	0	0	0	0	0	0
Total		30	35	42	48	75	75	75	75
FTE		0.6	1.1	1.3	1.4	1.0	1.0	1.0	1.0

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: H. Finance - Financial Analysis
Category-Sub: 1. Financial Analysis
Cost Center: 2200-2091.000 - REGULATORY ACCOUNTS

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.	74	1	0	75	1.00	74	1	0	75	1.00
% Allocation										
Retained	100.00%	100.00%				100.00%	100.00%			
SEU	0.00%	0.00%				0.00%	0.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	74	1	0	75		74	1	0	75	
SEU	0	0	0	0		0	0	0	0	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	74	1	0	75	1.00	74	1	0	75	1.00
Total Alloc. Out	0	0	0	0		0	0	0	0	
Total Retained	74	1	0	75		74	1	0	75	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	74	1	0	75		74	1	0	75	

	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.	74	1	0	75	1.00	74	1	0	75	1.00
% Allocation										
Retained	100.00%	100.00%				100.00%	100.00%			
SEU	0.00%	0.00%				0.00%	0.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	74	1	0	75		74	1	0	75	
SEU	0	0	0	0		0	0	0	0	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	74	1	0	75	1.00	74	1	0	75	1.00
Total Retained	74	1	0	75		74	1	0	75	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	74	1	0	75		74	1	0	75	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: H. Finance - Financial Analysis
Category-Sub: 1. Financial Analysis
Cost Center: 2200-2091.000 - REGULATORY ACCOUNTS

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

Based on the time spent by this employee, the shared service allocation is solely to SCG.

Cost Center Allocation Percentage for 2010

Based on the time spent by this employee, the shared service allocation is solely to SCG.

Cost Center Allocation Percentage for 2011

Based on the time spent by this employee, the shared service allocation is solely to SCG.

Cost Center Allocation Percentage for 2012

Based on the time spent by this employee, the shared service allocation is solely to SCG.

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: H. Finance - Financial Analysis
 Category-Sub: 1. Financial Analysis
 Cost Center: 2200-2091.000 - REGULATORY ACCOUNTS

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	74	74	74	0	0	0	74	74	74
Non-Labor	Base YR Rec	1	1	1	0	0	0	1	1	1
NSE	Base YR Rec	0	0	0	0	0	0	0	0	0
Total		75	75	75	0	0	0	75	75	75
FTE	Base YR Rec	1.0	1.0	1.0	0.0	0.0	0.0	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 Total	0	0	0	0	0.0	
2011 Total	0	0	0	0	0.0	
2012 Total	0	0	0	0	0.0	

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: H. Finance - Financial Analysis
Category-Sub: 1. Financial Analysis
Cost Center: 2200-2091.000 - REGULATORY ACCOUNTS

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	147	116	148	168	62
Non-Labor	92	1	1	3	1
NSE	0	0	0	0	0
Total	240	117	149	171	63
FTE	2.0	1.8	2.1	2.3	0.8
Adjustments (Nominal \$) **					
Labor	-118	-58	-74	-83	0
Non-Labor	-90	-1	0	-1	0
NSE	0	0	0	0	0
Total	-208	-59	-74	-84	0
FTE	-1.5	-0.9	-1.0	-1.1	0.0
Recorded-Adjusted (Nominal \$)					
Labor	29	58	74	85	62
Non-Labor	2	1	0	1	1
NSE	0	0	0	0	0
Total	32	59	74	86	63
FTE	0.5	0.9	1.1	1.2	0.8
Vacation & Sick (Nominal \$)					
Labor	5	10	13	16	11
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	5	10	13	16	11
FTE	0.1	0.2	0.2	0.2	0.2
Escalation to 2009\$					
Labor	4	6	5	2	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	5	6	5	2	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	39	75	92	103	74
Non-Labor	3	1	0	1	1
NSE	0	0	0	0	0
Total	41	75	92	104	74
FTE	0.6	1.1	1.3	1.4	1.0

* After company-wide exclusions of Non-GRC costs

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: H. Finance - Financial Analysis
Category-Sub: 1. Financial Analysis
Cost Center: 2200-2091.000 - REGULATORY ACCOUNTS

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000) "Incurred Costs"				
	2005	2006	2007	2008	2009
Labor	-118	-58	-74	-83	0
Non-Labor	-90	-0.579	-0.294	-1	0
NSE	0	0	0	0	0
Total	-208	-59	-74	-84	0
FTE	-1.5	-0.9	-1.0	-1.1	0.0

Detail of Adjustments to Recorded:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From Cctr</u>	<u>RefID</u>
2005	0	-0.062	0	0.0	CCTR Transf	To 2200-2309.000	ALEDGERW2009 0911113805493
Transfer of non-labor costs associated with the Regulatory Tariff group to Regulatory Tariffs - North (cost center 2200-2309), to reflect current organizational structure.							
2005	0	-44	0	0.0	CCTR Transf	To 2200-2309.000	ALEDGERW2009 0911113850167
Transfer of non-labor costs associated with the Regulatory Tariff group to Regulatory Tariffs - North (cost center 2200-2309), to reflect current organizational structure.							
2005	0	-2	0	0.0	CCTR Transf	To 2200-2309.000	ALEDGERW2009 0911113930043
Transfer of non-labor costs associated with the Regulatory Tariff group to Regulatory Tariffs - North (cost center 2200-2309), to reflect current organizational structure.							
2005	-74	0	0	0.0	CCTR Transf	To 2200-2309.000	ALEDGERW2009 0911114014497
Transfer of labor costs associated with the Regulatory Tariff group to Regulatory Tariffs - North (cost center 2200-2309), to reflect current organizational structure.							
2005	0	0	0	-1.0	CCTR Transf	To 2200-2309.000	ALEDGERW2009 0911114100280
Transfer of FTEs associated with the Regulatory Tariff group to Regulatory Tariffs - North (cost center 2200-2309), to reflect current organizational structure.							
2005	0	44	0	0.0	CCTR Transf	To 2200-2309.000	ALEDGERW2009 0914162751820
To reverse non-labor cost transfer from cost center 2200-2091. Cost does not relate to Tariff Group costs but rather to the 2005 Affiliate Compliance audit which is to be excluded from the GRC costs.							
2005	0	-87	0	0.0	1-Sided Adj	N/A	ALEDGERW2009 0914163006463
To exclude the SoCal Gas portion of the 2005 Affiliate Compliance Audit costs which are not recoverable in the GRC.							

Southern California Gas Company
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Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: H. Finance - Financial Analysis
Category-Sub: 1. Financial Analysis
Cost Center: 2200-2091.000 - REGULATORY ACCOUNTS

<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	74	0	0	0.0	CCTR Transf	To 2200-2309.000	ALEDGERW2009 0916200003600
To reverse entry moving labor costs related to Tariffs group. An adjustment to exclude affiliate compliance costs need to be completed prior to the transfer.							
2005	0	0	0	1.0	CCTR Transf	To 2200-2309.000	ALEDGERW2009 0916200222870
To reverse entry moving one FTE to CC 2200-2309 related to Tariffs group. An entry to exclude affiliate compliance needs to be completed prior to the FTE transfer.							
2005	-89	0	0	0.0	CCTR Transf	To 2200-2202.000	ALEDGERW2009 0916200558513
To move 2005 Affiliate Compliance labor costs to CC 2200-2202 for proper historical data presentation. Affiliate Compliance was in CC 2200-2091 in 2005 and was moved during cost center reorganization.							
2005	-29	0	0	0.0	CCTR Transf	To 2200-2309.000	ALEDGERW2009 0916201028300
To move 50% of 2005 labor costs which are related to the Tariffs Group. The Tariifs Group was moved to a new cost center during 2009 reorganization.							
2005	0	0	0	-1.1	CCTR Transf	To 2200-2202.000	ALEDGERW2009 0917103321477
To move FTE's related to affiliate compliance to proper cost center. Affiliate compliance was previously in CC 2200-2091 but was moved during reorganization.							
2005	0	0	0	-0.4	CCTR Transf	To 2200-2309.000	ALEDGERW2009 0917103451480
To move 50% of FTE's which are related to the Tariffs group. The Tariffs group was moved out of cost center 2200-2091 during reorganization.							
2005 Total	-118	-90	0	-1.5			
2006	-58	0	0	0.0	CCTR Transf	To 2200-2309.000	ALEDGERW2009 0908201344190
Transfer of labor costs associated with the Regulatory Tariff group to Regulatory Tariffs - North (cost center 2200-2309), to reflect current organizational structure.							
2006	0	-0.555	0	0.0	CCTR Transf	To 2200-2309.000	ALEDGERW2009 0908201430347
Transfer of non-labor costs associated with the Regulatory Tariff group to Regulatory Tariffs - North (cost center 2200-2309), to reflect current organizational structure.							
2006	0	0	0	-0.9	CCTR Transf	To 2200-2309.000	ALEDGERW2009 0908201516033
Transfer of FTEs associated with the Regulatory Tariff group to Regulatory Tariffs - North (cost center 2200-2309), to reflect current organizational structure.							

Southern California Gas Company
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 Shared Services Workpapers

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: H. Finance - Financial Analysis
 Category-Sub: 1. Financial Analysis
 Cost Center: 2200-2091.000 - REGULATORY ACCOUNTS

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2006	0	-0.024	0	0.0	CCTR Transf	To 2200-2309.000	ALEDGERW2009 0910123819793
Transfer of non-labor costs associated with the Regulatory Tariff group to Regulatory Tariffs - North (cost center 2200-2309), to reflect current organizational structure.							
2006 Total	-58	-0.579	0	-0.9			
2007	-74	0	0	0.0	CCTR Transf	To 2200-2309.000	ALEDGERW2009 0908200311267
Transfer of labor costs associated with the Regulatory Tariff group to Regulatory Tariffs - North (cost center 2200-2309), to reflect current organizational structure.							
2007	0	-0.294	0	0.0	CCTR Transf	To 2200-2309.000	ALEDGERW2009 0908200652257
Transfer of non-labor costs associated with the Regulatory Tariff group to Regulatory Tariffs - North (cost center 2200-2309), to reflect current organizational structure.							
2007	0	0	0	-1.0	CCTR Transf	To 2200-2309.000	ALEDGERW2009 0909093045137
Transfer of FTEs associated with the Regulatory Tariff group to Regulatory Tariffs - North (cost center 2200-2309), to reflect current organizational structure.							
2007 Total	-74	-0.294	0	-1.0			
2008	-0.598	0	0	0.0	CCTR Transf	To 2200-2309.000	ALEDGERW2009 0908194134640
Transfer of labor costs associated with the Regulatory Tariff group to Regulatory Tariffs - North (cost center 2200-2309), to reflect current organizational structure.							
2008	-82	0	0	0.0	CCTR Transf	To 2200-2309.000	ALEDGERW2009 0908194312750
Transfer of labor costs associated with the Regulatory Tariff group to Regulatory Tariffs - North (cost center 2200-2309), to reflect current organizational structure.							
2008	0	-1	0	0.0	CCTR Transf	To 2200-2309.000	ALEDGERW2009 0908194440533
Transfer of non-labor costs associated with the Regulatory Tariff group to Regulatory Tariffs - North (cost center 2200-2309), to reflect current organizational structure.							
2008	0	0	0	-1.1	CCTR Transf	To 2200-2309.000	ALEDGERW2009 0908194716633
Transfer of FTEs associated with the Regulatory Tariff group to Regulatory Tariffs - North (cost center 2200-2309), to reflect current organizational structure.							
2008 Total	-83	-1	0	-1.1			

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Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: H. Finance - Financial Analysis
Category-Sub: 1. Financial Analysis
Cost Center: 2200-2091.000 - REGULATORY ACCOUNTS

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

Beginning of Workpaper
2200-2189.000 - REVENUE REQUIREMENTS

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: H. Finance - Financial Analysis
Category-Sub: 1. Financial Analysis
Cost Center: 2200-2189.000 - REVENUE REQUIREMENTS

Activity Description:

Revenue Requirements provides financial analysis and support for all regulatory filings, including those that occur between General Rate Cases. Also responsible for implementing, maintaining, updating, and running the revenue requirements model.

Forecast Methodology:

Labor - Base YR Rec

The base year forecast methodology represents the most reasonable basis for projecting costs for the finance division. The Finance Division has evolved over the last few years and stabilized under its current structure in 2009.

Non-Labor - Base YR Rec

The base year forecast methodology represents the most reasonable basis for projecting costs for the finance division. The Finance Division has evolved over the last few years and stabilized under its current structure in 2009.

NSE - Base YR Rec

Not applicable

Southern California Gas Company
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 Shared Services Workpapers

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: H. Finance - Financial Analysis
 Category-Sub: 1. Financial Analysis
 Cost Center: 2200-2189.000 - REVENUE REQUIREMENTS

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		65	122	125	152	181	181	181	181
Non-Labor		6	21	30	18	15	15	15	15
NSE		0	0	0	0	0	0	0	0
Total		71	143	155	170	196	196	196	196
FTE		0.6	1.2	1.2	1.6	2.0	2.0	2.0	2.0
		Allocations Out							
Labor		38	80	93	113	114	127	127	127
Non-Labor		4	14	22	13	10	11	11	11
NSE		0	0	0	0	0	0	0	0
Total		42	94	115	126	124	138	138	138
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		27	42	32	39	67	54	54	54
Non-Labor		2	7	8	5	5	4	4	4
NSE		0	0	0	0	0	0	0	0
Total		29	49	40	44	72	58	58	58
FTE		0.6	1.2	1.2	1.6	2.0	2.0	2.0	2.0
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		27	42	32	39	67	54	54	54
Non-Labor		2	7	8	5	5	4	4	4
NSE		0	0	0	0	0	0	0	0
Total		29	49	40	44	72	58	58	58
FTE		0.6	1.2	1.2	1.6	2.0	2.0	2.0	2.0

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Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: H. Finance - Financial Analysis
Category-Sub: 1. Financial Analysis
Cost Center: 2200-2189.000 - REVENUE REQUIREMENTS

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.	181	15	0	196	2.00	181	15	0	196	2.00
% Allocation										
Retained	36.72%	36.72%				29.92%	29.92%			
SEU	63.28%	63.28%				70.08%	70.08%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	67	5	0	72		54	4	0	58	
SEU	114	10	0	124		127	11	0	138	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	181	15	0	196	2.00	181	15	0	196	2.00
Total Alloc. Out	114	10	0	124		127	11	0	138	
Total Retained	67	5	0	72		54	4	0	58	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	67	5	0	72		54	4	0	58	

	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.	181	15	0	196	2.00	181	15	0	196	2.00
% Allocation										
Retained	29.92%	29.92%				29.92%	29.92%			
SEU	70.08%	70.08%				70.08%	70.08%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	54	4	0	58		54	4	0	58	
SEU	127	11	0	138		127	11	0	138	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	181	15	0	196	2.00	181	15	0	196	2.00
Total Alloc. Out	127	11	0	138		127	11	0	138	
Total Retained	54	4	0	58		54	4	0	58	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	54	4	0	58		54	4	0	58	

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Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: H. Finance - Financial Analysis
Category-Sub: 1. Financial Analysis
Cost Center: 2200-2189.000 - REVENUE REQUIREMENTS

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

An analysis of the time spent on projects, which included a maximum of 48 weeks of labor, for the period January to December was conducted. This allocation method of time spent on projects was used because it is readily available and justifiable.

Cost Center Allocation Percentage for 2010

An analysis of the time spent on projects, which included a maximum of 48 weeks of labor, for the period January to December was conducted. This allocation method of time spent on projects was used because it is readily available and justifiable.

Cost Center Allocation Percentage for 2011

The allocation method of time spent on projects was used because it is readily available and justifiable.

Cost Center Allocation Percentage for 2012

The allocation method of time spent on projects was used because it is readily available and justifiable.

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Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
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 Category-Sub: 1. Financial Analysis
 Cost Center: 2200-2189.000 - REVENUE REQUIREMENTS

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	181	181	181	0	0	0	181	181	181
Non-Labor	Base YR Rec	15	15	15	0	0	0	15	15	15
NSE	Base YR Rec	0	0	0	0	0	0	0	0	0
Total		196	196	196	0	0	0	196	196	196
FTE	Base YR Rec	2.0	2.0	2.0	0.0	0.0	0.0	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 Total	0	0	0	0	0.0	
2011 Total	0	0	0	0	0.0	
2012 Total	0	0	0	0	0.0	

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Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: H. Finance - Financial Analysis
Category-Sub: 1. Financial Analysis
Cost Center: 2200-2189.000 - REVENUE REQUIREMENTS

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	49	95	100	126	153
Non-Labor	5	19	28	18	15
NSE	0	0	0	0	0
Total	55	114	128	144	168
FTE	0.5	1.0	1.0	1.3	1.7
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	49	95	100	126	153
Non-Labor	5	19	28	18	15
NSE	0	0	0	0	0
Total	55	114	128	144	168
FTE	0.5	1.0	1.0	1.3	1.7
Vacation & Sick (Nominal \$)					
Labor	8	17	18	24	28
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	8	17	18	24	28
FTE	0.1	0.2	0.2	0.3	0.3
Escalation to 2009\$					
Labor	7	10	7	2	0
Non-Labor	1	2	2	0	0
NSE	0	0	0	0	0
Total	8	12	8	3	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	65	122	125	152	181
Non-Labor	6	21	30	18	15
NSE	0	0	0	0	0
Total	71	143	154	170	196
FTE	0.6	1.2	1.2	1.6	2.0

* After company-wide exclusions of Non-GRC costs

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

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: H. Finance - Financial Analysis
 Category-Sub: 1. Financial Analysis
 Cost Center: 2200-2189.000 - REVENUE REQUIREMENTS

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			

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Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: I. USS Billed-in from SDG&E
 Cost Center: 2200-8901.000

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

	In 2009\$ (000) "Book Expense"			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	5,212	6,047	6,188	6,188
Non-Labor	531	959	981	981
NSE	0	0	0	0
Total	5,743	7,006	7,169	7,169
FTE	0.0	0.0	0.0	0.0

Cost Centers belonging to this Category:

2200-8901.000 Billed-in Cost Center for A&G - Reg Affairs, Controller & Finance

Labor	5,212	6,047	6,188	6,188
Non-Labor	531	959	981	981
NSE	0	0	0	0
Total	5,743	7,006	7,169	7,169
FTE	0.0	0.0	0.0	0.0

Beginning of Workpaper
2200-8901.000 - Billed-in Cost Center for A&G - Reg Affairs, Controller & Finance

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

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J
Category: I. USS Billed-in from SDG&E
Category-Sub: 1. USS Billed_to_CCTR for A&G - Controller
Cost Center: 2200-8901.000 - Billed-in Cost Center for A&G - Reg Affairs, Controller & Finance

Activity Description:

This cost center was created for GRC to receive the billed-in costs for functional area - A&G - Reg Affairs, Controller & Finance.

Forecast Methodology:

Labor - Zero-Based
N/A

Non-Labor - Zero-Based
N/A

NSE - Zero-Based
N/A

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 Shared Services Workpapers

Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: I. USS Billed-in from SDG&E
 Category-Sub: 1. USS Billed_to_CCTR for A&G - Controller
 Cost Center: 2200-8901.000 - Billed-in Cost Center for A&G - Reg Affairs, Controller & Finance

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Allocations Out							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Allocations In							
Labor		4,803	5,223	4,727	5,055	5,212	6,047	6,188	6,188
Non-Labor		1,172	1,099	819	702	531	959	981	981
NSE		0	0	0	0	0	0	0	0
Total		5,975	6,322	5,546	5,757	5,743	7,006	7,169	7,169
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		4,803	5,223	4,727	5,055	5,212	6,047	6,188	6,188
Non-Labor		1,172	1,099	819	702	531	959	981	981
NSE		0	0	0	0	0	0	0	0
Total		5,975	6,322	5,546	5,757	5,743	7,006	7,169	7,169
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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Area: A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
 Witness: Deremer, Kenneth J
 Category: I. USS Billed-in from SDG&E
 Category-Sub: 1. USS Billed_to_CCTR for A&G - Controller
 Cost Center: 2200-8901.000 - Billed-in Cost Center for A&G - Reg Affairs, Controller & Finance

Calculation of Book Expense:

	2009 Adjusted-Recorded					2010 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	0	0	0	0.00	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	0	0	0	0	0.00	0	0	0	0	0.00
\$ Allocation										
Retained	0	0	0	0		0	0	0	0	
SEU	0	0	0	0		0	0	0	0	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	0	0	0	0	0.00	0	0	0	0	0.00
Total Retained	0	0	0	0		0	0	0	0	
Allocations In	5,212	531	0	5,743		6,047	959	0	7,006	
Book Expense	5,212	531	0	5,743		6,047	959	0	7,006	

	2011 Adjusted-Forecast					2012 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	0	0	0	0.00	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	0	0	0	0	0.00	0	0	0	0	0.00
\$ Allocation										
Retained	0	0	0	0		0	0	0	0	
SEU	0	0	0	0		0	0	0	0	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	0	0	0	0	0.00	0	0	0	0	0.00
Total Retained	0	0	0	0		0	0	0	0	
Allocations In	6,188	981	0	7,169		6,188	981	0	7,169	
Book Expense	6,188	981	0	7,169		6,188	981	0	7,169	

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

Forecast Adjustment Details:

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

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Determination of Adjusted-Recorded (Incurred Costs):

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

* After company-wide exclusions of Non-GRC costs

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

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 Category-Sub: 1. USS Billed_to_CCTR for A&G - Controller
 Cost Center: 2200-8901.000 - Billed-in Cost Center for A&G - Reg Affairs, Controller & Finance

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			

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Non-Shared Service Workpapers

Area: AGCN - A&G - CONTROLLER/FINANCE/REGULATORY AFFAIRS
Witness: Deremer, Kenneth J

Appendix A: List of Non-Shared Cost Centers

<u>Cost Center</u>	<u>Sub</u>	<u>Description</u>
2200-0335	000	COST ACCOUNTING MGR
2200-0336	000	NEW BUS ACCT SUPRV
2200-0337	000	PLANT ACCTG SUPRV
2200-2121	000	FIXED ASSET MANAGEMENT
2200-2309	000	REGULATORY TARIFFS - NORTH
2200-8960	000	Claims Payment - SCG
2200-8961	000	Recovery - SCG