

Application of SAN DIEGO GAS & ELECTRIC)	
COMPANY for authority to update its gas and electric)	A-14-11-003
revenue requirement and base rates)	
<u>effective January 1, 2016 (U 902-M)</u>)	
Application of SOUTHERN CALIFORNIA GAS)	
COMPANY for authority to update its gas revenue)	A-14-11-004
requirement and base rates)	
<u>effective January 1, 2016 (U 904-G)</u>)	

LITIGATION COMPARISON EXHIBIT
of SOUTHERN CALIFORNIA GAS COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

AUGUST 2015



**LITIGATION COMPARISON EXHIBIT
OF SOUTHERN CALIFORNIA GAS COMPANY**

I. INTRODUCTION

This litigation comparison exhibit presents the litigated material issues existing as of the date of service between Southern California Gas Company (SoCalGas) and the following intervenors, to the best of SoCalGas' knowledge: the Commission's Office of Ratepayer Advocates (ORA), The Utility Reform Network (TURN), the Utility Consumers' Action Network (UCAN), Federal Executive Agencies (FEA), Southern California Gas Coalition (SCGC), Utility Workers Union of America (UWUA), San Diego Consumers' Action Network (SDCAN), Joint Minority Parties (JMP) and Environmental Defense Fund (EDF).

In drafting this exhibit, SoCalGas endeavored to present each party's position on material issues in an objective fashion. Although SoCalGas sought input from all of the above intervenors in finalizing this litigation comparison exhibit, input has been modified as needed for materiality, and to present issue positions plainly and without argument, in a non-biased fashion. However, SoCalGas' inclusion of any issues or language in this exhibit does not signify agreement with the language or presentation of those issues, nor does inclusion waive any argument regarding the materiality of those issues. SoCalGas reserves the right to present argument in briefing regarding any identified issue or language included in this comparison exhibit, as well as any other issue that may not be included, and SoCalGas assumes that other parties will do the same.

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Chapter 1

Reports and References

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

Hearing Exhibit #	Party	Original Exhibit #	Description	Witness
	SDG&E	Exh No:SDG&E-42	UPDATED RESULTS OF OPERATIONS REPORT	Nguyen, Khai
	SCG	Exh No:SCG-40	UPDATED RESULTS OF OPERATIONS REPORT	Nguyen, Khai
Exh 1	SCG	Exh No:SCG-01-R	SOCALGAS POLICY OVERVIEW	Lane, J. Bret
Exh 2	SDG&E	Exh No:SDG&E-01-R	SDG&E POLICY OVERVIEW	Winn, Caroline A. and Drury, Scott D.
Exh 13	SCG	Exh No:SCG-02	RISK MANAGEMENT AND POLICY	Day, Diana
Exh 15	SDG&E	Exh No:SDG&E-02	RISK MANAGEMENT AND POLICY	Day, Diana
Exh 17	SDG&E	Exh No:SDG&E-43	RESPONSE TO SAFETY & ENFORCEMENT DIVISION (SED) REPORT	Day, Diana
Exh 17	SCG	Exh No:SCG-41	RESPONSE TO SAFETY & ENFORCEMENT DIVISION (SED) REPORT	Day, Diana
Exh 18	SDG&E-SCG	Exh No:SDG&E-202/SCG	RISK MANAGEMENT AND POLICY	Day, Diana
Exh 19	SCG	Exh No:SCG-03	GAS OPERATIONS RISK POLICY	Schneider, Douglas M.
Exh 21	SDG&E	Exh No:SDG&E-03	ELECTRIC OPERATIONS RISK POLICY AND GAS OPERATIONS RISK POLICY	Geier, David L. and Schneider, Douglas M.
Exh 25	SCG	Exh No:SCG-07	GAS ENGINEERING	Stanford, Raymond K
Exh 28	SCG	Exh No:SCG-207	GAS ENGINEERING AND GAS TRANSMISSION CAPITAL	Stanford, Raymond K
Exh 29	SDG&E	Exh No:SDG&E-06	GAS ENGINEERING	Stanford, Raymond K
Exh 32	SDG&E	Exh No:SDG&E-206	GAS ENGINEERING AND GAS TRANSMISSION CAPITAL	Stanford, Raymond K
Exh 33	SCGC	SCGC	Direct Testimony of C. Yap on behalf of SCGC	C. Yap
Exh 35	SCG	Exh No:SCG-05	GAS TRANSMISSION O&M	Musich, Beth
Exh 38	SCG	Exh No:SCG-205	GAS TRANSMISSION O&M	Musich, Beth
Exh 40	SDG&E	Exh No:SDG&E-05	GAS TRANSMISSION O&M	Musich, Beth
Exh 43	SDG&E	Exh No:SDG&E-205	GAS TRANSMISSION O&M	Musich, Beth
Exh 45	SCG	Exh No:SCG-06	UNDERGROUND STORAGE	Baker, Phillip E.
Exh 48	SCG	Exh No:SCG-206	UNDERGROUND STORAGE	Baker, Phillip E.
Exh 49	SCG	Exh No:SCG-08	TIMP & DIMP	Martinez, Maria T.
Exh 52	SCG	Exh No:SCG-208	TIMP & DIMP	Martinez, Maria T.
Exh 53	SDG&E	Exh No:SDG&E-07	TIMP & DIMP	Martinez, Maria T.

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

Hearing Exhibit #	Party	Original Exhibit #	Description	Witness
Exh 56	SDG&E	Exh No:SDG&E-207	TIMP & DIMP	Martinez, Maria T.
Exh 58	SCG	Exh No:SCG-04-R	GAS DISTRIBUTION	Ayala, Frank
Exh 61	SCG	Exh No:SCG-204	GAS DISTRIBUTION	Ayala, Frank
Exh 62	SDG&E	Exh No:SDG&E-04	GAS DISTRIBUTION	Ayala, Frank
Exh 65	SDG&E	Exh No:SDG&E-204	GAS DISTRIBUTION	Ayala, Frank
Exh 70	SDG&E	Exh No:SDG&E-10-R	ELECTRIC DISTRIBUTION O&M	Woldemariam, Jonathan T.
Exh 72	SDG&E	Exh No:SDG&E-210	ELECTRIC DISTRIBUTION O&M	Woldemariam, Jonathan T.
Exh 74	SDG&E	Exh No:SDG&E-11	ELECTRIC GENERATION	La Peter, Carl
Exh 77	SDG&E	Exh No:SDG&E-211	ELECTRIC GENERATION	La Peter, Carl
Exh 80	SDG&E	Exh No:SDG&E-12-R	SONGS	DeMarco, Michael L.
Exh 83	SDG&E	Exh No:SDG&E-212	SONGS	DeMarco, Michael L.
Exh 84	SDG&E	Exh No:SDG&E-08	ELECTRIC & FUEL PROCUREMENT	Garcia, Sue E
Exh 86	SDG&E	Exh No:SDG&E-13	CS - FIELD	Franke, Sara A.
Exh 88	SDG&E	Exh No:SDG&E-213	CS - FIELD	Franke, Sara A.
Exh 89	SCG	Exh No:SCG-10	CS - FIELD & METER READING	Franke, Sara A.
Exh 91	SCG	Exh No:SCG-210	CS - FIELD & METER READING	Franke, Sara A.
Exh 92	SCG	Exh No:SCG-35-R	POST-TEST YEAR RATEMAKING	Van der Leeden, Ronald M.
Exh 94	SCG	Exh No:SCG-235	POST-TEST YEAR RATEMAKING	Van der Leeden, Ronald M.
Exh 95	SDG&E	Exh No:SDG&E-37-R	POST-TEST YEAR RATEMAKING	Hrna, Sandra K.
Exh 97	SDG&E	Exh No:SDG&E-237	POST-TEST YEAR RATEMAKING	Hrna, Sandra K.
Exh 101	SDG&E	Exh No:SDG&E-14	CS - OPERATIONS, INFORMATION & TECHNOLOGIES	Baugh, Bradley M.
Exh 104	SDG&E	Exh No:SDG&E-214	CS - OPERATIONS, INFORMATION & TECHNOLOGIES	Baugh, Bradley M.
Exh 106	SCG	Exh No:SCG-23-R	PRES/COO, HR, WORKERS COMP & DISABILITY	Serrano, Mark L.
Exh 108	SCG	Exh No:SCG-223	HUMAN RESOURCES, DISABILITY & WORKERS COMP	Serrano, Mark L.
Exh 110	SCG	Exh No:SCG-11	CS - OFFICE OPERATIONS	Goldman, Evan D.
Exh 113	SCG	Exh No:SCG-211	CS - OFFICE OPERATIONS	Goldman, Evan D.
Exh 115	SCG	Exh No:SCG-12-R	CS - INFORMATION	Ayres, Ann D.
Exh 117	SCG	Exh No:SCG-212	CS - INFORMATION	Ayres, Ann D.
Exh 119	SCG	Exh No:SCG-09	PROCUREMENT	Chang, Ibtissam T

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

Hearing Exhibit #	Party	Original Exhibit #	Description	Witness
Exh 121	SDG&E	Exh No:SDG&E-24	HR, SAFETY, DISABILITY, & WORKERS COMP	Edgar, Sarah E
Exh 123	SDG&E	Exh No:SDG&E-224	HR, SAFETY, DISABILITY, & WORKERS COMP	Edgar, Sarah E
Exh 124	SCG	Exh No:SCG-39	ADVANCED METERING INFRASTRUCTURE POLICY	Garcia, Rene F.
Exh 125	SCG	Exh No:SCG-239	ADVANCED METERING INFRASTRUCTURE POLICY	Garcia, Rene F.
Exh 127	SCG	Exh No:SCG-14	SUPPLY MANAGEMENT	Hobbs, Richard D.
Exh 129	SCG	Exh No:SCG-214	SUPPLY MANAGEMENT	Hobbs, Richard D.
Exh 131	SDG&E	Exh No:SDG&E-15	SUPPLY MANAGEMENT & SUPPLIER DIVERSITY	Furbush, Sydney L.
Exh 133	SDG&E	Exh No:SDG&E-215	SUPPLY MANAGEMENT & SUPPLIER DIVERSITY	Furbush, Sydney L.
Exh 134	SDG&E	Exh No:SDG&E-09-R	ELECTRIC DISTRIBUTION CAPITAL	Jenkins, John D.
Exh 136	SDG&E	Exh No:SDG&E-209	ELECTRIC DISTRIBUTION CAPITAL	Jenkins, John D.
Exh 148	SCG	Exh No:SCG-18-R	INFORMATION TECHNOLOGY	Olmsted, Christopher R.
Exh 151	SCG	Exh No:SCG-218	INFORMATION TECHNOLOGY	Olmsted, Christopher R.
Exh 153	SDG&E	Exh No:SDG&E-19-R-A	INFORMATION TECHNOLOGY	Mikovits, Stephen J.
Exh 156	SDG&E	Exh No:SDG&E-219	INFORMATION TECHNOLOGY	Mikovits, Stephen J.
Exh 162	SCG	Exh No:SCG-15	FLEET & FACILITY OPERATIONS	Herrera, Carmen L.
Exh 165	SCG	Exh No:SCG-215	FLEET SERVICES & FACILITY OPERATIONS	Herrera, Carmen L.
Exh 166	SDG&E	Exh No:SDG&E-16	FLEET SERVICES	Herrera, Carmen L.
Exh 168	SDG&E	Exh No:SDG&E-216	FLEET SERVICES	Herrera, Carmen L.
Exh 174	SDG&E	Exh No:SDG&E-18	ENVIRONMENTAL	Pearson, R. Scott
Exh 176	SDG&E	Exh No:SDG&E-218	ENVIRONMENTAL	Pearson, R. Scott
Exh 177	SCG	Exh No:SCG-17-R	ENVIRONMENTAL	Tracy, Jill
Exh 179	SCG	Exh No:SCG-217	ENVIRONMENTAL	Tracy, Jill
Exh 182	SCG	Exh No:SCG-36-R	COMPLIANCE	Shimansky, Gregory D
Exh 183	SDG&E	Exh No:SDG&E-38-R	COMPLIANCE	Shimansky, Gregory D

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

Hearing Exhibit #	Party	Original Exhibit #	Description	Witness
Exh 184	SDG&E-SCG	Exh No:SDG&E-243/SCG	RESULT OF EXAMINATION AND OTHER FINANCIAL ISSUES	Shimansky, Gregory D
Exh 185	SCG	Exh No:SCG-13-R	CS - TECHNOLOGIES, POLICIES & SOLUTIONS	Reed, Jeffrey G.
Exh 187	SCG	Exh No:SCG-213	CS - TECHNOLOGIES, POLICIES & SOLUTIONS	Reed, Jeffrey G.
Exh 189	SCG	Exh No:SCG-37-R	REVENUES AT PRESENT AND PROPOSED RATES	Lenart, Gary G
Exh 190	SDG&E	Exh No:SDG&E-40-R	REVENUES AT PRESENT AND PROPOSED RATES	Lenart, Gary G
Exh 191	SCG	Exh No:SCG-21	COMPENSATION, HEALTH, & WELFARE	Robinson, Debbie
Exh 193	SDG&E	Exh No:SDG&E-22	COMPENSATION, HEALTH, & WELFARE	Robinson, Debbie
Exh 195	SDG&E-SCG	Exh No:SDG&E-222/SCG	COMPENSATION AND BENEFITS	Robinson, Debbie S.
Exh 200	SDG&E-SCG	Exh No:SDG&E-242/SCG	FINANCIAL COMPONENTS OF SHORT TERM INCENTIVE COMPENSATION	Schlax, Robert
Exh 203	SDG&E	Exh No:SDG&E-39-R	ELECTRIC REVENUES AND RATES	Fang, Cynthia
Exh 204	SDG&E	Exh No:SDG&E-239	ELECTRIC REVENUES AND RATES	Fang, Cynthia
Exh 208	SCG	Exh No:SCG-20	CORPORATE CENTER - INSURANCE	Carbon, Katherine
Exh 210	SDG&E	Exh No:SDG&E-21	CORPORATE CENTER - INSURANCE	Carbon, Katherine
Exh 212	SDG&E-SCG	Exh No:SDG&E-221/SCG	CORPORATE CENTER - INSURANCE	Carbon, Katherine
Exh 218	SCG	Exh No:SCG-34-R	SUMMARY OF EARNINGS	Nguyen, Khai
Exh 219	SDG&E	Exh No:SDG&E-36-R	SUMMARY OF EARNINGS	Nguyen, Khai
Exh 220	SCG	Exh No:SCG-19	CORPORATE CENTER - GENERAL ADMINISTRATION	Devine, Hannah L.
Exh 222	SDG&E	Exh No:SDG&E-20	CORPORATE CENTER - GENERAL ADMINISTRATION	Devine, Hannah L.
Exh 224	SDG&E-SCG	Exh No:SDG&E-220/SCG	CORPORATE CENTER - GENERAL ADMINISTRATION	Devine, Hannah L.
Exh 228	SCG	Exh No:SCG-32-R	MISCELLANEOUS REVENUES	Somerville, Michelle A.
Exh 230	SCG	Exh No:SCG-232	MISCELLANEOUS REVENUES	Somerville, Michelle A.
Exh 231	SDG&E	Exh No:SDG&E-34-R	MISCELLANEOUS REVENUES	Somerville, Michelle A.
Exh 233	SDG&E	Exh No:SDG&E-234	MISCELLANEOUS REVENUES	Somerville, Michelle A.

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

Hearing Exhibit #	Party	Original Exhibit #	Description	Witness
Exh 234	SDG&E	Exh No:SDG&E-30-R	WORKING CASH	Lewis, Jack S
Exh 236	SDG&E	Exh No:SDG&E-230	WORKING CASH	Lewis, Jack S
Exh 241	SCG	Exh No:SCG-29-R	WORKING CASH	Foster, Michael W.
Exh 243	SCG	Exh No:SCG-229	WORKING CASH	Foster, Michael W.
Exh 244	SCG	Exh No:SCG-28-R	TAXES	Reeves, Ragan G.
Exh 246	SCG	Exh No:SCG-228	TAXES	Reeves, Ragan G.
Exh 247	SDG&E	Exh No:SDG&E-29-R	TAXES	Reeves, Ragan G.
Exh 249	SDG&E	Exh No:SDG&E-229	TAXES	Reeves, Ragan G.
Exh 250	SCG	Exh No:SCG-33	REGULATORY ACCOUNTS	Austria, Reginald M.
Exh 252	SCG	Exh No:SCG-233	REGULATORY ACCOUNTS	Austria, Reginald M.
Exh 253	SDG&E	Exh No:SDG&E-35	REGULATORY ACCOUNTS	Jasso, Norma G.
Exh 254	SDG&E	Exh No:SDG&E-235	REGULATORY ACCOUNTS	Jasso, Norma G.
Exh 256	SDG&E	Exh No:SDG&E-31	ELECTRIC CUSTOMERS AND SALES	Schiermeyer, Kenneth E
Exh 258	SDG&E	Exh No:SDG&E-231	ELECTRIC CUSTOMERS AND SALES	Schiermeyer, Kenneth E
Exh 259	SDG&E	Exh No:SDG&E-25-R	REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL	Deremer, Kenneth J
Exh 261	SDG&E	Exh No:SDG&E-225	REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL	Deremer, Kenneth J
Exh 266	SDG&E	Exh No:SDG&E-240	ELECTRIC RELIABILITY PERFORMANCE INCENTIVES	Withers, Mason
Exh 267	SCG	Exh No:SCG-16	REAL ESTATE	Seifert, James Carl
Exh 269	SCG	Exh No:SCG-216	REAL ESTATE	Seifert, James Carl
Exh 270	SDG&E	Exh No:SDG&E-17	REAL ESTATE, LAND SERVICES AND FACILITIES	Seifert, James Carl
Exh 273	SDG&E	Exh No:SDG&E-217	REAL ESTATE AND FACILITIES	Seifert, James Carl
Exh 277	SCG	Exh No:SCG-22	PENSION & PBOPs	Sarkaria, David I
Exh 280	SDG&E	Exh No:SDG&E-23	PENSION & PBOPs	Sarkaria, David I
Exh 283	SCG	Exh No:SCG-24-R	REG AFF/A&F/LEGAL/EXT AFF	Gonzales, Ramon
Exh 285	SCG	Exh No:SCG-224	REG AFF/A&F/LEGAL/EXT AFF	Gonzales, Ramon

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

Hearing Exhibit #	Party	Original Exhibit #	Description	Witness
Exh 287	SCG	Exh No:SCG-25-R	SHARED SVCS AND SHARED ASSETS BILLING POL AND PROCESS	Diancin, Mark A.
Exh 290	SDG&E	Exh No:SDG&E-26-R	SHARED SVCS AND SHARED ASSETS BILLING POL AND PROCESS	Diancin, Mark A.
Exh 293	SDG&E	Exh No:SDG&E-27-R	RATE BASE	Aragon, Jesse S.
Exh 295	SDG&E	Exh No:SDG&E-28-R	DEPRECIATION	Wieczorek, Robert J
Exh 298	SCG	Exh No:SCG-26-R	RATE BASE	Yee, Garry G
Exh 300	SCG	Exh No:SCG-27-R	DEPRECIATION	Ngai, Flora
Exh 303	SCG	Exh No:SCG-31	ESCALATION	Wilder, Scott R
Exh 305	SDG&E	Exh No:SDG&E-33	ESCALATION	Wilder, Scott R
Exh 307	SCG	Exh No:SCG-38-R	REASSIGNMENT RATES	Stein, Jeff
Exh 309	SDG&E	Exh No:SDG&E-41-R	SEGMENTATION & REASSIGNMENT RATES	Stein, Jeff
Exh 311	SDG&E-SCG	Exh No:SDG&E-241/SCG	TOTAL COMPENSATION STUDY	Beal, Rick
Exh 312	EDF	EDF	Opening Testimony of T. O'Connor on behalf of EDF	T. O'Connor
Exh 313	EDF	EDF	Rebuttal Testimony of T. O'Connor on behalf of EDF	T. O'Connor
Exh 314	FEA	FEA	Direct Testimony of R. Smith on behalf of FEA	R. Smith
Exh 316	JMP	JMP	Testimony of F. Bautista, M. Whitlock and T. Martinez on behalf of JMP	F. Bautista, M. Whitlock, T. Martinez
Exh 317	MGRA	MGRA	Direct Testimony of J. Mitchell on behalf of MGRA	J. Mitchell
Exh 319	SDCAN	SDCAN	Prepared Testimony of M. Shames on behalf of SDCAN	M. Shames
Exh 320	UWUA	UWUA-1	Utility Workers Union of America - 1	C. Wood
Exh 321	UWUA	UWUA-2	Utility Workers Union of America - 2	J. Acosta
Exh 322	UWUA	UWUA-3	Utility Workers Union of America - 3	R. Downs
Exh 323	UWUA	UWUA-4	Utility Workers Union of America - 4	D. Sherman
Exh 324	UWUA	UWUA-5	Utility Workers Union of America - 5	P. Carriera
Exh 325	UWUA	UWUA-6	Utility Workers Union of America - 6	D. Brown
Exh 326	UWUA	UWUA-7	Utility Workers Union of America - 7	D. Kick
Exh 327	UWUA	UWUA-8	Utility Workers Union of America - 8	E. Hofmann
Exh 328	UWUA	UWUA-9	Utility Workers Union of America - 9	M. Barber
Exh 329	UWUA	UWUA-10	Utility Workers Union of America - 10	J. Simon
Exh 331	ORA	ORA-5	SDG&E - Electric Distribution Expenses	E. Jaeger

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

Hearing Exhibit #	Party	Original Exhibit #	Description	Witness
Exh 333	ORA	ORA-17	Compensation, Incentives, Benefits, Pension, and Postretirement Benefits Other Than Pension	S. Hunter
Exh 337	CCUE	CCUE	Prepared Testimony of D. Marcus on behalf of CCUE	D. Marcus
Exh 340	CCUE	CCUE	Rebuttal Testimony of D. Marcus on behalf of CCUE	D. Marcus
Exh 345	UCAN	UCAN	Testimony of R. Sulpizio on behalf of UCAN	R. Sulpizio
Exh 347	UCAN	UCAN	Testimony of Kobor-Norin-Fulmer on behalf of UCAN	B. Kobor, L. Norin, M. Fulmer
Exh 350	ORA	ORA-10	SoCalGas - Gas Distribution	D. Phan
Exh 353	ORA	ORA-13	Customer Services	T. Godfrey
Exh 358	SCG	Exh No:SCG-30	CUSTOMERS	Payan, Rose-Marie
Exh 360	SCG	Exh No:SCG-230	CUSTOMERS	Payan, Rose-Marie
Exh 362	SDG&E	Exh No:SDG&E-32	CUSTOMERS	Payan, Rose-Marie
Exh 364	SDG&E	Exh No:SDG&E-232	CUSTOMERS	Payan, Rose-Marie
Exh 366	ORA	ORA-1	Executive Summary	C. Tang
Exh 367	ORA	ORA-2	Summary of Earnings, Segmentation and Reassignment Rates	J. Oh
Exh 369	ORA	ORA-3	Customers, Sales, Cost Escalation	T. Renaghan
Exh 371	ORA	ORA-4	Miscellaneous Revenues	M. Kanter
Exh 374	ORA	ORA-6	SDG&E - Electric Distribution Capital Expenditures Part 1 of 2	G. Wilson
Exh 376	ORA	ORA-7	SDG&E - Electric Distribution Capital Expenditures Part 2 of 2	S. Logan
Exh 377	ORA	ORA-8	SDG&E - Electric Generation and SONGS	M. Loy
Exh 378	ORA	ORA-9	SDG&E - Gas Distribution, Transmission, Engineering, and Pipeline Integrity	G. Ezekwo
Exh 379	ORA	ORA-11	SoCalGas - Gas Transmission, Underground Storage, Engineering, and Pipeline Integrity	K. C. Lee
Exh 381	ORA	ORA-12	Risk Management and Procurement	T. Burns
Exh 383	ORA	ORA-14	Supply Management & Supplier Diversity, Fleet Services, Real Estate, Land Services & Facilities, and Environmental Services	S. Chia
Exh 385	ORA	ORA-15	Information Technology	P. Morse

EXHIBIT REFERENCE SORTED BY HEARING EXHIBIT NUMBER

Hearing Exhibit #	Party	Original Exhibit #	Description	Witness
Exh 387	ORA	ORA-16	Corporate Center – Shared Services & Shared Assets	J. Oh
Exh 389	ORA	ORA-18	Administrative & General Expenses Part 1 of 2	L. Laserson
Exh 391	ORA	ORA-19	Administrative & General Expenses Part 2 of 2	G. Dunham
Exh 393	ORA	ORA-20	Depreciation Expense and Reserve	M. Karie
Exh 394	ORA	ORA-21	Taxes	M. Campbell
Exh 396	ORA	ORA-22	Working Cash and Rate Base	K. McNabb
Exh 398	ORA	ORA-23	Post-Test Year Ratemaking and SCG Advanced Metering Infrastructure Policy	C. Tang
Exh 399	ORA	ORA-24	Report on the Results of Examination for SDG&E and SCG Test Year 2016 GRC	M. Waterworth, G. Novack, J. Lee, F. Hadiprodjo
Exh 400	TURN	TURN	Direct Testimony of W. B. Marcus on behalf of TURN	W. B. Marcus
Exh 402	TURN	TURN	Direct Testimony of J. Sugar on behalf of TURN	J. Sugar
Exh 404	TURN	TURN	Direct Testimony of G. Jones on behalf of TURN	G. Jones
Exh 408	TURN	TURN	Direct Testimony of E. Borden on behalf of TURN	E. Borden

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

Party	Original Exhibit #	Hearing Exhibit #	Description	Witness
SDG&E	Exh No:SDG&E-01-R	Exh 2	SDG&E POLICY OVERVIEW	Winn, Caroline A. and Drury, Scott D.
SDG&E	Exh No:SDG&E-02	Exh 15	RISK MANAGEMENT AND POLICY	Day, Diana
SDG&E	Exh No:SDG&E-03	Exh 21	ELECTRIC OPERATIONS RISK POLICY AND GAS OPERATIONS RISK POLICY	Geier, David L. and Schneider, Douglas M.
SDG&E	Exh No:SDG&E-04	Exh 62	GAS DISTRIBUTION	Ayala, Frank
SDG&E	Exh No:SDG&E-05	Exh 40	GAS TRANSMISSION O&M	Musich, Beth
SDG&E	Exh No:SDG&E-06	Exh 29	GAS ENGINEERING	Stanford, Raymond K
SDG&E	Exh No:SDG&E-07	Exh 53	TIMP & DIMP	Martinez, Maria T.
SDG&E	Exh No:SDG&E-08	Exh 84	ELECTRIC & FUEL PROCUREMENT	Garcia, Sue E
SDG&E	Exh No:SDG&E-09-R	Exh 134	ELECTRIC DISTRIBUTION CAPITAL	Jenkins, John D.
SDG&E	Exh No:SDG&E-10-R	Exh 70	ELECTRIC DISTRIBUTION O&M	Woldemariam, Jonathan T.
SDG&E	Exh No:SDG&E-11	Exh 74	ELECTRIC GENERATION	La Peter, Carl
SDG&E	Exh No:SDG&E-12-R	Exh 80	SONGS	DeMarco, Michael L.
SDG&E	Exh No:SDG&E-13	Exh 86	CS - FIELD	Franke, Sara A.
SDG&E	Exh No:SDG&E-14	Exh 101	CS - OPERATIONS, INFORMATION & TECHNOLOGIES	Baugh, Bradley M.
SDG&E	Exh No:SDG&E-15	Exh 131	SUPPLY MANAGEMENT & SUPPLIER DIVERSITY	Furbush, Sydney L.
SDG&E	Exh No:SDG&E-16	Exh 166	FLEET SERVICES	Herrera, Carmen L.
SDG&E	Exh No:SDG&E-17	Exh 270	REAL ESTATE, LAND SERVICES AND FACILITIES	Seifert, James Carl
SDG&E	Exh No:SDG&E-18	Exh 174	ENVIRONMENTAL	Pearson, R. Scott
SDG&E	Exh No:SDG&E-19-R-A	Exh 153	INFORMATION TECHNOLOGY	Mikovits, Stephen J.
SDG&E	Exh No:SDG&E-20	Exh 222	CORPORATE CENTER - GENERAL ADMINISTRATION	Devine, Hannah L.
SDG&E	Exh No:SDG&E-21	Exh 210	CORPORATE CENTER - INSURANCE	Carbon, Katherine
SDG&E	Exh No:SDG&E-22	Exh 193	COMPENSATION, HEALTH, & WELFARE	Robinson, Debbie
SDG&E	Exh No:SDG&E-23	Exh 280	PENSION & PBOPs	Sarkaria, David I
SDG&E	Exh No:SDG&E-24	Exh 121	HR, SAFETY, DISABILITY, & WORKERS COMP	Edgar, Sarah E

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

Party	Original Exhibit #	Hearing Exhibit #	Description	Witness
SDG&E	Exh No:SDG&E-25-R	Exh 259	REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL	Deremer, Kenneth J
SDG&E	Exh No:SDG&E-26-R	Exh 290	SHARED SVCS AND SHARED ASSETS BILLING POL AND PROCESS	Diancin, Mark A.
SDG&E	Exh No:SDG&E-27-R	Exh 293	RATE BASE	Aragon, Jesse S.
SDG&E	Exh No:SDG&E-28-R	Exh 295	DEPRECIATION	Wieczorek, Robert J
SDG&E	Exh No:SDG&E-29-R	Exh 247	TAXES	Reeves, Ragan G.
SDG&E	Exh No:SDG&E-30-R	Exh 234	WORKING CASH	Lewis, Jack S
SDG&E	Exh No:SDG&E-31	Exh 256	ELECTRIC CUSTOMERS AND SALES	Schiermeyer, Kenneth E
SDG&E	Exh No:SDG&E-32	Exh 362	CUSTOMERS	Payan, Rose-Marie
SDG&E	Exh No:SDG&E-33	Exh 305	ESCALATION	Wilder, Scott R
SDG&E	Exh No:SDG&E-34-R	Exh 231	MISCELLANEOUS REVENUES	Somerville, Michelle A.
SDG&E	Exh No:SDG&E-35	Exh 253	REGULATORY ACCOUNTS	Jasso, Norma G.
SDG&E	Exh No:SDG&E-36-R	Exh 219	SUMMARY OF EARNINGS	Nguyen, Khai
SDG&E	Exh No:SDG&E-37-R	Exh 95	POST-TEST YEAR RATEMAKING	Hrna, Sandra K.
SDG&E	Exh No:SDG&E-38-R	Exh 183	COMPLIANCE	Shimansky, Gregory D
SDG&E	Exh No:SDG&E-39-R	Exh 203	ELECTRIC REVENUES AND RATES	Fang, Cynthia
SDG&E	Exh No:SDG&E-40-R	Exh 190	REVENUES AT PRESENT AND PROPOSED RATES	Lenart, Gary G
SDG&E	Exh No:SDG&E-41-R	Exh 309	SEGMENTATION & REASSIGNMENT RATES	Stein, Jeff
SDG&E	Exh No:SDG&E-42		UPDATED RESULTS OF OPERATIONS REPORT	Nguyen, Khai
SDG&E	Exh No:SDG&E-43	Exh 17	RESPONSE TO SAFETY & ENFORCEMENT DIVISION (SED) REPORT	Day, Diana
SDG&E	Exh No:SDG&E-204	Exh 65	GAS DISTRIBUTION	Ayala, Frank
SDG&E	Exh No:SDG&E-205	Exh 43	GAS TRANSMISSION O&M	Musich, Beth
SDG&E	Exh No:SDG&E-206	Exh 32	GAS ENGINEERING AND GAS TRANSMISSION CAPITAL	Stanford, Raymond K
SDG&E	Exh No:SDG&E-207	Exh 56	TIMP & DIMP	Martinez, Maria T.
SDG&E	Exh No:SDG&E-209	Exh 136	ELECTRIC DISTRIBUTION CAPITAL	Jenkins, John D.
SDG&E	Exh No:SDG&E-210	Exh 72	ELECTRIC DISTRIBUTION O&M	Woldemariam, Jonathan T.
SDG&E	Exh No:SDG&E-211	Exh 77	ELECTRIC GENERATION	La Peter, Carl

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

Party	Original Exhibit #	Hearing Exhibit #	Description	Witness
SDG&E	Exh No:SDG&E-212	Exh 83	SONGS	DeMarco, Michael L.
SDG&E	Exh No:SDG&E-213	Exh 88	CS - FIELD	Franke, Sara A.
SDG&E	Exh No:SDG&E-214	Exh 104	CS - OPERATIONS, INFORMATION & TECHNOLOGIES	Baugh, Bradley M.
SDG&E	Exh No:SDG&E-215	Exh 133	SUPPLY MANAGEMENT & SUPPLIER DIVERSITY	Furbush, Sydney L.
SDG&E	Exh No:SDG&E-216	Exh 168	FLEET SERVICES	Herrera, Carmen L.
SDG&E	Exh No:SDG&E-217	Exh 273	REAL ESTATE AND FACILITIES	Seifert, James Carl
SDG&E	Exh No:SDG&E-218	Exh 176	ENVIRONMENTAL	Pearson, R. Scott
SDG&E	Exh No:SDG&E-219	Exh 156	INFORMATION TECHNOLOGY	Mikovits, Stephen J.
SDG&E	Exh No:SDG&E-224	Exh 123	HR, SAFETY, DISABILITY, & WORKERS COMP	Edgar, Sarah E
SDG&E	Exh No:SDG&E-225	Exh 261	REG AFFAIRS, CONTROLLER, FINANCE, LEGAL & EXT REL	Deremer, Kenneth J
SDG&E	Exh No:SDG&E-229	Exh 249	TAXES	Reeves, Ragan G.
SDG&E	Exh No:SDG&E-230	Exh 236	WORKING CASH	Lewis, Jack S
SDG&E	Exh No:SDG&E-231	Exh 258	ELECTRIC CUSTOMERS AND SALES	Schiermeyer, Kenneth E
SDG&E	Exh No:SDG&E-232	Exh 364	CUSTOMERS	Payan, Rose-Marie
SDG&E	Exh No:SDG&E-234	Exh 233	MISCELLANEOUS REVENUES	Somerville, Michelle A.
SDG&E	Exh No:SDG&E-235	Exh 254	REGULATORY ACCOUNTS	Jasso, Norma G.
SDG&E	Exh No:SDG&E-237	Exh 97	POST-TEST YEAR RATEMAKING	Hrna, Sandra K.
SDG&E	Exh No:SDG&E-239	Exh 204	ELECTRIC REVENUES AND RATES	Fang, Cynthia
SDG&E	Exh No:SDG&E-240	Exh 266	ELECTRIC RELIABILITY PERFORMANCE INCENTIVES	Withers, Mason
SCG	Exh No:SCG-01-R	Exh 1	SOCALGAS POLICY OVERVIEW	Lane, J. Bret
SCG	Exh No:SCG-02	Exh 13	RISK MANAGEMENT AND POLICY	Day, Diana
SCG	Exh No:SCG-03	Exh 19	GAS OPERATIONS RISK POLICY	Schneider, Douglas M.
SCG	Exh No:SCG-04-R	Exh 58	GAS DISTRIBUTION	Ayala, Frank
SCG	Exh No:SCG-05	Exh 35	GAS TRANSMISSION O&M	Musich, Beth
SCG	Exh No:SCG-06	Exh 45	UNDERGROUND STORAGE	Baker, Phillip E.
SCG	Exh No:SCG-07	Exh 25	GAS ENGINEERING	Stanford, Raymond K

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

Party	Original Exhibit #	Hearing Exhibit #	Description	Witness
SCG	Exh No:SCG-08	Exh 49	TIMP & DIMP	Martinez, Maria T.
SCG	Exh No:SCG-09	Exh 119	PROCUREMENT	Chang, Ibtissam T
SCG	Exh No:SCG-10	Exh 89	CS - FIELD & METER READING	Franke, Sara A.
SCG	Exh No:SCG-11	Exh 110	CS - OFFICE OPERATIONS	Goldman, Evan D.
SCG	Exh No:SCG-12-R	Exh 115	CS - INFORMATION	Ayres, Ann D.
SCG	Exh No:SCG-13-R	Exh 185	CS - TECHNOLOGIES, POLICIES & SOLUTIONS	Reed, Jeffrey G.
SCG	Exh No:SCG-14	Exh 127	SUPPLY MANAGEMENT	Hobbs, Richard D.
SCG	Exh No:SCG-15	Exh 162	FLEET & FACILITY OPERATIONS	Herrera, Carmen L.
SCG	Exh No:SCG-16	Exh 267	REAL ESTATE	Seifert, James Carl
SCG	Exh No:SCG-17-R	Exh 177	ENVIRONMENTAL	Tracy, Jill
SCG	Exh No:SCG-18-R	Exh 148	INFORMATION TECHNOLOGY	Olmsted, Christopher R.
SCG	Exh No:SCG-19	Exh 220	CORPORATE CENTER - GENERAL ADMINISTRATION	Devine, Hannah L.
SCG	Exh No:SCG-20	Exh 208	CORPORATE CENTER - INSURANCE	Carbon, Katherine
SCG	Exh No:SCG-21	Exh 191	COMPENSATION, HEALTH, & WELFARE	Robinson, Debbie
SCG	Exh No:SCG-22	Exh 277	PENSION & PBOPs	Sarkaria, David I
SCG	Exh No:SCG-23-R	Exh 106	PRES/COO, HR, WORKERS COMP & DISABILITY	Serrano, Mark L.
SCG	Exh No:SCG-24-R	Exh 283	REG AFF/A&F/LEGAL/EXT AFF	Gonzales, Ramon
SCG	Exh No:SCG-25-R	Exh 287	SHARED SVCS AND SHARED ASSETS BILLING POL AND PROCESS	Diancin, Mark A.
SCG	Exh No:SCG-26-R	Exh 298	RATE BASE	Yee, Garry G
SCG	Exh No:SCG-27-R	Exh 300	DEPRECIATION	Ngai, Flora
SCG	Exh No:SCG-28-R	Exh 244	TAXES	Reeves, Ragan G.
SCG	Exh No:SCG-29-R	Exh 241	WORKING CASH	Foster, Michael W.
SCG	Exh No:SCG-30	Exh 358	CUSTOMERS	Payan, Rose-Marie
SCG	Exh No:SCG-31	Exh 303	ESCALATION	Wilder, Scott R
SCG	Exh No:SCG-32-R	Exh 228	MISCELLANEOUS REVENUES	Somerville, Michelle A.

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

Party	Original Exhibit #	Hearing Exhibit #	Description	Witness
SCG	Exh No:SCG-33	Exh 250	REGULATORY ACCOUNTS	Austria, Reginald M.
SCG	Exh No:SCG-34-R	Exh 218	SUMMARY OF EARNINGS	Nguyen, Khai
SCG	Exh No:SCG-35-R	Exh 92	POST-TEST YEAR RATEMAKING	Van der Leeden, Ronald M.
SCG	Exh No:SCG-36-R	Exh 182	COMPLIANCE	Shimansky, Gregory D
SCG	Exh No:SCG-37-R	Exh 189	REVENUES AT PRESENT AND PROPOSED RATES	Lenart, Gary G
SCG	Exh No:SCG-38-R	Exh 307	REASSIGNMENT RATES	Stein, Jeff
SCG	Exh No:SCG-39	Exh 124	ADVANCED METERING INFRASTRUCTURE POLICY	Garcia, Rene F.
SCG	Exh No:SCG-40		UPDATED RESULTS OF OPERATIONS REPORT	Nguyen, Khai
SCG	Exh No:SCG-41	Exh 17	RESPONSE TO SAFETY & ENFORCEMENT DIVISION (SED) REPORT	Day, Diana
SCG	Exh No:SCG-204	Exh 61	GAS DISTRIBUTION	Ayala, Frank
SCG	Exh No:SCG-205	Exh 38	GAS TRANSMISSION O&M	Musich, Beth
SCG	Exh No:SCG-206	Exh 48	UNDERGROUND STORAGE	Baker, Phillip E.
SCG	Exh No:SCG-207	Exh 28	GAS ENGINEERING AND GAS TRANSMISSION CAPITAL	Stanford, Raymond K
SCG	Exh No:SCG-208	Exh 52	TIMP & DIMP	Martinez, Maria T.
SCG	Exh No:SCG-210	Exh 91	CS - FIELD & METER READING	Franke, Sara A.
SCG	Exh No:SCG-211	Exh 113	CS - OFFICE OPERATIONS	Goldman, Evan D.
SCG	Exh No:SCG-212	Exh 117	CS - INFORMATION	Ayres, Ann D.
SCG	Exh No:SCG-213	Exh 187	CS - TECHNOLOGIES, POLICIES & SOLUTIONS	Reed, Jeffrey G.
SCG	Exh No:SCG-214	Exh 129	SUPPLY MANAGEMENT	Hobbs, Richard D.
SCG	Exh No:SCG-215	Exh 165	FLEET SERVICES & FACILITY OPERATIONS	Herrera, Carmen L.
SCG	Exh No:SCG-216	Exh 269	REAL ESTATE	Seifert, James Carl
SCG	Exh No:SCG-217	Exh 179	ENVIRONMENTAL	Tracy, Jill
SCG	Exh No:SCG-218	Exh 151	INFORMATION TECHNOLOGY	Olmsted, Christopher R.
SCG	Exh No:SCG-223	Exh 108	HUMAN RESOURCES, DISABILITY & WORKERS COMP	Serrano, Mark L.
SCG	Exh No:SCG-224	Exh 285	REG AFF/A&F/LEGAL/EXT AFF	Gonzales, Ramon

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

Party	Original Exhibit #	Hearing Exhibit #	Description	Witness
SCG	Exh No:SCG-228	Exh 246	TAXES	Reeves, Ragan G.
SCG	Exh No:SCG-229	Exh 243	WORKING CASH	Foster, Michael W.
SCG	Exh No:SCG-230	Exh 360	CUSTOMERS	Payan, Rose-Marie
SCG	Exh No:SCG-232	Exh 230	MISCELLANEOUS REVENUES	Somerville, Michelle A.
SCG	Exh No:SCG-233	Exh 252	REGULATORY ACCOUNTS	Austria, Reginald M.
SCG	Exh No:SCG-235	Exh 94	POST-TEST YEAR RATEMAKING	Van der Leeden, Ronald M.
SCG	Exh No:SCG-239	Exh 125	ADVANCED METERING INFRASTRUCTURE POLICY	Garcia, Rene F.
SDG&E-SCG	Exh No:SDG&E-202/SCG	Exh 18	RISK MANAGEMENT AND POLICY	Day, Diana
SDG&E-SCG	Exh No:SDG&E-220/SCG	Exh 224	CORPORATE CENTER - GENERAL ADMINISTRATION	Devine, Hannah L.
SDG&E-SCG	Exh No:SDG&E-221/SCG	Exh 212	CORPORATE CENTER - INSURANCE	Carbon, Katherine
SDG&E-SCG	Exh No:SDG&E-222/SCG	Exh 195	COMPENSATION AND BENEFITS	Robinson, Debbie S.
SDG&E-SCG	Exh No:SDG&E-241/SCG	Exh 311	TOTAL COMPENSATION STUDY	Beal, Rick
SDG&E-SCG	Exh No:SDG&E-242/SCG	Exh 200	FINANCIAL COMPONENTS OF SHORT TERM INCENTIVE COMPENSATION	Schlax, Robert
SDG&E-SCG	Exh No:SDG&E-243/SCG	Exh 184	RESULT OF EXAMINATION AND OTHER FINANCIAL ISSUES	Shimansky, Gregory D
ORA	ORA-1	Exh 366	Executive Summary	C. Tang
ORA	ORA-2	Exh 367	Summary of Earnings, Segmentation and Reassignment Rates	J. Oh
ORA	ORA-3	Exh 369	Customers, Sales, Cost Escalation	T. Renaghan
ORA	ORA-4	Exh 371	Miscellaneous Revenues	M. Kanter
ORA	ORA-5	Exh 331	SDG&E - Electric Distribution Expenses	E. Jaeger
ORA	ORA-6	Exh 374	SDG&E - Electric Distribution Capital Expenditures Part 1 of 2	G. Wilson
ORA	ORA-7	Exh 376	SDG&E - Electric Distribution Capital Expenditures Part 2 of 2	S. Logan
ORA	ORA-8	Exh 377	SDG&E - Electric Generation and SONGS	M. Loy
ORA	ORA-9	Exh 378	SDG&E - Gas Distribution, Transmission, Engineering, and Pipeline Integrity	G. Ezekwo
ORA	ORA-10	Exh 350	SoCalGas - Gas Distribution	D. Phan

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

Party	Original Exhibit #	Hearing Exhibit #	Description	Witness
ORA	ORA-11	Exh 379	SoCalGas - Gas Transmission, Underground Storage, Engineering, and Pipeline Integrity	K. C. Lee
ORA	ORA-12	Exh 381	Risk Management and Procurement	T. Burns
ORA	ORA-13	Exh 353	Customer Services	T. Godfrey
ORA	ORA-14	Exh 383	Supply Management & Supplier Diversity, Fleet Services, Real Estate, Land Services & Facilities, and Environmental Services	S. Chia
ORA	ORA-15	Exh 385	Information Technology	P. Morse
ORA	ORA-16	Exh 387	Corporate Center – Shared Services & Shared Assets	J. Oh
ORA	ORA-17	Exh 333	Compensation, Incentives, Benefits, Pension, and Postretirement Benefits Other Than Pension	S. Hunter
ORA	ORA-18	Exh 389	Administrative & General Expenses Part 1 of 2	L. Laserson
ORA	ORA-19	Exh 391	Administrative & General Expenses Part 2 of 2	G. Dunham
ORA	ORA-20	Exh 393	Depreciation Expense and Reserve	M. Karie
ORA	ORA-21	Exh 394	Taxes	M. Campbell
ORA	ORA-22	Exh 396	Working Cash and Rate Base	K. McNabb
ORA	ORA-23	Exh 398	Post-Test Year Ratemaking and SCG Advanced Metering Infrastructure Policy	C. Tang
ORA	ORA-24	Exh 399	Report on the Results of Examination for SDG&E and SCG Test Year 2016 GRC	M. Waterworth, G. Novack, J. Lee, F. Hadiprodjo
UCAN	UCAN	Exh 347	Testimony of Kobor-Norin-Fulmer on behalf of UCAN	B. Kobor, L. Norin, M. Fulmer
UCAN	UCAN	Exh 345	Testimony of R. Sulpizio on behalf of UCAN	R. Sulpizio
TURN	TURN	Exh 408	Direct Testimony of E. Borden on behalf of TURN	E. Borden
TURN	TURN	Exh 404	Direct Testimony of G. Jones on behalf of TURN	G. Jones
TURN	TURN	Exh 400	Direct Testimony of W. B. Marcus on behalf of TURN	W. B. Marcus
TURN	TURN	Exh 402	Direct Testimony of J. Sugar on behalf of TURN	J. Sugar
SDCAN	SDCAN	Exh 319	Prepared Testimony of M. Shames on behalf of SDCAN	M. Shames
MGRA	MGRA	Exh 317	Direct Testimony of J. Mitchell on behalf of MGRA	J. Mitchell

EXHIBIT REFERENCE SORTED BY PARTY AND ORIGINAL EXHIBIT NUMBER

Party	Original Exhibit #	Hearing Exhibit #	Description	Witness
CCUE	CCUE	Exh 337	Prepared Testimony of D. Marcus on behalf of CCUE	D. Marcus
CCUE	CCUE	Exh 340	Rebuttal Testimony of D. Marcus on behalf of CCUE	D. Marcus
FEA	FEA	Exh 314	Direct Testimony of R. Smith on behalf of FEA	R. Smith
JMP	JMP	Exh 316	Testimony of F. Bautista, M. Whitlock and T. Martinez on behalf of JMP	F. Bautista, M. Whitlock, T. Martinez
SCGC	SCGC	Exh 33	Direct Testimony of C. Yap on behalf of SCGC	C. Yap
EDF	EDF	Exh 312	Opening Testimony of T. O'Connor on behalf of EDF	T. O'Connor
EDF	EDF	Exh 313	Rebuttal Testimony of T. O'Connor on behalf of EDF	T. O'Connor
UWUA	UWUA-1	Exh 320	Utility Workers Union of America - 1	C. Wood
UWUA	UWUA-2	Exh 321	Utility Workers Union of America - 2	J. Acosta
UWUA	UWUA-3	Exh 322	Utility Workers Union of America - 3	R. Downs
UWUA	UWUA-4	Exh 323	Utility Workers Union of America - 4	D. Sherman
UWUA	UWUA-5	Exh 324	Utility Workers Union of America - 5	P. Carriera
UWUA	UWUA-6	Exh 325	Utility Workers Union of America - 6	D. Brown
UWUA	UWUA-7	Exh 326	Utility Workers Union of America - 7	D. Kick
UWUA	UWUA-8	Exh 327	Utility Workers Union of America - 8	E. Hofmann
UWUA	UWUA-9	Exh 328	Utility Workers Union of America - 9	M. Barber
UWUA	UWUA-10	Exh 329	Utility Workers Union of America - 10	J. Simon

Chapter 2

Differences Between SoCalGas and ORA

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

1. SCG-02 (Exh 13) - RISK MANAGEMENT AND POLICY

a. O&M - SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2RM00A-USS.ALL	(2,592)	2A1-a1

CHAPTER 2A1-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-02
Area: RISK MANAGEMENT AND POLICY
Witness: Day, Diana L.

SHARED SERVICES O&M

Subject: Risk Management
Workpaper: 2RM00A-USS.ALL

SoCalGas Position: SCG is requesting \$2.592 million in O&M expenses for TY 2016.

Exhibit SCG-02, p. DD-10

ORA Position: Based on ORA’s review of SCG’s testimony and workpapers, the SED discovery and SED Staff Report, and the results of ORA’s discovery and analysis, ORA recommends \$0 for TY 2016 for SoCalGas, since SoCalGas has reported \$0 for 2014 adjusted recorded O&M expenses and the ERM program is funded on a shared basis. The proposed “top-heavy” ERM management structure argues against recommending additional funding for TY 2016 O&M.

Exhibit ORA-12, p.9

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-8962.000	807	1,785	0	2,592
Total	807	1,785	0	2,592

ORA	Labor	NLbr	NSE	Total
2200-8962.000	0	0	0	0
Total	0	0	0	0

Difference	Labor	NLbr	NSE	Total
2200-8962.000	-807	-1,785	0	-2,592
Total	-807	-1,785	0	-2,592

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

2. SCG-04-R (Exh 58) - GAS DISTRIBUTION

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2GD000.000	(3,438)	2A2-a1
2. 2GD000.002	(1,484)	2A2-a2
3. 2GD000.003	(4,687)	2A2-a3
4. 2GD001.000	(1,369)	2A2-a4
5. 2GD004.000	(3,811)	2A2-a5

CHAPTER 2A2-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

NONSHARED O&M

Subject: Field O&M - Field Support
Workpaper: 2GD000.000

SoCalGas Position: For 2016, SoCalGas requests \$24.895 million, an increase of \$6.358 million above the 2013 recorded amount of \$18.537 million. SoCalGas uses the five-year (2009-2013) linear trend, which results in an amount of \$21.729 million, as the base amount for 2016. To this base amount, the utility adds an additional \$3.166 million, to arrive at the total forecast of \$24.895 million. A breakdown of the incremental increase is shown below.

- 1) 8 Administrative Advisors for \$618,000 over the base forecast.
- 2) 4 Field Instructors by 2016 for \$412,000.
- 3) \$1.948 million to expand its Operator Qualification program to add approximately 36,100 incremental training hours to qualify Gas Distribution field employees in the new Operator Qualification elements.
- 4) \$188,000 to provide training for 465 employees on electronic leak survey handheld device.

Exhibit SCG-04-R, p. FBA-42. 46-47
Exhibit SCG-04-WP, p. 64

ORA Position: ORA recommends \$21.457 million for Field Support. This is based on using the 2014 recorded expenses for Field Support, \$19.446 million, as the base amount. This provides for an increase above the 2013 base year to account for some growth in the test year. To this base amount, ORA recommends adding \$1.948 million for Field Operator Qualification Training plus \$63,000 for the training of employees on electronic handheld leak detectors. ORA 's recommendation of \$21.457 million is \$3.438 million lower than SoCalGas' request of \$24.895 million for Field Support.

Exhibit ORA-10 p.16

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	21,012	18,110	-2,902
NonLabor	3,883	3,347	-536
Nonstandard	0	0	0
TOTAL	24,895	21,457	-3,438

CHAPTER 2A2-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

NONSHARED O&M

Subject: Field O&M - Locate & Mark
Workpaper: 2GD000.002

SoCalGas Position: SoCalGas requests \$12.449 million for the activities in this work group. SoCalGas' 2016 forecast is based on using the three-year (2011-2013) historical linear trend, which results in a \$1.407 million increase above the 2013 base year amount of \$11.042 million. SoCalGas' forecast is driven by an anticipated increase in Locate and Mark work activities due to projected non-farm employment growth and improved economic conditions in the test year period.

Exhibit SCG-04-R, p. FBA-15, 18

ORA Position: ORA does not oppose the projected growth in the test year period, although ORA projects a lower growth level compared to SoCalGas. ORA disagrees with SoCalGas' method of using the three-year (2011-2013) historical linear trend. ORA notes that the three year trend provides a higher value for 2016 than the five year trend. While ORA does not oppose using a linear trend to forecast test year expenses for Locate and Mark in this GRC, ORA believes that data from as many years as possible should be used for a more reliable forecast. Instead of using three years of expense data, ORA recommends an approach using the 5-year linear trend of expenses from 2009-2013. The ORA 5-year trend forecast is \$10.966 million, which is \$1.483 million lower than SoCalGas' forecast of \$12.449 million.

Exhibit ORA-10, p. 7-8

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	11,535	10,160	-1,375
NonLabor	915	806	-109
Nonstandard	0	0	0
TOTAL	12,450	10,966	-1,484

CHAPTER 2A2-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

NONSHARED O&M

Subject: Field O&M - Main Maintenance
Workpaper: 2GD000.003

SoCalGas Position: SoCalGas requests \$18.900 million, an increase of \$8.071 million above the 2013 adjusted recorded amount of \$10.829 million. SoCalGas states that Main Maintenance costs have experienced an upward trend associated with multiple work drivers, and the utility does not see this trend reversing. Therefore, SoCalGas uses a five-year (2009-2013) historical linear trend to forecast the base expense for Main Maintenance. SoCalGas' linear trend method leads to a trended increase in 2014 and 2015, and ultimately a base amount of \$16.885 million in 2016, which includes a damage credit amount of \$1.134 million and derived from a 5-year (2009-2013) average of credits received from third parties. To this trended growth forecast, SoCalGas requests an additional increase of \$2.015 million for main leak evaluation and repair work for a total of \$18.900 million for 2016

Exhibit SCG-04-R, p. FBA-31,34, 35, 44, 50

ORA Position: Commission should adopt ORA's recommendation of \$14.213 million. SoCalGas' method of trending the 2009-2013 some cost elements and not others to forecast an overall test year expense amount is inappropriate. ORA does not dispute the notion that there will be an increase in Main Maintenance expense as a result of expected growth in general construction. However, SoCalGas should use all the expense elements, including both recorded costs and damage credits, in its application of the linear trend. The damage credit is tied to Main Maintenance, and excluding it from the growth forecast is inappropriate.

Exhibit ORA-10, p. 11-12

Note: ORA accepted SoCalGas' proposed number during evidentiary hearings, see July 14, 2015 transcript, pg 2982.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	12,684	9,539	-3,145
NonLabor	6,216	4,674	-1,542
Nonstandard	0	0	0
TOTAL	18,900	14,213	-4,687

CHAPTER 2A2-a4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

NONSHARED O&M

Subject: Asset Management
Workpaper: 2GD001.000

SoCalGas Position: SoCalGas requests \$10.827 million, an increase of \$3.278 million above the 2013 recorded amount of \$7.549 million for 2016. SoCalGas' 2016 forecast amount of \$10.827 million is based on a five-year (2009-2013) historical linear trend, resulting in an increase of \$2.598 million. To this base level, SoCalGas proposes an additional increase of \$412,000 for 4 Compliance Technical Advisors and \$268,000 for Administrative Control Clerks.

Exhibit SCG-04-R, p. FBA-50

ORA Position: ORA opposes SoCalGas' forecast because it is excessive. SoCalGas' forecast method, a five-year historical trend, already takes into consideration the expected growth in labor and non-labor expenses for this category. ORA recommends a lower forecast amount of \$9.458 million for 2016. This amount is based on taking SoCalGas' 2014 recorded expenses for Asset Management, which were \$8.778 million, plus the \$412,000 for 4 Compliance Technical Advisors and \$268,000 for 4 Administrative Control Clerks SoCalGas requests for 2016. This recommendation takes into account the most recent spending level (2014 recorded), and is \$1.228 million higher than the 2013 base year recorded expenses. ORA also allowed for the 8 positions SoCalGas requests. ORA's recommendation of \$9.458 million is \$1.369 million lower than SoCalGas' requested \$10.827 million.

Exhibit ORA-10, p. 18

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	9,820	8,578	-1,242
NonLabor	1,007	880	-127
Nonstandard	0	0	0
TOTAL	10,827	9,458	-1,369

CHAPTER 2A2-a5

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

NONSHARED O&M

Subject: Operations Management & Training
Workpaper: 2GD004.000

SoCalGas Position: SoCalGas requests \$15.644 million in 2016 for this work category. SoCalGas' forecast is based on the 2013 adjusted recorded expenses plus incremental costs totaling an increase of \$5.693 million.

Exhibit SCG-04-R, p. FBA-57

ORA Position: ORA recommends \$11.834 million, which is \$3.810 million lower than SoCalGas' request of \$15.644 million for 2015.

Exhibit ORA-10, p. 19

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	13,144	9,942	-3,202
NonLabor	2,501	1,892	-609
Nonstandard	0	0	0
TOTAL	15,645	11,834	-3,811

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

2. SCG-04-R (Exh 58) - GAS DISTRIBUTION

b. O&M - SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2GD00A-USS.ALL	(3,528)	2A2-b1

CHAPTER 2A2-b1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

SHARED SERVICES O&M

Subject: Operations Leadership & Support
Workpaper: 2GD00A-USS.ALL

SoCalGas Position: SoCalGas requests \$7.909 million, an increase of \$4.500 million, above the 2013 recorded amount of \$3.409 million, for Operations Leadership and Support for 2016

Exhibit SCG-04-R, p. FBA-76

ORA Position: ORA recommends \$4.381 million for Operation Leadership and Support. This is \$3.528 million lower than SoCalGas' request of \$7.909 million.

Exhibit ORA-10, p. 35

Note: Uncontested amounts in the following workpapers are not included in the numbers displayed below.

2200-0305.000	\$0.913 million
2200-2144.000	\$0.279 million
2200-2344.000	\$0.278 million
2200-2345.000	\$0.774 million
Total	\$2.244 million

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-0431.000	795	4,088	0	4,883
2200-2023.000	323	33	0	356
2200-2360.000	411	18	0	429
Total	1,529	4,139	0	5,668

ORA	Labor	NLbr	NSE	Total
2200-0431.000	1,259	96	0	1,355
2200-2023.000	323	33	0	356
2200-2360.000	411	18	0	429
Total	1,993	147	0	2,140

Difference	Labor	NLbr	NSE	Total
2200-0431.000	464	-3,992	0	-3,528
2200-2023.000	0	0	0	0
2200-2360.000	0	0	0	0
Total	464	-3,992	0	-3,528

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

2. SCG-04-R (Exh 58) - GAS DISTRIBUTION

c. CAPITAL

Project	ORA vs. SoCalGas (2014+2015+2016)	Reference
1. 00151.0.ALL	(1,180)	2A2-c1
2. 00163.0.ALL	(16,659)	2A2-c2
3. 00173.0.ALL	(3,671)	2A2-c3
4. 00251.0.ALL	10,654	2A2-c4
5. 00252.0.ALL	(28,931)	2A2-c5
6. 00254.0.ALL	1,430	2A2-c6
7. 00256.0.ALL	(18)	2A2-c7
8. 00261.0.ALL	13	2A2-c8
9. 00262.0.ALL	(424)	2A2-c9
10. 00264.0.ALL	(2,490)	2A2-c10
11. 00265.0.ALL	895	2A2-c11
12. 00267.0.ALL	(1,066)	2A2-c12
13. 00725.0.ALL	(7,857)	2A2-c13
14. 00903.0.ALL	(10,148)	2A2-c14

CHAPTER 2A2-c1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: New Business
Budget Code: 00151.0.ALL

SoCalGas Position: SoCalGas requests \$24.190 million, \$28.636 million, and \$32.493 million in New Business (NB) expenditures for 2014-2016. This includes NB Construction, NB Trench Reimbursements, and NB Forfeitures. SoCalGas forecasts NB Construction costs to be \$29.713 million in 2014, \$34.159 million in 2015, and \$38.016 million in 2016. The NB Trench Reimbursements are funds SoCalGas uses to reimburse customers who provide their own trench. SoCalGas uses the five-year (2009-2013) average historical cost for the amount of \$887,000 each year from 2014-2016. The NB Forfeitures is a credit amount to SoCalGas from new business customers for the cost of unused and/or underutilized facilities constructed at their request. The annual amount for 2014-2016 is (\$6.410 million). This annual amount is the historical 5-year (2009-2013) average recorded forfeitures.

Exhibit SCG-04-R, p. FBA-89

ORA Position: ORA recommends adopting the 2014 recorded spending amount of \$25.868 million for the 2014 forecast for New Business. This 2014 amount consists of \$30.648 million for New Business Construction, \$557,000 for New Business Trench Reimbursements, and a credit of \$5.337 million for New Business Forfeitures. For 2015, ORA disputes SoCalGas' forecast amount of \$28.636 million, and recommends \$24.886 million. This 2015 amount consists of \$30.409 million for New Business Construction, \$887,000 for New Business Trench Reimbursements, and a credit of \$6.410 million for New Business Forfeitures. ORA accepts SoCalGas' forecast of \$32.493 million for 2016.

Exhibit ORA-10, p.43-44

Note: *There is a discrepancy between ORA's testimony and ORA's RO Model that may be due to an input error. ORA's testimony shows 2015 forecast of \$24.886 million while the RO model shows \$25.773 million. The 2015 difference between SCG and ORA forecast should be <\$3,750> million instead of <\$2,863> million shown in table below.

**For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

CHAPTER 2A2-c1

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014	2015	2016	Total
001510.001	29,713	34,159	38,016	101,888
A01510.001	887	887	887	2,661
B01510.001	-6,410	-6,410	-6,410	-19,230
Total	24,190	28,636	32,493	85,319

ORA	2014	2015	2016	Total
001510.001	30,653	31,296	38,016	99,965
A01510.001	557	887	887	2,331
B01510.001	-5,337	-6,410	-6,410	-18,157
Total	25,873	25,773	32,493	84,139

Difference	2014	2015	2016	Total
001510.001	940	-2,863	0	-1,923
A01510.001	-330	0	0	-330
B01510.001	1,073	0	0	1,073
Total	1,683	-2,863	0	-1,180

CHAPTER 2A2-c2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Measurement and Regulation Devices
Budget Code: 00163.0.ALL

SoCalGas Position: SoCalGas forecasts a total of \$37.231 million for 2014, \$38.190 million for 2015, and \$40.063 million for 2016 for Measurement and Regulation Devices.

Exhibit SCG-04-R, p. FBA-124

ORA Position: ORA recommends \$29.785 million for 2014, \$33.644 million for 2015 and \$40.063 million for 2016.

Exhibit ORA-10, p.58

Note: *In some of the tables in ORA's testimony, the 2014 forecast for this workgroup was shown to be \$29.864 million, and in others areas of the testimony, it was shown to be \$29.785 million. This discrepancy was corrected in Exhibit ORA-10-E, where ORA's 2014 forecast is shown to be \$29.785 million (ORA-10-E, p.3 and p.58).

**Table below does not reflect ORA's subsequent update to the 2015 forecast during evidentiary hearings. ORA's revised forecast was \$33.6 million for 2015, a reduction of \$4.546M from SCG's 2015 request.

Hearing Transcript for July 14, 2015, Volume 27, pages 2982-2983

***For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

CHAPTER 2A2-c2

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014	2015	2016	Total
001630.001	26,399	26,925	27,610	80,934
001640.001	8,537	8,712	10,337	27,586
001810.001	928	1,110	608	2,646
002800.001	1,367	1,443	1,508	4,318
Total	37,231	38,190	40,063	115,484

ORA	2014	2015	2016	Total
001630.001	21,124	19,859	27,610	68,593
001640.001	6,370	6,565	10,337	23,272
001810.001	1,229	1,110	608	2,947
002800.001	1,062	1,443	1,508	4,013
Total	29,785	28,977	40,063	98,825

Difference	2014	2015	2016	Total
001630.001	-5,275	-7,066	0	-12,341
001640.001	-2,167	-2,147	0	-4,314
001810.001	301	0	0	301
002800.001	-305	0	0	-305
Total	-7,446	-9,213	0	-16,659

CHAPTER 2A2-c3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Cathodic Protection Capital
Budget Code: 00173.0.ALL

SoCalGas Position: SoCalGas requests \$8.047 million, \$9.168 million, and \$9.168 million for 2014-2016, respectively. These forecasts consist of a base amount of \$3.791 million, which is the 5-year (2009-2013) average recorded Cathodic Protection expenditures, plus incremental amounts of \$4.256 million in 2014 and \$5.377 million each year for 2015 and 2016.

Exhibit SCG-04-R, p. FBA-110

ORA Position: ORA recommends adopting the 2014 recorded spending amount of \$4.377million for the 2014 forecast. This amount is \$3.671 million lower than SoCalGas' forecast of \$8.048 million. ORA does not take issue with SoCalGas' forecasts of \$9.169 million each year for 2015 and 2016.

Exhibit ORA-10, p.53

Note: For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014	2015	2016	Total
001730.001	3,792	3,792	3,792	11,376
001730.002	4,256	5,377	5,377	15,010
Total	8,048	9,169	9,169	26,386

ORA	2014	2015	2016	Total
001730.001	0	3,792	3,792	7,584
001730.002	4,377	5,377	5,377	15,131
Total	4,377	9,169	9,169	22,715

Difference	2014	2015	2016	Total
001730.001	-3,792	0	0	-3,792
001730.002	121	0	0	121
Total	-3,671	0	0	-3,671

CHAPTER 2A2-c4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Pressure Betterments
Budget Code: 00251.0.ALL

SoCalGas Position: SoCalGas forecasts \$27.561 million for 2014, \$23.445 million for 2015, and \$16.009 million for 2016 for Pressure Betterment. SoCalGas' forecasts are based on forecasts of incremental costs above a historical average of routine costs, comprising: (1) annual amounts of \$12.389 million each of the years 2014 through 2016 for Routine Betterment, which is based on historical five-year (2009-2013) average recorded routine Pressure Betterment expenditures; and (2) added to the Routine expenditures are incremental amounts of \$15.172 million for 2014, \$11.056 million for 2015 and \$3.620 million for 2016. There are 3 Non-Routine Betterment projects SoCalGas proposes to carry out from 2014-2016: (1) South Bay Cities Pressure Betterment, (2) Arvin Pressure Betterment, and (3) Orange County Pressure Betterment.

Exhibit SCG-04-R, p. FBA-92

ORA Position: ORA recommends adopting the 2014 recorded expenditures for the 2014 revenue forecast. ORA's recommendation is \$10.654 million above SoCalGas' proposal for 2014. ORA accepts SoCalGas' forecasts for 2015 and 2016 for Pressure Betterment.

Exhibit ORA-10, p.45

Note: *The Orange County Pressure Betterment (002810.003) is not reflected in the totals because since it was uncontested.

**For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

CHAPTER 2A2-c4

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014	2015	2016	Total
002510.001	12,389	12,389	12,389	37,167
002810.001	4,241	1,971	0	6,212
002810.002	10,931	5,465	0	16,396
Total	27,561	19,825	12,389	59,775

ORA	2014	2015	2016	Total
002510.001	17,304	12,389	12,389	42,082
002810.001	20,911	1,971	0	22,882
002810.002	0	5,465	0	5,465
Total	38,215	19,825	12,389	70,429

Difference	2014	2015	2016	Total
002510.001	4,915	0	0	4,915
002810.001	16,670	0	0	16,670
002810.002	-10,931	0	0	-10,931
Total	10,654	0	0	10,654

CHAPTER 2A2-c5

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Main Replacements
Budget Code: 00252.0.ALL

SoCalGas Position: SoCalGas requests \$47.233 million per year for 2014, 2015, and 2016. SoCalGas' forecast is based on the five year (2009-2013) historical average. This approach allows SoCalGas to capture historical spending under a variety of conditions that reflect fluctuations in labor and non-labor expenditures associated with this work category.

Exhibit SCG-04-R, p. FBA-99-100

ORA Position: ORA recommends adopting the 2014 recorded expenditure of \$28.497 million for 2014 and does not oppose SoCalGas' forecast for 2016. For the 2015 Main Replacements forecast, ORA recommends the Commission use the average of the most recent three year (2012-2014) recorded expenditures. The 3-year (2012-2014) average is \$37.038 million. This amount and methodology should be adopted because it captures the fluctuations of the expenditures in this work category while incorporating and reflecting SoCalGas' most recent spending in Main Replacement.

Exhibit ORA-10, p.48

Note: For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014	2015	2016	Total
002520.001	47,233	47,233	47,233	141,699
Total	47,233	47,233	47,233	141,699
ORA	2014	2015	2016	Total
002520.001	28,497	37,038	47,233	112,768
Total	28,497	37,038	47,233	112,768
Difference	2014	2015	2016	Total
002520.001	-18,736	-10,195	0	-28,931
Total	-18,736	-10,195	0	-28,931

CHAPTER 2A2-c6

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Main & Service Abandonments
Budget Code: 00254.0.ALL

SoCalGas Position: SoCalGas requests \$3.582 million each year for 2014 through 2016. SoCalGas' forecast is based on the five-year (2009-2013) average of recorded spending on Main and Service Abandonments. The 2014 recorded expenditure for this work category was \$5.012 million.

Exhibit SCG-04-R, p. FBA-105

ORA Position: ORA recommends the Commission adopt the 2014 recorded spending amount of \$5.012 million for 2014. ORA does not take issue with SoCalGas' proposed funding for 2015 and 2016.

Exhibit ORA-10, p.51

Note: For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

Proposed Capital Expenditures (in thousands of 2013 dollars)

	2014	2015	2016	Total
SCG				
002540.001	3,582	3,582	3,582	10,746
Total	3,582	3,582	3,582	10,746
ORA				
002540.001	5,012	3,582	3,582	12,176
Total	5,012	3,582	3,582	12,176
Difference				
002540.001	1,430	0	0	1,430
Total	1,430	0	0	1,430

CHAPTER 2A2-c7

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Service Replacements
Budget Code: 00256.0.ALL

SoCalGas Position: SoCalGas requests \$22.217 million for 2014, \$15.899 million for 2015 and \$15.109 million for 2016 for Service Replacements. SoCalGas' requests consist of a base forecast amount of \$15.108 million each year plus an incremental increase of \$7.108 million in 2014 and \$790,000 in 2015 for its leak reduction effort.

Exhibit SCG-04-R, p. FBA-101

ORA Position: ORA recommends using the 2014 recorded expenditures amount of \$22.199 million for the 2014 forecast, and the SoCalGas proposed \$15.899 million for 2015 and \$15.109 million for 2016. SoCalGas' forecasts for 2015 and 2016 are reasonable and comparable to recent historical spending and should be adopted.

Exhibit ORA-10, p.50

Note: *In testimony, ORA adopts SoCalGas' 2015 forecast. ORA's RO Model shows differences for individual project sub-accounts, but the amounts are offsetting and net to a total difference of \$0 for 2015.

**For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014	2015	2016	Total
002560.001	15,109	15,109	15,109	45,327
002560.002	7,108	790	0	7,898
Total	22,217	15,899	15,109	53,225

ORA	2014	2015	2016	Total
002560.001	22,199	15,899	15,109	53,207
002560.002	0	0	0	0
Total	22,199	15,899	15,109	53,207

Difference	2014	2015	2016	Total
002560.001	7,090	790	0	7,880
002560.002	-7,108	-790	0	-7,898
Total	-18	0	0	-18

CHAPTER 2A2-c8

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Pipeline Relocations - Freeway
Budget Code: 00261.0.ALL

SoCalGas Position: SoCalGas requests an annual amount of \$10.301 million for 2014-2016.

Exhibit SCG-04-R, p. FBA-114

ORA Position: SoCalGas' 2014 recorded expenditures for work activities tracked under Pipeline Relocations-Freeway was \$10.314 million. ORA recommends adopting the 2014 recorded amount as the 2014 forecast. SoCalGas' forecasts for 2015- 2016 are reasonable and ORA does not dispute the utility's proposals.

Exhibit ORA-10, p.55

Note: For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014	2015	2016	Total
002610.001	9,946	9,946	9,946	29,838
002610.002	355	355	355	1,065
Total	10,301	10,301	10,301	30,903

ORA	2014	2015	2016	Total
002610.001	10,314	9,946	9,946	30,206
002610.002	0	355	355	710
Total	10,314	10,301	10,301	30,916

Difference	2014	2015	2016	Total
002610.001	368	0	0	368
002610.002	-355	0	0	-355
Total	13	0	0	13

CHAPTER 2A2-c9

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Pipeline Relocations - Franchise
Budget Code: 00262.0.ALL

SoCalGas Position: SoCalGas requests \$18.472 million for 2014, \$20.128 million for 2015, and \$21.783 million for 2016.

Exhibit SCG-04-R, p. FBA-117

ORA Position: ORA recommends adopting the 2014 recorded expenditure amount of \$18.872 million as the 2014 forecast. This amount is \$400,000 higher than the SoCalGas' proposed amount of \$18.472 million. ORA does not dispute SoCalGas' proposed funding for 2015 and 2016.

Exhibit ORA-10, p.56

Note: *ORA's testimony states that ORA does not dispute SoCalGas' proposed funding for 2015 and 2016 but the table below shows a 2015 reduction which may be due to a calculation error in ORA's RO Model. ORA's 2015 forecast should be \$20.128 million, no reduction from SCG forecast.

**For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014	2015	2016	Total
002620.001	16,681	18,177	19,671	54,529
002620.002	1,791	1,951	2,112	5,854
Total	18,472	20,128	21,783	60,383

ORA	2014	2015	2016	Total
002620.001	18,872	19,304	19,671	57,847
002620.002	0	0	2,112	2,112
Total	18,872	19,304	21,783	59,959

Difference	2014	2015	2016	Total
002620.001	2,191	1,127	0	3,318
002620.002	-1,791	-1,951	0	-3,742
Total	400	-824	0	-424

CHAPTER 2A2-c10

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Other Distribution Capital Projects and Meter Guards
Budget Code: 00264.0.ALL

SoCalGas Position: SoCalGas requests \$3.867 million each year for 2014-2016 for Other Distribution Capital Projects and meter guards. Of this total, SoCalGas allocates \$3.042 million to Other Distribution Capital Projects and \$825,000 to meter guards each year.

Exhibit SCG-04-R, p. FBA-119

ORA Position: In 2014, SoCalGas recorded a total of \$2.622 million for Other Distribution Capital Projects and meter guards. This amount captures the most recent expenditures incurred for projects and reflects the current level of construction activity. ORA recommends the Commission adopt SoCalGas' 2014 recorded total of \$2.622 million and use that same funding level for 2015. ORA's recommendation mirrors SoCalGas' forecast in that the utility proposes the same amount of funding for 2014 and 2015, albeit a different, and higher, amount from ORA's. ORA does not dispute SoCalGas' proposed funding for 2016.

Exhibit ORA-10, p.57-58

Note: For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

CHAPTER 2A2-c10

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014	2015	2016	Total
002640.001	825	825	825	2,475
002700.001	2,002	2,002	2,002	6,006
002700.002	1,040	1,040	1,040	3,120
Total	3,867	3,867	3,867	11,601

ORA	2014	2015	2016	Total
002640.001	387	387	825	1,599
002700.001	2,235	2,235	2,002	6,472
002700.002	0	0	1,040	1,040
Total	2,622	2,622	3,867	9,111

Difference	2014	2015	2016	Total
002640.001	-438	-438	0	-876
002700.001	233	233	0	466
002700.002	-1,040	-1,040	0	-2,080
Total	-1,245	-1,245	0	-2,490

CHAPTER 2A2-c11

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Regulator Stations
Budget Code: 00265.0.ALL

SoCalGas Position: SoCalGas requests \$5.554 million each year for 2014 through 2016. This forecast is the 5-year average of 2009-2013 recorded expenditures.

Exhibit SCG-04-R, p. FBA-109

ORA Position: ORA recommends adopting the 2014 amount of \$6.449 million for 2014. ORA does not dispute SoCalGas' funding request for Regulator Stations for 2015 and 2016.

Exhibit ORA-10, p.52

Note: For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014	2015	2016	Total
002650.001	5,554	5,554	5,554	16,662
Total	5,554	5,554	5,554	16,662
ORA	2014	2015	2016	Total
002650.001	6,449	5,554	5,554	17,557
Total	6,449	5,554	5,554	17,557
Difference	2014	2015	2016	Total
002650.001	895	0	0	895
Total	895	0	0	895

CHAPTER 2A2-c12

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Supply Line Replacements
Budget Code: 00267.0.ALL

SoCalGas Position: SoCalGas requests \$4.267 million each year for 2014, 2015, and 2016. SoCalGas' forecast is based on the historical average of recorded expenditures for years 2009-2013.

Exhibit SCG-04-R, p. FBA-98

ORA Position: ORA recommends \$3.734 million for 2014 and 2015. ORA's recommendation is based on using SoCalGas' 2014 recorded expenditures for Supply Line Replacement. ORA's recommendation is comparable to the last 5 years of historical spending while reflecting the most current spending in this category, and should capture the typical fluctuations in supply line projects from year to year. ORA's recommendation of \$3.734 million is \$533,000 lower than SoCalGas' forecast of \$4.267 million, for 2014 and 2015. ORA accepts SoCalGas' forecast for 2016.

Exhibit ORA-10, p.47

Note: For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

Proposed Capital Expenditures (in thousands of 2013 dollars)

	2014	2015	2016	Total
SCG				
002670.001	4,267	4,267	4,267	12,801
Total	4,267	4,267	4,267	12,801
ORA				
002670.001	3,734	3,734	4,267	11,735
Total	3,734	3,734	4,267	11,735
Difference				
002670.001	-533	-533	0	-1,066
Total	-533	-533	0	-1,066

CHAPTER 2A2-c13

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Capital Tools
Budget Code: 00725.0.ALL

SoCalGas Position: SoCalGas requests \$8.169 million for 2014, \$8.129 million for 2015 and \$10.964 million for 2016 for Capital Tools. SoCalGas used a linear trend forecasting methodology to forecast the expenditures of routine tool purchases for 2014 of \$2.710 million, 2015 of \$3.115 million, and 2016 of \$3.519 million. For Non-Routine tool purchases, SoCalGas proposes (1) \$3.133 million to replace combustible gas indicator equipment in 2014, (2) \$2.417 million to replace multi-gas detector equipment, and \$271,000 for a field training facility improvement in 2015, and (3) \$4.429 million to replace existing leak detection equipment, and \$1.271 million to purchase GIS-based leak survey trackers in 2016. Along with these tools, SoCalGas also requests \$2.326 million per year in 2014 and 2015 and \$1.745 million in 2016 to replace mobile data terminals.

Exhibit SCG-04-R, p. FBA-133

ORA Position: In 2014, SoCalGas spent \$2.322 million on Capital Tools. ORA recommends adopting this amount as the 2014 forecast for rate base. ORA does not dispute SoCalGas' proposal for 2016. ORA recommends a lower amount of \$6.119 million for 2015. ORA's recommendation is based on using the 2014 recorded spending, \$2.322 million, as the forecast base and 50% funding, or \$1.209 million, for multi-gas detector and calibration replacements. ORA accepts SoCalGas' request of \$271,000 for the construction of a bathroom at its field training facility and \$2.326 million for the replacement of 1,100 mobile data terminals.

Exhibit ORA-10, p.67

Note: *ORA revised the 2015 forecast for this work group in Errata testimony. ORA's revised forecast for 2015 is \$6.128 million.

Exhibit ORA-10-E, p. 66

**For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

***Leak Survey Detector Equipment (009060.001) and GIS-Based Leak Survey Tracker (009060.004) are not reflected in the totals below since they were uncontested.

CHAPTER 2A2-c13

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014	2015	2016	Total
007250.001	2,710	3,115	3,519	9,344
00725A.001	2,326	2,326	1,745	6,397
009060.002	0	2,417	0	2,417
009060.003	3,133	0	0	3,133
009060.005	0	271	0	271
Total	8,169	8,129	5,264	21,562

ORA	2014	2015	2016	Total
007250.001	741	6,119	3,519	10,379
00725A.001	1,581	0	1,745	3,326
009060.002	0	0	0	0
009060.003	0	0	0	0
009060.005	0	0	0	0
Total	2,322	6,119	5,264	13,705

Difference	2014	2015	2016	Total
007250.001	-1,969	3,004	0	1,035
00725A.001	-745	-2,326	0	-3,071
009060.002	0	-2,417	0	-2,417
009060.003	-3,133	0	0	-3,133
009060.005	0	-271	0	-271
Total	-5,847	-2,010	0	-7,857

CHAPTER 2A2-c14

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

CAPITAL EXPENDITURES

Project: Field Capital Support
Budget Code: 00903.0.ALL

SoCalGas Position: SoCalGas requests \$53.734 million, \$53.448 million, and \$53.222 million for 2014-2016, respectively. The level of support activities can fluctuate with the level of capital construction activity. Generally, the greater the volume of construction activity, the larger the support costs. Due to this relationship, the forecast expenditures for the budget category of Field Capital Support is based on the level of historical costs as a percentage of construction costs incurred.

Exhibit SCG-04-R, p. FBA-139, 141

ORA Position: ORA recommends adopting the 2014 recorded amount of \$49.097 million as the 2014 forecast. ORA does not take issue with SoCalGas' proposal for 2016. For 2015, ORA recommends \$47.937 million. This number is based on using the 30% SoCalGas' labor to total projected capital construction cost for 2015, and applying this ratio to ORA's 2015 capital construction forecast of \$159.790 million. ORA's forecast for 2015 is \$5.511 million lower than SoCalGas' forecast of \$53.448 million.

Exhibit ORA-10, p.69

Note: *ORA's corrected recommendation for 2015 is \$48.600 million. See Hearing Transcript for July 14, 2015, Volume 27, page 2983.

**For all capital categories, ORA recommends that the 2014 recorded expenditures be adopted in lieu of SoCalGas' 2014 forecast. SoCalGas does not oppose ORA's recommendation for 2014.

Exhibit SCG-204, p. FBA-46

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014	2015	2016	Total
009030.001	53,734	53,448	53,222	160,404
Total	53,734	53,448	53,222	160,404
ORA	2014	2015	2016	Total
009030.001	49,097	47,937	53,222	150,256
Total	49,097	47,937	53,222	150,256
Difference	2014	2015	2016	Total
009030.001	-4,637	-5,511	0	-10,148
Total	-4,637	-5,511	0	-10,148

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

3. SCG-05 (Exh 35) - GAS TRANSMISSION

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2GT000.000	(882)	2A3-a1
2. 2GT001.000	(210)	2A3-a2
3. 2GT002.000	(50)	2A3-a3

CHAPTER 2A3-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-05
Area: GAS TRANSMISSION
Witness: Musich-Barry, Elizabeth A.

NONSHARED O&M

Subject: Pipeline Operations
Workpaper: 2GT000.000

SoCalGas Position: SoCalGas requests \$22.502 million, an increase of \$5.216 million above the 2013 recorded amount of \$17.286 million for 2016.

Exhibit SCG-05, p. JLD-6

ORA Position: ORA does not oppose SCG's forecast of the post-PSEP related O&M costs in this rate case. However, ORA recommends some small adjustments in the following areas:

Cathodic Protection: ORA's forecast is \$0.390 million lower than SCG's forecast, or approximately a 50 percent reduction to the requested amount in Cathodic Protection. ORA believes SoCalGas' reduction in Capital spending in the CP area during 2015 reduces SoCalGas' O&M funding in the CP area for TY2016.

Operator Qualification: a reduction of \$0.320 million (50 percent) because ORA believes the program can be more effectively run at a more gradual pace.

Critical Pipeline Facilities Security: a reduction of \$0.172 million because SCG's data response to the ORA data request indicates an overestimate by SCG of \$0.172 million.

Exhibit ORA-11, p. 6

Note: Critical Pipeline Facilities Security: SoCalGas acknowledged in its rebuttal, the correct reduction amount should be \$0.182M. SoCalGas does not contest this reduction.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	12,267	11,711	-556
NonLabor	4,112	3,786	-326
Nonstandard	6,123	6,123	0
TOTAL	22,502	21,620	-882

CHAPTER 2A3-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-05
Area: GAS TRANSMISSION
Witness: Musich-Barry, Elizabeth A.

NONSHARED O&M

Subject: Compressor Station Operations
Workpaper: 2GT001.000

SoCalGas Position: SoCalGas requests \$10.013 million, an increase of \$0.973 million above the 2013 recorded amount of \$9.040 million for 2016.

Exhibit SCG-05, p. JLD-6

ORA Position: ORA recommends some small adjustments in the following areas:

Ventura Station Compression Upgrade: ORA reduces SCG's request by \$0.090 million (50 percent) because ORA believed a significant part of the station will be in the change-out mode with a capital spending plan of nearly \$30 million.

Operator Qualification: a reduction of \$0.120 million (50 percent) because ORA believes the program can be more effectively run at a more gradual pace.

Exhibit ORA-11, p. 6

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	5,188	4,978	-210
NonLabor	4,748	4,748	0
Nonstandard	77	77	0
TOTAL	10,013	9,803	-210

CHAPTER 2A3-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-05
Area: GAS TRANSMISSION
Witness: Musich-Barry, Elizabeth A.

NONSHARED O&M

Subject: Field Engineering and Technical Support
Workpaper: 2GT002.000

SoCalGas Position: SoCalGas requests \$3.242 million, an increase of \$0.699 million above the 2013 recorded amount of \$2.543 million for 2016.

Exhibit SCG-05, p. JLD-6

ORA Position: ORA recommends some small adjustments in the following areas:

Operator Qualification: ORA recommends a forecast lower by \$0.050 million (50 percent) of the request because ORA believes the program can be more effectively run at a more gradual pace.

Exhibit ORA-11, p. 6

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	709	664	-45
NonLabor	155	150	-5
Nonstandard	2,378	2,378	0
TOTAL	3,242	3,192	-50

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

3. SCG-05 (Exh 35) - GAS TRANSMISSION

b. O&M - SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2GT00A-USS.ALL	(30)	2A3-b1
2. 2GT00C-USS.ALL	(100)	2A3-b2
3. 2GT00D-USS.ALL	(208)	2A3-b3

CHAPTER 2A3-b1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-05
Area: GAS TRANSMISSION
Witness: Musich-Barry, Elizabeth A.

SHARED SERVICES O&M

Subject: Director Gas Transmission Operations
Workpaper: 2GT00A-USS.ALL

SoCalGas Position: SoCalGas requests \$0.344 million, an increase of \$0.027 million above the 2013 recorded amount of \$0.317 million for 2016.

Exhibit SCG-05, p. JLD-29

ORA Position: In shared operation, SCG forecasts test year expenses of \$5.292 million, which is 46 percent above the 2013 recorded \$3.624 million. For 2014, SCG forecasted \$3.929 million, but the adjusted-recorded amount was \$3.591 million, which is \$0.338 million lower. ORA recommends reducing SCG's 2016 forecast by this \$0.338 million because ORA believes that the underspending will continue into 2016. Therefore, the ORA recommendation for 2016 is \$4.954 million.

Exhibit ORA-11, p. 7

Note: SoCalGas test year forecast of \$5.292 million is comprised of the following workpapers:
Director Gas Transmission: \$0.344 million
Gas Transmission Manager: \$0.413 million
Technical Services Manager: \$0.949 million
Gas Control and SCADA: \$3.586 million

ORA proposes reductions to the following areas:
Director Gas Transmission: reduction of \$0.030 million
Technical Services Manager: reduction of \$0.100 million
Gas Control and SCADA: reduction of \$0.208 million

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-0253.000	318	26	0	344
Total	318	26	0	344
ORA	Labor	NLbr	NSE	Total
2200-0253.000	288	26	0	314
Total	288	26	0	314
Difference	Labor	NLbr	NSE	Total
2200-0253.000	-30	0	0	-30
Total	-30	0	0	-30

CHAPTER 2A3-b2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-05
Area: GAS TRANSMISSION
Witness: Musich-Barry, Elizabeth A.

SHARED SERVICES O&M

Subject: Gas Transmission Technical Services Manager
Workpaper: 2GT00C-USS.ALL

SoCalGas Position: SoCalGas requests \$0.949 million, an increase of \$0.506 million above the 2013 recorded amount of \$0.443 million for 2016.

Exhibit SCG-05, p. JLD-29

ORA Position: In shared operation, SCG forecasts test year expenses of \$5.292 million, which is 46 percent above the 2013 recorded \$3.624 million. For 2014, SCG forecasted \$3.929 million, but the adjusted-recorded amount was \$3.591 million, which is \$0.338 million lower. ORA recommends reducing SCG's 2016 forecast by this \$0.338 million because ORA believes that the underspending will continue into 2016. Therefore, the ORA recommendation for 2016 is \$4.954 million.

Exhibit ORA-11, p. 7

Note: SoCalGas test year forecast of \$5.292 million is comprised of the following workpapers:
Director Gas Transmission: \$0.344 million
Gas Transmission Manager: \$0.413 million
Technical Services Manager: \$0.949 million
Gas Control and SCADA: \$3.586 million

ORA proposes reductions to the following areas:
Director Gas Transmission: reduction of \$0.030 million
Technical Services Manager: reduction of \$0.100 million
Gas Control and SCADA: reduction of \$0.208 million

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-2172.000	819	130	0	949
Total	819	130	0	949

ORA	Labor	NLbr	NSE	Total
2200-2172.000	819	30	0	849
Total	819	30	0	849

Difference	Labor	NLbr	NSE	Total
2200-2172.000	0	-100	0	-100
Total	0	-100	0	-100

CHAPTER 2A3-b3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-05
Area: GAS TRANSMISSION
Witness: Musich-Barry, Elizabeth A.

SHARED SERVICES O&M

Subject: Gas Control and SCADA Operations Group
Workpaper: 2GT00D-USS.ALL

SoCalGas Position: SoCalGas requests \$3.586 million, an increase of \$1.210 million above the 2013 recorded amount of \$2.376 million for 2016.

Exhibit SCG-05, p. JLD-29

ORA Position: In shared operation, SCG forecasts test year expenses of \$5.292 million, which is 46 percent above the 2013 recorded \$3.624 million. For 2014, SCG forecasted \$3.929 million, but the adjusted-recorded amount was \$3.591 million, which is \$0.338 million lower. ORA recommends reducing SCG's 2016 forecast by this \$0.338 million because ORA believes that the underspending will continue into 2016. Therefore, the ORA recommendation for 2016 is \$4.954 million.

Exhibit ORA-11, p. 7

Note: SoCalGas test year forecast of \$5.292 million is comprised of the following workpapers:
Director Gas Transmission: \$0.344 million
Gas Transmission Manager: \$0.413 million
Technical Services Manager: \$0.949 million
Gas Control and SCADA: \$3.586 million

ORA proposes reductions to the following areas:
Director Gas Transmission: reduction of \$0.030 million
Technical Services Manager: reduction of \$0.100 million
Gas Control and SCADA: reduction of \$0.208 million

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-2289.000	2,724	862	0	3,586
Total	2,724	862	0	3,586
ORA	Labor	NLbr	NSE	Total
2200-2289.000	2,566	812	0	3,378
Total	2,566	812	0	3,378
Difference	Labor	NLbr	NSE	Total
2200-2289.000	-158	-50	0	-208
Total	-158	-50	0	-208

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

4. SCG-06 (Exh 45) - UNDERGROUND STORAGE

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2US000.000	(3,807)	2A4-a1

CHAPTER 2A4-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-06
Area: UNDERGROUND STORAGE
Witness: Baker, Phillip E.

NONSHARED O&M

Subject: Underground Storage
Workpaper: 2US000.000

SoCalGas Position: SoCalGas requests \$34.101 million, an increase of \$3.420 million above the 2013 recorded amount of \$30.681 million for 2016. A five-year trending methodology using 2009 to 2013 adjusted-recorded expenses for labor and non-labor was used to forecast the TY2016 O&M for routine Storage operations, since historical O&M costs have been increasing at a relatively consistent rate.

Exhibit SCG-06, p. PEB-8

ORA Position: ORA recommends Routine Spending on Underground Storage for 2016 be set at \$30.295 million based on the most recent five-year average, as compared to SCG's forecast of \$34.101 million.

Exhibit ORA-11, p. 9

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	14,207	12,621	-1,586
NonLabor	19,894	17,673	-2,221
Nonstandard	0	0	0
TOTAL	34,101	30,294	-3,807

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

4. SCG-06 (Exh 45) - UNDERGROUND STORAGE

b. CAPITAL

Project	ORA vs. SoCalGas (2014+2015+2016)	Reference
1. 00411.0.ALL	4,067	2A4-b1
2. 00412.0.ALL	(2,578)	2A4-b2
3. 00413.0.ALL	(3,800)	2A4-b3
4. 00414.0.ALL	5,054	2A4-b4
5. 00419.0.ALL	(3,104)	2A4-b5

CHAPTER 2A4-b1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-06
Area: UNDERGROUND STORAGE
Witness: Baker, Phillip E.

CAPITAL EXPENDITURES

Project: GT Stor Comp Sta Add/Rpls / Externally Driven
Budget Code: 00411.0.ALL

SoCalGas Position: SCG forecasted for Underground Storage a total of \$71.429 million for 2014, \$74.270 million for 2015, and \$90.523 million for 2016.

Exhibit SCG-06, p. PEB-25

ORA Position: ORA recommends adopting the adjusted-recorded amount of \$71.069 million for 2014, and agrees with SCG's forecasts of \$74.270 million for 2015 and \$90.523 million for 2016.

GT Stor Comp Sta Add/Rpls / Externally Driven: \$4.067 million
GT Stor Wells / Externally Driven: <\$2.578> million
GT Stor Pipelines / Externally Driven: <\$3.800> million
GT Stor Purifi Equip / Externally Driven: \$5.054 million
GT Stor Aux Equip & Infrastr / Externally Driven : <\$3.104> million
Total Reduction: : <\$0.361> million

Exhibit ORA-11, p. 11

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014	2015	2016	Total
00411A.001	253	2,272	0	2,525
00411B.001	7,538	5,518	7,790	20,846
Total	7,791	7,790	7,790	23,371

ORA	2014	2015	2016	Total
00411A.001	1,597	2,272	0	3,869
00411B.001	10,261	5,518	7,790	23,569
Total	11,858	7,790	7,790	27,438

Difference	2014	2015	2016	Total
00411A.001	1,344	0	0	1,344
00411B.001	2,723	0	0	2,723
Total	4,067	0	0	4,067

CHAPTER 2A4-b2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-06
Area: UNDERGROUND STORAGE
Witness: Baker, Phillip E.

CAPITAL EXPENDITURES

Project: GT Stor Wells / Externally Driven
Budget Code: 00412.0.ALL

SoCalGas Position: SCG forecasted for Underground Storage a total of \$71.429 million for 2014, \$74.270 million for 2015, and \$90.523 million for 2016.

Exhibit SCG-06, p. PEB-25

ORA Position: ORA recommends adopting the adjusted-recorded amount of \$71.069 million for 2014, and agrees with SCG's forecasts of \$74.270 million for 2015 and \$90.523 million for 2016.

GT Stor Comp Sta Add/Rpls / Externally Driven: \$4.067 million
GT Stor Wells / Externally Driven: <\$2.578> million
GT Stor Pipelines / Externally Driven: <\$3.800> million
GT Stor Purifi Equip / Externally Driven: \$5.054 million
GT Stor Aux Equip & Infrastr / Externally Driven : <\$3.104> million
Total Reduction: : <\$0.361> million

Exhibit ORA-11, p. 11

CHAPTER 2A4-b2

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014	2015	2016	Total
00412A.001	1,194	1,194	1,194	3,582
00412B.001	4,041	4,041	4,041	12,123
00412C.001	1,807	1,807	1,807	5,421
00412D.001	1,707	1,707	1,707	5,121
00412E.001	552	552	552	1,656
00412F.001	176	176	176	528
00412G.001	3,715	3,715	3,715	11,145
00412H.001	2,209	2,008	0	4,217
00412J.001	10,241	10,442	18,273	38,956
00412N.001	3,876	6,195	4,688	14,759
00412U.001	2,008	0	0	2,008
00412V.001	1,398	1,398	0	2,796
00412W.001	974	1,125	824	2,923
Total	33,898	34,360	36,977	105,235

ORA	2014	2015	2016	Total
00412A.001	1,380	1,194	1,194	3,768
00412B.001	3,522	4,041	4,041	11,604
00412C.001	483	1,807	1,807	4,097
00412D.001	25	1,707	1,707	3,439
00412E.001	153	552	552	1,257
00412F.001	0	176	176	352
00412G.001	0	3,715	3,715	7,430
00412H.001	2	2,008	0	2,010
00412J.001	18,039	10,442	18,273	46,754
00412N.001	2,579	6,195	4,688	13,462
00412U.001	2,796	0	0	2,796
00412V.001	1,910	1,398	0	3,308
00412W.001	431	1,125	824	2,380
Total	31,320	34,360	36,977	102,657

Difference	2014	2015	2016	Total
00412A.001	186	0	0	186
00412B.001	-519	0	0	-519
00412C.001	-1,324	0	0	-1,324
00412D.001	-1,682	0	0	-1,682
00412E.001	-399	0	0	-399
00412F.001	-176	0	0	-176
00412G.001	-3,715	0	0	-3,715
00412H.001	-2,207	0	0	-2,207
00412J.001	7,798	0	0	7,798
00412N.001	-1,297	0	0	-1,297
00412U.001	788	0	0	788
00412V.001	512	0	0	512
00412W.001	-543	0	0	-543
Total	-2,578	0	0	-2,578

CHAPTER 2A4-b3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-06
Area: UNDERGROUND STORAGE
Witness: Baker, Phillip E.

CAPITAL EXPENDITURES

Project: GT Stor Pipelines / Externally Driven
Budget Code: 00413.0.ALL

SoCalGas Position: SCG forecasted for Underground Storage a total of \$71.429 million for 2014, \$74.270 million for 2015, and \$90.523 million for 2016.

Exhibit SCG-06, p. PEB-25

ORA Position: ORA recommends adopting the adjusted-recorded amount of \$71.069 million for 2014, and agrees with SCG's forecasts of \$74.270 million for 2015 and \$90.523 million for 2016.

GT Stor Comp Sta Add/Rpls / Externally Driven:	\$4.067 million
GT Stor Wells / Externally Driven:	<\$2.578> million
GT Stor Pipelines / Externally Driven:	<\$3.800> million
GT Stor Purifi Equip / Externally Driven:	\$5.054 million
GT Stor Aux Equip & Infrastr / Externally Driven	: <\$3.104> million
Total Reduction:	: <\$0.361> million

Exhibit ORA-11, p. 11

CHAPTER 2A4-b3

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014	2015	2016	Total
00413A.001	889	889	688	2,466
00413B.001	505	3,526	0	4,031
00413D.001	0	505	505	1,010
00413E.001	1,313	152	505	1,970
00413K.001	505	2,526	0	3,031
00413L.001	3,334	2,485	3,233	9,052
Total	6,546	10,083	4,931	21,560

ORA	2014	2015	2016	Total
00413A.001	890	889	688	2,467
00413B.001	86	3,526	0	3,612
00413D.001	35	505	505	1,045
00413E.001	515	152	505	1,172
00413K.001	0	2,526	0	2,526
00413L.001	1,220	2,485	3,233	6,938
Total	2,746	10,083	4,931	17,760

Difference	2014	2015	2016	Total
00413A.001	1	0	0	1
00413B.001	-419	0	0	-419
00413D.001	35	0	0	35
00413E.001	-798	0	0	-798
00413K.001	-505	0	0	-505
00413L.001	-2,114	0	0	-2,114
Total	-3,800	0	0	-3,800

CHAPTER 2A4-b4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-06
Area: UNDERGROUND STORAGE
Witness: Baker, Phillip E.

CAPITAL EXPENDITURES

Project: GT Stor Purifi Equip / Externally Driven
Budget Code: 00414.0.ALL

SoCalGas Position: SCG forecasted for Underground Storage a total of \$71.429 million for 2014, \$74.270 million for 2015, and \$90.523 million for 2016.

Exhibit SCG-06, p. PEB-25

ORA Position: ORA recommends adopting the adjusted-recorded amount of \$71.069 million for 2014, and agrees with SCG's forecasts of \$74.270 million for 2015 and \$90.523 million for 2016.

GT Stor Comp Sta Add/Rpls / Externally Driven: \$4.067 million
GT Stor Wells / Externally Driven: <\$2.578> million
GT Stor Pipelines / Externally Driven: <\$3.800> million
GT Stor Purifi Equip / Externally Driven: \$5.054 million
GT Stor Aux Equip & Infrastr / Externally Driven : <\$3.104> million
Total Reduction: : <\$0.361> million

Exhibit ORA-11, p. 11

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014	2015	2016	Total
00414B.001	1,018	1,018	1,018	3,054
00414E.001	3,094	992	0	4,086
00414F.001	3,055	1,018	0	4,073
00414J.001	1,629	4,577	6,587	12,793
Total	8,796	7,605	7,605	24,006

ORA	2014	2015	2016	Total
00414B.001	2,317	1,018	1,018	4,353
00414E.001	5,866	992	0	6,858
00414F.001	1,023	1,018	0	2,041
00414J.001	4,644	4,577	6,587	15,808
Total	13,850	7,605	7,605	29,060

Difference	2014	2015	2016	Total
00414B.001	1,299	0	0	1,299
00414E.001	2,772	0	0	2,772
00414F.001	-2,032	0	0	-2,032
00414J.001	3,015	0	0	3,015
Total	5,054	0	0	5,054

CHAPTER 2A4-b5

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-06
Area: UNDERGROUND STORAGE
Witness: Baker, Phillip E.

CAPITAL EXPENDITURES

Project: GT Stor Aux Equip & Infrastr / Externally Driven
Budget Code: 00419.0.ALL

SoCalGas Position: SCG forecasted for Underground Storage a total of \$71.429 million for 2014, \$74.270 million for 2015, and \$90.523 million for 2016.

Exhibit SCG-06, p. PEB-25

ORA Position: ORA recommends adopting the adjusted-recorded amount of \$71.069 million for 2014, and agrees with SCG's forecasts of \$74.270 million for 2015 and \$90.523 million for 2016.

GT Stor Comp Sta Add/Rpls / Externally Driven: \$4.067 million
GT Stor Wells / Externally Driven: <\$2.578> million
GT Stor Pipelines / Externally Driven: <\$3.800> million
GT Stor Purifi Equip / Externally Driven: \$5.054 million
GT Stor Aux Equip & Infrastr / Externally Driven : <\$3.104> million
Total Reduction: : <\$0.361> million

Exhibit ORA-11, p. 11

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014	2015	2016	Total
00419A.001	2,021	1,010	0	3,031
00419E.001	1,010	0	0	1,010
00419F.001	1,111	303	1,010	2,424
00419M.001	10,256	10,609	7,938	28,803
Total	14,398	11,922	8,948	35,268

ORA	2014	2015	2016	Total
00419A.001	1,379	1,010	0	2,389
00419E.001	71	0	0	71
00419F.001	15	303	1,010	1,328
00419M.001	9,829	10,609	7,938	28,376
Total	11,294	11,922	8,948	32,164

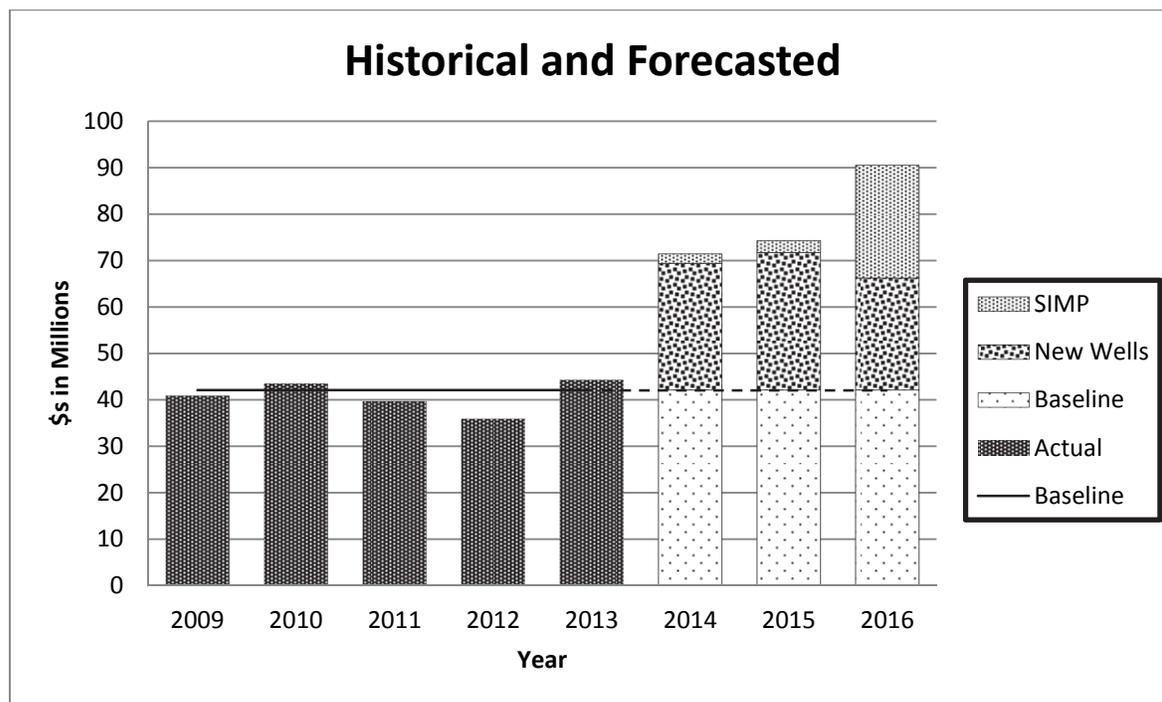
Difference	2014	2015	2016	Total
00419A.001	-642	0	0	-642
00419E.001	-939	0	0	-939
00419F.001	-1,096	0	0	-1,096
00419M.001	-427	0	0	-427
Total	-3,104	0	0	-3,104

Table PEB-10
Southern California Gas Company
Capital Expenditures Summary of Costs
(Thousands of \$2013)

Category Description	2013 Recorded	2014 Estimated	2015 Estimated	2016 Estimated
Storage Compressors	\$8,991	\$7,790	\$7,790	\$7,790
Storage Wells	\$10,976	\$31,890	\$34,360	\$36,977
Storage Integrity Management Program	\$0	\$2,008	\$2,510	\$24,272
Storage Pipelines	\$4,005	\$6,546	\$10,083	\$4,931
Storage Purification Systems	\$9,284	\$8,796	\$7,605	\$7,605
Storage Auxiliary Systems	\$11,058	\$14,398	\$11,922	\$8,948
Total Capital:	\$44,313	\$71,429	\$74,270	\$90,523

Figure PEB-6 below presents the Total Capital summary of Table PEB-10 in a graphical format.

Figure PEB-6
Southern California Gas Company
Historical and Forecasted Total Capital by Year



Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

5. SCG-07 (Exh 25) - GAS ENGINEERING

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2EN000.000	(1,455)	2A5-a1
2. 2EN001.000	(342)	2A5-a2
3. 2EN002.000	(283)	2A5-a3
4. 2EN003.000	(222)	2A5-a4
5. 2EN004.000	(343)	2A5-a5

CHAPTER 2A5-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-07
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

NONSHARED O&M

Subject: Gas Engineering
Workpaper: 2EN000.000

SoCalGas Position: SoCalGas requests \$8.223 million, an increase of \$2.061 million above the 2013 recorded amount of \$6.162 million for 2016.

\$8.223 million Gas Engineering
\$1.613 million Land & Right of Way
\$1.945 million Major Projects
\$1.951 million Emergency Services
\$1.218 million Public Awareness
\$14.950 million Total Request

Exhibit SCG-07, p. RKS-8

ORA Position: SCG shows in its Workpapers that it forecasts O&M expenses of \$13.224 million for 2014, which is \$2.645 million above the 2014 adjusted-recorded. The historical data shows that the 2014 adjusted-recorded data is generally consistent with the data from 2009 to 2013. ORA recommends that for non-shared operations, the SCG's requested incremental increases from 2014 to 2016 be allowed, but adjusted to reflect the use of the 2014 recorded-adjusted amount instead of the 2014 forecast as the baseline for the incremental increases. ORA recommends a reduction of \$1.455 million to Gas Engineering.

<\$1.455> million Gas Engineering
<\$0.283> million Land & Right of Way
<\$0.342> million Major Projects
<\$0.222> million Public Awareness
<\$0.343> million Emergency Services
<\$2.645> million Total Reduction

Exhibit ORA-11, p. 13-14

Note: Land & Right of Way is grouped under subgroup Gas Engineering in the testimony (SCG-07), there is a difference of \$0.007 million in subgroup Gas Engineering when comparing SCG-07 table RKS-4 to the workpaper group. This difference is offset in the Land & Right of Way workpaper group.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	6,503	5,352	-1,151
NonLabor	1,727	1,423	-304
Nonstandard	0	0	0
TOTAL	8,230	6,775	-1,455

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Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-07
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

NONSHARED O&M

Subject: Major Projects
Workpaper: 2EN001.000

SoCalGas Position: For Major Projects, SoCalGas requests \$1.945 million, an increase of \$1.456 million above the 2013 recorded amount of \$0.489 million for 2016.

\$8.223 million Gas Engineering
\$1.613 million Land & Right of Way
\$1.945 million Major Projects
\$1.951 million Emergency Services
\$1.218 million Public Awareness
\$14.950 million Total Request

Exhibit SCG-07, p. RKS-8

ORA Position: SCG shows in its Workpapers that it forecasts O&M expenses of \$13.224 million for 2014, which is \$2.645 million above the 2014 adjusted-recorded. The historical data shows that the 2014 adjusted-recorded data is generally consistent with the data from 2009 to 2013. ORA recommends that for non-shared operations, the SCG's requested incremental increases from 2014 to 2016 be allowed, but adjusted to reflect the use of the 2014 recorded-adjusted amount instead of the 2014 forecast as the baseline for the incremental increases. ORA recommends a reduction of \$0.342 million to Major Projects.

<\$1.455> million Gas Engineering
<\$0.283> million Land & Right of Way
<\$0.342> million Major Projects
<\$0.222> million Public Awareness
<\$0.343> million Emergency Service
<\$2.645> million Total Reduction

Exhibit ORA-11, p. 13-14

Note: ORA's position and reductions for Gas Engineering O&M workpapers do not correlate to ORA's recommendation to use 2014 recorded-adjusted as the base plus allows the incremental increases from 2014 to 2016. One example is workpaper Major Projects which resulted in 2014 recorded-adjusted higher than SoCalGas' 2014 forecast. Hence, the TY2016 for workpapers like Major Projects should not be a reduction if the incremental increases are allowed for workpapers where the 2014 recorded-adjusted values were higher than SoCalGas' 2014 forecast.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	1,318	1,085	-233

CHAPTER 2A5-a2

NonLabor	627	518	-109
Nonstandard	0	0	0
TOTAL	1,945	1,603	-342

CHAPTER 2A5-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-07
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

NONSHARED O&M

Subject: Land Services and Right of Way
Workpaper: 2EN002.000

SoCalGas Position: SoCalGas requests \$1.613 million, an increase of \$0.278 million above the 2013 recorded amount of \$1.335 million for 2016.

\$8.223 million Gas Engineering
\$1.613 million Land & Right of Way
\$1.945 million Major Projects
\$1.951 million Emergency Services
\$1.218 million Public Awareness
\$14.950 million Total Request

Exhibit SCG-07, p. RKS-8

ORA Position: SCG shows in its Workpapers that it forecasts O&M expenses of \$13.224 million for 2014, which is \$2.645 million above the 2014 adjusted-recorded. The historical data shows that the 2014 adjusted-recorded data is generally consistent with the data from 2009 to 2013. ORA recommends that for non-shared operations, the SCG's requested incremental increases from 2014 to 2016 be allowed, but adjusted to reflect the use of the 2014 recorded-adjusted amount instead of the 2014 forecast as the baseline for the incremental increases. ORA recommends a reduction of \$0.283 million to Land & Right of Way.

<\$1.455> million Gas Engineering
<\$0.283> million Land & Right of Way
<\$0.342> million Major Projects
<\$0.222> million Public Awareness
<\$0.343> million Emergency Services
<\$2.645> million Total Reduction

Exhibit ORA-11, p. 13-14

Note: Land & Right of Way is grouped under subgroup Gas Engineering in the testimony (SCG-07), there is a difference of \$0.007 million in subgroup Gas Engineering when comparing SCG-07 table RKS-4 to the workpaper group. This difference is offset in the Land & Right of Way workpaper group.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	574	472	-102
NonLabor	1,034	853	-181
Nonstandard	0	0	0

CHAPTER 2A5-a3

TOTAL	1,608	1,325	-283
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CHAPTER 2A5-a4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-07
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

NONSHARED O&M

Subject: Public Awareness
Workpaper: 2EN003.000

SoCalGas Position: SoCalGas requests \$1.218 million, an increase of \$0.439 million above the 2013 recorded amount of \$0.779 million for 2016.

\$8.223 million Gas Engineering
\$1.613 million Land & Right of Way
\$1.945 million Major Projects
\$1.951 million Emergency Services
\$1.218 million Public Awareness
\$14.950 million Total Request

Exhibit SCG-07, p. RKS-8

ORA Position: SCG shows in its Workpapers that it forecasts O&M expenses of \$13.224 million for 2014, which is \$2.645 million above the 2014 adjusted-recorded. The historical data shows that the 2014 adjusted-recorded data is generally consistent with the data from 2009 to 2013. ORA recommends that for non-shared operations, the SCG's requested incremental increases from 2014 to 2016 be allowed, but adjusted to reflect the use of the 2014 recorded-adjusted amount instead of the 2014 forecast as the baseline for the incremental increases. ORA recommends a reduction of \$0.222 million to Public Awareness.

<\$1.455> million Gas Engineering
<\$0.283> million Land & Right of Way
<\$0.342> million Major Projects
<\$0.222> million Public Awareness
<\$0.343> million Emergency Services
<\$2.645> million Total Reduction

Exhibit ORA-11, p. 13-14

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	1,218	996	-222
Nonstandard	0	0	0
TOTAL	1,218	996	-222

CHAPTER 2A5-a5

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-07
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

NONSHARED O&M

Subject: Emergency Services
Workpaper: 2EN004.000

SoCalGas Position: SoCalGas requests \$1.951 million, an increase of \$0.826 million above the 2013 recorded amount of \$1.125 million for 2016.

\$8.223 million Gas Engineering
\$1.613 million Land & Right of Way
\$1.945 million Major Projects
\$1.951 million Emergency Services
\$1.218 million Public Awareness
\$14.950 million Total Request

Exhibit SCG-07, p. RKS-8

ORA Position: SCG shows in its Workpapers that it forecasts O&M expenses of \$13.224 million for 2014, which is \$2.645 million above the 2014 adjusted-recorded. The historical data shows that the 2014 adjusted-recorded data is generally consistent with the data from 2009 to 2013. ORA recommends that for non-shared operations, the SCG's requested incremental increases from 2014 to 2016 be allowed, but adjusted to reflect the use of the 2014 recorded-adjusted amount instead of the 2014 forecast as the baseline for the incremental increases. ORA recommends a reduction of \$0.343 million to Emergency Services.

<\$1.455> million Gas Engineering
<\$0.283> million Land & Right of Way
<\$0.342> million Major Projects
<\$0.222> million Public Awareness
<\$0.343> million Emergency Services
<\$2.645> million Total Reduction

Exhibit ORA-11, p. 13-14

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	1,548	1,274	-274
NonLabor	403	334	-69
Nonstandard	0	0	0
TOTAL	1,951	1,608	-343

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

5. SCG-07 (Exh 25) - GAS ENGINEERING

b. O&M - SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2EN00A-USS.ALL	(2,209)	2A5-b1
2. 2EN00B-USS.ALL	(115)	2A5-b2
3. 2EN00C-USS.ALL	(68)	2A5-b3
4. 2EN00D-USS.ALL	(50)	2A5-b4

CHAPTER 2A5-b1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-07
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

SHARED SERVICES O&M

Subject: General Engineering
Workpaper: 2EN00A-USS.ALL

SoCalGas Position: SoCalGas requests \$17.346 million, an increase of \$3.696 million above the 2013 recorded amount of \$13.650 million for 2016.

\$17.346 million Gas Engineering
\$0.901 million Pipeline Design & Gas Standards
\$0.536 million Pipeline Safety & Compliance
\$0.395 million Public Awareness
\$19.178 million Total Request

Exhibit SCG-07, p. RKS-29

ORA Position: SoCalGas' requested amount for shared operation is \$19.178 million as compared to the 2013 adjusted-recorded amount of \$14.826 million. For shared operation, SCG forecasts O&M expenses of \$17.434 million for 2014, which is \$2.441 million over the 2014 adjusted-recorded. ORA recommends that the SCG's requested incremental increases from 2014 to 2016 be allowed, but adjusted to reflect the use of the 2014 recorded-adjusted amount instead of the 2014 forecast as the baseline for the incremental increases. ORA recommends a reduction of \$2.209 million to General Engineering.

<\$2.209> million General Engineering
<\$0.115> million Pipeline Design & Gas Standards
<\$0.068> million Pipeline Safety & Compliance
<\$0.050> million Public Awareness
<\$2.442> million Total Reduction

Exhibit ORA-11, p. 13-14

CHAPTER 2A5-b1

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-0225.000	410	75	0	485
2200-0300.000	420	20	0	440
2200-0302.000	180	8	0	188
2200-0303.000	922	120	0	1,042
2200-0306.000	1,376	601	0	1,977
2200-0308.000	0	480	0	480
2200-0309.000	515	229	0	744
2200-0310.000	1,040	256	0	1,296
2200-0311.000	849	104	0	953
2200-0312.000	996	171	0	1,167
2200-0318.000	252	182	0	434
2200-0321.000	442	36	0	478
2200-0323.000	30	5	0	35
2200-0799.000	610	413	0	1,023
2200-1178.000	1,536	316	0	1,852
2200-2022.000	966	130	0	1,096
2200-2248.000	583	126	0	709
2200-2376.000	1,368	759	0	2,127
2200-2377.000	799	22	0	821
Total	13,294	4,053	0	17,347

ORA	Labor	NLbr	NSE	Total
2200-0225.000	358	65	0	423
2200-0300.000	367	17	0	384
2200-0302.000	157	7	0	164
2200-0303.000	804	105	0	909
2200-0306.000	1,200	524	0	1,724
2200-0308.000	0	419	0	419
2200-0309.000	450	200	0	650
2200-0310.000	908	224	0	1,132
2200-0311.000	741	91	0	832
2200-0312.000	870	149	0	1,019
2200-0318.000	220	159	0	379
2200-0321.000	386	31	0	417
2200-0323.000	26	4	0	30
2200-0799.000	533	361	0	894
2200-1178.000	1,340	275	0	1,615
2200-2022.000	843	113	0	956
2200-2248.000	509	110	0	619
2200-2376.000	1,193	662	0	1,855
2200-2377.000	697	20	0	717
Total	11,602	3,536	0	15,138

Difference	Labor	NLbr	NSE	Total
2200-0225.000	-52	-10	0	-62
2200-0300.000	-53	-3	0	-56
2200-0302.000	-23	-1	0	-24
2200-0303.000	-118	-15	0	-133
2200-0306.000	-176	-77	0	-253
2200-0308.000	0	-61	0	-61
2200-0309.000	-65	-29	0	-94
2200-0310.000	-132	-32	0	-164
2200-0311.000	-108	-13	0	-121
2200-0312.000	-126	-22	0	-148
2200-0318.000	-32	-23	0	-55

CHAPTER 2A5-b1

2200-0321.000	-56	-5	0	-61
2200-0323.000	-4	-1	0	-5
2200-0799.000	-77	-52	0	-129
2200-1178.000	-196	-41	0	-237
2200-2022.000	-123	-17	0	-140
2200-2248.000	-74	-16	0	-90
2200-2376.000	-175	-97	0	-272
2200-2377.000	-102	-2	0	-104
Total	-1,692	-517	0	-2,209

CHAPTER 2A5-b2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-07
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

SHARED SERVICES O&M

Subject: Pipeline Design & Gas Standards
Workpaper: 2EN00B-USS.ALL

SoCalGas Position: SoCalGas requests \$0.901 million, an increase of \$0.164 million above the 2013 recorded amount of \$0.737 million for 2016.

\$17.346 million Gas Engineering
\$0.901 million Pipeline Design & Gas Standards
\$0.536 million Pipeline Safety & Compliance
\$0.395 million Public Awareness
\$19.178 million Total Request

Exhibit SCG-07, p. RKS-29

ORA Position: SoCalGas' requested amount for shared operation is \$19.178 million as compared to the 2013 adjusted-recorded amount of \$14.826 million. For shared operation, SCG forecasts O&M expenses of \$17.434 million for 2014, which is \$2.441 million over the 2014 adjusted-recorded. ORA recommends that the SCG's requested incremental increases from 2014 to 2016 be allowed, but adjusted to reflect the use of the 2014 recorded-adjusted amount instead of the 2014 forecast as the baseline for the incremental increases. ORA recommends a reduction of \$0.115 million to Pipeline Design & Gas Standards.

<\$2.209> million General Engineering
<\$0.115> million Pipeline Design & Gas Standards
<\$0.068> million Pipeline Safety & Compliance
<\$0.050> million Public Awareness
<\$2.442> million Total Reduction

Exhibit ORA-11, p. 13-14

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-0322.000	793	109	0	902
Total	793	109	0	902
ORA	Labor	NLbr	NSE	Total
2200-0322.000	692	95	0	787
Total	692	95	0	787
Difference	Labor	NLbr	NSE	Total
2200-0322.000	-101	-14	0	-115
Total	-101	-14	0	-115

CHAPTER 2A5-b3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-07
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

SHARED SERVICES O&M

Subject: Pipeline Safety & Compliance
Workpaper: 2EN00C-USS.ALL

SoCalGas Position: SoCalGas requests \$0.536 million, an increase of \$0.270 million above the 2013 recorded amount of \$0.266 million for 2016.

\$17.346 million Gas Engineering
\$0.901 million Pipeline Design & Gas Standards
\$0.536 million Pipeline Safety & Compliance
\$0.395 million Public Awareness
\$19.178 million Total Request

Exhibit SCG-07, p. RKS-29

ORA Position: SoCalGas' requested amount for shared operation is \$19.178 million as compared to the 2013 adjusted-recorded amount of \$14.826 million. For shared operation, SCG forecasts O&M expenses of \$17.434 million for 2014, which is \$2.441 million over the 2014 adjusted-recorded. ORA recommends that the SCG's requested incremental increases from 2014 to 2016 be allowed, but adjusted to reflect the use of the 2014 recorded-adjusted amount instead of the 2014 forecast as the baseline for the incremental increases. ORA recommends a reduction of \$0.068 million to Pipeline Safety & Compliance.

<\$2.209> million General Engineering
<\$0.115> million Pipeline Design & Gas Standards
<\$0.068> million Pipeline Safety & Compliance
<\$0.050> million Public Awareness
<\$2.442> million Total Reduction

Exhibit ORA-11, p. 13-14

Proposed TY2016 Forecast (in thousands of 2013 dollars)

	Labor	NLbr	NSE	Total
SCG				
2200-2473.000	441	94	0	535
Total	441	94	0	535
ORA				
2200-2473.000	385	82	0	467
Total	385	82	0	467
Difference				
2200-2473.000	-56	-12	0	-68
Total	-56	-12	0	-68

CHAPTER 2A5-b4

Southern California Gas Company
 2016 Test Year GRC A-14-11-004
 ORA Differences to SoCalGas Requests

Exhibit No.: SCG-07
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

SHARED SERVICES O&M

Subject: Public Awareness
Workpaper: 2EN00D-USS.ALL

SoCalGas Position: SoCalGas requests \$0.395 million, an increase of \$0.221 million above the 2013 recorded amount of \$0.174 million for 2016.

\$17.346 million Gas Engineering
 \$0.901 million Pipeline Design & Gas Standards
 \$0.536 million Pipeline Safety & Compliance
 \$0.395 million Public Awareness
 \$19.178 million Total Request

Exhibit SCG-07, p. RKS-29

ORA Position: SoCalGas' requested amount for shared operation is \$19.178 million as compared to the 2013 adjusted-recorded amount of \$14.826 million. For shared operation, SCG forecasts O&M expenses of \$17.434 million for 2014, which is \$2.441 million over the 2014 adjusted-recorded. ORA recommends that the SCG's requested incremental increases from 2014 to 2016 be allowed, but adjusted to reflect the use of the 2014 recorded-adjusted amount instead of the 2014 forecast as the baseline for the incremental increases. ORA recommends a reduction of \$0.050 million to Public Awareness.

<\$2.209> million General Engineering
 <\$0.115> million Pipeline Design & Gas Standards
 <\$0.068> million Pipeline Safety & Compliance
 <\$0.050> million Public Awareness
 <\$2.442> million Total Reduction

Exhibit ORA-11, p. 13-14

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-2417.000	245	150	0	395
Total	245	150	0	395

ORA	Labor	NLbr	NSE	Total
2200-2417.000	214	131	0	345
Total	214	131	0	345

Difference	Labor	NLbr	NSE	Total
2200-2417.000	-31	-19	0	-50
Total	-31	-19	0	-50

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

5. SCG-07 (Exh 25) - GAS ENGINEERING

c. CAPITAL

Project	ORA vs. SoCalGas (2014+2015+2016)	Reference
1. 00301.0.ALL	(29,791)	2A5-c1

CHAPTER 2A5-c1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-07
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

CAPITAL EXPENDITURES

Project: GT Capital New Add/CP/M&R Stations/Aux/Storage & Transmission Buildings
Budget Code: 00301.0.ALL

SoCalGas Position: SoCalGas' total capital expenditures request for 2014 is \$64.102 million, for 2015 is \$103.795 million, and for 2016 is \$141.595 million. The significant increases forecasted for 2015 and 2016 are primarily due to SCG's requests for compressor station upgrades and compressor change-outs, cathodic protection upgrades, and transmission building upgrades and enhancements.

Exhibit SCG-07, p. RKS-50

ORA Position: ORA recommends \$47.059 million for 2014, \$86,881 million for 2015, and \$145,756 million for 2016. ORA supports many of the projects to enhance safety and system reliability, such as in the areas of cathodic protection, compressor station upgrades, measurement and regulation (M&R) station enhancements, and storage and transmission building upgrades and enhancements. ORA recommends adopting the 2014 adjusted-recorded expenditures in all categories.

In Cathodic Protection, ORA recommends capital expenditures for 2015 at \$2 million, a reduction of \$6.986 million.

In M&R Stations, ORA recommends capital expenditures of \$5.985 million for 2015 and \$8.347 million for 2016.

In Auxiliary Equipment, ORA recommends 2015 capital expenditures at \$8.201 million, ORA does not oppose SCG's forecast of \$6.879 million for 2016.

Note: ORA position continued: In Storage Buildings and Transmission Buildings, ORA recommends SCG stretch out both projects into 2016 with half the work done in 2015 and the rest done in 2016. With this plan, ORA recommends that the capital expenditures for Storage Building be \$0.795 million in 2015 and \$0.819 million in 2016, and for Transmission Building, the expenditures would be \$4.340 million in 2015 and \$4.351 million in 2016.

Exhibit ORA-11, p. 15-19

*ORA's 2014 recommendations for Compressor Stations is updated to to \$7.510 million and M&R Stations to \$7.724 million.

SEU-ORA-DR-11, Question 1

**SoCalGas adopts ORA's capital recommendation for 2014.

CHAPTER 2A5-c1

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014	2015	2016	Total
00301A.001	6,042	9,063	0	15,105
00301F.001	11,803	1,782	10,845	24,430
003020.001	3,074	0	0	3,074
003020.002	3,049	6,706	4,065	13,820
00305A.001	1,544	0	0	1,544
00305B.001	5,013	0	0	5,013
00305E.001	3,124	2,953	101	6,178
00305J.001	202	202	202	606
00308A.001	1,543	0	0	1,543
00308B.001	3,582	6,149	7,171	16,902
00308C.001	2,866	3,274	2,150	8,290
00309A.001	1,274	0	0	1,274
00309C.001	2,929	3,394	3,394	9,717
00309D.001	2,676	0	0	2,676
00309D.002	0	5,353	0	5,353
003130.001	224	224	224	672
003130.002	226	226	226	678
00314A.001	3,090	0	0	3,090
00314A.002	2,331	0	0	2,331
00314C.001	1,661	0	0	1,661
00314D.001	284	0	0	284
00314D.002	1,136	0	0	1,136
00314F.001	203	893	0	1,096
00314H.001	1,174	855	0	2,029
00314I.001	0	409	0	409
003160.001	1,332	8,986	8,986	19,304
006170.001	149	149	149	447
006320.001	24	1,589	24	1,637
006330.001	480	8,679	11	9,170
007300.001	485	485	485	1,455
007360.001	687	687	687	2,061
009080.001	1,895	2,318	2,509	6,722
Total	64,102	64,376	41,229	169,707

ORA	2014	2015	2016	Total
00301A.001	128	9,063	0	9,191
00301F.001	-202	1,782	10,845	12,425
003020.001	4,836	0	0	4,836
003020.002	0	6,706	4,065	10,771
00305A.001	1,012	0	0	1,012
00305B.001	4,101	0	0	4,101
00305E.001	386	2,953	101	3,440
00305J.001	6,112	202	202	6,516
00308A.001	337	0	0	337
00308B.001	1,441	3,903	6,422	11,766
00308C.001	1,845	2,082	1,925	5,852
00309A.001	749	0	0	749
00309C.001	4,493	3,394	3,394	11,281
00309D.001	282	0	0	282
00309D.002	0	3,998	0	3,998
003130.001	6	224	224	454
003130.002	0	226	226	452
00314A.001	9,153	0	0	9,153
00314A.002	0	0	0	0
00314C.001	1,106	0	0	1,106

CHAPTER 2A5-c1

00314D.001	27	0	0	27
00314D.002	0	0	0	0
00314F.001	0	893	0	893
00314H.001	77	855	0	932
00314I.001	5,030	409	0	5,439
003160.001	1,787	2,000	8,986	12,773
006170.001	353	149	149	651
006320.001	0	795	819	1,614
006330.001	331	4,340	4,351	9,022
007300.001	482	485	485	1,452
007360.001	1,013	687	687	2,387
009080.001	2,177	2,318	2,509	7,004
Total	47,062	47,464	45,390	139,916

Difference	2014	2015	2016	Total
00301A.001	-5,914	0	0	-5,914
00301F.001	-12,005	0	0	-12,005
003020.001	1,762	0	0	1,762
003020.002	-3,049	0	0	-3,049
00305A.001	-532	0	0	-532
00305B.001	-912	0	0	-912
00305E.001	-2,738	0	0	-2,738
00305J.001	5,910	0	0	5,910
00308A.001	-1,206	0	0	-1,206
00308B.001	-2,141	-2,246	-749	-5,136
00308C.001	-1,021	-1,192	-225	-2,438
00309A.001	-525	0	0	-525
00309C.001	1,564	0	0	1,564
00309D.001	-2,394	0	0	-2,394
00309D.002	0	-1,355	0	-1,355
003130.001	-218	0	0	-218
003130.002	-226	0	0	-226
00314A.001	6,063	0	0	6,063
00314A.002	-2,331	0	0	-2,331
00314C.001	-555	0	0	-555
00314D.001	-257	0	0	-257
00314D.002	-1,136	0	0	-1,136
00314F.001	-203	0	0	-203
00314H.001	-1,097	0	0	-1,097
00314I.001	5,030	0	0	5,030
003160.001	455	-6,986	0	-6,531
006170.001	204	0	0	204
006320.001	-24	-794	795	-23
006330.001	-149	-4,339	4,340	-148
007300.001	-3	0	0	-3
007360.001	326	0	0	326
009080.001	282	0	0	282
Total	-17,040	-16,912	4,161	-29,791

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

6. SCG-08 (Exh 49) - TIMP & DIMP

a. CAPITAL

Project	ORA vs. SoCalGas (2014+2015+2016)	Reference
1. 00276.0.ALL	(1,303)	2A6-a1
2. 00277.0.ALL	(1,164)	2A6-a2
3. 00312.0.ALL	580	2A6-a3

CHAPTER 2A6-a1

Southern California Gas Company
 2016 Test Year GRC A-14-11-004
 ORA Differences to SoCalGas Requests

Exhibit No.: SCG-08
Area: TIMP & DIMP
Witness: Martinez, Maria T.

CAPITAL EXPENDITURES

Project: Projs to Sup Trans. - PIP
Budget Code: 00276.0.ALL

SoCalGas Position: SoCalGas forecasted capital expenditures of \$3.048 million for 2014, \$3.048 million for 2015, and \$5.080 million for 2016. The forecast method developed for this cost category is zero-based.

Exhibit SCG-08, p. MTM-20-21

ORA Position: ORA recommends adopting the 2014 adjusted-recorded TIMP expenditures of \$1.745 million. ORA accepts SCG's forecast of \$3.048 million for 2015 and \$5.080 million for 2016

Exhibit ORA-11, p. 24

Note: TIMP is comprised of two sub-workpaper groups.

(In million dollars)

2014	2015	2016	
3.048	3.048	5.080	Projs to Sup Trans. - PIP (BC 276)
34.834	20.269	45.721	GT PL Rpls / Externally Driven (BC 312)
37.882	23.317	50.801	Total TIMP

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014	2015	2016	Total
002760.001	3,048	3,048	5,080	11,176
Total	3,048	3,048	5,080	11,176

ORA	2014	2015	2016	Total
002760.001	1,745	3,048	5,080	9,873
Total	1,745	3,048	5,080	9,873

Difference	2014	2015	2016	Total
002760.001	-1,303	0	0	-1,303
Total	-1,303	0	0	-1,303

CHAPTER 2A6-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-08
Area: TIMP & DIMP
Witness: Martinez, Maria T.

CAPITAL EXPENDITURES

Project: Distribution Integrity Management
Budget Code: 00277.0.ALL

SoCalGas Position: SoCalGas forecasted capital expenditures of \$15.160 million for 2014, \$25.320 million for 2015, and \$74.383 million for 2016. The forecast method developed for this cost category is zero-based.

Exhibit SCG-08, p. MTM-21-23

ORA Position: ORA supports this program to replace these older or more vulnerable distribution lines. ORA recommends adopting the 2014 adjusted-recorded DIMP expenditures of \$13.996 million, and accepts SCG's forecast of \$25.320 million for 2015 and \$74.383 million for 2016.

Exhibit ORA-11, p. 24

Proposed Capital Expenditures (in thousands of 2013 dollars)

	2014	2015	2016	Total
SCG				
002770.001	15,160	25,320	74,383	114,863
Total	15,160	25,320	74,383	114,863
ORA				
002770.001	13,996	25,320	74,383	113,699
Total	13,996	25,320	74,383	113,699
Difference				
002770.001	-1,164	0	0	-1,164
Total	-1,164	0	0	-1,164

CHAPTER 2A6-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-08
Area: TIMP & DIMP
Witness: Martinez, Maria T.

CAPITAL EXPENDITURES

Project: GT PL Rpls / Externally Driven
Budget Code: 00312.0.ALL

SoCalGas Position: SoCalGas forecasted capital expenditures of \$34.834 million for 2014, \$20.269 million for 2015, and \$45.721 million for 2016. The forecast method developed for this cost category is zero-based.

Exhibit SCG-08, p. MTM-20-21

ORA Position: ORA recommends adopting the 2014 adjusted-recorded TIMP expenditures of \$37.159 million. ORA accepts SCG's forecast of \$23.317 million for 2015 and \$50.801 million for 2016

Exhibit ORA-11, p. 24

Note: TIMP is comprised of two sub-workpaper groups.

(In million dollars)

2014	2015	2016	
3.048	3.048	5.080	Projs to Sup Trans. - PIP (BC 276)
34.834	20.269	45.721	GT PL Rpls / Externally Driven (BC 312)
37.882	23.317	50.801	Total TIMP

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014	2015	2016	Total
P03120.001	34,834	20,269	45,721	100,824
Total	34,834	20,269	45,721	100,824

ORA	2014	2015	2016	Total
P03120.001	35,414	20,269	45,721	101,404
Total	35,414	20,269	45,721	101,404

Difference	2014	2015	2016	Total
P03120.001	580	0	0	580
Total	580	0	0	580

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

7. SCG-10 (Exh 89) - CS - FIELD & METER READING

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2FC001.000	(15,225)	2A7-a1
2. 2FC002.000	(1,124)	2A7-a2
3. 2FC004.000	(1,590)	2A7-a3

CHAPTER 2A7-a1

Southern California Gas Company
 2016 Test Year GRC A-14-11-004
 ORA Differences to SoCalGas Requests

Exhibit No.: SCG-10
Area: CS - FIELD & METER READING
Witness: Franke, Sara

NONSHARED O&M

Subject: Customer Services Field - Operations
Workpaper: 2FC001.000

SoCalGas Position: SoCalGas forecasts \$127.945 million for Customer Services Field (CSF) -Operations expenses, an increase of \$22.037 million over 2013 adjusted-recorded expenses of \$105.908 million. SoCalGas utilized an activity based forecast of order volumes. The order volume forecasts for each individual work order type take into consideration the nature of the specific order type, variables impacting order volumes and order volume patterns during the period from 2005-2013. SoCalGas then added expenses for various incremental activities including the Meter Set Assembly (MSA) Inspection Program, new enhanced customer education and appliance safety checks and customer outreach safety checks, and improved field technician training.

Exhibit SCG-10, pp. SAF-6-10, SAF-23

ORA Position: ORA used a six year average (2009-2014) as a basis and adjusted for proposed activities to calculate its estimate of \$112.720 million for SCG's expenses. ORA recommends incremental funding of \$1.738 million over 2013 recorded expense levels for expanded Appliance Safety Checks, enhanced Customer Education, and Customer Outreach Safety Checks.

Exhibit ORA-13, pp. 45-61 for SCG's CSF Operations

Note: SoCalGas' forecast for its CSF Operations includes incremental funding for expanded Appliance Safety Checks, enhanced Customer Education, and Customer Outreach Safety Checks. ORA recommends that SoCalGas should conduct pilot programs to track customers' interest and related costs so that more specific details can be provided to the Commission for review and analysis. In SoCalGas' next GRC, SoCalGas should be ordered to provide specific details on the program.

Exhibit ORA-13, pp. 54, 56-57

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	120,942	105,384	-15,558
NonLabor	7,003	7,336	333
Nonstandard	0	0	0
TOTAL	127,945	112,720	-15,225

CHAPTER 2A7-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-10
Area: CS - FIELD & METER READING
Witness: Franke, Sara

NONSHARED O&M

Subject: Customer Services Field - Supervision
Workpaper: 2FC002.000

SoCalGas Position: SoCalGas forecasts \$13.388 million for CSF-Supervision expenses, an increase of \$2.270 million over 2013 adjusted-recorded expenses of \$11.118 million. SoCalGas utilized a zero-based forecast methodology in order to appropriately maintain the desired span of control. SoCalGas' forecasted expense is based on maintaining the 2013 average employee-to-supervisor ratio of 12:1 for field technicians and 20:1 for MSA inspection personnel.

Exhibit SCG-10, pp. SAF-24-25

ORA Position: ORA utilized a five-year average (2009-2013) as a basis to calculate its estimate of \$12.264 million for SCG's expenses.

Exhibit ORA-13, pp. 61-64 for SCG's CSF Supervision

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	12,158	11,124	-1,034
NonLabor	1,230	1,140	-90
Nonstandard	0	0	0
TOTAL	13,388	12,264	-1,124

CHAPTER 2A7-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-10
Area: CS - FIELD & METER READING
Witness: Franke, Sara

NONSHARED O&M

Subject: Customer Services Field - Support
Workpaper: 2FC004.000

SoCalGas Position: SoCalGas forecasts \$12.623 million for TY 2016 CSF-Support expenses. SoCalGas' forecast is an increase of \$2.865 million over 2013 adjusted-recorded expenses of \$9.758 million. SoCalGas utilized a five-year average methodology to forecast its TY 2016 expenses, and then added funding for additional positions to support new programs.

Exhibit SCG-10, p. SAF-27

ORA Position: ORA utilized SCG's 2013 adjusted-recorded expenses of \$9.758 million as a basis for its estimate of \$11.033 million and added incremental funding for proposed TY 2016 activities of \$1.275 million.

Exhibit ORA-13, pp. 65-69 for SCG's CSF Support

Note: SoCalGas accepted ORA's proposed funding level of \$13,333 (versus \$40,000) for the one-time purchase of new audio visual equipment, resulting in a 2016 forecast reduction of -\$26,670.

Exhibit SCG-210, p. SAF-75

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	10,980	9,587	-1,393
NonLabor	1,643	1,446	-197
Nonstandard	0	0	0
TOTAL	12,623	11,033	-1,590

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

7. SCG-10 (Exh 89) - CS - FIELD & METER READING

b. O&M - SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2FC00A-USS.ALL	(669)	2A7-b1

CHAPTER 2A7-b1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-10
Area: CS - FIELD & METER READING
Witness: Franke, Sara

SHARED SERVICES O&M

Subject: Customer Service Field
Workpaper: 2FC00A-USS.ALL

SoCalGas Position: SoCalGas forecasts \$2.406 million for its Customer Services Field shared O&M expenses for TY 2016. SoCalGas' forecast is an increase of \$0.835 million over its 2013 adjusted-recorded expenses of \$1.571 million. SoCalGas utilized a five-year average methodology to forecast its TY 2016 shared expenses plus incremental expenses for additional positions.

Exhibit SCG-10, pp. SAF-44-47

ORA Position: ORA utilized a five-year average (2009-2013) as a basis for its estimate of \$1.737 million for SCG's expenses.

Exhibit ORA-13, pp. 69-71 for SCG's CSF Shared Expenses

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-0942.000	2,275	131	0	2,406
Total	2,275	131	0	2,406
ORA	Labor	NLbr	NSE	Total
2200-0942.000	1,634	103	0	1,737
Total	1,634	103	0	1,737
Difference	Labor	NLbr	NSE	Total
2200-0942.000	-641	-28	0	-669
Total	-641	-28	0	-669

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

8. SCG-11 (Exh 110) - CS - OFFICE OPERATIONS

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 200000.000	(3,702)	2A8-a1
2. 200001.000	(1,191)	2A8-a2
3. 200006.000	(758)	2A8-a3

CHAPTER 2A8-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-11
Area: CS - OFFICE OPERATIONS
Witness: Goldman, Evan D.

NONSHARED O&M

Subject: CCC - Operations
Workpaper: 200000.000

SoCalGas Position: SCG forecasts \$34.924 million for its Customer Contact Center - Operations (CCC) O&M expenses (Labor of \$34.531 million and Non-Labor of \$0.393 million). SCG's forecast of \$34.924 million is an increase of \$3.701 million over 2013 adjusted-recorded expenses of \$31.223 million. SCG utilized its 2013 adjusted-recorded expenses as a basis and then adjusted for proposed activities to calculate its TY 2016 forecast.

Exhibit SCG-11 p. EDG-10

ORA Position: SCG's incremental funding of \$3.701 million includes \$1.259 million for California Alternate Rates for Energy (CARE) program enrollment activities. SCG is also requesting funding for CARE enrollment in its Low Income Programs proceeding.

Exhibit ORA-13, pp. 74-78 for SCG's Customer Contact Center - Operations

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	34,531	30,875	-3,656
NonLabor	393	347	-46
Nonstandard	0	0	0
TOTAL	34,924	31,222	-3,702

CHAPTER 2A8-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-11
Area: CS - OFFICE OPERATIONS
Witness: Goldman, Evan D.

NONSHARED O&M

Subject: CCC - Support
Workpaper: 200001.000

SoCalGas Position: SCG forecasts \$10.381 million for its Customer Contact Center - Support (CCC) O&M expenses (Labor of \$6.923 million and Non-Labor of \$3.458 million). SCG's forecast of \$10.381 million is an increase of \$1.191 million over 2013 adjusted-recorded expenses of \$9.190 million. SCG utilized its 2013 adjusted recorded expenses as a basis and then adjusted for proposed activities to calculate its TY 2016 forecast.

Exhibit SCG-11 p. EDG-23-24

ORA Position: ORA utilized SCG's 2013 adjusted-recorded expenses as a basis for its estimate of \$9.190 million (Labor of \$6.015 million and Non-Labor of \$3.175 million) for SCG's Customer Contact Center - Support O&M expenses. ORA's estimate is \$1.191 million less than SCG's forecast.

Exhibit ORA-13, p. 78-79

Note: A reduction to the base year 2013 and TY 2016 forecast is being made in the amount of \$0.500K to non-labor expenses to remove costs that were identified while responding to data request TURN-SEU-DR-04, question 6 that should have been excluded.

Exhibit SCG-211, p. EDG-20

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	6,923	6,015	-908
NonLabor	3,458	3,175	-283
Nonstandard	0	0	0
TOTAL	10,381	9,190	-1,191

CHAPTER 2A8-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-11
Area: CS - OFFICE OPERATIONS
Witness: Goldman, Evan D.

NONSHARED O&M

Subject: Customer Service Other Office Ops and Technology
Workpaper: 200006.000

SoCalGas Position: SCG forecasts \$4.502 million for its Customer Service - Other Office Operations and Technology O&M expenses (Labor of \$3.582 million and Non-Labor of \$0.920 million). SCG's forecast of \$4.501 million is an increase of \$1.171 million over 2013 adjusted-recorded expenses of \$3.331 million. SCG utilized its 2013 adjusted-recorded expenses as a basis and then adjusted for proposed activities to calculate its TY 2016 forecast.

Exhibit SCG-11 p. EDG-46

ORA Position: ORA utilized SCG's 2014 adjusted-recorded expenses as a basis for its estimate of \$3.744 million (Labor of \$2.718 million and Non-Labor of \$1.026 million) for SCG's Customer Service - Other Office Operations and Technology O&M expenses. ORA's estimate is \$0.758 million less than SCG's forecast and is \$0.413 more than SCG's 2013 adjusted-recorded expenses.

Since ORA used 2014 adjusted-recorded expenses as a basis for its estimate, the figure is unaffected by SoCalGas's base year and TY 2016 adjustment of \$12.650K.

Exhibit ORA-13, p. 80

Note: A reduction to the base year 2013 and TY 2016 forecast is being made in the amount of \$12.650K to non-labor expenses to remove costs that were identified while responding to data request TURN-SEU-DR-04, question 6, that should have been excluded.

Exhibit SCG-211, p EDG-25

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	3,582	2,718	-864
NonLabor	920	1,026	106
Nonstandard	0	0	0
TOTAL	4,502	3,744	-758

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

9. SCG-12-R (Exh 115) - CS - INFORMATION

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2IN001.000	(2,254)	2A9-a1
2. 2IN002.000	(1,057)	2A9-a2
3. 2IN004.000	(2,242)	2A9-a3

CHAPTER 2A9-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-12-R
Area: CS - INFORMATION
Witness: Ayres, Ann D.

NONSHARED O&M

Subject: CI-Customer Engagement & Insights
Workpaper: 2IN001.000

SoCalGas Position: SCG forecasts \$8.891 million for its Customer Engagement & Insights O&M expenses (Labor of \$2.458 million and Non-Labor of \$6.433 million). SCG's forecast of \$8.891 million is an increase of \$2.972 million over 2013 adjusted-recorded expenses of \$5.919 million. SCG utilized a five year average (2009-2013) as a basis and then added incremental funding above the five year average for proposed activities to calculate its TY 2016 forecast.

Exhibit SCG-12-R p. ADA-11

ORA Position: ORA utilized a five year average as a basis for its estimate of \$6.637 million (Labor of \$1.644 million and Non-Labor of \$4.993 million) for SCG's Customer Engagement & Insights O&M expenses. ORA's estimate is \$2.253 million less than SCG's forecast and is \$0.718 million more than SCG's 2013 adjusted-recorded expenses

Exhibit ORA-13, p. 86

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	2,458	1,644	-814
NonLabor	6,433	4,993	-1,440
Nonstandard	0	0	0
TOTAL	8,891	6,637	-2,254

CHAPTER 2A9-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-12-R
Area: CS - INFORMATION
Witness: Ayres, Ann D.

NONSHARED O&M

Subject: CI-Customer Assistance
Workpaper: 2IN002.000

SoCalGas Position: SCG forecasts \$4.253 million for its Customer Assistance O&M expenses (Labor of \$0.178 million and Non-Labor of \$4.075 million). SCG's forecast of \$4.253 million is an increase of \$1.419 million over 2013 adjusted recorded expenses of \$2.834 million. SCG utilized a five year average (2009-2013) as a basis and then added incremental funding above the five year average for proposed activities to calculate its TY 2016 forecast.

Exhibit SCG-12-R p. ADA-31

ORA Position: ORA used a five year average (2009-2013) as a basis for its estimate of \$3.196 million (Labor of \$0.178 million and Non-Labor of \$3.018 million) for SCG's Customer Assistance O&M expenses. ORA's estimate is \$1.057 million less than SCG's forecast.

Exhibit ORA-13, p. 89

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	178	178	0
NonLabor	4,075	3,018	-1,057
Nonstandard	0	0	0
TOTAL	4,253	3,196	-1,057

CHAPTER 2A9-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-12-R
Area: CS - INFORMATION
Witness: Ayres, Ann D.

NONSHARED O&M

Subject: CI-Segment Services
Workpaper: 2IN004.000

SoCalGas Position: SCG forecasts \$9.413 million for its Segment Services O&M expenses (Labor of \$6.564 million and Non-Labor of \$2.849 million). SCG's forecast of \$9.413 million is an increase of \$2.894 million over 2013 adjusted-recorded expenses. SCG utilized a five year average (2009-2013) as the basis and then added incremental funding above the five year average for proposed activities to calculate its TY 2016 forecast.

Exhibit SCG-12-R p. ADA-41

ORA Position: ORA used SCG's 2014 adjusted-recorded expenses as a basis for its estimate of \$7.171 million (Labor of \$5.362 million and Non-Labor of \$1.809 million) for SCG's Segment Services O&M expenses. ORA's estimate is \$2.242 million less than SCG's forecast

Exhibit ORA-13, p. 92

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	6,564	5,362	-1,202
NonLabor	2,849	1,809	-1,040
Nonstandard	0	0	0
TOTAL	9,413	7,171	-2,242

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

10. SCG-13-R (Exh 185) - CS - TECHNOLOGIES, POLICIES & SOLUTIONS

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2RD001.001	(2,330)	2A10-a1

CHAPTER 2A10-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-13-R
Area: CS - TECHNOLOGIES, POLICIES & SOLUTIONS
Witness: Reed, Jeffrey G.

NONSHARED O&M

Subject: R-RD&D CS TECHNOLOGY DEVELOPMENT
Workpaper: 2RD001.001

SoCalGas Position: SoCalGas forecasts \$12.715 million (\$1.575 million labor and \$11.140 million non-labor) for its non-shared Research, Development & Demonstration (RD&D) O&M expenses for TY 2016, which results in an increase of \$4.635 million over 2013 adjusted-recorded expenses of \$8.080 million. SoCalGas utilized a zero-based cost forecast methodology to develop its TY 2016 forecast. RD&D costs are recorded in a one-way balancing account.

Exhibit SCG-13-R, pp. JGR-4-7

ORA Position: ORA's estimate for SoCalGas' non-shared RD&D O&M expenses is \$10.385 million (labor of \$1.304 million and non-labor of \$9.081 million). ORA utilized a five-year average (2009-2013) as a basis to calculate its estimate for RD&D expenses. ORA's estimate is \$2.330 million less than SoCalGas' TY 2016 forecast and is \$2.305 million more than 2013 adjusted-recorded expenses. ORA's estimate of \$10.385 million is \$1.903 million more than 2014 adjusted-recorded expenses of \$8.483 million.

Exhibit ORA-13, p. 97

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	1,575	1,304	-271
NonLabor	11,140	9,081	-2,059
Nonstandard	0	0	0
TOTAL	12,715	10,385	-2,330

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

10. SCG-13-R (Exh 185) - CS - TECHNOLOGIES, POLICIES & SOLUTIONS

b. O&M - SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2RD00A-USS.ALL	(4,006)	2A10-b1
2. 2RD00B-USS.ALL	(730)	2A10-b2

CHAPTER 2A10-b1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-13-R
Area: CS - TECHNOLOGIES, POLICIES & SOLUTIONS
Witness: Reed, Jeffrey G.

SHARED SERVICES O&M

Subject: Policy and Environmental Solutions
Workpaper: 2RD00A-USS.ALL

SoCalGas Position: SoCalGas forecasts \$4.006 million for its Policy and Environmental Solutions (P&ES) O&M expenses (labor of \$1.940 million and non-labor of \$2.066 million). SoCalGas utilized a base year forecast with incremental funding based on a zero-based methodology to calculate its TY 2016 forecast.

Exhibit SCG-13-R, p. JGR-20

ORA Position: ORA recommends zero ratepayer funding in TY 2016 for SoCalGas' P&ES group.

If the Commission does not adopt ORA's recommendation of zero funding for the P&ES group, ORA recommends that the Commission adopt SoCalGas' 2013 adjusted-recorded expenses of \$2.344 million as an expense level for TY 2016 activities. If the Commission adopts the 2013 expense level for TY 2016, ORA also recommends that SoCalGas be required to specifically identify and track all activities (time and employee hours) and costs incurred for efforts to educate policymakers and assist in the development of reasoned legislation.

Exhibit ORA-13, pp. 102-104

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-2288.000	637	199	0	836
2200-2396.000	1,303	1,867	0	3,170
Total	1,940	2,066	0	4,006

ORA	Labor	NLbr	NSE	Total
2200-2288.000	0	0	0	0
2200-2396.000	0	0	0	0
Total	0	0	0	0

Difference	Labor	NLbr	NSE	Total
2200-2288.000	-637	-199	0	-836
2200-2396.000	-1,303	-1,867	0	-3,170
Total	-1,940	-2,066	0	-4,006

CHAPTER 2A10-b2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-13-R
Area: CS - TECHNOLOGIES, POLICIES & SOLUTIONS
Witness: Reed, Jeffrey G.

SHARED SERVICES O&M

Subject: Natural Gas Vehicle Program
Workpaper: 2RD00B-USS.ALL

SoCalGas Position: SoCalGas forecasts \$2.272 million for its Natural Gas Vehicle Program O&M expenses (labor of \$1.111 million and non-labor of \$1.161 million). SoCalGas' forecast of \$2.272 million is an increase of \$0.839 million over 2013 adjusted-recorded expenses of \$1.432 million. SoCalGas utilized a base year forecast plus zero-based increment to calculate its TY 2016 forecast.

Exhibit SCG-13-R, pp. JGR-29-31

ORA Position: ORA utilized a five-year average (2009-2013) as a basis for its estimate of \$1.542 million for SoCalGas' Natural Gas Vehicle Program O&M expenses. ORA's estimate is \$0.730 million less than SoCalGas' forecast.

Exhibit ORA-13, p. 105

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-0234.000	1,111	1,161	0	2,272
Total	1,111	1,161	0	2,272
ORA	Labor	NLbr	NSE	Total
2200-0234.000	651	891	0	1,542
Total	651	891	0	1,542
Difference	Labor	NLbr	NSE	Total
2200-0234.000	-460	-270	0	-730
Total	-460	-270	0	-730

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

11. SCG-14 (Exh 127) - SUPPLY MANAGEMENT

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2SS001.000	(621)	2A11-a1
2. 2SS002.000	(240)	2A11-a2
3. 2SS003.000	336	2A11-a3
4. 2SS007.000	(373)	2A11-a4
5. 2SS010.000	(1,187)	2A11-a5

CHAPTER 2A11-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-14
Area: SUPPLY MANAGEMENT
Witness: Hobbs, Richard D.

NONSHARED O&M

Subject: LOGISTICS & SHOPS - POOL WAREHOUSING
Workpaper: 2SS001.000

SoCalGas Position: SCG is requesting \$12.383 million for TY 2016 which is \$962,000 or eight percent above 2013 recorded Non-Shared O&M expenses for Logistics and Shops. Logistics and Shops maintain inventory levels in SCG's warehouse and storerooms to support day-to-day operations.

This work group is comprised of three sub-workpapers.
\$7.061 million Logistics & Shops - Pool Warehousing
\$3.536 million Fabrication & Tool Repair
\$1.786 million Meter Shops & Records
\$12,383 million Total Request

Exhibit SCG-14, pp. RDH-3

ORA Position: ORA is recommending the use of the 2013 recorded Non-Shared O&M expense for Logistics and Shops of \$11.858 million to forecast TY 2016 Non-Shared O&M expense for Logistics and Shops. ORA's recommendation is \$525,000 or four percent less than SCG's TY 2016 Non-Shared O&M expense for Logistics and Shops. ORA's recommendation is \$453,000 above the 2014 recorded expense of \$11.405 million for Non-Shared O&M expenses for Logistics and Shops. ORA recommends no additional funding above the 2013 recorded Non- Shared O&M expenses.

Increase/Decrease by workpaper:
<\$0.621> million Logistics & Shops - Pool Warehousing
<\$0.240> million Fabrication & Tool Repair
\$0.336 million Meter Shops & Records
\$<0.525> million Total Change

Exhibit ORA-14, p. 48-49

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	6,626	6,070	-556
NonLabor	435	370	-65
Nonstandard	0	0	0
TOTAL	7,061	6,440	-621

CHAPTER 2A11-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-14
Area: SUPPLY MANAGEMENT
Witness: Hobbs, Richard D.

NONSHARED O&M

Subject: FABRICATION & TOOL REPAIR
Workpaper: 2SS002.000

SoCalGas Position: SCG is requesting \$12.383 million for TY 2016 which is \$962,000 or eight percent above 2013 recorded Non-Shared O&M expenses for Logistics and Shops. Logistics and Shops maintain inventory levels in SCG's warehouse and storerooms to support day-to-day operations.

This work group is comprised of three sub-workpapers.
\$7.061 million Logistics & Shops - Pool Warehousing
\$3.536 million Fabrication & Tool Repair
\$1.786 million Meter Shops & Records
\$12,383 million Total Request

Exhibit SCG-14, pp. RDH-3

ORA Position: ORA is recommending the use of the 2013 recorded Non-Shared O&M expense for Logistics and Shops of \$11.858 million to forecast TY 2016 Non-Shared O&M expense for Logistics and Shops. ORA's recommendation is \$525,000 or four percent less than SCG's TY 2016 Non-Shared O&M expense for Logistics and Shops. ORA's recommendation is \$453,000 above the 2014 recorded expense of \$11.405 million for Non-Shared O&M expenses for Logistics and Shops. ORA recommends no additional funding above the 2013 recorded Non- Shared O&M expenses.

Increase/Decrease by workpaper:
<\$0.621> million Logistics & Shops - Pool Warehousing
<\$0.240> million Fabrication & Tool Repair
\$0.336 million Meter Shops & Records
\$<0.525> million Total Change

Exhibit ORA-14, p. 48-49

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	1,325	1,227	-98
NonLabor	2,211	2,069	-142
Nonstandard	0	0	0
TOTAL	3,536	3,296	-240

CHAPTER 2A11-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-14
Area: SUPPLY MANAGEMENT
Witness: Hobbs, Richard D.

NONSHARED O&M

Subject: METER SHOPS & RECORDS
Workpaper: 2SS003.000

SoCalGas Position: SCG is requesting \$12.383 million for TY 2016 which is \$962,000 or eight percent above 2013 recorded Non-Shared O&M expenses for Logistics and Shops. Logistics and Shops maintain inventory levels in SCG's warehouse and storerooms to support day-to-day operations.

This work group is comprised of three sub-workpapers.
\$7.061 million Logistics & Shops - Pool Warehousing
\$3.536 million Fabrication & Tool Repair
\$1.786 million Meter Shops & Records
\$12,383 million Total Request

Exhibit SCG-14, pp. RDH-3

ORA Position: ORA is recommending the use of the 2013 recorded Non-Shared O&M expense for Logistics and Shops of \$11.858 million to forecast TY 2016 Non-Shared O&M expense for Logistics and Shops. ORA's recommendation is \$525,000 or four percent less than SCG's TY 2016 Non-Shared O&M expense for Logistics and Shops. ORA's recommendation is \$453,000 above the 2014 recorded expense of \$11.405 million for Non-Shared O&M expenses for Logistics and Shops. ORA recommends no additional funding above the 2013 recorded Non- Shared O&M expenses.

Increase/Decrease by workpaper:
<\$0.621> million Logistics & Shops - Pool Warehousing
<\$0.240> million Fabrication & Tool Repair
\$0.336 million Meter Shops & Records
\$<0.525> million Total Change

Exhibit ORA-14, p. 48-49

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	1,365	1,701	336
NonLabor	421	421	0
Nonstandard	0	0	0
TOTAL	1,786	2,122	336

CHAPTER 2A11-a4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-14
Area: SUPPLY MANAGEMENT
Witness: Hobbs, Richard D.

NONSHARED O&M

Subject: DIVERSE BUSINESS ENTERPRISES
Workpaper: 2SS007.000

SoCalGas Position: SCG is requesting \$1.529 million for TY 2016 which is \$210,000 or 16 percent above 2013 recorded Non-Shared O&M expense for Supplier Diversity. The Supplier Diversity program is consistent with General Order 156 which sets forth a goal that at least 21.5% of a utility's supplier spend must be with woman-owned, minority and disabled veteran businesses enterprises (WMDVBEs).

Exhibit SCG-14, pp. RDH-3, 8

ORA Position: ORA uses the three-year average (2012 to 2014) of recorded Non-Shared O&M expenses, equal to \$1.155 million, to forecast TY 2016 expenses which is \$374,000 or 25 percent less than SCG's forecast for Supplier Diversity. ORA's forecast is consistent with the 2014 recorded Non-Shared O&M expenses of \$1.010 million for Supplier Diversity. ORA is recommending that the Commission reject SCG's proposed increase of \$210,000.

Exhibit ORA-14, p. 51

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	432	430	-2
NonLabor	1,096	725	-371
Nonstandard	0	0	0
TOTAL	1,528	1,155	-373

CHAPTER 2A11-a5

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-14
Area: SUPPLY MANAGEMENT
Witness: Hobbs, Richard D.

NONSHARED O&M

Subject: SUPPLY CHAIN STRATEGY AND BUSINESS SUPPORT
Workpaper: 2SS010.000

SoCalGas Position: SCG is requesting \$2.457 million for TY 2016 which is \$1.187 million or 93.5 percent above 2013 recorded Non-Shared O&M expenses for Supply Management Operations, Strategy & Support. Supply Management Operations, Strategy & Support develops, plans, and directs the implementation of all supply chain business processes associated with the scheduling and acquiring adequate materials and services for SCG. SCG started with the base year recorded Non-Shared O&M expenses and added incremental adjustments to forecast TY 2016.

This work group is comprised of two sub-workpapers:
\$1.923 million Supply Chain Strategy and Business Support
\$0.533 million Supply Management Director
\$2.456 million Total Request

Exhibit SCG-14, pp. RDH-3

ORA Position: ORA is recommending \$1.270 million for TY 2016 which is the same as the 2013 recorded expense, and \$1.187 million or 48 percent less than SCG's request for Non-Shared O&M expenses for Supply Management Operations, Strategy & Support. ORA recommends using the 2013 recorded Non-Shared O&M expenses to forecast TY 2016 Non-Shared O&M expenses for Supply Management Operations, Strategy & Support because it is comparable to the 2014 recorded Non-Shared O&M expense of \$1.296 million.

Exhibit ORA-14, p. 44

Note: Uncontested amount of \$0.533 million for Supply Management Director is not included in numbers below.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	508	326	-182
NonLabor	1,415	410	-1,005
Nonstandard	0	0	0
TOTAL	1,923	736	-1,187

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

12. SCG-15 (Exh 162) - FLEET & FACILITY OPERATIONS

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2RF002.000	(2,879)	2A12-a1
2. 2RF002.001	(1,419)	2A12-a2
3. 2RF003.001	(3,408)	2A12-a3
4. 2RF003.002	(866)	2A12-a4
5. 2RF003.003	(527)	2A12-a5
6. 2RF003.004	(890)	2A12-a6

CHAPTER 2A12-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-15
Area: FLEET & FACILITY OPERATIONS
Witness: Herrera, Carmen L.

NONSHARED O&M

Subject: Maintenance Operations
Workpaper: 2RF002.000

SoCalGas Position: SCG is requesting \$14.477 million in TY 2016 which is \$2.811 million or 24 percent above 2013 recorded expense for Vehicle Servicing & Repairs. SCG forecasts vehicle maintenance costs and fleet services maintenance and operations based on a three-year historical average (2011 to 2013).

Exhibit SCG-15, p. CLH-13

ORA Position: ORA is recommending \$11.598 million for TY 2016 which is \$2.879 million or 20 percent less than SCG's forecast for Vehicle Servicing & Repairs. ORA recommends using a three-year historical average but using the recorded years of 2012 to 2014 as this most recent recorded data represents SCG's current operations. ORA's recommendation of \$11.598 million is comparable to 2013 recorded expenses and is \$592,000 above 2014 recorded expenses for Vehicle Servicing & Repairs.

Exhibit ORA-14, p. 60

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	7,218	6,974	-244
NonLabor	7,259	4,624	-2,635
Nonstandard	0	0	0
TOTAL	14,477	11,598	-2,879

CHAPTER 2A12-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-15
Area: FLEET & FACILITY OPERATIONS
Witness: Herrera, Carmen L.

NONSHARED O&M

Subject: Maintenance Operations
Workpaper: 2RF002.001

SoCalGas Position: SCG is requesting \$13.149 million for TY 2016 which is \$789,000 or six percent above 2013 recorded for Maintenance Operations-Automotive Fuels. SCG forecasts Automotive Fuels based on a three-year historical average (2011 to 2013).

Exhibit SCG-15, p. CLH-13

ORA Position: ORA is recommending \$11.730 million for TY 2016 which is \$1.419 million or 11 percent less than SCG's forecast for Automotive Fuels. ORA recommends using a three-year historical average, but using the recorded years of 2012 to 2014 as this most recent recorded data represents SCG's current operations. ORA's recommendation of \$11.730 million is \$1.165 million above 2014 recorded expenses for Automotive Fuels.

Exhibit ORA-14, p. 60

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	13,149	11,730	-1,419
Nonstandard	0	0	0
TOTAL	13,149	11,730	-1,419

CHAPTER 2A12-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-15
Area: FLEET & FACILITY OPERATIONS
Witness: Herrera, Carmen L.

NONSHARED O&M

Subject: Amortization
Workpaper: 2RF003.001

SoCalGas Position: SCG is forecasting fleet amortization costs of \$30.751 million for TY 2016 which is \$16.153 million or 110 percent above 2013 recorded expenses. SCG states that fleet amortization is the annual repayment of principal for the fleet leases composed of active lease obligations for vehicles in the fleet at year-end 2013 and new lease obligations for replacements or additions to the fleet requested by operating departments.

Exhibit SCG-15, p. CLH-8

ORA Position: ORA is recommending fleet amortization costs of \$27.343 million which is \$3.408 million or 11 percent less than SCG's forecast. ORA used the 77 percent that SoCalGas purchased out of the fleet units it forecasted in 2014 to forecast the TY 2016 amortization costs. ORA's recommendation for fleet amortization cost for TY 2016 is \$12.745 million or 87 percent above 2013 recorded expenses.

Exhibit ORA-14, p. 54

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	0	0	0
Nonstandard	30,751	27,343	-3,408
TOTAL	30,751	27,343	-3,408

CHAPTER 2A12-a4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-15
Area: FLEET & FACILITY OPERATIONS
Witness: Herrera, Carmen L.

NONSHARED O&M

Subject: Interest
Workpaper: 2RF003.002

SoCalGas Position: SCG is requesting \$3.767 million for the interest costs of fleet services for TY 2016 which is \$2.296 million or 156 percent above 2013 recorded interest costs. SCG determined interest costs by multiplying the monthly outstanding balances with the London Interbank Offered Rate contained in the Global Insight Forecast for the payment month and then summed for the year.

Exhibit SCG-15, p. CLH-8

ORA Position: ORA is recommending \$2.901 million for interest cost for TY 2016 which is \$866,000 or 23 percent less than SCG's forecast. ORA recommends using the 77 percent of the fleet units that SCG purchased out of the fleet units forecasted in 2014 to forecast the TY 2016 interest expense. ORA recommends taking 77 percent of the interest expenses that SCG forecasts for 2016 which is \$2.901 million.

Exhibit ORA-14, p. 56-57

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	0	0	0
Nonstandard	3,767	2,901	-866
TOTAL	3,767	2,901	-866

CHAPTER 2A12-a5

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-15
Area: FLEET & FACILITY OPERATIONS
Witness: Herrera, Carmen L.

NONSHARED O&M

Subject: Salvage
Workpaper: 2RF003.003

SoCalGas Position: SCG is requesting vehicle salvage proceeds of \$1.248 million for TY 2016 which is \$2,000 less than the 2013 recorded salvage. Salvage is the recovery of the residual value of assets being retired from the fleet. Salvage proceeds received at auction are credited against amortization expenses to determine total asset ownership costs. SCG forecasts to salvage 500 units in TY 2016. SCG forecasts salvage proceeds of \$2,500 per unit based on the three-year average of the per unit salvage achieved.

Exhibit SCG-15, p. CLH-8

ORA Position: ORA is recommending vehicle salvage proceeds of \$1.775 million for TY 2016 which is \$527,000 or 42 percent more than SCG's forecast. ORA recommends using the three-year average (2012 to 2014) of recorded total vehicle salvage proceeds to forecast TY 2016 vehicle salvage proceeds.

Exhibit ORA-14, p. 57

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	0	0	0
Nonstandard	-1,248	-1,775	-527
TOTAL	-1,248	-1,775	-527

CHAPTER 2A12-a6

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-15
Area: FLEET & FACILITY OPERATIONS
Witness: Herrera, Carmen L.

NONSHARED O&M

Subject: License Fees
Workpaper: 2RF003.004

SoCalGas Position: SCG is requesting \$3.869 million for TY 2016 which is \$2.044 million or 112 percent above 2013 recorded costs for License Fees. SCG says that license fees are comprised of three components: an annual registration fee and an annual weight fee, both of which are generally fixed for the life of the vehicle. The annual vehicle license fee uses the scalar factor of original vehicle sale price and renewal age to determine the annual renewal fee. License fees are a factor of fleet composition and age and that it is complex to forecast license fees individually for each vehicle each year. Therefore, SCG says it used the ratio of base year amortization payments to license fees of 13 percent to approximate future license payments.

Exhibit SCG-15, p. CLH-8

ORA Position: ORA is recommending \$2.979 million for TY 2016 which is \$890,000 or 23 percent less than SCG's forecast for License Fees. ORA recommends using the 77 percent of the fleet units that SCG purchased out of the fleet units forecasted in 2014 to forecast the TY 2016 license expense. ORA recommends taking 77 percent of the license expenses that SCG forecasts for 2016 which is \$2.979 million.

Exhibit ORA-14, p. 58-59

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	0	0	0
Nonstandard	3,869	2,979	-890
TOTAL	3,869	2,979	-890

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

12. SCG-15 (Exh 162) - FLEET & FACILITY OPERATIONS

b. CAPITAL

Project	ORA vs. SoCalGas (2014+2015+2016)	Reference
1. 00653.0.ALL	(11,530)	2A12-b1

CHAPTER 2A12-b1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-15
Area: FLEET & FACILITY OPERATIONS
Witness: Herrera, Carmen L.

CAPITAL EXPENDITURES

Project: Fleet & Facility Operations' Capital Projects
Budget Code: 00653.0.ALL

SoCalGas Position: SCG is requesting capital expenditures of \$31.097 million in 2014, \$36.050 million in 2015, and \$38.011 million in 2016 for Fleet Services and Facility Operations.

ORA Position: ORA uses SCG's 2014 recorded capital expenditures of \$27.628 million to forecast the 2014 capital expenditures. ORA's recommendation is \$3.469 million or 11 percent less than SCG's 2014 forecast. ORA is recommending capital expenditures of \$33 million in 2015 which is \$3.050 million or 8.5 percent less than SCG's 2015 capital expenditure forecast. ORA is recommending capital expenditures of \$33 million in 2016 which is \$5.011 million or 13 percent less than SCG's 2016 capital expenditure forecast. ORA is recommending using SCG's five year average (2010 to 2014) of capital expenditures of \$33 million to forecast 2015 and 2016.

Note: The following uncontested amounts are not included in the numbers displayed below.

Year	Amount (in m\$)
2014	\$1.850
2015	\$6.959
2016	\$9.191

CHAPTER 2A12-b1

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014	2015	2016	Total
006530.001	18,066	18,066	18,066	54,198
00653B.001	3,900	2,000	0	5,900
00653B.002	1,980	1,000	0	2,980
00653B.003	0	1,500	4,500	6,000
00653C.002	0	2,505	0	2,505
00653C.003	0	0	1,450	1,450
00653D.001	925	0	0	925
00653D.002	0	275	0	275
00712A.001	575	0	0	575
00712B.001	1,102	0	0	1,102
00716A.001	250	0	0	250
00716B.001	849	2,546	0	3,395
00716C.004	0	0	350	350
00734A.001	1,600	0	0	1,600
00734A.003	0	1,200	4,455	5,655
Total	29,247	29,092	28,821	87,160

ORA	2014	2015	2016	Total
006530.001	19,871	16,538	15,684	52,093
00653B.001	0	1,408	0	1,408
00653B.002	0	1,000	0	1,000
00653B.003	0	1,500	2,918	4,418
00653C.002	2,527	2,505	0	5,032
00653C.003	0	0	1,207	1,207
00653D.001	1,241	0	0	1,241
00653D.002	0	33	0	33
00712A.001	688	0	0	688
00712B.001	660	0	0	660
00716A.001	202	0	0	202
00716B.001	129	2,207	0	2,336
00716C.004	0	0	133	133
00734A.001	460	0	0	460
00734A.003	0	851	3,868	4,719
Total	25,778	26,042	23,810	75,630

Difference	2014	2015	2016	Total
006530.001	1,805	-1,528	-2,382	-2,105
00653B.001	-3,900	-592	0	-4,492
00653B.002	-1,980	0	0	-1,980
00653B.003	0	0	-1,582	-1,582
00653C.002	2,527	0	0	2,527
00653C.003	0	0	-243	-243
00653D.001	316	0	0	316
00653D.002	0	-242	0	-242
00712A.001	113	0	0	113
00712B.001	-442	0	0	-442
00716A.001	-48	0	0	-48
00716B.001	-720	-339	0	-1,059
00716C.004	0	0	-217	-217
00734A.001	-1,140	0	0	-1,140
00734A.003	0	-349	-587	-936
Total	-3,469	-3,050	-5,011	-11,530

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

13. SCG-16 (Exh 267) - REAL ESTATE

a. O&M - SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2RE00A-USS.ALL	(1,559)	2A13-a1
2. 2RE00B-USS.ALL	(154)	2A13-a2

CHAPTER 2A13-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-16
Area: REAL ESTATE
Witness: Seifert, James C.

SHARED SERVICES O&M

Subject: GCT RENTS
Workpaper: 2RE00A-USS.ALL

SoCalGas Position: SoCalGas requests \$15.002 million for TY 2016 for the activities in this work group using a zero-based forecast. Real Estate (“RE”) is responsible for the real property asset management and lease administration of real estate for a portfolio of 2.0 million square feet of building space. The GCT rent represents the largest lease within the portfolio. The cost increases are based upon the annual escalation in the base rent and certain operating expenses such as parking. Variable expenses such as utilities, insurance and landlord provided maintenance for the GCT are zero based.

Exhibit SCG-16, pages JCS-2 and 4

ORA Position: ORA proposes \$13.443 million for TY 2016 for the activities in this work group, which represents a reduction of \$1.559 million from SoCalGas’ forecast. ORA is recommending \$14.710 million for TY 2016 for SoCalGas’ Shared Expenses Request which is \$1.713 million or 10 percent less than SCG’s request for Shared O&M expenses for Real Estate. ORA recommends using the three-year average (2012 to 2014) of recorded Shared Real Estate expenses to forecast the TY 2016 expenses. During 2012 to 2014, the Shared Real Estate recorded expenses have been at approximately the same level.

Exhibit ORA-14, page 62

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-0618.000	0	0	15,002	15,002
Total	0	0	15,002	15,002

ORA	Labor	NLbr	NSE	Total
2200-0618.000	0	0	13,443	13,443
Total	0	0	13,443	13,443

Difference	Labor	NLbr	NSE	Total
2200-0618.000	0	0	-1,559	-1,559
Total	0	0	-1,559	-1,559

CHAPTER 2A13-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-16
Area: REAL ESTATE
Witness: Seifert, James C.

SHARED SERVICES O&M

Subject: SCG MICROWAVE RENTS
Workpaper: 2RE00B-USS.ALL

SoCalGas Position: SoCalGas requests \$1.421 million for TY 2016 for the activities in this work group using a zero-based forecast. Real Estate (“RE”) is responsible for the real property asset management and lease administration of real estate for a portfolio of 2.0 million square feet of building space. Telecom (Microwave) rents have experienced increases on the order of 10% per year until recently when we have experienced a lesser rate of increase. Accordingly, in this category I have used a modified forecast value that is based upon modest (3% annual) inflation more accurately reflect likely future costs.

Exhibit SCG-16, pages JCS-2 and 4

ORA Position: ORA proposes \$1.267 million for TY 2016 for the activities in this work group, which represents a reduction of \$0.154 million from SoCalGas’ forecast. ORA is recommending \$14.710 million for TY 2016 for SoCalGas’ Shared Expenses Request which is \$1.713 million or 10 percent less than SCG’s request for Shared O&M expenses for Real Estate. ORA recommends using the three-year average (2012 to 2014) of recorded Shared Real Estate expenses to forecast the TY 2016 expenses. During 2012 to 2014, the Shared Real Estate recorded expenses have been at approximately the same level.

Exhibit ORA-14, page 62

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-2284.000	0	0	1,421	1,421
Total	0	0	1,421	1,421
ORA	Labor	NLbr	NSE	Total
2200-2284.000	0	0	1,267	1,267
Total	0	0	1,267	1,267
Difference	Labor	NLbr	NSE	Total
2200-2284.000	0	0	-154	-154
Total	0	0	-154	-154

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

14. SCG-17-R (Exh 177) - ENVIRONMENTAL

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2EV000.000	(104)	2A14-a1
2. 2EV000.001	(797)	2A14-a2

CHAPTER 2A14-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-17-R
Area: ENVIRONMENTAL
Witness: Tracy, Jill

NONSHARED O&M

Subject: ENVIRONMENTAL
Workpaper: 2EV000.000

SoCalGas Position: The compliance activities in this non-shared O&M cost category include management of hazardous waste and TSDF operations, oversight of daily environmental compliance activities and permits, and support for sustainability and compliance with all operations and maintenance activities and associated facilities. A base year forecasting methodology plus incremental cost pressures was used to forecast labor and non-labor for this cost category.

Exhibit SCG-17-R, pages JT-4 to 5

ORA Position: ORA is recommending \$3.520 million for TY 2016 which is \$215,000 or six percent less than SCG's request for Non-Shared O&M expenses for Environmental Compliance. ORA disagrees with SCG's request for \$267,000 to pay for consulting fees to renew the hazardous waste permits for two Treatment, Storage and Disposal Facilities (TSDFs). ORA is recommending an adjustment of \$215,000 for the consulting fee to renew the hazardous waste permit for two TSDFs. ORA is recommending \$52,000 for the consulting fee for the TSDFs' hazardous waste permits.

Exhibit ORA-14, pages 64-65

Note: SoCalGas does not oppose ORA's reduction to Environmental Compliance for consulting fees related to two Treatment, Storage and Disposal Facilities by \$104K.

Exhibit SCG-217, page JT-2

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	2,153	2,153	0
NonLabor	1,472	1,368	-104
Nonstandard	0	0	0
TOTAL	3,625	3,521	-104

CHAPTER 2A14-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-17-R
Area: ENVIRONMENTAL
Witness: Tracy, Jill

NONSHARED O&M

Subject: RNERBA - AB32 Fees Subpart W MS4 and LDAR
Workpaper: 2EV000.001

SoCalGas Position: SoCalGas requests \$5.903 million for TY 2016 for the activities in this work group using a base year recorded forecast plus incremental upward pressures. In the 2012 GRC, the Commission approved the NERBA as a two-way balancing account, and adopted cost forecasts for the costs SoCalGas proposed to record in the NERBA. The currently authorized NERBA costs include (1) AB32 Administration Fees; (2) Gas Cap and Trade related costs; and (3) Subpart W costs. SoCalGas is Requesting authorization to continue the New Environmental Regulatory Balancing Account (NERBA) with three proposed updates: the removal of Cap and Trade related costs and the addition of two new environmental costs associated with forecasted activities.

Exhibit SCG-17-R, pages JT-iii and 7-8

ORA Position: ORA recommends using the three-year average (2012 to 2014) to forecast TY 2016 as the Non-Shared recorded expenses for NERBA are decreasing from 2012 to 2014. ORA recommends \$5.107 million for TY 2016 which is \$796,000 or 14 percent less than SCG's request for Non-Shared expenses for NERBA. ORA's TY 2016 recommendation is \$962,000 or 23 percent above 2014 recorded Non-Shared expenses for NERBA and should provide funding for any incremental work in 2016.

Exhibit ORA-14, pages 64 and 66

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	154	66	-88
NonLabor	783	17	-766
Nonstandard	4,966	5,023	57
TOTAL	5,903	5,106	-797

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

14. SCG-17-R (Exh 177) - ENVIRONMENTAL

b. O&M - SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2EV00A-USS.ALL	(560)	2A14-b1

CHAPTER 2A14-b1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-17-R
Area: ENVIRONMENTAL
Witness: Tracy, Jill

SHARED SERVICES O&M

Subject: Environmental Programs
Workpaper: 2EV00A-USS.ALL

SoCalGas Position: The compliance activities in this shared service O&M cost category includes labor cost associated with day-to-day environmental compliance activities in water quality environmental permitting, conducting project screening for potential environmental impacts, and providing compliance guidance and oversight. A base year forecast methodology plus incremental upward pressures was used to determine cost requirements.

Exhibit SCG-17-R, pages JT-12 to 13

ORA Position: ORA is recommending \$2.580 million for TY 2016 which is \$560,000 or 18 percent less than SCG's request for Shared O&M expense for Environmental Programs. ORA disagrees with SCG's requests for incremental funding for Water Quality Programmatic Permits and for the GHG and Environmental Sustainability Management Tool Project. Additionally, SCG's forecast of \$122,000 for the GHG and Environmental Sustainability Management Tool Project should be amortized over the three year GRC cycle, which equals \$41,000 annually.

Exhibit ORA-14, pages 68-69

Note: SoCalGas does not oppose ORA's reduction for shared services O&M, which is a reduction for Environmental Programs by \$560K.

Exhibit SCG-217, page JT-4

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-2176.000	1,783	1,357	0	3,140
Total	1,783	1,357	0	3,140
ORA	Labor	NLbr	NSE	Total
2200-2176.000	1,498	1,082	0	2,580
Total	1,498	1,082	0	2,580
Difference	Labor	NLbr	NSE	Total
2200-2176.000	-285	-275	0	-560
Total	-285	-275	0	-560

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

15. SCG-18-R (Exh 148) - INFORMATION TECHNOLOGY

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2IT001.000	(74)	2A15-a1
2. 2IT002.000	(116)	2A15-a2
3. 2IT003.000	(2)	2A15-a3

CHAPTER 2A15-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-18-R
Area: INFORMATION TECHNOLOGY
Witness: Olmsted, Christopher R.

NONSHARED O&M

Subject: IT Applications NSS
Workpaper: 2IT001.000

SoCalGas Position: SoCalGas is requesting \$2.853 million in TY 2016 for non-shared Applications expense, which is equal to BY 2013 adjusted-recorded expenses for this cost category.

Exhibit SCG-18-R, p. CRO-13

ORA Position: ORA's recommendations for SoCalGas' IT O&M expenses are based on a holistic analysis of IT labor and non-labor costs. ORA did not use individual workpapers nor did they categorize their position by shared or non-shared costs.

ORA recommends \$16.8 million for total combined non-shared and shared IT labor, which is equal to SoCalGas' 2013 adjusted-recorded labor plus an incremental \$0.1 million for Information Security (IS) labor. ORA accepts SoCalGas' TY 2016 non-labor forecast of \$3.631 million.

Exhibit ORA-15, pp. 23-24

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	2,282	2,208	-74
NonLabor	571	571	0
Nonstandard	0	0	0
TOTAL	2,853	2,779	-74

CHAPTER 2A15-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-18-R
Area: INFORMATION TECHNOLOGY
Witness: Olmsted, Christopher R.

NONSHARED O&M

Subject: IT Infrastructure NSS
Workpaper: 2IT002.000

SoCalGas Position: SoCalGas is requesting \$4.456 million in TY 2016 for non-shared Infrastructure expense, which is equal to BY 2013 Base Year adjusted-recorded expenses for this cost category plus adjustments.

Exhibit SCG-18-R, p. CRO-14

ORA Position: ORA's recommendations for SoCalGas' IT O&M expenses are based on a holistic analysis of IT labor and non-labor costs. ORA did not use individual workpapers nor did they categorize their position by shared or non-shared costs.

ORA recommends \$16.8 million for total combined non-shared and shared IT labor, which is equal to SoCalGas' 2013 adjusted-recorded labor plus an incremental \$0.1 million for Information Security (IS) labor. ORA accepts SoCalGas' TY 2016 non-labor forecast of \$3.631 million.

Exhibit ORA-15, pp. 23-24

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	3,571	3,455	-116
NonLabor	885	885	0
Nonstandard	0	0	0
TOTAL	4,456	4,340	-116

CHAPTER 2A15-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-18-R
Area: INFORMATION TECHNOLOGY
Witness: Olmsted, Christopher R.

NONSHARED O&M

Subject: IT Support
Workpaper: 2IT003.000

SoCalGas Position: SoCalGas is requesting \$0.331 million in TY 2016 for non-shared IT Support expense, which is equal to BY 2013 adjusted-recorded expenses for this cost category plus adjustments.

Exhibit SCG-18-R, p. CRO-14

ORA Position: ORA's recommendations for SoCalGas' IT O&M expenses are based on a holistic analysis of IT labor and non-labor costs. ORA did not use individual workpapers nor did they categorize their position by shared or non-shared costs.

ORA recommends \$16.8 million for total combined non-shared and shared IT labor, which is equal to SoCalGas' 2013 adjusted-recorded labor plus an incremental \$0.1 million for Information Security (IS) labor. ORA accepts SoCalGas' TY 2016 non-labor forecast of \$3.631 million.

Exhibit ORA-15, pp. 23-24

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	71	69	-2
NonLabor	260	260	0
Nonstandard	0	0	0
TOTAL	331	329	-2

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

15. SCG-18-R (Exh 148) - INFORMATION TECHNOLOGY

b. O&M - SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2IT00A-USS.ALL	(1,538)	2A15-b1
2. 2IT00B-USS.ALL	(1,248)	2A15-b2
3. 2IT00D-USS.ALL	(43)	2A15-b3

CHAPTER 2A15-b1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-18-R
Area: INFORMATION TECHNOLOGY
Witness: Olmsted, Christopher R.

SHARED SERVICES O&M

Subject: Applications
Workpaper: 2IT00A-USS.ALL

SoCalGas Position: SoCalGas is requesting \$8.260 million in TY 2016 for shared Applications expense, which is equal to BY 2013 adjusted-recorded expenses for this cost category plus adjustments.

Exhibit SCG-18-R, p. CRO-16

ORA Position: ORA's recommendations for SoCalGas' IT O&M expenses are based on a holistic analysis of IT labor and non-labor costs. ORA did not use individual workpapers nor did they categorize their position by shared or non-shared costs.

ORA recommends \$16.8 million for total combined non-shared and shared IT labor, which is equal to SoCalGas' 2013 adjusted-recorded labor plus an incremental \$0.1 million for Information Security (IS) labor. ORA accepts SoCalGas' TY 2016 non-labor forecast of \$3.631 million.

Exhibit ORA-15, pp. 23-24

CHAPTER 2A15-b1

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-2405.000	666	184	0	850
2200-2418.000	1,058	108	0	1,166
2200-2444.000	335	9	0	344
2200-2445.000	1,866	243	0	2,109
2200-2446.000	292	20	0	312
2200-2447.000	912	70	0	982
2200-2451.000	1,156	181	0	1,337
2200-2452.000	363	118	0	481
2200-2468.000	16	1	0	17
2200-2470.000	571	91	0	662
Total	7,235	1,025	0	8,260

ORA	Labor	NLbr	NSE	Total
2200-2405.000	524	184	0	708
2200-2418.000	833	108	0	941
2200-2444.000	264	9	0	273
2200-2445.000	1,469	243	0	1,712
2200-2446.000	230	20	0	250
2200-2447.000	718	70	0	788
2200-2451.000	910	181	0	1,091
2200-2452.000	286	118	0	404
2200-2468.000	13	1	0	14
2200-2470.000	450	91	0	541
Total	5,697	1,025	0	6,722

Difference	Labor	NLbr	NSE	Total
2200-2405.000	-142	0	0	-142
2200-2418.000	-225	0	0	-225
2200-2444.000	-71	0	0	-71
2200-2445.000	-397	0	0	-397
2200-2446.000	-62	0	0	-62
2200-2447.000	-194	0	0	-194
2200-2451.000	-246	0	0	-246
2200-2452.000	-77	0	0	-77
2200-2468.000	-3	0	0	-3
2200-2470.000	-121	0	0	-121
Total	-1,538	0	0	-1,538

CHAPTER 2A15-b2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-18-R
Area: INFORMATION TECHNOLOGY
Witness: Olmsted, Christopher R.

SHARED SERVICES O&M

Subject: Infrastructure
Workpaper: 2IT00B-USS.ALL

SoCalGas Position: SoCalGas is requesting \$6.650 million in TY 2016 for shared Infrastructure expense, which is equal to BY 2013 adjusted-recorded expenses for this cost category plus adjustments.

Exhibit SCG-18-R, p. CRO-17

ORA Position: ORA's recommendations for SoCalGas' IT O&M expenses are based on a holistic analysis of IT labor and non-labor costs. ORA did not use individual workpapers nor did they categorize their position by shared or non-shared costs.

ORA recommends \$16.8 million for total combined non-shared and shared IT labor, which is equal to SoCalGas' 2013 adjusted-recorded labor plus an incremental \$0.1 million for Information Security (IS) labor. ORA accepts SoCalGas' TY 2016 non-labor forecast of \$3.631 million.

Exhibit ORA-15, pp. 23-24

CHAPTER 2A15-b2

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-2047.000	46	0	0	46
2200-2372.000	513	64	0	577
2200-2406.000	901	360	0	1,261
2200-2453.000	217	4	0	221
2200-2455.000	806	14	0	820
2200-2456.000	213	0	0	213
2200-2457.000	146	4	0	150
2200-2458.000	105	6	0	111
2200-2459.000	186	1	0	187
2200-2460.000	222	5	0	227
2200-2463.000	798	6	0	804
2200-2464.000	715	19	0	734
2200-2466.000	740	22	0	762
2200-2467.000	130	5	0	135
2200-2495.000	132	270	0	402
Total	5,870	780	0	6,650

ORA	Labor	NLbr	NSE	Total
2200-2047.000	36	0	0	36
2200-2372.000	404	64	0	468
2200-2406.000	709	360	0	1,069
2200-2453.000	171	4	0	175
2200-2455.000	635	14	0	649
2200-2456.000	168	0	0	168
2200-2457.000	115	4	0	119
2200-2458.000	83	6	0	89
2200-2459.000	146	1	0	147
2200-2460.000	175	5	0	180
2200-2463.000	628	6	0	634
2200-2464.000	563	19	0	582
2200-2466.000	583	22	0	605
2200-2467.000	102	5	0	107
2200-2495.000	104	270	0	374
Total	4,622	780	0	5,402

Difference	Labor	NLbr	NSE	Total
2200-2047.000	-10	0	0	-10
2200-2372.000	-109	0	0	-109
2200-2406.000	-192	0	0	-192
2200-2453.000	-46	0	0	-46
2200-2455.000	-171	0	0	-171
2200-2456.000	-45	0	0	-45
2200-2457.000	-31	0	0	-31
2200-2458.000	-22	0	0	-22
2200-2459.000	-40	0	0	-40
2200-2460.000	-47	0	0	-47
2200-2463.000	-170	0	0	-170
2200-2464.000	-152	0	0	-152
2200-2466.000	-157	0	0	-157
2200-2467.000	-28	0	0	-28
2200-2495.000	-28	0	0	-28
Total	-1,248	0	0	-1,248

CHAPTER 2A15-b3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-18-R
Area: INFORMATION TECHNOLOGY
Witness: Olmsted, Christopher R.

SHARED SERVICES O&M

Subject: IT Support
Workpaper: 2IT00D-USS.ALL

SoCalGas Position: SoCalGas is requesting \$0.288 million in TY 2016 for shared IT Support expense, which is equal to BY 2013 adjusted-recorded expenses for this cost category plus adjustments.

Exhibit SCG-18-R, p. CRO-19

ORA Position: ORA's recommendations for SoCalGas' IT O&M expenses are based on a holistic analysis of IT labor and non-labor costs. ORA did not use individual workpapers nor did they categorize their position by shared or non-shared costs.

ORA recommends \$16.8 million for total combined non-shared and shared IT labor, which is equal to SoCalGas' 2013 adjusted-recorded labor plus an incremental \$0.1 million for Information Security (IS) labor. ORA accepts SoCalGas' TY 2016 non-labor forecast of \$3.631 million.

Exhibit ORA-15, pp. 23-24

Note: Uncontested amounts in the following workpaper is not included in the numbers displayed below.

2200-2166.000 \$0.019 million

Proposed TY2016 Forecast (in thousands of 2013 dollars)

SCG	Labor	NLbr	NSE	Total
2200-2313.000	75	33	0	108
2200-2319.000	0	13	0	13
2200-2496.000	127	20	0	147
Total	202	66	0	268

ORA	Labor	NLbr	NSE	Total
2200-2313.000	59	33	0	92
2200-2319.000	0	13	0	13
2200-2496.000	100	20	0	120
Total	159	66	0	225

Difference	Labor	NLbr	NSE	Total
2200-2313.000	-16	0	0	-16
2200-2319.000	0	0	0	0
2200-2496.000	-27	0	0	-27
Total	-43	0	0	-43

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

15. SCG-18-R (Exh 148) - INFORMATION TECHNOLOGY

c. CAPITAL

Project	ORA vs. SoCalGas (2014+2015+2016)	Reference
1. 00750.0.ALL	(44,121)	2A15-c1

CHAPTER 2A15-c1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-18-R
Area: INFORMATION TECHNOLOGY
Witness: Olmsted, Christopher R.

CAPITAL EXPENDITURES

Project: IT Capital Projects
Budget Code: 00750.0.ALL

SoCalGas Position: SoCalGas is requesting capital expenditures of \$103.739 million in 2014, \$119.916 million in 2015, and \$104.796 million in 2016 for Information Technology. These amounts include both business unit-sponsored IT capital projects and IT Division-sponsored IT capital projects.

Exhibit SCG-18-R, pp. CRO-19-20

ORA Position: ORA recommends utilizing adjusted-recorded 2014 capital expenditures of \$79.709 million, which is \$24.030 million less than SoCalGas' 2014 forecast. ORA recommends 2015 capital expenditures of \$99.824 million, which is \$20.092 million less than SoCalGas' 2015 forecast. ORA does not oppose SoCalGas' 2016 capital expenditures forecast of \$104.796 million.

Note: The amounts in the following table reflect only those projects where a disallowance has been recommended by ORA.

CHAPTER 2A15-c1

Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2014	2015	2016	Total
00750A.001	801	0	0	801
00751A.001	17	0	0	17
00754C.001	0	956	0	956
00756C.001	162	0	0	162
00760A.001	689	477	0	1,166
00760C.001	0	0	1,818	1,818
00760F.001	1,133	0	0	1,133
00762B.001	778	0	0	778
00762C.001	1,148	0	0	1,148
00762D.001	662	0	0	662
00764A.001	55	527	0	582
00764B.001	374	0	0	374
00764C.001	647	257	0	904
00764D.001	0	693	0	693
00764E.001	241	913	0	1,154
00764J.001	1,720	0	0	1,720
00766B.001	851	0	0	851
00766B.002	603	89	0	692
00768A.001	802	0	0	802
00770A.001	264	1,089	0	1,353
00770AB.001	1,409	0	0	1,409
00770AC.001	978	0	0	978
00770AD.001	397	123	0	520
00770AE.001	2,351	547	0	2,898
00770AF.001	214	0	0	214
00770AG.001	4,520	0	0	4,520
00770AH.001	786	0	0	786
00770AI.001	849	0	0	849
00770B.001	1,023	87	0	1,110
00770C.001	2,541	532	0	3,073
00770E.001	829	0	0	829
00770F.001	350	350	350	1,050
00770H.001	341	0	0	341
00772A.002	0	10,779	1,429	12,208
00772B.001	500	500	500	1,500
00772D.001	2,478	3,450	4,164	10,092
00772E.001	0	675	0	675
00772H.001	0	8,536	0	8,536
00772H.002	0	7,536	0	7,536
00772J.001	0	244	0	244
00772Q.001	145	193	0	338
00772S.001	145	232	0	377
00772U.001	149	0	0	149
00772V.001	536	0	0	536
00772W.001	2,797	0	0	2,797
00772X.001	4,661	0	0	4,661
00773A.001	243	0	0	243
00773A.002	450	0	0	450
00774A.001	41	2,048	1,664	3,753
00774B.003	112	801	0	913
00774C.001	1,636	1,349	0	2,985
00774G.001	336	2,453	0	2,789
00774J.001	1,761	0	0	1,761
00774K.001	485	0	0	485
00774K.002	40	0	0	40
00774L.001	6,353	0	0	6,353

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00774L.002	1,089	0	0	1,089
00774L.003	432	0	0	432
00774M.001	1,273	416	0	1,689
00774N.001	1,420	0	0	1,420
00774N.002	322	0	0	322
00775A.001	0	244	6,673	6,917
00776A.001	2,996	5,655	1,566	10,217
00776A.003	250	0	0	250
00776B.001	435	859	0	1,294
00776B.002	600	0	0	600
00776B.003	825	0	0	825
00776C.001	606	785	269	1,660
00776C.002	98	0	0	98
00776D.001	411	0	0	411
00776D.002	642	0	0	642
00776G.001	0	1,186	1,186	2,372
00776O.001	826	0	0	826
00776P.001	1,154	0	0	1,154
00776Q.001	934	0	0	934
00776R.001	577	0	0	577
00776S.001	567	0	0	567
00776U.001	819	158	0	977
00776U.002	270	0	0	270
00776V.001	1,493	0	0	1,493
00776V.002	465	0	0	465
00776W.001	421	193	544	1,158
00776X.001	3,179	0	0	3,179
00776Y.001	500	233	0	733
00777B.001	0	132	0	132
00777D.001	2,675	0	0	2,675
00777E.001	2,244	0	0	2,244
00777E.002	625	0	0	625
00778A.001	2,588	1,951	0	4,539
00778B.001	509	0	0	509
00778B.002	195	0	0	195
00778B.003	1,480	0	0	1,480
00778E.001	919	551	0	1,470
00778E.002	80	20	0	100
00780A.001	2,220	1,027	0	3,247
00780A.003	458	0	0	458
00780C.001	453	0	0	453
00784A.001	1,065	2,890	172	4,127
00784A.003	370	0	0	370
00784B.001	291	0	0	291
00786A.001	1,813	18	0	1,831
00786A.002	425	0	0	425
00786C.001	524	259	0	783
00788A.001	319	451	0	770
00810B.001	11,479	1,085	0	12,564
Total	103,739	63,549	20,335	187,623

ORA	2014	2015	2016	Total
00750A.001	0	0	0	0
00751A.001	-385	0	0	-385
00754C.001	191	956	0	1,147
00756C.001	168	0	0	168
00760A.001	0	477	0	477
00760C.001	328	0	1,818	2,146

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00760F.001	1,041	0	0	1,041
00762B.001	1,957	0	0	1,957
00762C.001	1,262	0	0	1,262
00762D.001	609	0	0	609
00764A.001	494	527	0	1,021
00764B.001	255	0	0	255
00764C.001	182	257	0	439
00764D.001	418	693	0	1,111
00764E.001	0	913	0	913
00764J.001	1,706	0	0	1,706
00766B.001	191	0	0	191
00766B.002	0	89	0	89
00768A.001	384	0	0	384
00770A.001	0	1,089	0	1,089
00770AB.001	1,948	0	0	1,948
00770AC.001	1,304	0	0	1,304
00770AD.001	355	123	0	478
00770AE.001	1,569	547	0	2,116
00770AF.001	-104	0	0	-104
00770AG.001	3,748	0	0	3,748
00770AH.001	633	0	0	633
00770AI.001	545	0	0	545
00770B.001	0	87	0	87
00770C.001	45	532	0	577
00770E.001	878	0	0	878
00770F.001	0	350	350	700
00770H.001	-108	0	0	-108
00772A.002	0	774	1,429	2,203
00772B.001	890	500	500	1,890
00772D.001	0	3,450	4,164	7,614
00772E.001	0	593	0	593
00772H.001	0	3,536	0	3,536
00772H.002	0	2,532	0	2,532
00772J.001	81	244	0	325
00772Q.001	0	193	0	193
00772S.001	99	232	0	331
00772U.001	136	0	0	136
00772V.001	601	0	0	601
00772W.001	2,235	0	0	2,235
00772X.001	679	0	0	679
00773A.001	906	0	0	906
00773A.002	0	0	0	0
00774A.001	551	2,048	1,664	4,263
00774B.003	0	801	0	801
00774C.001	767	1,349	0	2,116
00774G.001	0	2,453	0	2,453
00774J.001	2,007	0	0	2,007
00774K.001	434	0	0	434
00774K.002	0	0	0	0
00774L.001	7,649	0	0	7,649
00774L.002	0	0	0	0
00774L.003	0	0	0	0
00774M.001	1,265	416	0	1,681
00774N.001	2,201	0	0	2,201
00774N.002	0	0	0	0
00775A.001	14	244	6,673	6,931
00776A.001	3,600	5,655	1,566	10,821
00776A.003	0	0	0	0
00776B.001	631	859	0	1,490

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00776B.002	0	0	0	0
00776B.003	0	0	0	0
00776C.001	45	785	269	1,099
00776C.002	0	0	0	0
00776D.001	0	0	0	0
00776D.002	0	0	0	0
00776G.001	1,011	1,186	1,186	3,383
00776O.001	-2,202	0	0	-2,202
00776P.001	983	0	0	983
00776Q.001	653	0	0	653
00776R.001	715	0	0	715
00776S.001	503	0	0	503
00776U.001	3,368	158	0	3,526
00776U.002	0	0	0	0
00776V.001	2,275	0	0	2,275
00776V.002	0	0	0	0
00776W.001	0	193	544	737
00776X.001	3,333	0	0	3,333
00776Y.001	3,097	233	0	3,330
00777B.001	624	132	0	756
00777D.001	2,591	0	0	2,591
00777E.001	2,783	0	0	2,783
00777E.002	0	0	0	0
00778A.001	0	1,951	0	1,951
00778B.001	2,181	0	0	2,181
00778B.002	0	0	0	0
00778B.003	0	0	0	0
00778E.001	532	551	0	1,083
00778E.002	0	20	0	20
00780A.001	639	1,027	0	1,666
00780A.003	0	0	0	0
00780C.001	0	0	0	0
00784A.001	1,214	2,890	172	4,276
00784A.003	0	0	0	0
00784B.001	268	0	0	268
00786A.001	1,953	18	0	1,971
00786A.002	0	0	0	0
00786C.001	0	259	0	259
00788A.001	0	451	0	451
00810B.001	8,783	1,085	0	9,868
Total	79,709	43,458	20,335	143,502

Difference	2014	2015	2016	Total
00750A.001	-801	0	0	-801
00751A.001	-402	0	0	-402
00754C.001	191	0	0	191
00756C.001	6	0	0	6
00760A.001	-689	0	0	-689
00760C.001	328	0	0	328
00760F.001	-92	0	0	-92
00762B.001	1,179	0	0	1,179
00762C.001	114	0	0	114
00762D.001	-53	0	0	-53
00764A.001	439	0	0	439
00764B.001	-119	0	0	-119
00764C.001	-465	0	0	-465
00764D.001	418	0	0	418
00764E.001	-241	0	0	-241

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00764J.001	-14	0	0	-14
00766B.001	-660	0	0	-660
00766B.002	-603	0	0	-603
00768A.001	-418	0	0	-418
00770A.001	-264	0	0	-264
00770AB.001	539	0	0	539
00770AC.001	326	0	0	326
00770AD.001	-42	0	0	-42
00770AE.001	-782	0	0	-782
00770AF.001	-318	0	0	-318
00770AG.001	-772	0	0	-772
00770AH.001	-153	0	0	-153
00770AI.001	-304	0	0	-304
00770B.001	-1,023	0	0	-1,023
00770C.001	-2,496	0	0	-2,496
00770E.001	49	0	0	49
00770F.001	-350	0	0	-350
00770H.001	-449	0	0	-449
00772A.002	0	-10,005	0	-10,005
00772B.001	390	0	0	390
00772D.001	-2,478	0	0	-2,478
00772E.001	0	-82	0	-82
00772H.001	0	-5,000	0	-5,000
00772H.002	0	-5,004	0	-5,004
00772J.001	81	0	0	81
00772Q.001	-145	0	0	-145
00772S.001	-46	0	0	-46
00772U.001	-13	0	0	-13
00772V.001	65	0	0	65
00772W.001	-562	0	0	-562
00772X.001	-3,982	0	0	-3,982
00773A.001	663	0	0	663
00773A.002	-450	0	0	-450
00774A.001	510	0	0	510
00774B.003	-112	0	0	-112
00774C.001	-869	0	0	-869
00774G.001	-336	0	0	-336
00774J.001	246	0	0	246
00774K.001	-51	0	0	-51
00774K.002	-40	0	0	-40
00774L.001	1,296	0	0	1,296
00774L.002	-1,089	0	0	-1,089
00774L.003	-432	0	0	-432
00774M.001	-8	0	0	-8
00774N.001	781	0	0	781
00774N.002	-322	0	0	-322
00775A.001	14	0	0	14
00776A.001	604	0	0	604
00776A.003	-250	0	0	-250
00776B.001	196	0	0	196
00776B.002	-600	0	0	-600
00776B.003	-825	0	0	-825
00776C.001	-561	0	0	-561
00776C.002	-98	0	0	-98
00776D.001	-411	0	0	-411
00776D.002	-642	0	0	-642
00776G.001	1,011	0	0	1,011
00776O.001	-3,028	0	0	-3,028
00776P.001	-171	0	0	-171

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00776Q.001	-281	0	0	-281
00776R.001	138	0	0	138
00776S.001	-64	0	0	-64
00776U.001	2,549	0	0	2,549
00776U.002	-270	0	0	-270
00776V.001	782	0	0	782
00776V.002	-465	0	0	-465
00776W.001	-421	0	0	-421
00776X.001	154	0	0	154
00776Y.001	2,597	0	0	2,597
00777B.001	624	0	0	624
00777D.001	-84	0	0	-84
00777E.001	539	0	0	539
00777E.002	-625	0	0	-625
00778A.001	-2,588	0	0	-2,588
00778B.001	1,672	0	0	1,672
00778B.002	-195	0	0	-195
00778B.003	-1,480	0	0	-1,480
00778E.001	-387	0	0	-387
00778E.002	-80	0	0	-80
00780A.001	-1,581	0	0	-1,581
00780A.003	-458	0	0	-458
00780C.001	-453	0	0	-453
00784A.001	149	0	0	149
00784A.003	-370	0	0	-370
00784B.001	-23	0	0	-23
00786A.001	140	0	0	140
00786A.002	-425	0	0	-425
00786C.001	-524	0	0	-524
00788A.001	-319	0	0	-319
00810B.001	-2,696	0	0	-2,696
Total	-24,030	-20,091	0	-44,121

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

16. SCG-19 (Exh 220) - CORPORATE CENTER - GENERAL ADMINISTRATION

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2SE000.001	(2,437)	2A16-a1

CHAPTER 2A16-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-19
Area: CORPORATE CENTER - GENERAL ADMINISTRATION
Witness: Devine, Hannah L.

NONSHARED O&M

Subject: SECC OUTSIDE SERVICES - F923.1 and F923.4
Workpaper: 2SE000.001

SoCalGas Position: SoCalGas requests \$49.235 million in 2013 dollars, or \$51.299 million in 2016 (updated) dollars, for allocations of Sempra’s TY 2016 Corporate Center Shared Services. This includes allocated and directly-assigned expenses for functions that are not otherwise performed at the utility, in the area of Finance, Legal & Governance, Human Resources, External Affairs, Facilities/Assets (including Depreciation), and related Pension & Benefits.

Exhibit SCG-19, Pages PRW 1-2 and 8

ORA Position: ORA recommends basing TY 2016 on the overall percentage of SoCalGas allocations from Corporate Center Total, using a three-year recent average (2012-2014) including ORA’s audit adjustments. This results in \$47.3 million in 2013 dollars allocated to SoCalGas (ORA did not calculate the escalated amount in 2016 dollars). ORA’s recommendation is a decrease of \$2 million (in 2013 dollars) to SoCalGas.

Exhibit ORA-16, pages 7-8

Note: The proposed TY2016 Forecast below does not include Corporate Center’s standard escalation. Because of the variety of standard and non-standard costs, Corporate Center calculates and provides a total escalated allocation to the utilities as “non-standard” so they are not escalated a second time.

Proposed TY2016 Forecast (in thousands of 2013 dollars):

Non-Standard/Total 49,235 (SCG) 47,267(ORA) -1,968(Difference)

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	0	0	0
Nonstandard	49,821	47,384	-2,437
TOTAL	49,821	47,384	-2,437

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

17. SCG-21 (Exh 191) - COMPENSATION, HEALTH, & WELFARE

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2CP000.000	(32,277)	2A17-a1
2. 2CP000.002	(7,592)	2A17-a2
3. 2PB000.000	(2,590)	2A17-a3
4. 2PB000.001	(123)	2A17-a4
5. 2PB000.002	4	2A17-a5
6. 2PB000.003	(483)	2A17-a6
7. 2PB000.004	(23)	2A17-a7
8. 2PB000.005	(383)	2A17-a8
9. 2PB000.006	94	2A17-a9
10. 2PB000.007	(12)	2A17-a10
11. 2PB000.012	(870)	2A17-a11
12. 2PB000.022	(529)	2A17-a12
13. 2PB000.023	(216)	2A17-a13

CHAPTER 2A17-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: COMPENSATION-VARIABLE PAY
Workpaper: 2CP000.000

SoCalGas Position: SoCalGas requests \$49.213 million for TY 2016 for the activities in this work group using a zero-based forecast. The ORA and SCG jointly selected Towers Watson to conduct the competitive compensation and benefits analysis. SCG's total compensation (defined as base salaries, target short-term incentives, long term incentives and benefits) is within 2.6 percent of market. Compensation professionals, including Towers Watson, typically consider a range of plus or minus 10 percent of the average of the external market data to be competitive and broader ranges are common and expected for long-term incentive plans and benefits. SCG is requesting recovery of variable pay based on target performance. If actual ICP performance exceeds target performance, the differential is funded by shareholders and is not recoverable in rates.

Exhibit SCG-21, page DSR-6-10
Exhibit SCG-21-WP, page 6

ORA Position: ORA proposes \$16.936 million for TY 2016 for the activities in this work group, which represents a reduction of \$32.277 million. ORA states that incentive criteria tied to financial goals are clearly shareholder oriented. ORA recommends that ratepayers should not be responsible for funding the 60% of each company's executive ICP request related to financial goals. In addition, because both ratepayers and shareholders may both benefit from employees being motivated to meet operational and individual goals, the remaining portion of ICP expense should be shared. ORA recommends ratepayers fund 50% of the remaining ICP expense.

Exhibit ORA-17, pages 9-12

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	49,213	16,936	-32,277
NonLabor	0	0	0
Nonstandard	0	0	0
TOTAL	49,213	16,936	-32,277

CHAPTER 2A17-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: COMPENSATION - LONG-TERM INCENTIVE PROGRAM
Workpaper: 2CP000.002

SoCalGas Position: SoCalGas requests \$7.592 million for TY 2016 for the activities in this work group using a zero-based forecast. Long-term incentives are an integral component of a competitive compensation program for key management and executive employees. Consistent with the external labor market, SCG's compensation philosophy ties a greater portion of pay to company performance at higher levels of responsibility. The actual compensation realized by participants is dependent on Sempra Energy's performance. Long-term incentives awards are granted under the Sempra Energy Long Term Incentive Plan, in the form of performance-based restricted stock units and service-based restricted stock units. Long-term incentive plan costs are based on the accounting expense incurred for awards issued to SCG employees.

Exhibit SCG-21, pages DSR 10-11
Exhibit SCG-21-WP, page 14

ORA Position: ORA proposes \$0 for TY 2016 for the activities in this work group, which represents a reduction of \$7.592 million. ORA states that the long term incentives, comprising stock options, are clearly shareholder-related expenses and are not an appropriate ratepayer expense. Stock-based compensation is tied to financial performance of the company over a period of four years this clearly aligns management interests with the interests of shareholders, and the LTIP payout is essentially a premium paid for financial performance. Another consideration is the cost to ratepayers, who see little benefit from LTIP programs, but who face increased costs if the LTIP program is included in rates.
Exhibit ORA-17, pages 5 and 12

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	0	0	0
Nonstandard	7,592	0	-7,592
TOTAL	7,592	0	-7,592

CHAPTER 2A17-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: HEALTH BENEFITS - MEDICAL
Workpaper: 2PB000.000

SoCalGas Position: SoCalGas requests \$89.763 million for TY 2016 the activities in this work group using a zero-based forecast. This reflects forecasted medical rate escalation as well as anticipated changes in headcount. Healthcare costs continue to increase at rates much higher than general inflation. The medical trend forecast was prepared by Towers Watson, SCG's actuary and benefits broker. Towers Watson considered California and national data and prepared a forecast specifically for SCG taking into account workforce demographics, historical utilization data, and medical plan design. The projected aggregate rate increase for 2016 is 7.8 percent.

Exhibit SCG-21, pages DSR-15-20
Exhibit SCG-21-WP, page 37

ORA Position: ORA proposes \$87.173 million (revised Errata amount) for TY 2016 for the activities in this work group, which represents a reduction of \$2.590 million. ORA used the actual, adjusted recorded 2014 health benefit expense as the basis for its recommendations. ORA divided each company's 2014 actual expense by the 2014 actual FTE count to arrive at a program cost per person, escalated the program costs, and then multiplied the 2016 program cost by each company's estimated 2016 FTE count to arrive at ORA's TY estimate. ORA recommends using the Berkeley Healthcare Forum's California-specific forecast for medical escalation rates.

Exhibit ORA-17, pages 15-17
Exhibit ORA-17-E, page 4

Note: ORA's request for TY 2016 has been updated to reflect changes provided in the Errata filing, dated July 10, 2015. ORA's original request in its testimony was \$85.725 million.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	0	0	0
Nonstandard	89,763	87,173	-2,590
TOTAL	89,763	87,173	-2,590

CHAPTER 2A17-a4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: HEALTH BENEFITS - DENTAL
Workpaper: 2PB000.001

SoCalGas Position: SoCalGas requests \$4.625 million for TY 2016 for the activities in this work group using a zero-based forecast. SCG offers two dental plans to its employees and their eligible dependents: Delta Dental Plan and Met Life Safeguard Dental Plan. 2016 costs are based on 2015 premiums adjusted for projected inflation and changes in projected headcount.

Exhibit SCG-21, pages DSR-22-23
Exhibit SCG-21-WP, page 48

ORA Position: ORA proposes \$4.502 million (revised Errata amount) for TY 2016 for the activities in this work group, which represents a reduction of \$0.123 million. ORA used the actual, adjusted recorded 2014 health benefit expense as the basis for its recommendations. ORA's use of 2014 actual, adjusted recorded expense results in an ORA TY estimate of \$4.502 million.

Exhibit ORA-17, pages 15 and 19
Exhibit ORA-17-E, page 4

Note: ORA's request for TY 2016 has been updated to reflect changes provided in the Errata filing, dated July 10, 2015. ORA's original request in its testimony was \$4.427 million.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	0	0	0
Nonstandard	4,625	4,502	-123
TOTAL	4,625	4,502	-123

CHAPTER 2A17-a5

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: HEALTH BENEFITS - VISION
Workpaper: 2PB000.002

SoCalGas Position: SoCalGas requests \$0.590 million for TY 2016 for the activities in this work group using a zero-based forecast. SCG offers employees vision coverage under the Vision Service Plan ("VSP"). VSP is experience rated and future premiums are based on the prior year's utilization history. 2016 costs per covered employee are forecasted based on 2015 premiums adjusted for projected inflation and changes in projected headcount.

Exhibit SCG-21, page DSR-23
Exhibit SCG-21-WP, page 55

ORA Position: ORA proposes \$0.594 million (revised Errata amount) for TY 2016 for the activities in this work group, which represents an increase of \$0.004 million. ORA used the actual, adjusted recorded 2014 health benefit expense as the basis for its recommendations. ORA's use of 2014 actual, adjusted recorded expense results in an ORA TY estimate of \$0.594 million.

Exhibit ORA-17, pages 15 and 19
Exhibit ORA-17-E, page 4

Note: ORA's request for TY 2016 has been updated to reflect changes provided in the Errata filing, dated July 10, 2015. ORA's original request in its testimony was \$0.583 million.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	0	0	0
Nonstandard	590	594	4
TOTAL	590	594	4

CHAPTER 2A17-a6

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: HEALTH BENEFITS - WELLNESS
Workpaper: 2PB000.003

SoCalGas Position: SoCalGas requests \$0.842 million for TY 2016. The objective of the SoCalGas wellness program is to improve employee health and productivity. Wellness programs promote healthy lifestyle changes and illness prevention, facilitate early detection and management of illness and disease, and help ensure that employees diagnosed with health conditions receive optimal and effective treatment.

Exhibit SCG-21, page 24 and 26
Exhibit SCG-21-WP, page 63

ORA Position: ORA proposes \$0.359 million (revised Errata amount) for TY 2016 for the activities in this work group, which represents a decrease of \$0.483 million. ORA used the actual, adjusted recorded 2014 health benefit expense as the basis for its recommendations. ORA's use of 2014 actual, adjusted recorded expense results in an ORA TY estimate of \$0.359 million.

Exhibit ORA-17, pages 15 and 20
Exhibit ORA-17-E, page 4

Note: ORA's request for TY 2016 has been updated to reflect changes provided in the Errata filing, dated July 10, 2015. ORA's original request in its testimony was \$0.353 million.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	0	0	0
Nonstandard	842	359	-483
TOTAL	842	359	-483

CHAPTER 2A17-a7

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: HEALTH BENEFITS - EMPLOYEE ASSISTANCE PROGRAM (EAP)
Workpaper: 2PB000.004

SoCalGas Position: SoCalGas requests \$0.927 million for TY 2016 for the activities in this work group using a zero-based forecast. SCG is required by the Drug Free Workplace Act of 1988 and the Department of Transportation (“DOT”) to have an EAP program available to its employees. EAP provides employees and their eligible dependents with cost-effective, confidential counseling and treatment services for various personal problems that may have a negative impact on job performance. The cost forecast is based on actual 2013 claims paid indexed for projected headcount changes and assuming that premiums follow the same escalation trend as medical premiums.

Exhibit SCG-21, pages DSR-26-27
Exhibit SCG-21-WP, page 71

ORA Position: ORA proposes \$0.904 million (revised Errata amount) for TY 2016 for the activities in this work group, which represents a decrease of \$0.023 million. ORA used the actual, adjusted recorded 2014 health benefit expense as the basis for its recommendations. ORA’s use of 2014 actual, adjusted recorded expense results in an ORA TY estimate of \$0.904 million.

Exhibit ORA-17, pages 15 and 20
Exhibit ORA-17-E, page 4

Note: ORA’s request for TY 2016 has been updated to reflect changes provided in the Errata filing, dated July 10, 2015. ORA’s original request in its testimony was \$0.889 million.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	0	0	0
Nonstandard	927	904	-23
TOTAL	927	904	-23

CHAPTER 2A17-a8

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: HEALTH BENEFITS - MENTAL HEALTH
Workpaper: 2PB000.005

SoCalGas Position: SoCalGas requests \$1.916 million for TY 2016 for the activities in this work group using a zero-based forecast. Mental health and substance abuse services include individual counseling sessions for issues such as psychological and emotional conditions, life management, all addictions, job-related problems, and relationship issues. The cost forecast is based on actual 2013 claims paid indexed for projected headcount changes and assuming that premiums follow the same escalation trend as medical premiums.

Exhibit SCG-21, pages DSR-26-27
Exhibit SCG-21-WP, page 78

ORA Position: ORA proposes \$1.533 million (revised Errata amount) for TY 2016 for the activities in this work group, which represents a decrease of \$0.383 million. ORA used the actual, adjusted recorded 2014 health benefit expense as the basis for its recommendations. ORA's use of 2014 actual, adjusted recorded expense and the Berkeley Healthcare Forum's California-specific medical escalation rates results in an ORA TY estimate of \$1.533 million.

Exhibit ORA-17, pages 15 and 20
Exhibit ORA-17-E, page 4

Note: ORA's request for TY 2016 has been updated to reflect changes provided in the Errata filing, dated July 10, 2015. ORA's original request in its testimony was \$1.507 million.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	0	0	0
Nonstandard	1,916	1,533	-383
TOTAL	1,916	1,533	-383

CHAPTER 2A17-a9

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: WELFARE BENEFITS - LIFE INSURANCE
Workpaper: 2PB000.006

SoCalGas Position: SoCalGas requests \$2.107 million for TY 2016 for the activities in this work group using a zero-based forecast. SCG provides employees with basic life insurance coverage equal to one times annual pay (base salary plus ICP, if applicable). Coverage is adjusted each year to reflect increases or decreases in employee pay. The premium per \$1,000 of coverage is based on the actual 2014 rate. Projected 2016 costs are adjusted for wage and headcount escalation.

Exhibit SCG-21, page DSR-28
Exhibit SCG-21-WP, page 101

ORA Position: ORA proposes \$2.201 million (revised Errata amount) for TY 2016 for the activities in this work group, which represents an increase of \$0.094 million. ORA analyzed the historical expenses for both companies and does not dispute them or the proposed escalation rates. ORA's use of 2014 actual, adjusted recorded expense results in an ORA TY estimate of \$2.201 million.

Exhibit ORA-17, page 22
Exhibit ORA-17-E, page 5

Note: ORA's request for TY 2016 has been updated to reflect changes provided in the Errata filing, dated July 10, 2015. ORA's original request in its testimony was \$2.164 million.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	0	0	0
Nonstandard	2,107	2,201	94
TOTAL	2,107	2,201	94

CHAPTER 2A17-a10

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: WELFARE BENEFITS - AD&D INSURANCE
Workpaper: 2PB000.007

SoCalGas Position: SoCalGas requests \$0.074 million for TY 2016 for the activities in this work group using a zero-based forecast. SCG provides employees with basic Accidental Death and Dismemberment insurance coverage equal to one times annual pay (base salary plus ICP, if applicable). Coverage is adjusted each year to reflect increases or decreases in employee pay. AD&D insurance provides a level of protection and additional security to employees and their families in the event of a tragic accident.

Exhibit SCG-21, page DSR-28
Exhibit SCG-21-WP, page 87

ORA Position: ORA proposes \$0.062 million (revised Errata amount) for TY 2016 for the activities in this work group, which represents a decrease of \$0.012 million. ORA's use of 2014 actual, adjusted recorded expense results in an ORA TY estimate of \$0.062 million.

Exhibit ORA-17, page 22
Exhibit ORA-17-E, page 5

Note: ORA's request for TY 2016 has been updated to reflect changes provided in the Errata filing, dated July 10, 2015. ORA's original request in its testimony was \$0.061 million.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	0	0	0
Nonstandard	74	62	-12
TOTAL	74	62	-12

CHAPTER 2A17-a11

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: RETIREMENT BENEFITS-SUPPLEMENTAL PENSION
Workpaper: 2PB000.012

SoCalGas Position: SoCalGas requests \$0.870 million for TY 2016 for the activities in this work group using a zero-based forecast. SCG offers two supplemental pension plans, the Supplemental Executive Retirement Plan, which covers a small number of senior executives, and the Cash Balance Restoration Plan. The Cash Balance Restoration Plan restores benefits for employees whose earnings or benefits exceed the limitations established by the Employee Retirement and Income Security Act. The plan merely restores benefits that would otherwise be lost due to statutory limits under broad based retirement plans. Cost forecasts represent the projected benefit payments. As with other contingent cash flows, the amount and timing of future benefit payments are based on actuarial assumptions such as the lump sum rate, future salary increases, and mortality and retirement rates.

Exhibit SCG-21, p DSR-30-31
SCG-21-WP, p 124

ORA Position: ORA proposes \$0 for TY 2016 for the activities in this work group, which represents a decrease of \$0.870 million. ORA opposes the inclusion of any supplemental executive benefits in revenue requirements. Neither company has offered sufficient evidence to support ratepayers funding these supplemental costs. These officers also provide value to shareholders. The amount contributed to the pension plan by ratepayers serves to provide sufficient retirement program benefits and does not need to be further supplemented and enhanced to provide even higher retirement benefits and to support a highly enhanced retirement salary. If Sempra wants to fund the costs associated with any supplemental executive benefits, it can do so from shareholder funds.

Exhibit ORA-17, pages 23 and 25

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	0	0	0
Nonstandard	870	0	-870
TOTAL	870	0	-870

CHAPTER 2A17-a12

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: OTHER BENEFIT PROGRAMS - SPECIAL EVENTS
Workpaper: 2PB000.022

SoCalGas Position: SoCalGas requests \$0.529 million for TY 2016 for the activities in this work group using a zero-based forecast. Special Events night is a long-standing benefit highly valued by employees at all levels. It is the one time a year when employees from union and management ranks from all around the company gather in one place. The event site varies each year and has included Knott's Berry Farm, Disneyland or Sea World.

Exhibit SCG-21, page DSR-36
Exhibit SCG-21-WP, page 178

ORA Position: ORA proposes \$0 for TY 2016 for the activities in this work group, which represents a decrease of \$0.529 million. This is a supererogatory employee benefit program that does not provide a clear and identifiable benefit to ratepayers and is not necessary to operate the utility business.

Exhibit ORA-17, page 27

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	0	0	0
Nonstandard	529	0	-529
TOTAL	529	0	-529

CHAPTER 2A17-a13

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

NONSHARED O&M

Subject: RETIREMENT BENEFITS-NONQUALIFIED RETIREMENT SAVINGS PLAN
Workpaper: 2PB000.023

SoCalGas Position: SoCalGas requests \$0.216 million for TY 2016 for the activities in this work group using a zero-based forecast. The nonqualified retirement savings plan, or deferred compensation plan, allows pre-tax contributions for employees subject to IRS compensation and contribution limits. Company matching contributions under the plan are identical to company matching contributions under the RSP.

Exhibit SCG-21, page DSR-30
Exhibit SCG-21-WP, page 116

ORA Position: ORA proposes \$0 for TY 2016 for the activities in this work group, which represents a decrease of \$0.216 million. This deferred compensation plan benefits certain highly-paid management employees who are subject to IRS compensation and contribution limits in the 401(k) retirement savings plan. ORA is opposed to having ratepayers bear the costs of benefit programs in excess of federal limits and which serve to further enhance benefits to higher compensated employees. Neither company has demonstrated that these enhanced benefits are necessary to attract and retain skilled employees nor supported the reasonableness of ratepayer funding the costs associated with supplemental benefits beyond traditional funding levels and limitations. Accordingly, ORA recommends that the Commission deny ratepayer funding for the Nonqualified Savings Plan contributions in the 2016 TY.
Exhibit ORA-17, pages 23-24

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	0	0	0
Nonstandard	216	0	-216
TOTAL	216	0	-216

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

18. SCG-23-R (Exh 106) - PRES/COO, HR, WORKERS COMP & DISABILITY

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2HR004.000	(266)	2A18-a1
2. 2HR005.000	(121)	2A18-a2
3. 2HR006.000	(5,053)	2A18-a3
4. 2HR006.001	(3,168)	2A18-a4
5. 2HR007.000	(185)	2A18-a5

CHAPTER 2A18-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-23-R
Area: PRES/COO, HR, WORKERS COMP & DISABILITY
Witness: Serrano, Mark L.

NONSHARED O&M

Subject: SCG Director HR Services
Workpaper: 2HR004.000

SoCalGas Position: SoCalGas requests \$4.757 million for TY 2016 for the activities in this work group using a base year recorded forecast plus incrementals. The HR Services department is comprised of four work units, including: Client Services, Staffing, Personnel Research & Workforce Planning and HR Projects & Compensation. Added to the base year are incremental work elements not reflected in the base forecast that are necessary to adequately fund HR Services activities in TY 2016: new hire employment process; a workforce readiness advisor; two additional workforce planning staff positions and license software; and two additional external staffing personnel.

In comparing ORA's written analysis to its summary tables for non-shared service costs, SoCalGas believes both ORA Table 18-3 and Table 18-7 understate ORA's 2016 forecast.

Exhibit SCG-23-R, pages MLS-9-13
Exhibit SCG-23-WP, pages 21-23

ORA Position: ORA proposes \$4.491 million for TY 2016 for the activities in this work group, which represents a reduction of \$0.266 million to SoCalGas' 2016 forecast. For workforce readiness, ORA recommends \$0 for the new Workforce Readiness Advisor in 2016. ORA states when current employees actually do start to retire, rather than just being eligible, then the utility should consider hiring the new Workforce Readiness Advisor. For workforce planning, ORA recommends \$246,000 for this area, which is \$80,000 less than SCG's test year forecast of \$326,000. For external staffing, ORA recommends \$131,000 for External Staffing, which is \$80,000 less than SCG's TY request of \$211,000. ORA states that if there is enough of a need then SCG can make the proposal to hire another one in its next rate cycle.

Exhibit ORA-18, pages 16-18

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	3,173	2,907	-266
NonLabor	1,584	1,584	0
Nonstandard	0	0	0
TOTAL	4,757	4,491	-266

CHAPTER 2A18-a1

Exhibit No: SCG-23-R

Area: PRES/COO, HR, WORKERS COMP & DISABILITY

Witness: Serrano, Mark L.

<u>Workpaper</u>	<u>Workpaper Description</u>	<u>SCG</u>	<u>ORA</u>	<u>Diff</u>
2HR001.000	SCG Pres & CEO, COO & VP of HR	3,624	3,624	-
2HR003.000	SCG Director Perf &Orgnl Strategy	1,350	1,350	-
2HR004.000	SCG Director HR Services	4,757	4,491	(266)
2HR005.000	SCG Director Labor Relations North	1,860	1,739	(121)
2HR006.000	SCG Director Sfty Wellness & Dis Svcs	11,443	6,390	(5,053)
2HR006.001	SCG Workers Comp & LTD	26,426	23,258	(3,168)
2HR007.000	SCG Director Org Effectiveness	2,441	2,256	(185)
	Total	<u>48,277</u>	<u>39,484</u>	<u>(8,793)</u>

Note: There is a discrepancy between ORA's RO model and testimony. ORA testimony recommends a total of \$16.176 million while RO model shows \$16.226 million.

CHAPTER 2A18-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-23-R
Area: PRES/COO, HR, WORKERS COMP & DISABILITY
Witness: Serrano, Mark L.

NONSHARED O&M

Subject: SCG Director Labor Relations-North
Workpaper: 2HR005.000

SoCalGas Position: SoCalGas requests \$1.860 million for TY 2016 for the activities in this work group using a base year recorded forecast plus incrementals. The Labor Relations staff is responsible for the labor strategy, union relations, Collective Bargaining Agreement (“CBA”) negotiations, contract administration, grievances, mediations, arbitrations, and National Labor Relations Board (“NLRB”) actions. Added to the base year are incremental work elements not reflected in the base forecast that are necessary to adequately fund Labor Relations activities in TY 2016: CBA negotiations that did not occur in Base Year - 2013; additional Labor Relations Advisor; and labor relations staff training. The Labor Relations department has historically maintained a significant backlog of grievance and arbitration cases awaiting resolution.

Exhibit SCG-23-R, page MLS 13-14
Exhibit SCG-23-WP, pages 29-30

ORA Position: ORA proposes \$1.739 million for TY 2016 for the activities in this work group, which represents a reduction of \$0.121 million to SoCalGas’ 2016 forecast. ORA recommends \$0 for a new Labor Relations Advisor. SCG has not given any indication in its testimony or workpapers of any changes to how labor negotiations are currently handled and ORA sees no reason for an additional employee.

Exhibit ORA-18, pages 18-19

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	1,611	1,490	-121
NonLabor	249	249	0
Nonstandard	0	0	0
TOTAL	1,860	1,739	-121

CHAPTER 2A18-a2

Exhibit No: SCG-23-R

Area: PRES/COO, HR, WORKERS COMP & DISABILITY

Witness: Serrano, Mark L.

<u>Workpaper</u>	<u>Workpaper Description</u>	<u>SCG</u>	<u>ORA</u>	<u>Diff</u>
2HR001.000	SCG Pres & CEO, COO & VP of HR	3,624	3,624	-
2HR003.000	SCG Director Perf &Orgnl Strategy	1,350	1,350	-
2HR004.000	SCG Director HR Services	4,757	4,491	(266)
2HR005.000	SCG Director Labor Relations North	1,860	1,739	(121)
2HR006.000	SCG Director Sfty Wellness & Dis Svcs	11,443	6,390	(5,053)
2HR006.001	SCG Workers Comp & LTD	26,426	23,258	(3,168)
2HR007.000	SCG Director Org Effectiveness	2,441	2,256	(185)
	Total	<u>48,277</u>	<u>39,484</u>	<u>(8,793)</u>

Note: There is a discrepancy between ORA's RO model and testimony. ORA testimony recommends a total of \$16.176 million while RO model shows \$16.226 million.

CHAPTER 2A18-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-23-R
Area: PRES/COO, HR, WORKERS COMP & DISABILITY
Witness: Serrano, Mark L.

NONSHARED O&M

Subject: SCG Director Sfty Wellness & Dis Svcs
Workpaper: 2HR006.000

SoCalGas Position: SoCalGas requests \$11.443 million for TY 2016 for the activities in this work group using a base year recorded forecast plus incrementals. The services provided by the Safety, Wellness and Disability Services ("SW&DS") department extend from pre-employment health testing through the end of employment at SCG. Added to the base year are incremental work elements not reflected in the base forecast that are necessary to adequately fund SW&DS activities in TY 2016: safety committee member training; expand the existing one-day defensive driver training course to three days; defensive driver coaching with "refresher" training; an in-depth safety orientation for people who are new to supervision; provide drivers with real-time in-vehicle safety feedback; and a Field Safety Advisor position.

Exhibit SCG-23-R, page MLS 18-23
Exhibit SCG-23-WP, page 44

ORA Position: ORA proposes \$6.390 million for TY 2016 for the activities in this work group, which represents a reduction of \$5.053 million to SoCalGas' 2016 forecast. ORA believes that new driver training has been operating efficiently with what it has been doing thus far and believes expanding this program from one day to three days is excessive, especially given the lack of support for the need of 2 additional days. ORA recommends that SCG run a pilot program for defensive driver training first, before launching a full blown program. If SCG decides to include this program in its next GRC cycle, SCG should provide the cost benefit analysis. ORA recommends that this project wait until next GRC cycle when the results of the pilot program can be considered along with a cost benefit analysis.

Note: ORA Position continued - ORA recommends \$0 for the Program Administrator: ORA does not see the need to staff one extra position to assist in promoting topics that can impact employee safety and prevent employee illness and injury when the company has already been doing so already. ORA recommends that only 1 Claims Examiner be hired in 2016 to start, and then if there is enough of a need hire another Claims Examiner and a Claims associate in SCG's next rate cycle.

Exhibit ORA-18, pages 21-25

*SoCalGas made the following reductions in Rebuttal Testimony: reduce the cost forecast for an ECS Claims Examiner (\$0.077 million) and reducing Defensive Driver Refresher Training costs (\$1.326 million). This reduces SoCalGas' request from \$11.443 million to \$10.046 million.

CHAPTER 2A18-a3

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	7,001	4,161	-2,840
NonLabor	4,442	2,229	-2,213
Nonstandard	0	0	0
TOTAL	11,443	6,390	-5,053

CHAPTER 2A18-a3

Exhibit No: SCG-23-R

Area: PRES/COO, HR, WORKERS COMP & DISABILITY

Witness: Serrano, Mark L.

<u>Workpaper</u>	<u>Workpaper Description</u>	<u>SCG</u>	<u>ORA</u>	<u>Diff</u>
2HR001.000	SCG Pres & CEO, COO & VP of HR	3,624	3,624	-
2HR003.000	SCG Director Perf &Orgnl Strategy	1,350	1,350	-
2HR004.000	SCG Director HR Services	4,757	4,491	(266)
2HR005.000	SCG Director Labor Relations North	1,860	1,739	(121)
2HR006.000	SCG Director Sfty Wellness & Dis Svcs	11,443	6,390	(5,053)
2HR006.001	SCG Workers Comp & LTD	26,426	23,258	(3,168)
2HR007.000	SCG Director Org Effectiveness	2,441	2,256	(185)
	Total	<u>48,277</u>	<u>39,484</u>	<u>(8,793)</u>

Note: There is a discrepancy between ORA's RO model and testimony. ORA testimony recommends a total of \$16.176 million while RO model shows \$16.226 million.

CHAPTER 2A18-a4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-23-R
Area: PRES/COO, HR, WORKERS COMP & DISABILITY
Witness: Serrano, Mark L.

NONSHARED O&M

Subject: Workers Comp and Long Term Disability
Workpaper: 2HR006.001

SoCalGas Position: SoCalGas requests \$26.426 million for TY 2016 for the activities in this work group using a zero-based forecast. Workers' Compensation benefits are mandated benefits provided to employees working in the State of California who are injured on the job. Employees who are injured on the job receive benefits through SCG's self-insured Workers' Compensation program. The primary drivers for the increase in Workers' Compensation costs are labor and non-labor escalation and medical premium escalation described in the testimony of witness Scott Wilder (Ex. SCG-31). The TY2016 Workers' Compensation cost forecast is based on a 3-year historical average of Workers' Compensation costs, escalated for the aforementioned factors. The LTD cost forecast is based upon the Base Year 2013 cost forecast methodology.

Exhibit SCG-23-R, page MLS 25-26
Exhibit SCG-23-WP, page 53

ORA Position: ORA proposes \$23.258 million for TY 2016 for the activities in this work group, which represents a reduction of \$3.168 million to SoCalGas' 2016 forecast. The adjusted recorded expenses during the 2009-2014 period indicates a degree of variability in expenses from one year to the next. After calculating 3-year, 4-year, and 5-year averages, ORA concludes it is reasonable to recommend SCG's highest recorded amount of \$23.3 million, incurred in 2011, during the 2009-2014 time frame.

Exhibit ORA-18, page 25

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	0	0	0
Nonstandard	26,426	23,258	-3,168
TOTAL	26,426	23,258	-3,168

CHAPTER 2A18-a5

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-23-R
Area: PRES/COO, HR, WORKERS COMP & DISABILITY
Witness: Serrano, Mark L.

NONSHARED O&M

Subject: SCG Director Org Effectiveness
Workpaper: 2HR007.000

SoCalGas Position: SoCalGas requests \$2.441 million for TY 2016 for the activities in this work group using a base year recorded forecast plus incrementals. The Organizational Effectiveness (“OE”) department provides leadership, organizational and employee development programs, instructional design services, and knowledge transfer and management programs for SCG. OE consists of four work units providing services to SCG: Organizational Development, Employee Development, Instructional Design & Technology and Knowledge Transfer & Management. Added to the base year are incremental work elements not reflected in the base forecast that are necessary to adequately fund OE activities in TY 2016: Workforce Knowledge Transfer incremental staff and software; organizational health activities; and employee development program enhancements.

Exhibit SCG-23-R, pages MLS 14-16
Exhibit SCG-23-WP, page 36

ORA Position: ORA proposes \$2.256 million for TY 2016 for the activities in this work group, which represents a reduction of \$0.185 million. ORA does not dispute the need for new software. However, SCG has been managing its knowledge transfer positions effectively without the need for an additional Knowledge Transfer Advisor. ORA recommends that only 1 Employee Development Advisor be hired in 2016 to start. If there is enough of a need SCG can make the proposal to hire another one in its next rate cycle.

Exhibit ORA-18, pages 19-20

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	1,633	1,448	-185
NonLabor	808	808	0
Nonstandard	0	0	0
TOTAL	2,441	2,256	-185

CHAPTER 2A18-a5

Exhibit No: SCG-23-R

Area: PRES/COO, HR, WORKERS COMP & DISABILITY

Witness: Serrano, Mark L.

<u>Workpaper</u>	<u>Workpaper Description</u>	<u>SCG</u>	<u>ORA</u>	<u>Diff</u>
2HR001.000	SCG Pres & CEO, COO & VP of HR	3,624	3,624	-
2HR003.000	SCG Director Perf &Orgnl Strategy	1,350	1,350	-
2HR004.000	SCG Director HR Services	4,757	4,491	(266)
2HR005.000	SCG Director Labor Relations North	1,860	1,739	(121)
2HR006.000	SCG Director Sfty Wellness & Dis Svcs	11,443	6,390	(5,053)
2HR006.001	SCG Workers Comp & LTD	26,426	23,258	(3,168)
2HR007.000	SCG Director Org Effectiveness	2,441	2,256	(185)
	Total	<u>48,277</u>	<u>39,484</u>	<u>(8,793)</u>

Note: There is a discrepancy between ORA's RO model and testimony. ORA testimony recommends a total of \$16.176 million while RO model shows \$16.226 million.

Chapter 2 - ORA vs. SoCalGas

Part A - O&M and Capital Expenditures

19. SCG-24-R (Exh 283) - REG AFF/A&F/LEGAL/EXT AFF

a. O&M - NON-SHARED

Workpaper	ORA vs. SoCalGas (2016)	Reference
1. 2AG002.000	(3,782)	2A19-a1
2. 2AG011.000	(160)	2A19-a2

CHAPTER 2A19-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-24-R
Area: REG AFF/A&F/LEGAL/EXT AFF
Witness: Gonzales, Ramon

NONSHARED O&M

Subject: ACCOUNTING OPERATIONS
Workpaper: 2AG002.000

SoCalGas Position: This work group consists of two reductions unrelated to Accounting Operations: Meals and Entertainment (M&E) and Customer Deposits (Working Cash). SoCalGas did not specifically forecast M&E as a line item expense in this rate case; rather, M&E expenses are embedded in its 2016 revenue requirement forecast. M&E expenses are job-related expenses include travel, meals, and other expenses associated with establishing, maintaining and enhancing business relationships that provide value back to utility customers. Customer Deposits are excluded as a working cash item because the utility pays interest at the Federal Reserve published prime non-financial 3-month commercial paper rate. This treatment is consistent with SP U-16 whereby interest bearing accounts are excluded from working cash.

SCG-224, page RG-5
SCG-29-R, page MWF-10

ORA Position: ORA proposes a reduction of \$3.782 million to this work group, a combination reductions for Meals and Entertainment and Customer Deposits. ORA recommends reducing TY expenses by \$692,873 (in 2013 dollars) based on 2013 recorded costs, as a proxy for the amount of Meals and Entertainment expenses embedded in SCG's TY forecast. ORA states that SoCalGas has not demonstrated that the meals and entertainment expenses serve a useful business-related purpose. ORA proposes a \$3.072 million reduction to SoCalGas' Revenue Requirement for Customer Deposits. ORA recommends that the treatment the Commission adopted in its D.14-08-032 for Customer Deposits be extended to SoCalGas in this GRC. ORA recommends that the Commission treat Customer Deposits as a source of long-term debt and reduce the revenue requirements for Customer Deposits by imputing financing costs based on short-term interest rates.

Note: Exhibit ORA-19, pages 3 and 21-22
Exhibit ORA-22, page 20

The ORA adjustment of \$3.782 million is a combination of a \$0.693 million reduction for Meals and Entertainment and \$3.072 million reduction for Customer Deposits. \$0.017 million is unaccounted for and may be due to a calculation error.

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	3,554	3,554	0
NonLabor	492	492	0
Nonstandard	0	-3,782	-3,782

CHAPTER 2A19-a1

TOTAL	4,046	264	-3,782
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CHAPTER 2A19-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-24-R
Area: REG AFF/A&F/LEGAL/EXT AFF
Witness: Gonzales, Ramon

NONSHARED O&M

Subject: MEDIA & EMPLOYEE COMMUNICATIONS
Workpaper: 2AG011.000

SoCalGas Position: SoCalGas requests \$1.023 million for the activities in this work group based on the 3-year average (2011-2013) of historical costs adjusted for three additional FTE's.

Exhibit SCG-24-R, page RG-27
Exhibit SCG-24-WP, page 64

ORA Position: ORA proposes \$0.863 million for the activities in this work group, which represents a reduction of \$0.160 million. ORA states that given that SoCalGas did not conduct any formal studies or workload analyses for the three proposed incremental positions in the Media & Employee Communications Department, ORA opposes ratepayer funding for the costs associated with the Intranet Designer / Programmer and the Social Media / Videographer Communications Specialist which SoCalGas proposes to hire in 2015 and 2016, respectively.

Exhibit ORA-19, pages 18 and 20

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
Labor	860	710	-150
NonLabor	163	153	-10
Nonstandard	0	0	0
TOTAL	1,023	863	-160

Chapter 2 - ORA vs. SoCalGas

Part B - Capital-Related Costs

1. SCG-28-R (Exh 244) - TAXES

Issue #	Subject	Reference
1. SCG28.000	Payroll Tax	2B1-a1
2. SCG28.001	Tax Updates	2B1-a2

CHAPTER 2B1-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-28-R
Area: TAXES
Witness: Reeves, Ragan G.
Subject: Payroll Tax

Issue Description: Composite payroll tax rates

SoCalGas Position: Payroll taxes were estimated by applying a tax rate on TY 2016 O&M and capital labor covered under this filing up to a maximum wage base. Payroll Taxes are comprised of: Federal Insurance Contributions Act ("FICA"); Federal Unemployment Tax Act ("FUTA"); and California State Unemployment Insurance ("SUI"). The SoCalGas TY 2016 composite payroll tax rate is 7.63%.

SCG-28-R, pages RGR-1 to 2

ORA Position: ORA recommends that Sempra update and use the current Old-Age, Survivors, and Disability Insurance ("OASDI") amount of \$118,500 to calculate 2015 taxes instead of its forecast OASDI wage base of \$119,100. ORA recommends using the OASDI wage base amount of \$118,500 for TY 2016 until there is an approved adjustment to the provision of the Social Security Act for 2016. Since the Unemployment Insurance ("UI") rate schedule and amount of taxable wages are determined annually by the month of December; ORA recommends using the current 2015 3.4% UI tax rate until the new UI tax rate is approved for 2016. ORA's TY 2016 composite payroll tax rate is 7.58%, a decrease of 0.05% to SoCalGas' composite payroll tax rate.

ORA-21, pages 2, 6 and 7

CHAPTER 2B1-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-28-R
Area: TAXES
Witness: Reeves, Ragan G.
Subject: Tax Updates

Issue Description: Bonus depreciation - Timing of Tax Updates

SoCalGas Position: SoCalGas notes that the Rate Case Plan already includes a mechanism for SoCalGas to update its testimony to reflect changes in the relevant tax laws. SoCalGas will follow the procedures and deadlines set forth in the Rate Case Plan and Scoping Memo for updating its forecasts to reflect tax law changes, including tax-extender legislation, extension of bonus depreciation, or other tax-related law changes that occur prior to the closing of the record in this GRC.

Exhibit SCG-228, pages RGR-2 to 3

ORA Position: ORA observes in the event the temporary extension of Bonus Depreciation, the temporary 100 percent expensing for certain business assets under ATRA and/or TIPPA, and any changes or modifications to the tax provisions of the tax law code must be appropriately adjusted to the forecast prior to a final Commission decision.

ORA-21, page 10

Chapter 2 - ORA vs. SoCalGas

Part B - Capital-Related Costs

2. SCG-29-R (Exh 241) - WORKING CASH

Issue #	Subject	Reference
1. SCG29.000	Working Cash	2B2-a1

CHAPTER 2B2-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-29-R
Area: WORKING CASH
Witness: Foster, Michael W.
Subject: Working Cash

Issue Description: Working Cash Adjustments

SoCalGas Position: SoCalGas requests \$79.879 million for TY 2016 for the activities in this work group. SoCalGas' request for working cash is in compliance with California Public Utilities Commission ("CPUC") Standard Practice ("SP") U-16, based on 2013 as-recorded costs and Test Year ("TY") 2016 forecasts. Working cash is a means to compensate investors for providing funds that are committed to the business for paying operating expenses in advance of receipt of the offsetting revenues from customers.

Exhibit SCG-29-R, page MWF-1

ORA Position: ORA recommends a Working Cash Requirement for SoCalGas of \$(2.135) million, which is \$82.014 million lower than SoCalGas' request of \$79.879 million. SoCalGas' Cash Balances should be excluded from the Working Cash calculations. 41.55 should be adopted as the revenue Lag Days for SoCalGas' Working Cash Calculation in contrast to the utility's request for 42 days. 37.50 should be adopted for SoCalGas' Federal Income Tax (FIT) Lag Days in contrast to the utility's request for (724.93) days. 20.60 should be adopted for SoCalGas' California Corporate Franchise Tax (CCFT) Lag Days in contrast to the utility's request for (573.92) days. Customer deposits should be treated as a source of debt, resulting in a \$3.072 million reduction to SoCalGas' Revenue Requirement. This recommendation is consistent with the policy adopted by the Commission for PG&E in D.14-08-032.

Exhibit ORA-22, page 4

Proposed TY2016 Forecast

<u>Year</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
2016	79,879	-2,135	-82,014
TOTAL	79,879	-2,135	-82,014

Chapter 2 - ORA vs. SoCalGas

Part B - Capital-Related Costs

3. SCG-30 (Exh 358) - CUSTOMERS

Issue #	Subject	Reference
1. SCG30.000	Customers	2B3-a1

CHAPTER 2B3-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-30
Area: CUSTOMERS
Witness: Payan, Rosemarie
Subject: Customers

Issue Description: Active meter forecast

SoCalGas Position: Year-average total active customers are forecasted to increase from 5.606 million in 2013 to 5.712 million in 2016. This represents a total three-year increase of 103,791 customers, and a compound annual growth rate of 0.61 percent. The total customer count comprises forecasts by customer class: three sectors of residential, total commercial, and total industrial. SoCalGas uses econometric and statistical techniques to develop quarterly-data forecasts of residential, commercial and industrial customers.

Exhibit SCG-30, pages RMP-1 to 2
Exhibit SCG-230, Corrected SCG-30-WP

ORA Position: ORA proposes 5.694 million customers in 2016, a 0.018 million decrease from SoCalGas' forecast. ORA also developed econometric models to forecast customers to the residential, commercial, and industrial classes of service. ORA adopted SoCalGas' approach of developing separate models for the residential single-family, the residential multi-family and residential master meter, commercial, and industrial classes of service.

Exhibit ORA-3, pages 6 and 19

Note: See attachment for comparison table - Exhibit ORA-3, page 6, Table 3-2.

CHAPTER 2B3-a1

1 Table 3-1 compares ORA's and SDG&E's forecasts of gas customers³ for
 2 2014-2016:

3 Table 3-1
 4 Comparison of ORA's and SDG&E's Forecasts of Gas
 5 Customers for 2014-2016

Description	ORA Recommended			SDG&E Proposed ⁴		
	2014	2015	2016	2014	2015	2016
Residential	836,758	846,823	857,029	838,671	848,964	861,283
Commercial & Industrial	30,176	30,294	30,451	30,085	30,067	30,121
NGV	25	25	25	25	25	25
Electric Generation	70	74	77	70	74	77
Total Customers	867,029	877,216	887,582	868,851	879,130	891,506

6 Table 3-2 compares ORA's and SoCalGas' forecasts of gas customers for
 7 2014-2016:

8 Table 3-2
 9 Comparison of ORA's and SoCalGas' Forecasts of
 10 Customers for 2014-2016

Description	ORA Recommended			SoCalGas Proposed ⁵		
	2014	2015	2016	2014	2015	2016
Residential Single-Family	3,624,369	3,643,378	3,669,092	3,626,418	3,645,823	3,667,359
Residential Multi-Family	1,748,672	1,761,402	1,776,868	1,752,150	1,771,533	1,796,593
Residential Master Meter	40,661	40,454	40,248	40,661	40,454	40,248
Commercial	187,754	187,623	188,056	188,058	188,470	188,979
Industrial	19,062	19,334	19,525	19,018	19,159	19,238
Total Customers	5,620,518	5,652,191	5,693,789	5,626,305	5,665,439	5,712,414

11

12

³ SoCalGas defines customers as Active Meters.

⁴ Ex. SDG&E-32, p. RMP-3.

⁵ Corrected SCG-30-WP, April 10, 2015.

Chapter 2 - ORA vs. SoCalGas

Part B - Capital-Related Costs

4. SCG-31 (Exh 303) - ESCALATION

Issue #	Subject	Reference
1. SCG31.000	Escalation	2B4-a1

CHAPTER 2B4-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-31
Area: ESCALATION
Witness: Wilder, Scott R.
Subject: Escalation

Issue Description: Escalation - Rates

SoCalGas Position: Per the Commission's Rate Case Plan, D.07-07-004, the escalation factors will be updated after hearings and before implementation, based on the same indexes used in original presentation during hearings.

Cost escalators were used to inflation-adjust costs from 2013 nominal dollars into TY 2016 nominal dollars, using escalation series from Global Insight's Utility Cost Information Service ("UCIS). The SoCalGas forecast incorporates escalators from IHS Global Insight's 4th Quarter 2013 Power Planner forecast released in February 2014.

Exhibit SCG-31, page SRW-1

ORA Position: ORA adopts SoCalGas' labor, non-labor, and shared services escalation methodology. ORA uses a more recent Global Insight Power Planner forecast, specifically 4th quarter 2014.

Exhibit ORA-3, pages 35-36
Exhibit ORA-3-E-R

Chapter 2 - ORA vs. SoCalGas

Part B - Capital-Related Costs

5. SCG-32-R (Exh 228) - MISCELLANEOUS REVENUES

Issue #	Subject	Reference
1. SCG32.000	Service Establishment Charges	2B5-a1
2. SCG32.001	Reconnection Charge Revenues	2B5-a2
3. SCG32.002	Residential Limited Parts Program	2B5-a3
4. SCG32.003	Line Item Billing (Third Party Services)	2B5-a4

CHAPTER 2B5-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-32-R
Area: MISCELLANEOUS REVENUES
Witness: Somerville, Michelle A.
Subject: Service Establishment Charges

Issue Description: Service Establishment Charges Forecast

SoCalGas Position: SoCalGas requests \$24.875 million for TY 2016 for service establishment charges using a four-year average forecast adjusted for certain factors. The Service Establishment Charge ("SEC") is \$25 for all customers, except electric generation and wholesale customers, to establish gas service pursuant to SoCalGas' California Public Utilities Commission ("Commission" or "CPUC")-approved Tariff Rule 10. The 2016 forecast is based on the four-year historical average (2010-2013) adjusted for the annual customer growth factors for the period 2014-2016. This forecast methodology utilizes the available, applicable historical data and excludes the unusual activity in 2009 due to the economic downturn.

Exhibit SCG-32-R, page MAS-3

ORA Position: ORA proposes \$25.467 million for TY 2016 for service establishment charges, which represents an increase of \$0.592 million to SoCalGas' forecast. ORA uses a 5 year historical average going back to 2009. Additionally, ORA estimates the ratio of annual Service Establishment Charge revenues to annual total customer counts using Ratio Estimation.

Exhibit ORA-4, page 11

Proposed TY2016 Forecast

<u>Year</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
2016	24,875	25,467	592
TOTAL	24,875	25,467	592

CHAPTER 2B5-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-32-R
Area: MISCELLANEOUS REVENUES
Witness: Somerville, Michelle A.
Subject: Reconnection Charge Revenues

Issue Description: Reconnection Charge Revenues Forecast

SoCalGas Position: SoCalGas requests \$1.498 million for TY 2016 for reconnection charge revenues using a five-year average forecast adjusted for certain factors. The Reconnection Charge is \$16 to re-establish service subsequent to the closing of a customer account for non-payment pursuant to SoCalGas' Commission-approved Tariff Rule 10. The 2016 estimate is based on the five-year historical average (2009-2013) adjusted for the annual customer growth factors for the period 2014-2016.

Exhibit SCG-32-R, page MAS-3

ORA Position: ORA proposes \$1.537 million for TY 2016 for reconnection charge revenues, which represents an increase of \$0.039 million to SoCalGas' forecast. ORA computes the quotient of the historical average of Reconnection Charge revenues divided by the historical average of customer counts to get the scaling factor of 0.03%. This scaling factor is used to scale SCG's customer test year total population estimate to get ORA's test year estimate of \$1,537,000 for Reconnection Charge revenues.

Exhibit ORA-4, page 14

Proposed TY2016 Forecast

<u>Year</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
2016	1,498	1,537	39
TOTAL	1,498	1,537	39

CHAPTER 2B5-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-32-R
Area: MISCELLANEOUS REVENUES
Witness: Somerville, Michelle A.
Subject: Residential Limited Parts Program

Issue Description: Residential Limited Parts Program Forecast

SoCalGas Position: SoCalGas requests \$2.030 million for TY 2016 for the residential limited parts program using historical averaging forecasts. The residential parts program provides limited parts replacement for residential-type gas appliances (such as ranges, water heaters, and space heaters). The 2016 forecast is based on the five-year historical average (2009-2013) percentage yield of residential parts sales orders per customer service field order, multiplied by the customer service field forecasted orders, multiplied by the three-year historical average (2011-2013) of recorded miscellaneous revenues per sales order.

Exhibit SCG-32-R, page MAS-4

ORA Position: ORA proposes \$2.057 million for TY 2016 for the residential limited parts revenues, which represents an increase of \$0.027 million to SoCalGas' forecast. ORA computes the quotient of the historical average of residential parts program revenues divided by the historical average of customer counts to get the scaling factor of 0.04%. Taking the test year as an example, this scaling factor is used to scale SCG's customer test year total population estimate to get ORA's test year estimate of \$2,057,000 for residential parts program revenues.

Exhibit ORA-4, page 15

Proposed TY2016 Forecast

<u>Year</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
2016	2,030	2,057	27
TOTAL	2,030	2,057	27

CHAPTER 2B5-a4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-32-R
Area: MISCELLANEOUS REVENUES
Witness: Somerville, Michelle A.
Subject: Line Item Billing (Third Party Services)

Issue Description:

SoCalGas Position: SoCalGas requests \$0.213 million for TY 2016 for line item billing using first quarter 2014 recorded values plus adjustments. This service is offered to third parties providing energy-related and home safety-related products and/or services to residential and small commercial industrial customers within SoCalGas' service territory. The forecasting method for line item billing is based on 2014 recorded values through the first quarter, plus projections for remainder of 2014, minus 20% customer attrition due to vendor's name change in the third quarter of 2014, minus 10% customer attrition due to non-payment during heating season, minus 20% customer attrition due to vendor's engagement with other local utilities/cannibalization of the market.

Exhibit SCG-32-R, page MAS-10

ORA Position: ORA proposes \$1.159 million for TY 2016 for third party services, which represents an increase of \$0.946 million to SoCalGas' forecast. SCG has not given any justification for its attrition estimates on the residential side other than that these revenues are "primarily dependent on external factors." ORA recommends maintaining the 2013 value of \$1,118,000 as its residential estimate for revenues from third party services for the years 2014 to 2016.

Exhibit ORA-4, page 17

Proposed TY2016 Forecast

<u>Year</u>	<u>SCG</u>	<u>ORA</u>	<u>Difference</u>
2016	213	1,159	946
TOTAL	213	1,159	946

Chapter 2 - ORA vs. SoCalGas

Part B - Capital-Related Costs

6. SCG-33 (Exh 250) - REGULATORY ACCOUNTS

Issue #	Subject	Reference
1. SCG33.002	Storage Integrity Management Program (SIMP) Balancing Account	2B6-a1

CHAPTER 2B6-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-33
Area: REGULATORY ACCOUNTS
Witness: Austria, Reginald M.
Subject: Storage Integrity Management Program (SIMP) Balancing Account

Issue Description:

SoCalGas Position: For the newly proposed SIMP Balancing Account (SIMPBA), SoCalGas is proposing the program be subject to two-way balancing, as described by the Storage witness, Phillip Baker (SCG-06). In addition, two-way balancing will enable SoCalGas to recover its full capital revenue requirement, otherwise, a significant and compounding undercollection would be left stranded.

Exhibit SCG-233, page RMA-5

ORA Position: ORA supports SoCalGas' proposal to create the SIMP to improve safety at the storage fields. However, ORA opposes SoCalGas' proposal to create a two-way balancing account. ORA recommends SIMP costs be subject to a one-way balancing account.

Exhibit ORA-11, Page 8

Chapter 2 - ORA vs. SoCalGas

Part C - Other

1. SCG-06 (Exh 45) - UNDERGROUND STORAGE

Issue #	Subject	Reference
1. SCG06.000	SIMP	2C1-a1

CHAPTER 2C1-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-06
Area: UNDERGROUND STORAGE
Witness: Baker, Phillip E.

Subject: SIMP
SCG06.000

SoCalGas Position: SCG requests that the SIMP costs receive two-way balancing account treatment.

Exhibit SCG-06, p. PEB-iv

ORA Position: ORA recommends that the SIMP costs receive a one-way balancing account treatment to better protect the ratepayers instead of SCG's proposed two-way balancing account treatment.

Exhibit ORA-11, p. 8

Chapter 2 - ORA vs. SoCalGas

Part C - Other

2. SCG-11 (Exh 110) - CS - OFFICE OPERATIONS

Issue #	Subject	Reference
1. SCG11A.001	Uncollectible Rate	2C2-a1

CHAPTER 2C2-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-11
Area: CS - OFFICE OPERATIONS
Witness: Goldman, Evan D.

Subject: Uncollectible Rate
SCG11A.001

SoCalGas Position: SoCalGas is requesting to increase the authorized uncollectible expense rate from the current authorized rate of 0.278% to 0.312%. SoCalGas' proposed rate is based on a five-year average of actual write-off for the period of 2009 through 2013.

Exhibit SCG-11, p. EDG-78

ORA Position: ORA recommends a TY 2016 uncollectible expense rate of .298% based on a three year (20011-2013) average.

Exhibit ORA-13, p. 82

Chapter 2 - ORA vs. SoCalGas

Part C - Other

3. SCG-18-R (Exh 148) - INFORMATION TECHNOLOGY

Issue #	Subject	Reference
1. SCG18A.001	O&M and Capital in Next GRC	2C3-a1

CHAPTER 2C3-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-18-R
Area: INFORMATION TECHNOLOGY
Witness: Olmsted, Christopher R.

Subject: O&M and Capital in Next GRC
SCG18A.001

SoCalGas Position: The Risk Decision, D.14-12-025, adopts a Risk Spending Accountability Report requirement, which will have the effect of tracking risk-related spending, including spending on cybersecurity and risk management, in some fashion. SoCalGas believes any discussions concerning the tracking of cybersecurity and risk management costs are better suited to occur during the SMAP and RAMP proceedings, instead of the GRC.

Exhibit SCG-218, p. CRO-13, lines 27 to p. CRO-14, line 5

ORA Position: ORA recommends as part of SoCalGas' next GRC filing to track O&M expenses and capital expenditures for Cybersecurity and Risk Management in the four areas presented in this TY 2016 GRC: Governance and Compliance, Awareness and Outreach, Security Engineering and Security Operations. In doing so, parties in SoCalGas' next GRC will have better understanding and clarity on how funds are spent.

Exhibit ORA-15, p. 31, line 22 to p. 32, line 3

Chapter 2 - ORA vs. SoCalGas

Part C - Other

4. SCG-21 (Exh 191) - COMPENSATION, HEALTH, & WELFARE

Issue #	Subject	Reference
1. SCG21A.003	Total Compensation Study	2C4-a1

CHAPTER 2C4-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

Subject: Total Compensation Study
SCG21A.003

SoCalGas Position: A total compensation study was conducted as part of SCG's 2016 General Rate Case ("GRC") submission in compliance with Commission decisions D.87-12-066, D.89-12-057, and D.96-01-011. The study was conducted to evaluate SCG's total compensation relative to the external labor market.

SCG-21, page DSR-3

ORA Position: Some states provide ratepayer funding for compensation at the median average, or the 50th percentile, meaning that half of the comparator companies pay more and half pay less. ORA recommends that Sempra ratepayers should fund no more than the median average.

Exhibit ORA-17, page 7

Chapter 2 - ORA vs. SoCalGas

Part C - Other

5. SCG-35-R (Exh 92) - POST-TEST YEAR RATEMAKING

Issue #	Subject	Reference
1. SCG35.000	PTY - Primary Attrition Mechanism	2C5-a1
2. SCG35.001	PTY - Alternate Ratemaking Mechanism	2C5-a2
3. SCG35.002	PTY - Bonus Depreciation	2C5-a3
4. SCG35.003	PTY - GRC Term	2C5-a4
5. SCG35.004	PTY - Z-Factor Mechanism	2C5-a5

CHAPTER 2C5-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-35-R
Area: POST-TEST YEAR RATEMAKING
Witness: Van Der Leeden, Ronald M.

Subject: PTY - Primary Attrition Mechanism
SCG35.000

SoCalGas Position: SoCalGas proposes a PTY ratemaking mechanism to adjust its authorized revenue requirement in the post-test years by applying separate attrition adjustments for O&M expenses (including a separate attrition adjustment for medical expenses), capital-related costs and exogenous cost changes. Using the current GI 2017 and 2018 forecasted utility cost escalation factors, SoCalGas' proposal would result in attrition year revenue requirement increases of \$125 million (5.3%) in 2017 and \$94 million (3.8%) in 2018.

Exhibit SCG-35-R, page RMV-1

ORA Position: ORA proposes post-test year increases of 3.5% per year for 2017, 2018, and 2019, for both utilities. ORA's recommended percentage factors are guided by: a recent forecast of the All-Urban Consumer Price Index (CPI or CPI-U), equal to 2.2% for 2017, 2.2% for 2018, and 2.3% for 2019; attrition increases adopted by the Commission in recent GRCs; and more specifically, the most recent post-test year increase adopted for the Sempra Utilities in D.13-05-010, which provided an additional 75 basis points above CPI.

Exhibit ORA-23-A, pages 15-16

Note: Please see PTY - Alternate Ratemaking Mechanism for more information on this subject.

CHAPTER 2C5-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-35-R
Area: POST-TEST YEAR RATEMAKING
Witness: Van Der Leeden, Ronald M.

Subject: PTY - Alternate Ratemaking Mechanism
SCG35.001

SoCalGas Position: SoCalGas proposes a PTY ratemaking mechanism to adjust its authorized revenue requirement in the post-test years by applying separate attrition adjustments for O&M expenses (including a separate attrition adjustment for medical expenses), capital-related costs and exogenous cost changes. Using the current GI 2017 and 2018 forecasted utility cost escalation factors, SoCalGas' proposal would result in attrition year revenue requirement increases of \$125 million (5.3%) in 2017 and \$94 million (3.8%) in 2018.

Exhibit SCG-35-R, page RMV-1

ORA Position: If the Commission does not adopt ORA's primary recommendation, then the Commission should adopt ORA's alternate recommendations. ORA recommends that limits be placed on how much the escalation rates can be automatically adjusted. ORA recommends a cap which limits such changes to no more than 200 basis points (2.00%) above the currently forecasted rates if/when the Semptra Utilities update rates in September of the year prior to the target post-test year. ORA recommends medical costs are escalated by 5.0% in 2017, 4.3% in 2018, and 3.6% in 2019, based upon a recent IHS forecast of group health insurance escalation rates. If the Commission concludes that Global Insight's forecasted medical escalation rates are insufficient, then ORA recommends an alternative rate of 6.6%, which is consistent with ORA's test year forecast of medical escalation in this GRC.

Note: ORA recommends using the 2014 recorded capital additions, and the Commission-adopted 2015 and 2016 capital additions forecasts, in calculating the 7- year average instead of SoCalGas' 2014-2016 forecasts.

Exhibit ORA-23-A, pages 18-22

Please see PTY - Primary Attrition Mechanism for more information on this subject.

CHAPTER 2C5-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-35-R
Area: POST-TEST YEAR RATEMAKING
Witness: Van Der Leeden, Ronald M.

Subject: PTY - Bonus Depreciation
SCG35.002

SoCalGas Position: SCG has modeled the impacts of bonus depreciation only for 2014.

ORA Position: If provisions for bonus depreciation are extended into any years beyond 2014, through the end of this rate case cycle, the Sempra Utilities should be required to make the appropriate revenue requirement adjustments to reflect the impacts from bonus depreciation so that the benefits are flowed through to ratepayers. The full benefits should be included in SDG&E's and SoCalGas' post-test year advice letters.

Exhibit ORA-23-A, page 18

CHAPTER 2C5-a4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-35-R
Area: POST-TEST YEAR RATEMAKING
Witness: Van Der Leeden, Ronald M.

Subject: PTY - GRC Term
SCG35.003

SoCalGas Position: SoCalGas proposes a three-year GRC term of 2016-2018, with its next GRC test year in 2019. Currently, PG&E and SCE are proposing that their next GRC test years will be 2017 and 2018, respectively. The TY2012 GRCs for SoCalGas, San Diego Gas & Electric ("SDG&E") and SCE were overlapping and resulted in significant procedural delays.

Exhibit SCG-35-R, page RMV-2

ORA Position: ORA recommends a 4-year GRC cycle for the Sempra Utilities (2016-2019). With a 3-year GRC cycle, test years of the initial case serve as base years for the following rate case. This presents a problem because recorded test year costs may not be representative of future costs, as utilities often initiate new programs during the test year, and initial costs may not reflect a more stable or steady-state level of expenses or expenditures. A 4-year GRC cycle allows for better utility financial and operational management of spending and investment.

Exhibit ORA-23-A, page 13

CHAPTER 2C5-a5

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-35-R
Area: POST-TEST YEAR RATEMAKING
Witness: Van Der Leeden, Ronald M.

Subject: PTY - Z-Factor Mechanism
SCG35.004

SoCalGas Position: SoCalGas proposes to continue the existing Z-factor mechanism, unchanged for this 2016-2018 GRC term. The mechanism uses a series of eight criteria outlined in D.94-06-011 to identify exogenous cost changes that qualify for rate adjustments prior to the next GRC test year. SCG believes the current Z factor mechanism is effective for the test year and post-test years.
Exhibit SCG-35-R, pages RMV-7 to 8

ORA Position: ORA recommends that the mechanism be effective only during the post-test years, and not for the test year. This is consistent with ORA's recommendation in the PG&E 2014 GRC, which was adopted by the Commission.

Exhibit ORA-23-A, page 17

Chapter 2 - ORA vs. SoCalGas

Part C - Other

6. SCG-36-R (Exh 182) - COMPLIANCE

Issue #	Subject	Reference
1. SCG36.001	Privileged Audits	2C6-a1

CHAPTER 2C6-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-36-R
Area: COMPLIANCE
Witness: Shimansky, Gregory D.

Subject: Privileged Audits
SCG36.001

SoCalGas Position: Certain audit reports are marked confidential and privileged, since they are protected from disclosure by the attorney client privilege and/or attorney work product doctrine. The Commission has long recognized the validity of these privileges and there should be not automatic penalty to a regulated entity for exercising its legal rights. In addition, SoCalGas takes issue with ORA's calculation of the reduction because performing these audits did not amount to an incremental expense, as one would conclude by removing the implied and calculated costs of these audits.

Exhibit SCG-242, pages GDS-3 to 4

ORA Position: ORA recommends removal of \$230,000 in total from years 2011 and 2013 - \$20,000 in 2011, and \$210,000 in 2013. ORA reviewed the Internal Audit the Sempra Utilities conducted from 2009 through 2014. Of the 62 Internal Audit reports ORA selected for review, the Applicants designated 12 reports as "Privileged". Since ORA was not permitted to review those Internal Audit reports, ORA could not determine whether the costs of those audits are justifiably assigned to ratepayers. For this reason, ORA recommends a \$756,000 (at Corporate Center) disallowance, to be adjusted in the RO Model for TY 2019.

Exhibit ORA-24, pages 3-4

Chapter 2 - ORA vs. SoCalGas

Part C - Other

7. SCG-39 (Exh 124) - ADVANCED METERING INFRASTRUCTURE POLICY

Issue #	Subject	Reference
1. SCG39.000	Advanced Meter Infrastructure (AMI) Policy	2C7-a1

CHAPTER 2C7-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
ORA Differences to SoCalGas Requests

Exhibit No.: SCG-39
Area: ADVANCED METERING INFRASTRUCTURE POLICY
Witness: Garcia, Rene F.

Subject: Advanced Meter Infrastructure (AMI) Policy
SCG39.000

SoCalGas Position: SoCalGas proposes to file a Tier 2 advice letter seeking to revise the per meter benefit used to calculate AMI benefits if the Commission authorizes expense levels in the TY 2016 GRC that reflect AMI benefits already included in the AMI revenue requirement that is currently in rates.

Exhibit SCG-239, p. RFG-2

ORA Position: In the unlikely event that the Commission adopts TY 2016 O&M expense levels that reflect AMI benefits already included in the AMI revenue requirement, ORA does not oppose SoCalGas' proposal to file an advice letter seeking to revise the per meter benefit used to calculate AMI benefits. If this were to occur, ORA recommends that the Commission require SoCalGas to file a Tier 3 advice letter given the implications of recalculating AMI benefits.

Exhibit ORA-23-A, pp. 23-25

Chapter 3

Differences Between SoCalGas and UCAN

Chapter 3 - UCAN vs. SoCalGas

Part B - Capital-Related Costs

1. SCG-33 (Exh 250) - REGULATORY ACCOUNTS

Issue #	Subject	Reference
1. SCG33.000	TIMP and DIMP Balancing Account	3B1-a1

CHAPTER 3B1-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
UCAN Differences to SoCalGas Requests

Exhibit No.: SCG-33
Area: REGULATORY ACCOUNTS
Witness: Austria, Reginald M.
Subject: TIMP and DIMP Balancing Account

Issue Description: TIMP and DIMP Balancing Account

SoCalGas Position: The TIMPBA and Post-2011 DIMPBA are two-way, interest bearing balancing accounts recorded on SoCalGas' financial statements. SoCalGas proposes to continue the current ratemaking treatment for TIMP and DIMP O&M costs incurred and capital-related costs associated with capital additions in the 2016 GRC cycle, with the exception of the Tier 3 advice letter filing requirement for the recovery of any undercollection balances resulting from TIMP and DIMP spending above authorized levels. SoCalGas proposes the Commission authorize a Tier 2 advice letter process instead of a Tier 3 advice letter requirement to recover any undercollections due to unforeseen increased spending that are necessary to comply with federal regulatory requirements and/or the compounding effect of balancing actual capital-related costs for which SoCalGas' has no control.

Exhibit SCG-33, pages RMA-5 and RMA-6

UCAN Position: UCAN proposes that the SDG&E and SoCalGas balancing accounts for the Transmission Integrity Management Program (TIMP) and the post-2011 Distribution Integrity Management Program (DIMP) should be converted to one-way balancing accounts, which may be reviewed using Tier 2 advice letters. If two-way balancing accounts are used for any part of TIMP or DIMP spending, a Tier 3 advice letter process should continue to be used to review requests for undercollection recovery.

Testimony of M. Fulmer for UCAN, page 69

Chapter 3 - UCAN vs. SoCalGas

Part C - Other

1. SCG-06 (Exh 45) - UNDERGROUND STORAGE

Issue #	Subject	Reference
1. SCG06.002	Risk Shifting Proposals for SoCalGas –SIMP	3C1-a1

CHAPTER 3C1-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
UCAN Differences to SoCalGas Requests

Exhibit No.: SCG-06
Area: UNDERGROUND STORAGE
Witness: Baker, Phillip E.

Subject: Risk Shifting Proposals for SoCalGas –SIMP
SCG06.002

SoCalGas Position: SoCalGas recommends that SIMP related costs be recovered through a two-way balancing account due to the unpredictable and potentially variable nature of inspection and remediation costs. A one-way balancing account does not allow appropriate flexibility to address these uncertainties. In contrast, a two-way balancing account appropriately allows flexibility in addressing unforeseen work and issues, returns overcollections to customers, and provides a process to review and collect reasonable undercollections.

Exhibit SCG-206, p. PEB-4

UCAN Position: UCAN recommends that a two-way balancing account should not be approved for SIMP spending. SoCal Gas has not presented a need for a two-way balancing account, and the reasons given for authorizing a two-way balancing account for TIMP and DIMP are not applicable to SIMP. A high bar should be set for the establishment of a new two-way balancing account because such accounts shift the risk of cost overruns from shareholders to ratepayers.

If the Commission decides to authorize significant new funding for a SIMP program, the Commission should institute a one-way balancing account to ensure that these costs are used for their intended purpose. If a two-way balancing account is used, cost recovery should be via a Tier 3 advice letter.

Testimony of M. Fulmer for UCAN, pages 70-72, 74

Chapter 3 - UCAN vs. SoCalGas

Part C - Other

2. SCG-08 (Exh 49) - TIMP & DIMP

Issue #	Subject	Reference
1. SCG08A.002	Risk Shifting Proposals for SoCalGas -TIMP/DIMP	3C2-a1

CHAPTER 3C2-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
UCAN Differences to SoCalGas Requests

Exhibit No.: SCG-08
Area: TIMP & DIMP
Witness: Martinez, Maria T.

Subject: Risk Shifting Proposals for SoCalGas –TIMP/DIMP
SCG08A.002

SoCalGas Position: SoCalGas disagrees with UCAN's recommendation rationale and recommendation for one-way balancing treatment of TIMP and DIMP costs due to pending regulatory changes and unanticipated TIMP assessment results.

Exhibit SCG-208, p. MTM-4-5

UCAN Position: UCAN proposes that the TIMP and DIMP balancing accounts be converted to one-way balancing accounts because two-way balancing accounts are no longer needed. Such accounts insulate shareholders from forecast risk and from the risk of poor project management, transferring these risks and associated costs to ratepayers who are not granted rates of return to bear these sorts of risks. The major regulatory uncertainty associated with TIMP/DIMP regulatory requirements has passed, and SoCal Gas, in its own words, "has more historical information and experience managing TIMP and DIMP costs, resulting in a higher degree of reliability over cost estimates." The accounts should therefore be converted to one-way balancing accounts. If two-way balancing accounts are used for any part of TIMP or DIMP spending, cost recovery should be via a Tier 3 advice letter. Testimony of M. Fulmer for UCAN, pages 62-63, 69

Chapter 3 - UCAN vs. SoCalGas

Part C - Other

3. SCG-10 (Exh 89) - CS - FIELD & METER READING

Issue #	Subject	Reference
1. SCG10A.001	Seasonal Customer Services Orders	3C3-a1

CHAPTER 3C3-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
UCAN Differences to SoCalGas Requests

Exhibit No.: SCG-10
Area: CS - FIELD & METER READING
Witness: Franke, Sara

Subject: Seasonal Customer Services Orders
SCG10A.001

SoCalGas Position: SoCalGas' uses BY 2013 order volumes as the basis for its TY 2016 order volume forecast for seasonal customer service orders. SoCalGas recognizes the overall declining trend in historical order volumes for "Seasonal Off" and "Seasonal On" work orders. Because these order types are impacted by weather; the mix of wall furnaces, floor furnaces, forced air units and other space heating equipment used by customers; the state of the economy; energy prices and customer comfort levels; SoCalGas' believes its order forecast for these two order types is reasonable.

Exhibit SCG-210, p. SAF-50

UCAN Position: UCAN recommends that SoCalGas' forecast of seasonal customer service orders should be modified to take into account the historic decline in pilot relights.

UCAN recommends that SoCal Gas adopt the exponential trend analysis methodology for forecasting seasonal CSOs in order to take into account the historical decline in CSO order volumes.

Testimony of M. Fulmer for UCAN, pages 5 and 103

Chapter 3 - UCAN vs. SoCalGas

Part C - Other

4. SCG-20 (Exh 208) - CORPORATE CENTER - INSURANCE

Issue #	Subject	Reference
1. SCG20.000	Property and liability insurance	3C4-a1

CHAPTER 3C4-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
UCAN Differences to SoCalGas Requests

Exhibit No.: SCG-20
Area: CORPORATE CENTER - INSURANCE
Witness: Carbon, Katherine

Subject: Property and liability insurance
SCG20.000

SoCalGas Position: The insurance premiums assigned to SoCalGas will increase by \$3,451,000 from BY 2013 to TY 2016.
Exhibit SCG-21, Page KC-iii

UCAN Position: UCAN claims that SoCalGas' forecasted expense for General and Wildfire Liability and Property Damage Reinsurance cannot be justified.

UCAN recommends the company to explore alternative program structures incorporating alternative risk transfer (ART) techniques.

UCAN concludes that the utilities' forecasted additional expenses of \$8.2 million for General, Wildfire and Wildfire Reinsurance cannot be justified as the programs fail to comply with the Company's stated objective of purchasing "... broad coverage against catastrophic loss at the most economic cost feasible."

Errata Testimony of R. Sulpizio for UCAN, pages 4 and 16

CHAPTER 3C4-a1

Exhibit No.: SCG-20

Area: CORPORATE CENTER - INSURANCE

Witness: Carbon, Katherine

Subject: Property and liability insurance

Proposed TY2016 Forecast
(in \$ thousands)

	SoCalGas	UCAN	Difference
General Liability	10,635	8,801	-1,834
Wildfire	211	187	-24
Wildfire Reinsurance	131	129	2
Total	<u>10,977</u>	<u>9,117</u>	<u>-1,856</u>

Chapter 3 - UCAN vs. SoCalGas

Part C - Other

5. SCG-35-R (Exh 92) - POST-TEST YEAR RATEMAKING

Issue #	Subject	Reference
1. SCG35.001	PTY - Alternate Ratemaking Mechanism	3C5-a1

CHAPTER 3C5-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
UCAN Differences to SoCalGas Requests

Exhibit No.: SCG-35-R
Area: POST-TEST YEAR RATEMAKING
Witness: Van Der Leeden, Ronald M.

Subject: PTY - Alternate Ratemaking Mechanism
SCG35.001

SoCalGas Position: SoCalGas proposes a PTY ratemaking mechanism to adjust its authorized revenue requirement in the post-test years by applying separate attrition adjustments for O&M expenses (including a separate attrition adjustment for medical expenses), capital-related costs and exogenous cost changes. Using the current GI 2017 and 2018 forecasted utility cost escalation factors, SoCalGas' proposal would result in attrition year revenue requirement increases of \$125 million (5.3%) in 2017 and \$94 million (3.8%) in 2018.

Exhibit SCG-35-R, page RMV-1

UCAN Position: UCAN's primary PTYR position is to continue the existing TY2012 GRC PTYR mechanism, which escalates post-test year capital additions based on CPI-Urban plus 75 basis points for capital additions and non-Medical O&M costs.

UCAN's alternative PTYR positions are to adopt ORA's proposed post-test year revenue increases of 3.5% annually; Or, if SoCalGas' proposal is adopted, modify it to exclude historical non-GRC spending, use 2014 recorded capital additions instead of forecast 2014 capital additions and only use the recorded period 2010-2014 for capital additions. Use SoCalGas O&M cost escalation proposal but subject to a 200 basis point annual cap as proposed by ORA.

Testimony of L. Norin for UCAN, pages 2-3, 54

Chapter 3 - UCAN vs. SoCalGas

Part C - Other

6. SCG-36-R (Exh 182) - COMPLIANCE

Issue #	Subject	Reference
1. SCG36.000	Post-Test Year Ratemaking	3C6-a1

CHAPTER 3C6-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
UCAN Differences to SoCalGas Requests

Exhibit No.: SCG-36-R
Area: COMPLIANCE
Witness: Shimansky, Gregory D.

Subject: Post-Test Year Ratemaking
SCG36.000

SoCalGas Position: SoCalGas proposes a PTY ratemaking mechanism to adjust its authorized revenue requirement in the post-test years by applying separate attrition adjustments for O&M expenses (including a separate attrition adjustment for medical expenses¹), capital-related costs and exogenous cost changes.

SoCalGas proposes: (1) using IHS GI utility cost escalation factors to determine PTY O&M escalation (excluding medical expenses²); (2) adopting Towers Watson's actuarial forecasts to determine PTY medical expenses; and (3) calculating PTY capital-related revenue requirements using escalated historical and forecasted 7-year average capital additions. Finally, SoCalGas proposes to continue to absorb customer growth as a productivity factor and to retain the existing Z-Factor revenue requirement adjustment mechanism.

Exhibit SCG-36-R, p RMV-1

UCAN Position: UCAN proposes that the current methodology of escalating capital additions during the post-test year period based on CPI-Urban plus 75 basis points be continued. If this proposal is not adopted, the proposal of ORA for 3.5% annual increases should be adopted instead. If Sempra's proposal is to be utilized, it must, at minimum, be corrected to exclude non-GRC spending, to use 2014 recorded data in place of forecast data, and to exclude 2015-2016 forecast data. UCAN proposes that the current methodology of escalating post-test year O&M costs based on CPI-Urban plus 75 basis points be continued. If this proposal is not adopted, UCAN does not object to Sempra's proposed non-medical O&M escalation methodology, as long as it is subject to the ORA-proposed cap. (UCAN proposes that medical escalation be treated the same as non-medical escalation.)

Testimony of L. Norin for UCAN, pages 2-3

Chapter 4

Differences Between SoCalGas and TURN

Chapter 4 - TURN vs. SoCalGas

Part A - O&M and Capital Expenditures

1. SCG-15 (Exh 162) - FLEET & FACILITY OPERATIONS

a. O&M - NON-SHARED

Workpaper	TURN vs. SoCalGas (2016)	Reference
1. 2RF003.001	(13,962)	4A1-a1
2. 2RF003.002	(2,291)	4A1-a2
3. 2RF003.003	(106)	4A1-a3
4. 2RF003.004	(1,984)	4A1-a4

CHAPTER 4A1-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-15
Area: FLEET & FACILITY OPERATIONS
Witness: Herrera, Carmen L.

NONSHARED O&M

Subject: Amortization
Workpaper: 2RF003.001

SoCalGas Position: SCG is forecasting fleet amortization costs of \$30.751 million for TY 2016 which is \$16.153 million or 110 percent above 2013 recorded expenses. SCG states that fleet amortization is the annual repayment of principal for the fleet leases composed of active lease obligations for vehicles in the fleet at year-end 2013 and new lease obligations for replacements or additions to the fleet requested by operating departments.

Exhibit SCG-15, p. CLH-8

TURN Position: TURN recommends \$16.789 million for amortization expenses. TURN's forecast is based on the six-year average, plus an adder for Diesel Particulate Filter (ATCM) Retrofits/Replacements.

TURN testimony of G. Jones, p.5

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>TURN</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	0	0	0
Nonstandard	30,751	16,789	-13,962
TOTAL	30,751	16,789	-13,962

CHAPTER 4A1-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-15
Area: FLEET & FACILITY OPERATIONS
Witness: Herrera, Carmen L.

NONSHARED O&M

Subject: Interest
Workpaper: 2RF003.002

SoCalGas Position: SCG is requesting \$3.767 million for the interest costs of fleet services for TY 2016 which is \$2.296 million or 156 percent above 2013 recorded interest costs. SCG determined interest costs by multiplying the monthly outstanding balances with the London Interbank Offered Rate contained in the Global Insight Forecast for the payment month and then summed for the year.

Exhibit SCG-15, p. CLH-8

TURN Position: TURN recommends \$1.476 million for interest expenses. TURN's forecast is based on the six-year average, plus an adder for Diesel Particulate Filter (ATCM) Retrofits/Replacements.

TURN testimony of G. Jones, p.5

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>TURN</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	0	0	0
Nonstandard	3,767	1,476	-2,291
TOTAL	3,767	1,476	-2,291

CHAPTER 4A1-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-15
Area: FLEET & FACILITY OPERATIONS
Witness: Herrera, Carmen L.

NONSHARED O&M

Subject: Salvage
Workpaper: 2RF003.003

SoCalGas Position: SCG is requesting vehicle salvage proceeds of \$1.248 million for TY 2016 which is \$2,000 less than the 2013 recorded salvage. Salvage is the recovery of the residual value of assets being retired from the fleet. Salvage proceeds received at auction are credited against amortization expenses to determine total asset ownership costs. SCG forecasts to salvage 500 units in TY 2016. SCG forecasts salvage proceeds of \$2,500 per unit based on the three-year average of the per unit salvage achieved.

Exhibit SCG-15, p. CLH-8

TURN Position: TURN recommends \$1.354 million for salvage. TURN's forecast is based solely on the six-year average.

TURN testimony of G. Jones, p.5

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>TURN</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	0	0	0
Nonstandard	-1,248	-1,354	-106
TOTAL	-1,248	-1,354	-106

CHAPTER 4A1-a4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-15
Area: FLEET & FACILITY OPERATIONS
Witness: Herrera, Carmen L.

NONSHARED O&M

Subject: License Fees
Workpaper: 2RF003.004

SoCalGas Position: SCG is requesting \$3.869 million for TY 2016 which is \$2.044 million or 112 percent above 2013 recorded costs for License Fees. SCG says that license fees are comprised of three components: an annual registration fee and an annual weight fee, both of which are generally fixed for the life of the vehicle. The annual vehicle license fee uses the scalar factor of original vehicle sale price and renewal age to determine the annual renewal fee. License fees are a factor of fleet composition and age and that it is complex to forecast license fees individually for each vehicle each year. Therefore, SCG says it used the ratio of base year amortization payments to license fees of 13 percent to approximate future license payments.

Exhibit SCG-15, p. CLH-8

TURN Position: TURN's uses the same procedure as for SDG&E to calculate its License Fees forecast for SCG, but finds that the average of License Fees as a percentage of Amortization expense is 11.2% for SCG over the period 2009-2014.

This is the same procedure as SCG uses (see SCG-15-WP, p. 33), but instead of the single-year percentage SCG uses (i.e., 13% based on Amortization and License Fees in 2013), TURN uses the average historical percentage over the period 2009-2014, as described.

TURN testimony of G. Jones, p.5

Proposed TY2016 Forecast (in thousands of 2013 dollars)

<u>Expense Type</u>	<u>SCG</u>	<u>TURN</u>	<u>Difference</u>
Labor	0	0	0
NonLabor	0	0	0
Nonstandard	3,869	1,885	-1,984
TOTAL	3,869	1,885	-1,984

Chapter 4 - TURN vs. SoCalGas

Part B - Capital-Related Costs

1. SCG-28-R (Exh 244) - TAXES

Issue #	Subject	Reference
1. SCG28.002	Income Taxes Deduction - Repair Deduction/Percentage Repair Allowance	4B1-a1

CHAPTER 4B1-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-28-R
Area: TAXES
Witness: Reeves, Ragan G.
Subject: Income Taxes Deduction - Repair Deduction/Percentage Repair Allowance

Issue Description: Income Taxes Deduction - Repair Deduction/Percentage Repair Allowance

SoCalGas Position: During 2013, pursuant to Revenue Procedure 2012-19 and the adoption of final tangible property regulations by the IRS interpreting IRC Sections 162 and 263(a), SoCalGas obtained automatic consents from the IRS and the FTB to change its method of accounting to begin deducting certain repairs that are capitalized for book purposes.

Exhibit SCG-28-R, p RGR-11

TURN Position: TURN proposes to normalize the repair allowance for both Sempra Utilities for the period ending at the end of 2014, increasing Accumulated Deferred Income Tax (ADIT) and reducing rate base by \$93.0 million for SDG&E and \$92.3 million for SoCal Gas.

The Commission should flow through to ratepayers the 2015 balance in the repair deduction memorandum accounts previously adopted in this proceeding and should follow SEU's proposal to flow through the repair deduction from 2016 onward.

Future voluntary tax changes made by SDG&E and SoCal should only take effect in GRC test year unless provisions are made to make ratepayers whole.

Testimony of William B. Marcus for TURN, pp. 5, 25-27

Chapter 4 - TURN vs. SoCalGas

Part B - Capital-Related Costs

2. SCG-29-R (Exh 241) - WORKING CASH

Issue #	Subject	Reference
1. SCG29.001	SCG Working Cash	4B2-a1

CHAPTER 4B2-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-29-R
Area: WORKING CASH
Witness: Foster, Michael W.
Subject: SCG Working Cash

Issue Description: SCG Working Cash

SoCalGas Position: SoCalGas requests \$79.879 million for TY 2016 for the activities in this work group. SoCalGas' request for working cash is in compliance with California Public Utilities Commission ("CPUC") Standard Practice ("SP") U-16, based on 2013 as-recorded costs and Test Year ("TY") 2016 forecasts. Working cash is a means to compensate investors for providing funds that are committed to the business for paying operating expenses in advance of receipt of the offsetting revenues from customers.
Exhibit SCG-29-R, page MWF-1

TURN Position: TURN recommends to reduce \$159.109 million for SoCal Gas' working capital; \$84.2 million for cash working capital (including increasing the lag for goods and services, reducing the impact of income tax leads, and removing prepaid property taxes and preliminary surveys), and \$74.9 million by treating customer deposits as a rate base offset.

SoCal Gas projects \$1.343 billion in commodity costs in 2016. It includes cash working capital associated with those costs (with 38.59 lag days or a net lead of 3.4 days) in gas distribution rates where the residential class picks up about 80% of the costs. This \$1.343 billion in costs should be included as commodity costs, changing the classification and unbundling of \$12,512,000 of rate base from distribution to sales.

Testimony of William B. Marcus on SCG, p. 5 and 38

Note: Attached Table 11 summarizes TURN's adjustment for SCG.

Testimony of William B. Marcus on SCG, p. 29

Proposed TY2016 Forecast

<u>Year</u>	<u>SCG</u>	<u>TURN</u>	<u>Difference</u>
2016	79,879	-79,230	-159,109
TOTAL	79,879	-79,230	-159,109

Table 11: Summary of SoCal Gas Cash Working Capital Adjustments

SoCal Non-Commodity Cash Working Capital					
			Dollars	Lag Days	Dollar-Days
Total Per So Cal			2,350,685	26.38	62,005,097
<u>TURN ADJUSTMENTS</u>					
SoCal Goods and Services			425,521	34.04	14,484,751
TURN Goods and Services			425,521	41.44	17,633,606
Difference			-		3,148,855
Remove Federal Income tax			(15,273)	(724.92)	11,071,677
Remove State Income Tax			(14,296)	(573.94)	8,204,980
Total Per TURN			2,321,116	36.38	84,430,609
Change in lag days				10.00	
2016 non-commodity cost			3,064,165		
Reduced Rate base			83,929		
<u>Additional TURN Rate Base Reductions</u>					
Preliminary Surveys			263		
Prepaid Property Tax					
Customer Deposits			74,917		
TURN rate base reductions			159,109		

Chapter 4 - TURN vs. SoCalGas

Part C - Other

1. SCG-04-R (Exh 58) - GAS DISTRIBUTION

Issue #	Subject	Reference
1. SCG04A.000	O&M - Chambers of Commerce	4C1-a1
2. SCG04A.001	O&M - Shared Services	4C1-a2
3. SCG04A.002	Capital - Main Replacement	4C1-a3

CHAPTER 4C1-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

Subject: O&M - Chambers of Commerce
SCG04A.000

SoCalGas Position: In the Amended Response to TURN DR 04 Question 4, SoCalGas removed the concession of \$2,750 related to chambers of commerce. Upon further investigation, the original explanation does not apply to SoCalGas.

Regional Public Affairs advises community groups, chambers of commerce and businesses about pending operational and regulatory matters that could affect customers, planned or proposed rate changes, utility safety, energy efficiency and conservation, and customer assistance programs.

Exhibit SCG-04-R, page FBA-73, lined 5-10

TURN Position: In TURN-Sempra DR 4-4, SoCal agreed to remove \$2,750 in local Chamber of Commerce expenses. These costs are uncontested, but we point them out in order to better ensure that all parties follow through on this commitment to remove the costs from the request.

Prepared Testimony of W.B. Marcus for TURN, page 46

CHAPTER 4C1-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

Subject: O&M - Shared Services
SCG04A.001

SoCalGas Position: SoCalGas requests \$4.883 million (incurred) for TY2016 for activities in this workgroup. Recorded to this cost center are the salary and employee non-labor expenses for the Vice President and his or her assistant for the Field Operations organization. Also charged are one-time expenses that benefit the entire organization.

Exhibit SCG-04-R, p. FBA-78

TURN Position: TURN takes issue in forecast spending for Gas Distribution Monitoring and Control Program Assessment and Blueprint Development: field Services Leadership and Operations Assessment, where we recommend normalizing some spending over three years. This results in reducing annual expenses from \$4.883 Million to \$2.146 Million per year, for a reduction of \$2.737M.

Prepared Testimony of J. Sugar on behalf of TURN, p. 28-30

Proposed TY2016 Forecast

<u>Expense Type</u>	<u>SCG</u>	<u>TURN</u>	<u>Difference</u>
2016	4,883	2,146	-2,737
TOTAL	4,883	2,146	-2,737

CHAPTER 4C1-a3

Southern California Gas Company
 2016 Test Year GRC A-14-11-004
 TURN Differences to SoCalGas Requests

Exhibit No.: SCG-04-R
Area: GAS DISTRIBUTION
Witness: Ayala, Frank B.

Subject: Capital - Main Replacement
 SCG04A.002

SoCalGas Position: SoCalGas requests \$47.233 million for 2014, \$47.233 million for 2015, and \$47.233 million for 2016. Expenditures recorded to this work category are for routine capital pipeline replacements critical to sustained operational reliability and mitigate risks associated with public safety.

Exhibit SCG-04-R, page FBA-99

TURN Position: TURN proposes \$42.510 million for 2015 and 2016, a reduction of \$4.723 million for each year. TURN recommends a 10 percent reduction in forecast 2016 spending for both programs, to encourage more efficient operation of distribution pipe replacement efforts. While it appears that DREAMS uses some different criteria than the Pipe Replacement Program in selecting pipe to replace, there also appears to be overlap.

Prepared Testimony of J. Sugar on behalf of TURN, p. 38-39

Note: 2015 & 2016 Proposed Capital Expenditures (in thousands of 2013 dollars)

SCG	2015	2016	Total
002520.001	47,233	47,233	94,466

TURN	2015	2016	Total
002520.001	42,510	42,510	85,020

Difference	2015	2016	Total
002520.001	-4,723	-4,723	-9,446

Proposed TY2016 Forecast

<u>Expense Type</u>	<u>SCG</u>	<u>TURN</u>	<u>Difference</u>
2016	47,233	42,510	-4,723
TOTAL	47,233	42,510	-4,723

Chapter 4 - TURN vs. SoCalGas

Part C - Other

2. SCG-08 (Exh 49) - TIMP & DIMP

Issue #	Subject	Reference
1. SCG08A.005	Distribution pipe replacement (DREAMS) (DIMP)	4C2-a1

CHAPTER 4C2-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-08
Area: TIMP & DIMP
Witness: Martinez, Maria T.

Subject: Distribution pipe replacement (DREAMS) (DIMP)
SCG08A.005

SoCalGas Position: Given the clear and distinct scopes of work associated with Gas Distribution's main replacement program and the DIMP-DREAMS main replacement program, along with coordination to avoid duplicative efforts, TURN's proposed reduction to 2016 forecast based on the cost-per-mile calculations germane to Gas Distribution's program is not reasonable or appropriate. Furthermore, TURN's additional arbitrary 10% reduction to my 2016 forecast is likewise not appropriate or reasonably supported by any evidence supporting the basis for, and amount of, the reduction.

Exhibit SCG-208, p. MTM-4

TURN Position: TURN recommends reducing forecast DREAMS spending to reflect the cost per mile of distribution main replacement used for the Main Replacement Program. TURN also recommends a 10 percent reduction in forecast 2016 spending for both programs, to encourage more efficient operation of distribution pipe replacement efforts.

Unit Costs: \$47.935 million
Efficiency: <\$4.793 million>
Total Recommendation: \$43.141 million

TURN testimony of J. Sugar, p. 39

Proposed TY2016 Forecast

<u>Expense Type</u>	<u>SCG</u>	<u>TURN</u>	<u>Difference</u>
2016	65,775	43,141	-22,634
TOTAL	65,775	43,141	-22,634

Chapter 4 - TURN vs. SoCalGas

Part C - Other

3. SCG-11 (Exh 110) - CS - OFFICE OPERATIONS

Issue #	Subject	Reference
1. SCG11A.000	Event Sponsorships	4C3-a1

CHAPTER 4C3-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-11
Area: CS - OFFICE OPERATIONS
Witness: Goldman, Evan D.

Subject: Event Sponsorships
SCG11A.000

SoCalGas Position: A reduction to the base year 2013 and TY 2016 forecast is being made in the amount of \$13.150K to remove costs that were identified while responding to data request TURN-SEU-DR-04, question 6, that should have been excluded.

Exhibit SCG-211, page EDG-1

TURN Position: In response to TURN DR 4-6, the Sempra Utilities identified a variety of sponsorships of various events totaling \$19,775 that they stated would be removed in rebuttal testimony. \$13,150 is from the Customer Service - Office Operations witness area (\$500 in CCC - Support 200001.000 and \$12,650 in Customer Service Other Office Ops and Technology 2000006.000).

Prepared Testimony of W.B. Marcus for TURN, page 46

Chapter 4 - TURN vs. SoCalGas

Part C - Other

4. SCG-16 (Exh 267) - REAL ESTATE

Issue #	Subject	Reference
1. SCG16A.000	GCT RENTS - 2RE00A-USS.ALL	4C4-a1

CHAPTER 4C4-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-16
Area: REAL ESTATE
Witness: Seifert, James C.

Subject: GCT RENTS - 2RE00A-USS.ALL
SCG16A.000

SoCalGas Position: SoCalGas requests \$15.002 million for TY 2016 for the activities in this work group using a zero-based forecast derived using lease terms and landlord credit adjustments over four years 2103 through 2016.

Exhibit SCG-16, pages JCS-2 and 4

TURN Position: TURN recommends test-year forecast of \$10.040 million for GCT rent, consistent with a three-year average of historical costs.

Exhibit TURN-404 (Garrick Jones Testimony), Pages 1 and 15

Proposed TY2016 Forecast

<u>Expense Type</u>	<u>SCG</u>	<u>TURN</u>	<u>Difference</u>
2016	15,002	10,040	-4,962
TOTAL	15,002	10,040	-4,962

Chapter 4 - TURN vs. SoCalGas

Part C - Other

5. SCG-19 (Exh 220) - CORPORATE CENTER - GENERAL ADMINISTRATION

Issue #	Subject	Reference
1. SCG19A.000	TURN Multi-Factor adjustment	4C5-a1
2. SCG19A.002	Compensation - Variable Pay	4C5-a2
3. SCG19A.004	Retirement Benefits-Supplemental Pension allocated from Sempra	4C5-a3
4. SCG19A.005	Allocation of Governmental Programs & Corporate Responsibility	4C5-a4

CHAPTER 4C5-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-19
Area: CORPORATE CENTER - GENERAL ADMINISTRATION
Witness: Devine, Hannah L.

Subject: TURN Multi-Factor adjustment
SCG19A.000

SoCalGas Position: The Multi-Factor is a Commission-approved allocation method that is computed annually for the forthcoming year, based on the prior year's data. To forecast the rates for 2016, the 2011-2013 were projected using a linear trend method. This process is consistent with the technique used in all previous Cost of Service and GRC test years.

The resulting percentages for TY 2016 were 38.9% to SDG&E, 39.0% to SoCalGas, and 22.1% for unregulated activities.

Exhibit SCG-19, Pages PRW-6 and 7

TURN Position: Instead of a trend, TURN recommends using a two-year average of the 2013 and 2014 data to arrive at the TY 2016 rates. They also propose an adjustment of financial data for Variable Interest Entity in SDG&E. Their combined proposal would result in percentages 37.0% to SDG&E, 39.4% to SoCalGas, and 23.6% for unregulated activities.

Testimony of William B. Marcus, p. 8

Note: Proposed TY2016 Forecast (in thousands of 2013 dollars):
Nonstandard 49,235 49,282 47 (increase)

CHAPTER 4C5-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-19
Area: CORPORATE CENTER - GENERAL ADMINISTRATION
Witness: Devine, Hannah L.

Subject: Compensation - Variable Pay
SCG19A.002

SoCalGas Position: SoCalGas requests a Corporate Center allocation of \$2.888* million (\$3.099 million in escalated 2016 dollars) for variable pay (also known as incentive compensation or ICP). Corporate Center's ICP costs are included for all eligible employees, based on expected overall performance results. The request is for ICP based on target performance. If actual ICP performance exceeds target performance, the differential is funded by shareholders and is not recoverable in rates. This Plan is consistent with the Total Compensation structure used at SDG&E and SoCalGas, as described in the testimony of Debbie S. Robinson (Exhibit SCG-21).

Exhibit SCG-19, Page PRW-56

TURN Position: TURN proposes \$1.407* million for TY2016 for Sempra Energy's ICP allocation to SoCalGas. TURN recommends limiting ratepayer funding to the amounts associated with goals that enhance utility operations and services. As discussed above, TURN recommends that shareholders fund incentive payments based on financial and company Business and Regulatory objectives.

Testimony of John Sugar on behalf of TURN, Pages 18 and 21

Note: * SCG request of \$2.888 million differs from the \$3.495 million shown in Table 6 on page 21 of Mr. Sugar's testimony. It appears that TURN double-counted the executive ICP of \$0.607 million ($\$0.607 + \$0.607 + \$2.281(\text{Non-Exec}) = \3.495).

Exhibit SCG-19-WP, pp. 371, 374, and 377

TURN's recommendation of \$1.407 million double counts Executive ICP as the TURN adjustments in Table 5 were made to the total ICP allocation from Corporate, not the Non-Executive ICP allocation as intended.

Proposed TY2016 Forecast

<u>Expense Type</u>	<u>SCG</u>	<u>TURN</u>	<u>Difference</u>
2016	2,888	1,407	-1,481
TOTAL	2,888	1,407	-1,481

CHAPTER 4C5-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-19
Area: CORPORATE CENTER - GENERAL ADMINISTRATION
Witness: Devine, Hannah L.

Subject: Retirement Benefits-Supplemental Pension allocated from Sempra SCG19A.004

SoCalGas Position: Sempra Energy forecasts allocating \$2.288 million for SERP. SoCalGas' allocation is forecast at \$1.084M. SDG&E's allocation is forecast at \$1.204M.

Exhibit SCG-19, p. PRW-57

TURN Position: TURN recommends no ratepayer funding for this program.

Testimony of John E. Sugar for TURN, pp. 1-3 and 24-27

Proposed TY2016 Forecast

<u>Expense Type</u>	<u>SCG</u>	<u>TURN</u>	<u>Difference</u>
2016	1,084	0	-1,084
TOTAL	1,084	0	-1,084

CHAPTER 4C5-a4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-19
Area: CORPORATE CENTER - GENERAL ADMINISTRATION
Witness: Devine, Hannah L.

Subject: Allocation of Governmental Programs & Corporate Responsibility
SCG19A.005

SoCalGas Position: This cost center supports SDG&E and SoCalGas in their efforts to drive sustainability throughout utility operations, embed best practices, and reduce impacts on the environment. The Corporate Responsibility Report tracks the CPUC's Sustainable Utilities En Banc session that defined corporate sustainability as the integration of economic, environmental, and social considerations into corporate strategy. Allocation rates for the Corporate Responsibility team reflects more actual time spent supporting SDG&E and SoCalGas in the above mentioned areas, compared to non-allocable political activities.

Exhibit SCG-219, p HLD-7

TURN Position: TURN proposes to reduce the allocation rates back to the 2013 percentages, which would lower the SDG&E request by \$(164,000) and SoCalGas by \$(154,000).

TURN testimony of W. Marcus, p 10-11

Chapter 4 - TURN vs. SoCalGas

Part C - Other

6. SCG-20 (Exh 208) - CORPORATE CENTER - INSURANCE

Issue #	Subject	Reference
1. SCG20.001	TURN Multi-Factor Adjustment for TY 2016	4C6-a1
2. SCG20.002	TURN D&O Allocation Adjustment for TY 2016	4C6-a2

CHAPTER 4C6-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-20
Area: CORPORATE CENTER - INSURANCE
Witness: Carbon, Katherine

Subject: TURN Multi-Factor Adjustment for TY 2016
SCG20.001

SoCalGas Position: Sempra Energy Utilities (SEU): The Multi-Factor is a Commission-approved allocation method that is computed annually for the forthcoming year, based on the prior year's data. To forecast the rates for 2016, the actual 2011-2013 rates were projected using a linear trend method. This process is consistent with the technique used in all previous Cost of Service and GRC test years.

The resulting percentages for TY 2016 were 38.9% to SDG&E, 39.0% to SoCalGas, and 22.1% for unregulated activities.

Exhibit SCG-19, Pages PRW-6 and 7

TURN Position: Instead of a trend, TURN recommends using a two-year average of the 2013 and 2014 data to arrive at the TY 2016 rates. They also propose an adjustment of financial data for Variable Interest Entity in SDG&E. Their combined proposal would result in percentages 37.0% to SDG&E, 39.4% to SoCalGas, and 23.6% for unregulated activities, resulting in a decrease of \$969,000 for SDG&E and an increase of \$266,000 for SCG.

Testimony of William B. Marcus, p. 6-8, Table 2

Note: Proposed TY2016 Forecast (in thousands of 2016 dollars)

Expense Type	SoCalGas	TURN	Difference
Multi-Factor Allocation	11,622	11,888	266
D&O Insurance	618	478	<140>
Other Allocations	6,512	6,512	0
Total	18,752	18,878	126

CHAPTER 4C6-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-20
Area: CORPORATE CENTER - INSURANCE
Witness: Carbon, Katherine

Subject: TURN D&O Allocation Adjustment for TY 2016
SCG20.002

SoCalGas Position: SDG&E and SCG use a Multi-Factor Split rate to calculate D&O Liability Insurance. This method allocates 50% of costs to the Utilities and 50% to the non-regulated affiliates.

Exhibit SCG-20, Pages KC 14 and 15

TURN Position: TURN recommends D&O Liability Insurance be reduced by \$131,000 and \$140,000 for SDG&E and SCG respectively. TURN would use the Multi-Factor Basic allocation, then reduce the Utilities' share by 50%.

Testimony of William B. Marcus, p.9,12 Table 6

Note: Proposed TY2016 Forecast (in thousands of 2016 dollars)

Expense Type	SoCalGas	TURN	Difference
Multi-Factor Allocation	11,622	11,888	266
D&O Insurance	618	478	<140>
Other Allocations	6,512	6,512	0
Total	18,752	18,878	126

Chapter 4 - TURN vs. SoCalGas

Part C - Other

7. SCG-21 (Exh 191) - COMPENSATION, HEALTH, & WELFARE

Issue #	Subject	Reference
1. SCG21A.000	Compensation-Variable Pay	4C7-a1
2. SCG21A.001	Compensation-Long-Term Incentive Plan	4C7-a2
3. SCG21A.002	Retirement Benefits-Supplemental Pension	4C7-a3
4. SCG21A.004	Incentive Compensation Plans (ICP) Performance Measures	4C7-a4
5. SCG21A.005	Financial Components of Short Term Incentive Compensation	4C7-a5
6. SCG21A.007	Other Benefit Program Expenses	4C7-a6
7. SCG21A.008	Compensation-Long-Term Incentive Plan allocated from Sempra	4C7-a7

CHAPTER 4C7-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

Subject: Compensation-Variable Pay
SCG21A.000

SoCalGas Position: SoCalGas requests \$49.213* million for TY 2016 for the activities in this work group using a zero-based forecast. The ORA and SCG jointly selected Towers Watson to conduct the competitive compensation and benefits analysis. SCG's total compensation (defined as base salaries, target short-term incentives, long term incentives and benefits) is within 2.6 percent of market. Compensation professionals, including Towers Watson, typically consider a range of plus or minus 10 percent of the average of the external market data to be competitive and broader ranges are common and expected for long-term incentive plans and benefits. SCG is requesting recovery of variable pay based on target performance. If actual ICP performance exceeds target performance, the differential is funded by shareholders and is not recoverable in rates.

Exhibit SCG-21, p. DSR-6-10
Exhibit SCG-21-WP, p. 6

TURN Position: TURN recommends limiting rate payer funding to \$20.324 million as some of the goals that Sempra Energy and its utilities have chosen for the utility short-term incentive plans benefit shareholders and ICP recipients alone, without sufficient relationship to the quality of Sempra Utilities' operations from a ratepayer perspective.

Testimony of John E. Sugar, pages 1-3 and 18-23

Note: * Excluding \$2.888 million allocated from Sempra Energy.

Total disallowance by TURN is \$30.586 million including \$1.697 million disallowance from Sempra Energy allocation (\$2.888 - \$1.191 = \$1.697).

Testimony of John E. Sugar, page 21, Table 5

Proposed TY2016 Forecast

<u>Expense Type</u>	<u>SCG</u>	<u>TURN</u>	<u>Difference</u>
2016	49,213	20,324	-28,889
TOTAL	49,213	20,324	-28,889

CHAPTER 4C7-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

Subject: Compensation-Long-Term Incentive Plan
SCG21A.001

SoCalGas Position: SoCalGas requests \$7.592* million for TY 2016 for the activities in this work group using a zero-based forecast. Long-term incentives are an integral component of a competitive compensation program for key management and executive employees. Consistent with the external labor market, SCG's compensation philosophy ties a greater portion of pay to company performance at higher levels of responsibility. The actual compensation realized by participants is dependent on Sempra Energy's performance. Long-term incentives awards are granted under the Sempra Energy Long Term Incentive Plan, in the form of performance-based restricted stock units and service-based restricted stock units. Long-term incentive plan costs are based on the accounting expense incurred for awards issued to SCG employees.

Exhibit SCG-21, p DSR-10-11
Exhibit SCG-21-WP, p 14

TURN Position: TURN recommends no ratepayer funding for this program.

Testimony of John E. Sugar for TURN, pp. 1-3 and 23-24

Note: * Excluding \$2.606 million allocated from Sempra Energy. Total disallowance by TURN is \$10.198 million including Sempra Energy allocation.

Proposed TY2016 Forecast

<u>Expense Type</u>	<u>SCG</u>	<u>TURN</u>	<u>Difference</u>
2016	7,592	0	-7,592
TOTAL	7,592	0	-7,592

CHAPTER 4C7-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

Subject: Retirement Benefits-Supplemental Pension
SCG21A.002

SoCalGas Position: SoCalGas requests \$1.086* million for TY 2016 for the activities in this work group using a zero-based forecast. SCG offers two supplemental pension plans, the Supplemental Executive Retirement Plan, which covers a small number of senior executives, and the Cash Balance Restoration Plan. The Cash Balance Restoration Plan restores benefits for employees whose earnings or benefits exceed the limitations established by the Employee Retirement and Income Security Act. The plan merely restores benefits that would otherwise be lost due to statutory limits under broad based retirement plans. Cost forecasts represent the projected benefit payments. As with other contingent cash flows, the amount and timing of future benefit payments are based on actuarial assumptions such as the lump sum rate, future salary increases, and mortality and retirement rates.

Exhibit SCG-21, pp. 30-31

TURN Position: TURN recommends no ratepayer funding for this program.

Testimony of John E. Sugar for TURN, pp. 1-3 and 24-27

Note: * Excluding \$1.084 million allocated from Sempra Energy. Total disallowance by TURN is \$2.17 million including Sempra Energy allocation.

Proposed TY2016 Forecast

<u>Expense Type</u>	<u>SCG</u>	<u>TURN</u>	<u>Difference</u>
2016	1,086	0	-1,086
TOTAL	1,086	0	-1,086

CHAPTER 4C7-a4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

Subject: Incentive Compensation Plans (ICP) Performance Measures
SCG21A.004

SoCalGas Position: The ICP places a portion of employee compensation at-risk, subject to achievement of the plan's performance measures, motivating employees to meet or exceed important customer service, safety, supplier diversity, reliability, financial, and project completion goals.

Exhibit SCG-21, Pages DSR-6 and DSR-7

TURN Position: TURN accepts that ratepayers should pay for ICP goals related to Safety, Pipeline safety and DIMP, Customer Satisfaction, AMI installations, and Supplier diversity but denies that ratepayers should pay for earnings goals and only half of efficiency goals.

Testimony of John E. Sugar for TURN, pages 19-22

CHAPTER 4C7-a5

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

Subject: Financial Components of Short Term Incentive Compensation
SCG21A.005

SoCalGas Position: A financially strong utility is good for the ratepayer. A financially strong utility will have the ability to attract more external funding, if needed, at lower rates and allow the utility to be more flexible with its financing, reducing the cost to ratepayers in future Cost of Capital proceedings. It is reasonable for the Commission to recognize that providing employees with an incentive to run the company efficiently while still focusing on safety, reliability and customer service is a smart policy and that the achievement of sustainable efficiencies does get reflected in future GRCs, which benefits ratepayers.

Exhibit SCG-241, p 9

TURN Position: Sempra provides no evidence that financial goals in the ICP calculation benefit ratepayers in particular because the Cost of Capital proceeding gave a return on equity that was sufficient to attract capital. Added financial target will not attract investors to the point where ratepayers benefit. Further, TURN believes that most employees do not have a direct connection to hitting financial goals and thus financial goals and targets do not drive performance.

Testimony of John E. Sugar, pp 5-14

CHAPTER 4C7-a6

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

Subject: Other Benefit Program Expenses
SCG21A.007

SoCalGas Position: SoCalGas requests \$4.820 million for test-year 2016. The Other Benefits Program includes: Benefits Administration Fees, Educational Assistance, Emergency Childcare, Mass Transit Incentive, Retirement Activities, Service Recognition, and, Special Events.

Exhibit SCG-21, p. DSR-32

TURN Position: TURN's base recommendation is that the Commission should use the six-year (including the recorded 2014 value) average for each of the subprograms, rather than accept the utilities' forecast for each program, given that the sum of the costs for all of the subprograms is randomly variable through that period with no discernable trend.

TURN testimony of G. Jones, p. 17-18

Proposed TY2016 Forecast

<u>Expense Type</u>	<u>SCG</u>	<u>TURN</u>	<u>Difference</u>
2016	4,820	3,572	-1,248
TOTAL	4,820	3,572	-1,248

CHAPTER 4C7-a7

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

Subject: Compensation-Long-Term Incentive Plan allocated from Sempra
SCG21A.008

SoCalGas Position: Sempra Energy forecasts allocating \$5.633 million for long-term incentives in 2015. SoCalGas' allocation is forecast at \$2.606M. SDG&E's allocation is forecast at \$3.026M.

Exhibit SCG-19, Page PRW-57

TURN Position: TURN recommends no ratepayer funding for long-term incentive.

Testimony of John E. Sugar for TURN, pp. 1-3 and 23-24

Proposed TY2016 Forecast

<u>Expense Type</u>	<u>SCG</u>	<u>TURN</u>	<u>Difference</u>
2016	2,606	0	-2,606
TOTAL	2,606	0	-2,606

Chapter 4 - TURN vs. SoCalGas

Part C - Other

8. SCG-23-R (Exh 106) - PRES/COO, HR, WORKERS COMP & DISABILITY

Issue #	Subject	Reference
1. SCG23A.000	Local Chamber of Commerce	4C8-a1

CHAPTER 4C8-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-23-R
Area: PRES/COO, HR, WORKERS COMP & DISABILITY
Witness: Serrano, Mark L.

Subject: Local Chamber of Commerce
SCG23A.000

SoCalGas Position: In reliance on a data request submitted to TURN during discovery, TURN states that SoCalGas agreed to reduce \$2,750 related to local chamber of commerce expenses in rebuttal testimony. SoCalGas subsequently issued an amended response based on additional research and indicated that it incorrectly agreed to withdraw this amount from its forecast.

Exhibit SCG-223, pages MLS-2

TURN Position: In TURN-Sempra DR 4-4, SoCal agreed to remove \$2,750 in local Chamber of Commerce expenses. These costs are uncontested, but we point them out in order to better ensure that all parties follow through on this commitment to remove the costs from the request.

Prepared Testimony of W. Marcus for TURN, page 46

Chapter 4 - TURN vs. SoCalGas

Part C - Other

9. SCG-24-R (Exh 283) - REG AFF/A&F/LEGAL/EXT AFF

Issue #	Subject	Reference
1. SCG24.001	Political Organizations	4C9-a1
2. SCG24.002	Event Sponsorships	4C9-a2
3. SCG24.003	Tickets to Sporting & Cultural Events and Clothing & Other Gear	4C9-a3

CHAPTER 4C9-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-24-R
Area: REG AFF/A&F/LEGAL/EXT AFF
Witness: Gonzales, Ramon

Subject: Political Organizations
SCG24.001

SoCalGas Position: Membership in these three organizations advance a number of ratepayer interests, including providing information on the benefits of natural gas and provides a forum for discussion of advancements in technology and related service offerings. Additionally, these memberships provide a venue for advocating for the development and maintenance of businesses in the service territory.

Exhibit SCG-24-R, page RG-7

TURN Position: TURN recommends removing charges considered to political organizations for: California Manufacturers and Technology Association; Federal and State chambers of commerce; and The Business Roundtable. As shown in TURN-Sempra DR 4-2, SoCal Gas has included \$50,000 in dues to political organizations.

Prepared Testimony of W. Marcus for TURN, pages 45-46

CHAPTER 4C9-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-24-R
Area: REG AFF/A&F/LEGAL/EXT AFF
Witness: Gonzales, Ramon

Subject: Event Sponsorships
SCG24.002

SoCalGas Position: \$7 thousand was reduced from both Base Year 2013 and Test Year 2016 to remove costs that were identified while responding to data request TURN-SEU-DR-04, question 6 that should have been excluded.

Exhibit Hearing Corrections of Ramon Gonzales - July 2015

TURN Position: In response to TURN DR 4-6, the Sempra Utilities identified a variety of sponsorships of various events totaling \$19,775 that they stated would be removed in rebuttal testimony. \$7,000 is from the External Affairs Division.

Prepared Testimony of W.B. Marcus for TURN, page 46

Note: The remaining reduction referred to in this data request was removed from Customer Service Office Operations. Exhibit SCG-211, Page EDG-1

CHAPTER 4C9-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
TURN Differences to SoCalGas Requests

Exhibit No.: SCG-24-R
Area: REG AFF/A&F/LEGAL/EXT AFF
Witness: Gonzales, Ramon

Subject: Tickets to Sporting & Cultural Events and Clothing & Other Gear
SCG24.003

SoCalGas Position: Event tickets and clothing and other gear containing the utilities name and logo (excluding uniforms, hard hats, etc.) are embedded in SoCalGas' TY 2016 forecast and are supported by multiple witnesses.

TURN Position: TURN recommends removing \$0.138 million for tickets to sporting and cultural events and \$0.443 million for clothing and other gear (excluding uniforms, hard hats, etc.), for a total reduction of \$0.582 million. These costs are not necessary to provide utility service and should be removed. Clothing and other gear expenses are largely promotional and image-building (giveaways and other materials) and should not be paid for by the ratepayers.

Prepared Testimony of W. Marcus for TURN, pages 46-47

Note: For simplicity, the total expenses are displayed in this workpaper. For details on the specific witness areas that TURN proposes reductions, please see Tables 15 and 17 from the Prepared Testimony of W. Marcus for TURN, pages 47-48.

Proposed TY2016 Forecast

<u>Expense Type</u>	<u>SCG</u>	<u>TURN</u>	<u>Difference</u>
2016	0	-582	-582
TOTAL	0	-582	-582

Chapter 5

Differences Between SoCalGas and SCGC

Chapter 5 - SCGC vs. SoCalGas

Part C - Other

1. SCG-07 (Exh 25) - GAS ENGINEERING

Issue #	Subject	Reference
1. SCG07A.001	New Pipeline Capital	5C1-a1
2. SCG07A.002	Compressor Stations Capital	5C1-a2

CHAPTER 5C1-a1

Southern California Gas Company
 2016 Test Year GRC A-14-11-004
 SCGC Differences to SoCalGas Requests

Exhibit No.: SCG-07
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

Subject: New Pipeline Capital
 SCG07A.001

SoCalGas Position: Through the North Coast System Reliability - Right of Way Acquisitions project, SoCalGas plans to acquire rights-of-way in anticipation of construction of approximately 80 miles of 36-inch transmission pipeline from the Taft area in the southern San Joaquin valley area westerly to near Gaviota. Actual construction might begin as early as spring of 2017. This project, in its ultimate build-out, will provide improved reliability and a second source of supply to the North Coastal System north of Gaviota.

Land rights purchases in recent years have averaged approximately \$267,000 per mile. The forecast is based on approximately 18.7 miles of land rights purchases at \$267,000 per mile in 2015 and 2016.

Exhibit SCG-07, pp RKS-51-53

SCGC Position: SoCalGas has failed to justify the need for the expansion. Eighty miles of 36-inch pipeline to serve the North Coastal System north of Gaviota is excessive given the limited gas supply requirements of the area. The ownership of right of way along the proposed route might potentially be used as a justification to pursue the proposed project even if one of the alternatives is more cost justified. The Commission should deny SoCalGas' request to include the purchase of right of way for the Taft to Gaviota pipeline as part of its transmission capital investments.

SCGC Catherine Yap, pp 12

Note: North Coast System Reliability - R/W acquisition (thousands of 2013 dollars)

	2014	2015	2016
SCG	0	5,000	5,000
SGCG	0	0	0
Difference	0	<5,000>	<5,000>

Proposed TY2016 Forecast

<u>Expense Type</u>	<u>SCG</u>	<u>SCGC</u>	<u>Difference</u>
2016	5,000	0	-5,000
TOTAL	5,000	0	-5,000

CHAPTER 5C1-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
SCGC Differences to SoCalGas Requests

Exhibit No.: SCG-07
Area: GAS ENGINEERING
Witness: Stanford, Raymond K.

Subject: Compressor Stations Capital
SCG07A.002

SoCalGas Position: SoCalGas plans to implement many individual projects that will consist of one or a combination of the following installations: replacing the pneumatic and electro-mechanical control systems and related station auxiliary systems, installation of new engine control panels, new station control panel and replacement of sensors, wiring, industrial communications and local controllers.

Engine retrofit costs are typically for materials, construction equipment and contract labor and were estimated based on a site-specific basis which recognizes the requirements for each engine. Such costs are estimated by experienced compressor station management personnel using reference to recent compressor engine retrofit projects of similar scope, equipment type and construction environment.

Exhibit SCG-07, pp RKS-66-68

SCGC Position: The cost for air quality retrofits at compressor stations should be reduced to \$0 for 2014 because no work was completed during this period and should be reduced by 50 percent to \$8.4 million for 2015 to reflect the fact that SoCalGas will have only six months under the most optimistic scenario to complete retrofit work. The 50 percent factor is generous since there could be a further delay in the Mojave AQMD's issuance of the final rule. The originally projected level of work effort would be maintained for 2016 and the remainder of the retrofit work that was not completed during 2014 and the first half of 2015 would be expected to be completed during 2017. This is a reasonable assumption given the fact that SoCalGas has until 2024 to come completely into compliance with Rule 1160 as it is currently proposed.

SCGC Catherine Yap, pp 14

Note: Air Quality Retrofits (Rule 1160) & Sensors upgrades (thousands of 2013 dollars)

	2014	2015	2016
SCG	5,013	16,698	15,908
SGCG	0	8,400	15,908
Difference	<5,013>	<8,298>	0

Proposed TY2016 Forecast

<u>Expense Type</u>	<u>SCG</u>	<u>SCGC</u>	<u>Difference</u>
2016	15,908	15,908	0
TOTAL	15,908	15,908	0

Chapter 5 - SCGC vs. SoCalGas

Part C - Other

2. SCG-35-R (Exh 92) - POST-TEST YEAR RATEMAKING

Issue #	Subject	Reference
1. SCG35.005	PTY - SCGC Proposal	5C2-a1

CHAPTER 5C2-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
SCGC Differences to SoCalGas Requests

Exhibit No.: SCG-35-R
Area: POST-TEST YEAR RATEMAKING
Witness: Van Der Leeden, Ronald M.

Subject: PTY - SCGC Proposal
SCG35.005

SoCalGas Position: SoCalGas proposes a PTY ratemaking mechanism to adjust its authorized revenue requirement in the post-test years by applying separate attrition adjustments for O&M expenses (including a separate attrition adjustment for medical expenses), capital-related costs and exogenous cost changes. Using the current GI 2017 and 2018 forecasted utility cost escalation factors, SoCalGas' proposal would result in attrition year revenue requirement increases of \$125 million (5.3%) in 2017 and \$94 million (3.8%) in 2018.

Exhibit SCG-35-R, page RMV-1

SCGC Position: SCGC supports ORA's one-part PTYR mechanism that would increase SCG's revenue by 3.5% in 2017 and 3.5% in 2018. If the Commission does not adopt that methodology, SCGC suggests that the Commission adopt ORA's alternate PTYR mechanism. SCGC proposes to modify this methodology by incorporating the seven-year average of recorded capital expenditures in the capital portion of the PTY mechanism.

Prepared Testimony of Catherine Yap for SCGC, Pages 2-8

Chapter 6

Differences Between SoCalGas and UWUA

Chapter 6 - UWUA vs. SoCalGas

Part C - Other

1. SCG-05 (Exh 35) - GAS TRANSMISSION

Issue #	Subject	Reference
1. SCG05A.001	Creation of Represented Employee Safety Officer Program (RESO)	6C1-a1
2. SCG05A.002	Inspection and Patrol	6C1-a2
3. SCG05A.003	Leak Survey and Repair	6C1-a3
4. SCG05A.004	Valve Maintenance	6C1-a4
5. SCG05A.005	Advisory Body	6C1-a5
6. SCG05A.006	Gas Transmission Balancing Account	6C1-a6

CHAPTER 6C1-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
UWUA Differences to SoCalGas Requests

Exhibit No.: SCG-05
Area: GAS TRANSMISSION
Witness: Musich-Barry, Elizabeth A.

Subject: Creation of Represented Employee Safety Officer Program (RESO)
SCG05A.001

SoCalGas Position: SoCalGas shares the Union's goal of improving compliance and workforce engagement, but disagree that the creation of a new represented employee position should be addressed in the GRC. The collective bargaining process more appropriately addresses proposals such as those presented by Mr. Downs.

Exhibit SCG-205, Page EAM-8

UWUA Position: UWUA proposes the creation of RESO to facilitate dialogue among employees and SoCalGas management, to mentor and coach the workforce and to promote procedure compliance, safety consciousness and safety at SoCalGas.

Prepared Testimony of R. Downs for UWUA, Page 3

Proposed TY2016 Forecast

<u>Expense Type</u>	<u>SCG</u>	<u>UWUA</u>	<u>Difference</u>
2016	0	260	260
TOTAL	0	260	260

CHAPTER 6C1-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
UWUA Differences to SoCalGas Requests

Exhibit No.: SCG-05
Area: GAS TRANSMISSION
Witness: Musich-Barry, Elizabeth A.

Subject: Inspection and Patrol
SCG05A.002

SoCalGas Position: SoCalGas disagrees with UWUA's expressed viewpoint that "patrol can be accomplished in a vehicle, although not by air." SoCalGas disagrees. Aerial patrol of pipelines has been a proven and safe practice throughout the pipeline transportation industry for many years. Aerial patrol is a cost effective method for conducting observance of pipelines that travel through difficult to access areas where it is not practical to utilize vehicle or foot patrols. Finally, aerial patrol and aerial instrumented leakage survey is accepted by the Department of Transportation.

Exhibit SCG-205, Page EAM-8

UWUA Position: Patrol is a physical in-person inspection of facilities and pipelines that checks a large number of different conditions, including indications of leaks, but going far beyond this. Patrol should be a continuous process. Patrol can be accomplished in a vehicle, although not by air, but there must be sufficient manpower to enable the patrol to get out of the vehicle to make closer inspection of indicators of leak or disturbance such as dead vegetation, soil discoloration and texture, as well compromised external surfaces.

Prepared Testimony of R. Downs, Page 7

CHAPTER 6C1-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
UWUA Differences to SoCalGas Requests

Exhibit No.: SCG-05
Area: GAS TRANSMISSION
Witness: Musich-Barry, Elizabeth A.

Subject: Leak Survey and Repair
SCG05A.003

SoCalGas Position: SoCalGas' leak surveying activity utilizes various technologies and methods as appropriate for conditions and as approved by the Department of Transportation. Additionally, SoCalGas' Transmission Operations does not operate or maintain the gas transmission system with any known buried-pipeline leakage backlog. Known buried-pipeline leaks are repaired immediately utilizing one of several safe and effective permanent repair processes.
Exhibit SCG-205, Page EAM-9

UWUA Position: At least once a year the entire transmission system should be walked by employees with an instrument or gas sensing device to identify the specific location of leaks in populated areas. A drive-by survey, involving a truck-mounted instrument, by itself may be inadequate because - as it drives along the pipe - it will not sense or discover leaks where the gas is migrating away from the pipe.

Testimony Prepared by R. Downs for UWUA, Page 8

CHAPTER 6C1-a4

Southern California Gas Company
2016 Test Year GRC A-14-11-004
UWUA Differences to SoCalGas Requests

Exhibit No.: SCG-05
Area: GAS TRANSMISSION
Witness: Musich-Barry, Elizabeth A.

Subject: Valve Maintenance
SCG05A.004

SoCalGas Position: SoCalGas current valve maintenance efforts are appropriate. SoCalGas already identifies valves necessary for the safe operation of the system. Adding a separate effort to create an inventory of valves is unnecessary and non-productive toward achieving any additional safety based benefit. The Commission is addressing the appropriate inspection interval in Rulemaking 11-02-019.

Exhibit SCG-205, Page EAM-9

UWUA Position: UWUA reiterates the position taken in the Gas Safety Rulemaking, R.11-02-019. Valves are a critical component of the gas transport and delivery system. UWUA's recommendation proposes several elements, beginning with a comprehensive valve inventory. This enables an objective process for identifying and prioritizing valves "the use of which may be necessary for the safe operation" of a system. The objective is to assure that all valves, whether automatic, remote controlled or manual in fact operate as anticipated, without delay or obstruction.

Prepared Testimony of R. Downs for UWUA, Page 9

CHAPTER 6C1-a5

Southern California Gas Company
2016 Test Year GRC A-14-11-004
UWUA Differences to SoCalGas Requests

Exhibit No.: SCG-05
Area: GAS TRANSMISSION
Witness: Musich-Barry, Elizabeth A.

Subject: Advisory Body
SCG05A.005

SoCalGas Position: The implementation of an advisory body that would oversee or manage the operation and maintenance of SoCalGas' transmission system is unnecessary. SoCalGas is committed to continue safely and reliably operating the system to promote public, employee and environmental safety. Indeed, there is already substantial regulations and oversight in place, both from the Commission and from other regulatory entities. UWUA has provided no analysis that an advisory body is necessary or that current regulations and oversight are ineffective.

Exhibit SCG-205, Page EAM-10

UWUA Position: The advisory committees would be made up of SoCalGas management, employees, public interest representatives and CPUC staff. Operation and maintenance issues potentially requiring additional funds would be brought to the advisory committee, which would authorize the revenue adjustment. SoCalGas would collect the additional revenues through an advice letter.

Prepared Testimony by C. Wood, Page 14

CHAPTER 6C1-a6

Southern California Gas Company
2016 Test Year GRC A-14-11-004
UWUA Differences to SoCalGas Requests

Exhibit No.: SCG-05
Area: GAS TRANSMISSION
Witness: Musich-Barry, Elizabeth A.

Subject: Gas Transmission Balancing Account
SCG05A.006

SoCalGas Position: SoCalGas does not believe that its cost forecasts for gas transmission O&M, as presented and supported in direct and rebuttal testimonies and workpapers, necessitate the addition of a separate tracking and recovery mechanism.
Exhibit SCG-205, Page EAM-10

UWUA Position: A two--way balancing account, would collect and disburse funds for transmission operation and maintenance, to assure that those functions are fully resourced.

Prepared Testimony of C. Wood, Page 14

Chapter 6 - UWUA vs. SoCalGas

Part C - Other

2. SCG-06 (Exh 45) - UNDERGROUND STORAGE

Issue #	Subject	Reference
1. SCG06.003	Gas Transmission Working Group	6C2-a1

CHAPTER 6C2-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
UWUA Differences to SoCalGas Requests

Exhibit No.: SCG-06
Area: UNDERGROUND STORAGE
Witness: Baker, Phillip E.

Subject: Gas Transmission Working Group
SCG06.003

SoCalGas Position: SoCalGas respectfully disagrees that a working group is necessary to coordinate or manage the operation and maintenance of SoCalGas' Storage system. SoCalGas is committed to safely and reliably operating our system to promote public, employee and environmental safety. Further, there are already substantial regulations and oversight in place both from the Commission and from other regulatory entities.

Exhibit SCG-206, Page PEB-5

UWUA Position: UWUA's concern is that all pipe and facilities in the storage field, however classified, be safely and effectively operated and maintained. A working group that includes UWUA, SoCalGas management and Commission staff should be established to move this coordinated approach going forward. The coordinated approach should be the basis for a comprehensive storage revenue requirement in the 2019 GRC.

Prepared Testimony by P. Carriera, Page 6

Chapter 6 - UWUA vs. SoCalGas

Part C - Other

3. SCG-08 (Exh 49) - TIMP & DIMP

Issue #	Subject	Reference
1. SCG08A.004	Accelerated Main Replacement	6C3-a1

CHAPTER 6C3-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
UWUA Differences to SoCalGas Requests

Exhibit No.: SCG-08
Area: TIMP & DIMP
Witness: Martinez, Maria T.

Subject: Accelerated Main Replacement
SCG08A.004

SoCalGas Position: SCG did not address this issue.

UWUA Position: Within the \$65 million budget proposal in this GRC there should be a dedicated Aldyl-A removal program, to be revisited and expanded in the next GRC as the Aldyl- A Map is filled with opportunistic data and systematic de-briefing of experienced crew leaders.

Prepared Testimony of Don Kick for UWUA, Page 12

Chapter 6 - UWUA vs. SoCalGas

Part C - Other

4. SCG-10 (Exh 89) - CS - FIELD & METER READING

Issue #	Subject	Reference
1. SCG10A.000	MSA Inspection Program Proposals	6C4-a1
2. SCG10A.002	Turn-On & No Hot Water Complaint Orders	6C4-a2
3. SCG10A.003	Training, Mentoring, Job Shadowing	6C4-a3

CHAPTER 6C4-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
UWUA Differences to SoCalGas Requests

Exhibit No.: SCG-10
Area: CS - FIELD & METER READING
Witness: Franke, Sara

Subject: MSA Inspection Program Proposals
SCG10A.000

SoCalGas Position: SoCalGas agrees that 96 positions will be needed to complete the MSA inspections. SoCalGas has also concluded the work would require a lower pay rate. The cost of additional positions at a lower pay rate would be roughly equivalent to the current MSA Inspection Program forecast.
SoCalGas does not support UWUA's recommendation that MSA inspection costs be subject to annual review and adjustment if needed. SoCalGas does not support any form of balancing of MSA inspection costs in this GRC and opposes UWUA's proposal to establish an advisory committee to review the costs and if more funding is needed it would be obtained through an advice letter.
Regarding UWUA's job classifications and job progressions proposals, SoCalGas believes those are subject to collective bargaining.

Exhibit SCG-210, pp. SAF-55-58

UWUA Position: UWUA proposes, based on the personal judgement of the witness, that SoCalGas would need 96 positions (instead of 84 that SoCalGas forecasted) to completed the number of required MSA inspections.

UWUA proposes that the classification of the field technicians performing the MSA inspections should be Field Service Assistants.

UWUA proposes that in order to ensure sufficient funding for the MSA inspection an advisory committee (made up of SoCalGas management, employees, public interest representatives, and CPUC staff) review program costs and if more funding is needed it would be obtained through an advice letter.

Exhibit UWUA-9, pp.4-5 and UWUA-1, pp. 9, 14-15

CHAPTER 6C4-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
UWUA Differences to SoCalGas Requests

Exhibit No.: SCG-10
Area: CS - FIELD & METER READING
Witness: Franke, Sara

Subject: Turn-On & No Hot Water Complaint Orders
SCG10A.002

SoCalGas Position: Water heating work orders are currently completed within a day (or the following day if customer requests for water heater service are received late in the day). With respect to customer space heating appliances, it is not clear whether UWUA's "no heat in wintertime" proposal would include one-day service for pilot lighting. UWUA has not defined "wintertime" or provided any cost estimates associated with its proposal. Nor has UWUA identified other order types it proposes to eliminate or move to a lower priority in order to make room for one-day service for space heating appliances in order to maintain cost neutrality as UWUA suggests is possible.
Exhibit SCG-210, pp. SAF-60-61

UWUA Position: UWUA is making one recommendation in the customer service area: complete turn-on orders within one day and complete no hot water complaints and no heat in wintertime complaints in one day.

Exhibit UWUA-9, p. 6

CHAPTER 6C4-a3

Southern California Gas Company
2016 Test Year GRC A-14-11-004
UWUA Differences to SoCalGas Requests

Exhibit No.: SCG-10
Area: CS - FIELD & METER READING
Witness: Franke, Sara

Subject: Training, Mentoring, Job Shadowing
SCG10A.003

SoCalGas Position: SoCalGas has proposed TY 2016 funding for several CSF training improvements of the nature UWUA describes. UWUA supports SoCalGas' funding requests for CSF training improvements. Any potential role in training for UWUA and/or the UWUA's national Power for America Training Trust would be subject to collective bargaining and need to include in the discussion the other union on SoCalGas' property that also represents CSF and Meter Reading employees.

CSF technicians and meter readers are not placed into the job until they successfully pass training.

Exhibit SCG-210, p. SAF-59

UWUA Position: UWUA witness Jami Simon advocates a comprehensive evaluation and update to employee training programs, including pre-hire preparation, curricula review, augmenting trainer skills, mentoring and coaching. UWUA proposes that each of these elements would mimic programs implemented elsewhere and administered by the UWUA's national Power for America Training Trust Fund.

Exhibit UWUA-10, p 5

Chapter 6 - UWUA vs. SoCalGas

Part C - Other

5. SCG-23-R (Exh 106) - PRES/COO, HR, WORKERS COMP & DISABILITY

Issue #	Subject	Reference
1. SCG23A.001	Represented Employee Safety Officers (RESO)	6C5-a1

CHAPTER 6C5-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
UWUA Differences to SoCalGas Requests

Exhibit No.: SCG-23-R
Area: PRES/COO, HR, WORKERS COMP & DISABILITY
Witness: Serrano, Mark L.

Subject: Represented Employee Safety Officers (RESO)
SCG23A.001

SoCalGas Position: SoCalGas requested \$0 for TY2016. SoCalGas shares the Union's goal of improving compliance and workforce engagement, but disagrees that the creation of new represented employee positions should be addressed in the GRC. SoCalGas is willing to discuss the underlying reasons behind the RESO proposal in collective bargaining.

Exhibit SCG-23-R, pages MLS 14-15

UWUA Position: UWUA proposes \$0.910 million for the creation of 7 RESO positions to be approved for funding by the CPUC.

Exhibit UWUA-2 Testimony of UWUA Witness Jerry Acosta, pages 8-9 and Exhibit UWUA-3 Testimony of UWUA Witness Robin Downs, pages 3-5

Chapter 7

Differences Between SoCalGas and JMP

Chapter 7 - JMP vs. SoCalGas

Part B - Capital-Related Costs

1. SCG-37-R (Exh 189) - REVENUES AT PRESENT AND PROPOSED RATES

Issue #	Subject	Reference
1. SCG37.000	Rate Increases	7B1-a1

CHAPTER 7B1-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
JMP Differences to SoCalGas Requests

Exhibit No.: SCG-37-R
Area: REVENUES AT PRESENT AND PROPOSED RATES
Witness: Lenart, Gary G.
Subject: Rate Increases

Issue Description: Rate Increases

SoCalGas Position: SCG believes it has fully justified its proposed rate increase in this proceeding.

JMP Position: Although the Sempra proposed rate increases appear to be relatively modest, at least from the perspective of Sempra, any rate increase could have a highly negative impact on a substantial number of ratepayers who live from paycheck to paycheck. This is particularly true for those presently unemployed or underemployed. Please note that in many of the Sempra territories, the real unemployment rate is in double-digit figures and for minority ratepayers, particularly Blacks, Latinos and Southeast Asian Americans, the real unemployment rate is 20% or higher.

Further, Joint Parties concerned that great declines in energy costs, including natural gas, are not being fully passed on to benefit the vast majority of Sempra ratepayers who lives from paycheck to paycheck.

Testimony of Joint Parties, Pages 5-6

Chapter 7 - JMP vs. SoCalGas

Part C - Other

1. SCG-12-R (Exh 115) - CS - INFORMATION

Issue #	Subject	Reference
1. SCG12A.000	Marketing, Outreach and Education for Hard to Reach Customers	7C1-a1

CHAPTER 7C1-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
JMP Differences to SoCalGas Requests

Exhibit No.: SCG-12-R
Area: CS - INFORMATION
Witness: Ayres, Ann D.

Subject: Marketing, Outreach and Education for Hard to Reach Customers
SCG12A.000

SoCalGas Position: If the CPUC would like to consider allocating a percentage of rate increases for marketing, outreach, and education to hard-to-reach customers, SoCalGas recommends the topic be examined in the Low Income Energy Efficiency (LIEE) proceeding or similar proceeding.

Exhibit SCG-212, p. ADA-6

JMP Position: JMP recommends at least 5% of any rate increases over the three year GRC period be allocated for marketing, outreach and education focused on those who are hit hardest by any rate increases.
Testimony of Joint Parties, p. 13

Chapter 7 - JMP vs. SoCalGas

Part C - Other

2. SCG-14 (Exh 127) - SUPPLY MANAGEMENT

Issue #	Subject	Reference
1. SCG14A.000		7C2-a1
2. SCG14A.001	Supplier and Employment Diversity	7C2-a2

CHAPTER 7C2-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
JMP Differences to SoCalGas Requests

Exhibit No.: SCG-14
Area: SUPPLY MANAGEMENT
Witness: Hobbs, Richard D.

Subject:
SCG14A.000

SoCalGas Position:

JMP Position: The Joint Minority Parties (JMP) made several recommendations to modify SoCalGas' Supplier Diversity program. JMP recommendations include:

- Modifying GO156 goals from 40% to 50% by 2018;
- Implementing a separate Minority Business Enterprise goal of 35%;
- Disaggregating Asian American data by major applicable ethnic subgroups;
- Report specific data related to the state in which a supplier awarded a contract is headquartered or does the vast amount of its business;
- Providing testimony on the value and impact of reporting on suppliers owned and operated by returning war veterans returning on and after 2001; and
- Increasing technical assistance budgets from an average of \$.750M/year to \$2.25 million/year. It is further recommended by the JMP that 50% of any cost increases over \$1.5M/year be equally shared by ratepayers and shareholders.

CHAPTER 7C2-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
JMP Differences to SoCalGas Requests

Exhibit No.: SCG-14
Area: SUPPLY MANAGEMENT
Witness: Hobbs, Richard D.

Subject: Supplier and Employment Diversity
SCG14A.001

SoCalGas Position: SCG urges the Commission to reject all of JMP's recommendations. In D.13-05-010, Section 13.4.3, the Commission noted that such recommendations concerning SCG's relationships with diverse business enterprises are issues that should have been brought up in R.09-07-027, which addressed changes to GO156. Previous agreements between SCG and the JMP have resulted in the current Technical Assistance funding, which exceeds prior funding levels and any amounts contemplated by GO156. SCG's GO156 performance metrics have consistently and significantly exceeded GO156 targets for many years. Both increasing those targets and creating sub-targets sets up unequal access. Similar to the creation of unequal fractions for GO156 targets, the Commission should reject the JMP recommendation that SoCalGas disaggregate Asian American data by major ethnic subgroups.

Exhibit SCG-214, p RDH-13

JMP Position: JMP recommendations include:

1. Modify GO156 goals from 40% to 50% by 2018;
2. Implementing a separate Minority Business Enterprise Goal of 35%;
3. Disaggregating Asia American data by major applicable ethnic subgroups;
4. Providing testimony on the value and impact of reporting on utility efforts to engage suppliers owned and operated by those veterans returning on and after 2001;
5. Increasing technical assistance budgets from an average of \$0.750M/year to \$2.25M/year. It is further recommended that 50% of any cost increases over \$1.5M/year be equally shared by ratepayers and shareholders.

Testimony of Joint Parties, pp. 14-17

Chapter 7 - JMP vs. SoCalGas

Part C - Other

3. SCG-21 (Exh 191) - COMPENSATION, HEALTH, & WELFARE

Issue #	Subject	Reference
1. SCG21A.006	Executive Compensation	7C3-a1

CHAPTER 7C3-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
JMP Differences to SoCalGas Requests

Exhibit No.: SCG-21
Area: COMPENSATION, HEALTH, & WELFARE
Witness: Robinson, Debbie S.

Subject: Executive Compensation
SCG21A.006

SoCalGas Position: SDG&E's and SoCalGas' request for compensation and benefits cost recovery is reasonable, consistent with past California Public Utilities Commission (Commission) decisions, will benefit customers and should be approved. SDG&E's and SoCalGas' compensation and benefits programs are critical to attracting, motivating, and retaining a skilled, high-performing workforce. The Total Compensation Study, which was performed by Towers Watson and jointly managed by ORA, found SDG&E's and SoCalGas' total compensation to be in line with the competitive market.

Exhibit SCG-221, p. DSR-3

JMP Position: Executive compensation at the Sempra companies is excessive.

Testimony of Joint Parties, pp. 7-11

Chapter 8

Differences Between SoCalGas and EDF

Chapter 8 - EDF vs. SoCalGas

Part C - Other

1. SCG-17-R (Exh 177) - ENVIRONMENTAL

Issue #	Subject	Reference
1. SCG17A.001	NERBA	8C1-a1
2. SCG17A.002	CPUC Rulemaking 15-01-008	8C1-a2

CHAPTER 8C1-a1

Southern California Gas Company
2016 Test Year GRC A-14-11-004
EDF Differences to SoCalGas Requests

Exhibit No.: SCG-17-R
Area: ENVIRONMENTAL
Witness: Tracy, Jill

Subject: NERBA
SCG17A.001

SoCalGas Position: In the 2012 GRC, the Commission approved the NERBA as a two-way balancing account, and adopted cost forecasts for the costs SoCalGas proposed to record in the NERBA. The currently authorized NERBA costs include (1) AB32 Administration Fees; (2) Gas Cap and Trade related costs; and (3) Subpart W costs. The intent of the NERBA is to record costs meeting the following key criteria: (1) uncertainty as to the scope, magnitude, and mechanics of the compliance requirements associated with new, proposed, or evolving environmental rules or regulations; and (2) potential for incurring significant incremental costs.

Exhibit SCG-17, Page JT-7

EDF Position: EDF strongly supports the Commission providing the utilities with the funding necessary to address methane emissions, to utilize quantification methods to address methane pollution, and increase transparency in ratemaking. EDF's testimony does not support a specific dollar amount requested by either utility. Rather, EDF's testimony provides context to the requested rates, and advises the Commission to apply additional filters to its review of the expenditures made by the utilities. EDF believes it is necessary for SCG to eliminate its backlog of non-hazardous leaks. However, EDF does not support SCG's funding request to eliminate its leak backlog without some method of prioritization of non-hazardous leaks.

Testimony of T. O'connor for EDF, pages 7-8, 21

Note: EDF recommends that any funds allocated for quantification be placed in either a two-way balancing account or a one-way balancing account. EDF also recommends that the utilities should be required to quantify their emission and report those figures in future GRCs.

CHAPTER 8C1-a2

Southern California Gas Company
2016 Test Year GRC A-14-11-004
EDF Differences to SoCalGas Requests

Exhibit No.: SCG-17-R
Area: ENVIRONMENTAL
Witness: Tracy, Jill

Subject: CPUC Rulemaking 15-01-008
SCG17A.002

SoCalGas Position: SoCalGas disagrees with EDF's recommendation for a one-way balancing account and to keep the GRC open until the resolution of the Rulemaking. In the event the Rulemaking requires incremental costs to be incurred during the GRC cycle, SoCalGas' NERBA, which proposes to add an LDAR component, is a two-way regulatory mechanism that SoCalGas can seek to record those incremental costs. Establishing a one-way balancing account should not be adopted by the Commission because to reasonably estimate a hard cap for authorized spending associated with complying with SB1371 requirements is uncertain at this early stage of the Rulemaking and would therefore unfairly restrict cost recovery if costs should be above those initially authorized, even if such costs are prudently incurred.

Exhibit SCG-217, pages JT-4 to 5

EDF Position: EDF strongly supports the Commission providing the utilities with the funding necessary to address methane emissions, to utilize quantification methods to address methane pollution, and increase transparency in ratemaking. EDF's testimony is not meant to support any specific dollar amount requested by SCG or SDG&E within their rate case application. Rather, EDF's testimony is meant to add context to the amount requested and advise the Commission that, due to advancements in both policy and technology, additional filters should be placed on the Commission's review of any and all expenditure requests made by utilities. EDF believes it is necessary for SCG to eliminate its backlog of non-hazardous leaks. However, EDF does not support SCG's funding request to eliminate its leak backlog without some method of prioritization of non-hazardous leaks.

Note: EDF recommends the Commission adopt one of two options for allocating funds to meet the objective of having utilities perform leak quantification. The first option is to place funding for both utilities in a two way balancing account similar to the NERBA. Second, if the Commission prefers a one way balancing account, than EDF suggests that funding determination be held open until a cost estimate can be calculated in R. 15-01-008.

Exhibit Opening Testimony of Environmental Defense Fund, pages 7, 10, and 20