

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

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

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

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

Application: A.10-12-005/006  
Exhibit No.: SDG&E-245/SCG-238

**PREPARED REBUTTAL TESTIMONY OF  
DEBORAH HIRAMOTO  
ON BEHALF OF  
SAN DIEGO GAS & ELECTRIC COMPANY  
AND SOUTHERN CALIFORNIA GAS COMPANY**

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

**OCTOBER 2011**



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1 **PREPARED REBUTTAL TESTIMONY OF**

2 **DEBORAH HIRAMOTO**

3 **ON BEHALF OF SAN DIEGO GAS AND ELECTRIC COMPANY AND**

4 **SOUTHERN CALIFORNIA GAS COMPANY**

5 **I. INTRODUCTION**

6 The following rebuttal testimony addresses the intervenor testimony of the Division of  
7 Ratepayer Advocates (“DRA”) and Utility Consumer’ Action Network (“UCAN”).

8 In their September report, the DRA recommended a 2012 revenue requirement of  
9 \$1,491,161,000 for San Diego Gas & Electric (“SDG&E”) and \$1,753,671,000 for Southern  
10 California Gas Company (“SoCalGas”). The table below shows that DRA’s proposals, if  
11 adopted, would result in 8 % and 5% decreases compared to each company’s respective  
12 authorized 2011 revenues, or 19% and 17% decreases compared to each company’s respective  
13 2012 requests. <sup>1</sup>

14 Table DH-R1

DRA Compared to 2011 Authorized		
\$ Millions	SDG&E	SoCalGas
2011 Authorized Revenue Requirement	1,614	1,844
2012 DRA	1,491	1,754
Decrease, in dollars	(123)	(90)
Decrease in %	(8%)	(5%)

  

DRA Compared to SEU July Revision		
\$ Millions	SDG&E	SoCalGas
2012 Proposed, July Revision	1,845	2,107
2012 DRA	1,491	1,754
Decrease, in dollars	(354)	(353)
Decrease in %	(19%)	(17%)

15  
<sup>1</sup> The DRA’s 2012 proposed revenue requirements were calculated using a modified version of the December 2011 Application version of the SDG&E and SoCalGas consolidated Results of Operations (“RO”) Model submitted in its Applications A.10-12-005 and A.10-12-006. Exhibits DRA-1 page 12 and DRA-40 page 11.

1 For the reasons explained below, SDG&E and SoCalGas recommend the DRA revenue  
2 requirement be “set aside” until a thorough review of inputs and logic is completed and after  
3 DRA has submitted its Errata testimony.

## 4 **II. OMISSION OF ERRATA AND TAX RELIEF ACT LOGIC**

5 In July 2011, SDG&E and SoCalGas provided the DRA with one CD including two RO  
6 Model versions. The first RO Model version included O&M and logic Errata to the December  
7 2010 original Application. A second RO Model version included O&M and logic Errata and was  
8 further modified to include extensive logic changes necessary to incorporate the impact of the  
9 Tax Relief Act of 2010.<sup>2</sup> SDG&E and SoCalGas provided two versions of the RO Models so the  
10 DRA could isolate and validate the changes related to the Applicants’ Errata and changes related  
11 to the Tax Relief Act of 2010. However, due to time constraints, the DRA did not use the  
12 revised RO Model<sup>3</sup> and therefore, omitted approximately \$ 2 million in reductions for their  
13 proposed SDG&E 2012 revenue requirement and \$5 million in reductions for their proposed  
14 SoCalGas 2012 revenue requirement.

15 In order to effectuate the Tax Relief Act of 2010, the DRA manually calculated a revised  
16 deferred tax balance adjustment by applying gross up factors based on relationships between  
17 various data sets in the Application RO Model.<sup>4</sup> An evaluation of this methodology and  
18 discussion of the level of distortion of the DRA offline calculations is provided in the Prepared  
19 Rebuttal Testimony of Randall Rose regarding Taxes, Exhibit SDG&E-234/SCG-228 . SDG&E  
20 and SoCalGas believe that to the extent the DRA adjusts their position on any O&M and capital  
21 costs which would impact capital additions that qualify for bonus depreciation treatment, the  
22 DRA RO Model will not make the necessary dynamic recalculation for deferred tax and

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<sup>2</sup> Exhibits SDGE-34-R and SCG -28R, Section IV.C.

<sup>3</sup> Exhibit DRA-1, p12 and DRA-40, p.11.

<sup>4</sup> Exhibit DRA-37 p. 13.

1 therefore will not generate any associated downstream impact to revenue requirement. The  
2 DRA should be directed to use the July 2011 Revised version of the RO Model, in order to  
3 ensure synchronicity between the data set used to base its adjustment and avoid the need for  
4 multiple manual calculations. This makes sense given that DRA has expressed its own concern  
5 with the importance of avoiding manual calculations as recently as the PG&E 2011 GRC.<sup>5</sup>

6 **III. DATA INPUT ADJUSTMENTS ARE NECESSARY TO SYNCHRONIZE DRA'S**  
7 **TESTIMONY TO DRA'S RO MODEL**

8 In a limited comparison of O&M and capital cost between DRA testimony and the DRA  
9 RO Model it was determined that many discrepancies had occurred. SDG&E and SoCalGas  
10 provided DRA a listing of discrepancies as well as provided hands-on assistance to DRA in the  
11 data entry of these items. These revisions, if accepted, would result in a \$10 million increase to  
12 DRA's proposed SDG&E 2012 revenue requirement and a \$12 million increase to DRA's  
13 proposed SoCalGas 2012 revenue requirement. A CD version of the revised DRA RO Model  
14 was sent to DRA on October 4, 2011 for their review. See Appendices 1 - 3 to this testimony for  
15 details on Shared Services O&M, 2011 and 2012 Capital, Non-shared services, and other labor  
16 overhead discrepancies.

17 Included in the adjustment of the revised DRA RO Model are revisions to SONGS O&M  
18 and capital costs which SDG&E's contends, in its October 20, 2011, Motion to Strike Portions of  
19 Division of Ratepayer Advocates' Testimonies, should be decided in A.10-11-015, the Southern  
20 California Edison 2012 GRC. <sup>6</sup> See Appendix 4 to this testimony for a list of revisions.

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<sup>5</sup> A.09-12-020, DRA-2, p 2

<sup>6</sup> Exhibit SDG&E-208, p 5-6

1 **IV. DRA RO MODEL ISSUES**

2 Treatment of Annual Amortization of SDG&E Undepreciated Meters - DRA proposes a  
3 reduction to SDG&E rate base of \$85.1 million to account for legacy meters it argues should be  
4 permanently removed and a 1/6th annual amortization of this balance, or \$14.183 million per  
5 year should be added to its proposed 2012 revenue requirement.<sup>7</sup> SDG&E disagrees with this  
6 proposal and provides rebuttal by SDG&E witnesses, Mr. Gary Hayes (Exhibit SDG&E-250),  
7 witness Mr. Mike Foster (Exhibit SDG&E-251) and witness, Mr. Ed Fong (Exhibit SDG&E-  
8 252).

9 After reviewing the DRA RO Model adjustment for the 2011 balance, it appears the  
10 \$85.1 million reduction was made to the 2009 Plant Balance thereby understating the impact to  
11 2012. Next, the amortization adjustment of \$14.184 million did not flow to the 2012 revenue  
12 requirement thereby understated the SDG&E 2012 revenue. The net impact of these two  
13 adjustments is an approximate \$15 million understatement of the DRA's proposed SDG&E 2012  
14 revenue requirement.

15 While SDG&E does not agree with this treatment, a suggested input field was provided  
16 so that the DRA's proposed SDG&E 2012 revenue requirement would not be understated. If the  
17 Commission decides that this amortization is acceptable, further study into the appropriate input  
18 field should be done. See Appendix 5 of this testimony for details.

19 Treatment of Contributions in Aid of Construction ("CIAC") - The DRA proposes a  
20 reduction to rate base of \$123 million for SDG&E and \$10 million for SoCalGas to remove  
21 CIAC.<sup>8</sup> SDG&E and SoCalGas disagree with this proposal and its discussion is included in the  
22 joint rebuttal testimony of Mr. Patrick Moersen and Mr. Steve Dais (Exhibit SDG&E-256/SCG-

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<sup>7</sup> Exhibit DRA-15, Section VI.

<sup>8</sup> Exhibit DRA-36, p 12.

1 246), and the rebuttal testimony of Mr. Bob Wieczorek (Exhibit SDG&E-233). The DRA's  
2 approach to effectuate the removal of CIAC was to adjust the 2012 Customer Advances for  
3 Construction ("CAC"). However, CAC is not related to CIAC. The result is a decrease to  
4 SDG&E rate base of \$66 million and a decrease of \$5 million to SoCalGas rate base and should  
5 be further reviewed.

## 6 **V. INTERVENOR PROPOSALS TO MODIFY FUTURE RO MODELS**

7 DRA recommends that a shared services module be created in the next GRC filing in  
8 order to make available a summary of shared services in one place in the RO Model.<sup>9</sup> SDG&E  
9 and SoCalGas interpret the use of the term, "module" to mean a collection of summary reports.  
10 Summary shared services reports can be accomplished by developing automated extracts from  
11 the main processing file of the RO Model such as the data extracts discussed in DRA testimony<sup>10</sup>  
12 and then further summarized in DRA-34 Table 34-1 and DRA-34 Table 34-2. SDG&E and  
13 SoCalGas do not take issue with this recommendation within the scope of its interpretation.

14 UCAN proposes a multi-factor allocation variable be included as a user option in the RO  
15 Model to verify UCAN's estimated adjustment.<sup>11</sup> SDG&E disagrees that any of its resources  
16 should be used to develop new RO Model functionality simply to verify UCAN's estimate.  
17 Further, the complexity of the allocation calculations for Corporate Center shared services  
18 precludes enhancing the RO Model with a single factor change which could accurately replicate  
19 the current processes of direct-assignment, labor overhead loaders, and multiple allocation  
20 methodologies.

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<sup>9</sup> Exhibit DRA-34, p. 7.

<sup>10</sup> Exhibit DRA-34, p. 7.

<sup>11</sup> Exhibit UCAN-3, p. 77.

1 UCAN also proposes that Long Term Disability (“LTD”) costs should be dynamically  
2 adjusted as labor costs are adjusted in the RO Model.<sup>12</sup> SDG&E disagrees with this proposal  
3 because LTD costs are not always directly and materially related to changes in labor. (See  
4 rebuttal testimony of Ms. Sarah Edgar, Exhibit SDGE-227.)

## 5 **VI. SUMMARY AND CONCLUSION**

6 Given the amount of apparent input and testimony inconsistencies as well as posting  
7 issues SDG&E and SCG are unable to validate with certainty that the DRA RO Model used to  
8 develop the DRA revenue requirement is accurate. SDG&E and SCG suggest the Commission  
9 does not utilize DRA’s computed revenue requirements in this proceeding until such time the  
10 DRA RO Model results have been validated.

11 SDG&E and SoCalGas does not take issue with the DRA’s proposal to add summary  
12 reports, however does not agree with either UCAN proposal to modify the RO Model.

13 This concludes my prepared rebuttal testimony.

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<sup>12</sup>Exhibit UCAN-8, p. 7 - 8.



## **APPENDIX 1**

### **Shared Services O&M Adjustments made to DRA RO Model**

**Adjustment to Shared Service O&M**

	<u>SDGE Exhibit</u>	<u>DRA Exhibit</u>	<u>DRA Exhibit Page(s)</u>	<u>Cost Center</u>	<u>SDGE SCG App</u>	<u>DRA RO</u>	<u>DRA Testimony</u>	<u>DRA Testimony vs DRA RO</u>	<u>Comments/Adjustment to DRA RO Model</u>
10	SDGE - 18	DRA-21	Table 21-3	2100-3100	695	509			-186
13	SDGE - 18	DRA-21	Table 21-3	2100-3105	946	435			-511 / -509
14	SDGE - 18	DRA-21	Table 21-3	2100-3107	503	438			-65
16	SDGE - 18	DRA-21	Table 21-3	2100-3335	351	305			-46
18	SDGE - 18	DRA-21	Table 21-3	2100-3495	2,849	2,265			-584 / -586
23					16,012	13,951	15,342	(1,391)	Need cost center breakdown/testimony>app/reductions
24									
26	SDGE - 18	DRA-21	Table 21-3	2100-3073	680	616			-64 / -54
27	SDGE - 18	DRA-21	Table 21-3	2100-3089	1,015	652			-363
28	SDGE - 18	DRA-21	Table 21-3	2100-3091	1,849	1,405			-444
31	SDGE - 18	DRA-21	Table 21-3	2100-3699	535	386			-149
34					5,131	3,808	4,818	(1,010)	Need cost center breakdown/cc reductions
35									
36	SDGE - 18	DRA-21	Table 21-3	2100-0207	452	302			-150
37	SDGE - 18	DRA-21	Table 21-3	2100-3095	286	206			-80
38	SDGE - 18	DRA-21	Table 21-3	2100-3096	1,095	956			-139
39	SDGE - 18	DRA-21	Table 21-3	2100-3106	2,882	2,073			-809
40	SDGE - 18	DRA-21	Table 21-3	2100-3500	356	270			-86
41	SDGE - 18	DRA-21	Table 21-3	2100-3501	1,336	826			-510
42	SDGE - 18	DRA-21	Table 21-3	2100-3682	97	53			-44
43	SDGE - 18	DRA-21	Table 21-3	2100-3683	134	69			-65 / 50
45					7,258	5,408	7,276	(1,868)	Need cost center breakdown/sum cc reductions
46									
53	SDGE - 18	DRA-21	Table 21-3	2100-3094	1,145	320			-825
54	SDGE - 18	DRA-21	Table 21-3	2100-3623	1,981	1,873			-108 / -102
60					7,140	5,004	5,931	(927)	Need cost center breakdown/sum cc reduction
61									
69	SDGE - 18	DRA-21	Table 21-3	2100-3754	166	275			-109 / -95
71					1,633	1,398	1,303	95	Need cost center breakdown/sum cc reductions
72									
77	SDGE - 18	DRA-21	Table 21-3	2100-3781	904	570			-334 / -322

	<u>SDGE Exhibit</u>	<u>DRA Exhibit</u>	<u>DRA Exhibit Page(s)</u>	<u>Cost Center</u>	<u>SDGE SCG App</u>	<u>DRA RO</u>	<u>DRA Testimony</u>	<u>DRA Testimony vs DRA RO</u>	<u>Comments/Adjustment to DRA RO Model</u>
78					2,255	1,725	2,047	(322)	Need cost center breakdown/sum cc reductions
79									
80	SDGE - 18	DRA-21	Table 21-3	2100-3067	162	156	177	(21)	Testimony, RO, and DB do not match
81									
82	SCG - 12	DRA-21	Table 21-3	2200-2166	95	221	95	126	Need cost center breakdown
83									
84	SCG - 12	DRA-21	Table 21-3	2200-2047	165	129	165	(36)	Need cost center breakdown
85									
86	SCG - 12	DRA-21	Table 21-3	2200-0619	1,751	1,504	1,751	(247)	Need cost center breakdown
87									
88	SDGE - 21	DRA-24	Table 24-4	2100-0632	1,462	1,462	1,261	201	No reduction was made to the model
89									
90	SDGE - 21	DRA-24	Table 24-4	2100-3035	313	313	619	(306)	No reduction was made to the model
91	SDGE - 21	DRA-24	Table 24-4	2100-3282	586	586	658	(72)	No reduction was made to the model
92									
93	SDGE - 22	DRA-25	Table 25-5	2100-0216	257	257	474	(217)	No reduction was made to the model
94	SDGE - 22	DRA-25	Table 25-5	2100-3572	706	706	898	(192)	No reduction was made to the model
95	SDGE - 22	DRA-25	Table 25-5	2100-3415	1,387	1,387	1,676	(289)	No reduction was made to the model
96									
97	SDGE - 27	DRA-31	Table 31-9	2100-0279	299	299	209	90	No reduction was made to the model
98	SDGE - 27	DRA-31	Table 31-9	2100-3505	453	453	413	40	No reduction was made to the model
99	SDGE - 27	DRA-31	Table 31-9	2100-3679	1,105	1,105	407	698	No reduction was made to the model
100									
101	SDGE - 28	DRA-32	Table 32-7	2100-3555	200	116	186	(70)	DRA DB adj made to "subject to allocation"
102	SDGE - 28	DRA-32	Table 32-7	2100-3161	525	231	483	(252)	DRA DB adj made to "subject to allocation"
103	SDGE - 28	DRA-32	Table 32-7	2100-3427	952	696	870	(174)	DRA DB adj made to "subject to allocation"
104		DRA-32	None	2200-2075	520	300	441	(141)	DRA DB adj made to "subject to allocation"
105									
106		DRA-49	None	2200-0234	2,028	1,221	1,550	(329)	Testimony, RO, and DB do not match
107		DRA-49	None	2200-0328	894	454	706	(252)	
108		DRA-49	None	2200-2286	364	181	244	(63)	Testimony, RO, and DB do not match
109		DRA-49	None	2200-2288	295	199	165	34	Testimony, RO, and DB do not match

**APPENDIX 2**  
**Capital Adjustments made to the DRA RO Model**

**SDG&E Capital Comparison**

Description (a)	SDG&E App (b)			DRA Testimony (c)			DRA RO (d)			Adjustment (e) = (d) - (c)			Comments	DRA Client Area	
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012			
<u>Electric Distribution</u>															
1 A. New Business	61,604	80,981	89,977	43,729	42,971	50,273	18,289	29,871	19,377	(25,440)	(13,100)	(30,896)	DRA-11 p14, SDG&E-06 p26 (excl collectible)		
2 B. Capacity	19,128	47,080	26,802	25,270	24,236	23,202	17,521	44,721	22,680	(7,749)	20,485	(522)	DRA-11 p10, SDG&E-06 p67		
3 C. Reliability	55,876	54,816	65,634	49,094	47,640	46,186	23,942	39,092	57,789	(25,152)	(8,548)	11,603	DRA-11 p15, SDG&E-06 p129		
4 D. Mandated	31,999	35,987	34,220	29,294	26,428	23,562	21,064	23,260	27,593	(8,230)	(3,168)	4,031	DRA-11 p12, SDG&E-06 p195		
5 E. Franchise	19,060	19,175	18,318	6,749	10,809	14,868	4,410	19,175	18,318	(2,339)	8,366	3,450	DRA-11 p11, SDG&E-06 p212 (exclude collectible)		
6 F. Fire Hardening	2,656	8,036	17,479	518	346	173	2,652	8,034	17,479	2,134	7,688	17,306	DRA-11 p16, SDG&E-06 p221		
7 G. Capital Overhead	69,728	86,229	91,044	54,380	53,085	56,383	6,884	53,064	58,428	(47,696)	(21)	2,045	DRA-11 p18, SDG&E-06 p257		
8 <b>Total</b>	<b>260,051</b>	<b>332,304</b>	<b>343,474</b>	<b>209,034</b>	<b>205,515</b>	<b>214,647</b>	<b>94,562</b>	<b>217,217</b>	<b>221,664</b>	<b>(114,472)</b>	<b>11,702</b>	<b>7,017</b>			
9															
<u>Information Technology</u>															
17 BC03849.03 SORT Upgrade Project	-	1,304	2,985	-	1,304	2,985	-	-	1,561	-	(1,304)	(1,424)	DRA-21 p11-12, SDG&E-18 p60-62	DRA-16 p3 (\$0)	
18 BC03850.01 Customer Contact and Notification System	885	1,327	737	6	1,312	732	885	-	288	879	(1,312)	(444)	DRA-21 p11-12, SDG&E-18 p60-62	DRA-18 p3 (\$0)	
19 BC03850.02 HAN Infrastructure All	-	1,770	1,990	-	-	-	-	-	1,550	-	-	1,550	DRA-21 p11-12, SDG&E-18 p60-62		
20 BC03850.03 HAN DRCA Implementation All	-	1,856	3,126	-	-	-	-	-	3,126	-	-	3,126	DRA-21 p11-12, SDG&E-18 p60-62		
22 BC03851.02 AIS Enhancements SW	-	1,249	-	-	1,249	-	-	349	-	-	(900)	-	DRA-21 p11-12, SDG&E-18 p60-62		
38 BC10874.04 GridComm Phase 1 SW	-	744	588	-	737	585	-	744	27	-	7	(558)	DRA-21 p11-12, SDG&E-18 p60-62		
39 BC10875.00 Advanced Energy Storage-IT SDSW	-	985	861	-	985	985	-	985	861	-	-	(124)	DRA-21 p11-12, SDG&E-18 p60-62	DRA-14 p19 (does not tie to IT DRA testimony)	
40 BC10875.01 Advanced Energy Storage-IT SW	-	1,393	1,598	-	1,393	1,393	-	393	1,598	-	(1,000)	205	DRA-21 p11-12, SDG&E-18 p60-62	DRA-14 p19 (does not tie to IT DRA testimony)	

Description (a)	SDG&E App (b)			DRA Testimony (c)			DRA RO (d)			Adjustment (e) = (d) - (c)			Comments	DRA Client Area
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012		
41 BC10875.02 Advanced Energy Storage-IT HW	-	607	1,246	-	607	607	-	-	1,246	-	(607)	639	DRA-21 p11-12, SDG&E-18 p60-62	DRA-14 p19 (does not tie to IT DRA testimony)
42 BC10875.03 Dynamic Line Ratings - IT SDSW	-	269	63	-	269	63	-	197	63	-	(72)	-	DRA-21 p11-12, SDG&E-18 p60-62	DRA-14 p19 (does not tie to IT DRA testimony)
43 BC10875.04 Dynamic Line Ratings - IT SW	-	959	787	-	959	787	-	399	127	-	(560)	(660)	DRA-21 p11-12, SDG&E-18 p60-62	DRA-14 p19 (does not tie to IT DRA testimony)
44 BC10875.05 Dynamic Line Ratings - IT HW	-	463	1,636	-	463	1,636	-	-	-	-	(463)	(1,636)	DRA-21 p11-12, SDG&E-18 p60-62	DRA-14 p19 (does not tie to IT DRA testimony)
48 BC10875.09 Smart Transformers - IT SDSW	-	2,669	-	-	1,834	-	-	2,134	-	-	300	-	DRA-21 p11-12, SDG&E-18 p60-62	DRA-14 p19 (does not tie to IT DRA testimony)
51 BC10875.12 Smart Transformers - IT SDSW	-	-	1,775	-	-	1,775	-	-	1,494	-	-	(281)	DRA-21 p11-12, SDG&E-18 p60-62	DRA-14 p19 (does not tie to IT DRA testimony)
52 BC10875.13 Smart Transformers - IT SW	-	-	2,808	-	-	3,601	-	-	1,015	-	-	(2,586)	DRA-21 p11-12, SDG&E-18 p60-62	DRA-14 p19 (does not tie to IT DRA testimony)
53 BC10875.14 Smart Transformers - IT HW	-	-	2,341	-	-	2,341	-	-	-	-	-	(2,341)	DRA-21 p11-12, SDG&E-18 p60-62	DRA-14 p19 (does not tie to IT DRA testimony)
55 BC10875.16 Wireless Fault Indicators - IT SW	-	7,637	1,045	-	7,637	1,045	-	7,637	382	-	-	(663)	DRA-21 p11-12, SDG&E-18 p60-62	DRA-14 p19 (does not tie to IT DRA testimony)
56 BC10875.17 Wireless Fault Indicators - IT HW	-	99	1,720	-	99	1,720	-	99	-	-	-	(1,720)	DRA-21 p11-12, SDG&E-18 p60-62	DRA-14 p19 (does not tie to IT DRA testimony)
58 BC10875.19 Phasor Measurement Units- IT SW	-	642	1,395	-	3,574	203	-	642	203	-	(2,932)	-	DRA-21 p11-12, SDG&E-18 p60-62	DRA-14 p19 (does not tie to IT DRA testimony)
59 BC10875.20 Phasor Measurement Units- IT HW	-	86	3,880	-	86	2,130	-	86	3,880	-	-	1,750	DRA-21 p11-12, SDG&E-18 p60-62	DRA-14 p19 (does not tie to IT DRA testimony)
66 BC10875.27 Condition Bd Maint Exp - IT HW	-	293	250	-	293	352	-	293	250	-	-	(102)	DRA-21 p11-12, SDG&E-18 p60-62	DRA-14 p19 (does not tie to IT DRA testimony)
72 BC10875.33 Integrated Test Facility - IT SW	-	806	431	-	321	431	-	806	431	-	485	-	DRA-21 p11-12, SDG&E-18 p60-62	DRA-14 p19 (does not tie to IT DRA testimony)
73 BC10875.34 Integrated Test Facility - IT HW	-	390	950	-	390	521	-	390	950	-	-	429	DRA-21 p11-12, SDG&E-18 p60-62	DRA-14 p19 (does not tie to IT DRA testimony)
122 <b>Total IT</b>	<b>885</b>	<b>25,548</b>	<b>32,212</b>	<b>6</b>	<b>23,512</b>	<b>23,892</b>	<b>885</b>	<b>15,154</b>	<b>19,052</b>	<b>879</b>	<b>(8,358)</b>	<b>(4,840)</b>		

1 <u>Gas Distribution</u>															
2 New Business Meter & Regulator	2,085	3,514	4,898	2,011	2,499	2,499	1,262	2,593	5,822	(749)	94	3,323	DRA-7 p32-37, SDG&E-02 p56		
4 Materials	6,349	6,631	7,528	6,983	4,665	4,665	-	1,248	216	(6,983)	(3,417)	(4,449)	DRA-7 p32-37, SDG&E-02 p56		
5 Pressure Betterment Pipe Relocation -	2,209	3,121	3,704	852	1,700	1,700	33	3,121	3,704	(819)	1,421	2,004	DRA-7 p32-37, SDG&E-02 p56		
7 Franchise	4,047	3,970	3,825	3,652	2,398	2,398	-	2,767	3,825	(3,652)	369	1,427	DRA-7 p32-37, SDG&E-02 p56		

Description (a)	SDG&E App (b)			DRA Testimony (c)			DRA RO (d)			Adjustment (e) = (d) - (c)			Comments	DRA Client Area
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012		
8 Tools & Equipment Environmental Regulatory Balancing Account	313	446	446	143		398	313	418	446	170	418	48	DRA-7 p32-37, SDG&E-02 p56	
9 Code Compliance	-	1,400	-		1,798		-	1,400	-		(398)	-	DRA-7 p32-37, SDG&E-02 p56	
10 Replacement of Mains & Services	547	349	441	441	256	256	235	150	441	(206)	(106)	185	DRA-7 p32-37, SDG&E-02 p56	
11 Cathodic Protection Regulator Station Improvements	1,549	1,528	1,487	1,233	1,528	1,487	1,068	1,066	1,487	(165)	(462)	-	DRA-7 p32-37, SDG&E-02 p56	
12 Local Engineering	581	646	711	364	412	412	520	578	711	156	166	299	DRA-7 p32-37, SDG&E-02 p56	
13 Local Engineering	614	1,332	721	461	484	484	556	1,095	721	95	611	237	DRA-7 p32-37, SDG&E-02 p56	
14 Local Engineering	5,083	5,742	6,114	5,083	4,902	4,902	-	5,742	6,114	(5,083)	840	1,212	DRA-7 p32-37, SDG&E-02 p56	
17 <b>Total Gas Distribution</b>	<b>23,377</b>	<b>28,679</b>	<b>29,875</b>	<b>20,323</b>	<b>20,642</b>	<b>19,201</b>	<b>3,987</b>	<b>20,178</b>	<b>23,487</b>	<b>(16,336)</b>	<b>(464)</b>	<b>4,286</b>		
	<b>SDG&amp;E App (b)</b>			<b>DRA Testimony (c)</b>			<b>DRA RO (d)</b>			<b>Variance (e) = (d) - (c)</b>				

Total Adjustments to DRA RO Model

2,880 6,463

### SCG Capital Comparison

Description (a)	SCG App (b)			DRA Testimony (c)			DRA RO (d)			Adjustment (e) = (d) - (c)			Comments
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012	
<u>Gas Distribution</u>													
1 A. New Business	31,395	37,945	43,854	31,395	15,178	17,546	29,339	19,559	10,381	(2,056)	4,381	(7,165)	DRA-45 p5-6, SCG-02 p10
3 C. PL Relocation-Franchise	9,260	9,477	9,660	9,260	8,516	8,516	9,260	8,514	8,881	-	(2)	365	DRA-45 p5-6, SCG-02 p10
7 <b>Total</b>	<b>40,655</b>	<b>47,422</b>	<b>53,514</b>	<b>40,655</b>	<b>23,694</b>	<b>26,062</b>	<b>38,599</b>	<b>28,073</b>	<b>19,262</b>	<b>(2,056)</b>	<b>4,379</b>	<b>(6,800)</b>	
8													
<u>Underground Storage</u>													
9 A. Compressor Stations	4,430	6,851	6,851	4,430	5,413	5,413	4,430	5,413	4,515	-	-	(898)	DRA-45 p12-13, SCG-04 p19
14 E. Aux Equipment	5,923	9,454	8,445	5,923	6,645	6,645	5,923	7,654	6,645	-	1,009	-	DRA-45 p12-13, SCG-04 p19
15 <b>Total</b>	<b>10,353</b>	<b>16,305</b>	<b>15,296</b>	<b>10,353</b>	<b>12,058</b>	<b>12,058</b>	<b>10,353</b>	<b>13,067</b>	<b>11,160</b>	<b>-</b>	<b>1,009</b>	<b>(898)</b>	
16													
<u>Gas Engineering &amp; Transmission</u>													
17 B. 3X2 Replacements and PIP	42,766	35,227	25,917	42,766	33,747	25,547	42,766	34,185	23,293	2	438	(2,254)	DRA-45 p16-17, SCG-05 p70-71
20 C. 3X5 Compressor Stations	2,303	5,407	19,257	2,303	4,460	9,781	2,302	5,408	17,379	(1)	948	7,598	DRA-45 p16-17, SCG-05 p70-71
24 <b>Total</b>	<b>45,069</b>	<b>40,634</b>	<b>45,174</b>	<b>45,069</b>	<b>38,207</b>	<b>35,328</b>	<b>45,070</b>	<b>39,593</b>	<b>40,672</b>	<b>1</b>	<b>1,386</b>	<b>5,344</b>	
25													
<u>Information Technology</u>													
78 BC763.1 Voice to Service	-	1,566	1,611	-	1,844	1,333	-	1,566	1,611	-	(278)	278	DRA-21 p11-12, SCG-12 p36-37
90 BC770.14 Software Code Security 2011A HW	-	358	-	-	1,338	-	-	358	-	-	(980)	-	DRA-21 p11-12, SCG-12 p36-37
107 BC770.6 Software Code Security 2011 HW	-	577	-	-	-	-	-	577	-	-	577	-	DRA-21 p11-12, SCG-12 p36-37

Description (a)	SDG&E App (b)			DRA Testimony (c)			DRA RO (d)			Adjustment (e) = (d) - (c)			Comments	DRA Client Area
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012		
108 Server Refresh Ph 6 BC770.7 LINUX/UNIX BC771.2 Software Code Security 2011	-	2,049	2,171		2,092	2,120		2,049	2,171		(43)	51	DRA-21 p11-12, SCG-12 p36-37	
112 SW BC771.6 Software Code Security 2011A	-	247	-			-		247	-		247	-	DRA-21 p11-12, SCG-12 p36-37	
115 SW	-	980	-			-		980	-		980	-	DRA-21 p11-12, SCG-12 p36-37	
121 Replacement 2012 BC772.2 Battery Plant BC774.5 Forecasting & Scheduling	-	-	1,276		-	1,193		-	1,276		-	83	DRA-21 p11-12, SCG-12 p36-37	
132 & Scheduling	1,107	1,666	-	859	1,565	-	1,107	1,666	-	248	101	-	DRA-21 p11-12, SCG-12 p36-37	
185 Total IT	1,107	7,443	5,058	859	6,839	4,646	1,107	7,443	5,058	248	604	412	DRA-21 p11-12, SCG-12 p36-37	
	SCG App (b)			DRA Testimony (c)			DRA RO (d)			Variance (e) = (d) - (c)				

Total Adjustments to  
DRA RO Model

7,378 (1,942)



## **APPENDIX 3**

### **Non Shared Services O&M Adjustments made to the DRA RO Model**

**Adjustment to Nonshared Benefits Dynamic Calculation**

**Company: SDGE**

**Company: SCG**

		<u>DRA Original</u>	<u>DRA Revised</u>	<u>Adj to DRA RO</u>		<u>DRA Original</u>	<u>DRA Revised</u>	<u>Adj to DRA RO</u>
AD&D	1PB000-007	51	67	16	2PB000-007	25	28	3
IRC Section 415 Plan	1PB000-011	0	0	0	2PB000-011	0	0	0
Life Insurance	1PB000-006	419	555	136	2PB000-006	593	674	81
Retirement Savings	1PB000-014	6,049	8,020	1,971	2PB000-014	8,610	9,784	1,174
Cash Balance Restoration Plan	1PB000-012	0	0	0	2PB000-012	0	0	0
Medical	1PB000-000	28,356	35,419	7,063	2PB000-000	40,481	43,851	3,370
Dental	1PB000-001	2,058	2,571	513	2PB000-001	2,526	2,736	210
Vision	1PB000-002	226	282	56	2PB000-002	335	363	28
Business Travel Insurance	1PB000-008	16	20	4	2PB000-008	24	26	2
Employee Assistance	1PB000-004	208	260	52	2PB000-004	523	566	43
Special Events	1PB000-022	0	0	0	2PB000-022	0	0	0
		<u>37,383</u>	<u>47,194</u>	<u>9,811</u>		<u>53,117</u>	<u>58,028</u>	<u>4,911</u>

**Adjustment to Wildfire Insurance Premium Input**

The screenshot shows a software application window with the following components:

- Navigation Tabs:** Main Menu, USS - Adjust Forecasts, USS - Adjust Factors, NSS - Adjust Forecasts (selected), NSS - Adjust Factors, USS/NSS - Translation Factors, Escalation, Audit Log.
- Filter Section:**
  - Company Info: 2100-NSS
  - SOE Area: A&G
  - Work Group Info: 1SN000-006-SECC EXCESS LIAB INS PLPD - F925.5
  - Buttons: Apply Filter, Reset Filter
- Current Record Section:**
  - Company: SDG&E [2100-NSS]
  - SOE Area: A&G
  - Functional Area: SEIN
  - Wkp Grp - Sub: 1SN000-006
  - Wkp Grp Desc: SECC EXCESS LIAB INS PLPD - F925.5
  - Witness Name: De Bont, Maury Brendon
- Table:**

	2009	2010	2011	2012	2012 Revised	2012 Variance
Labor:	0	0	0	0	0	0
Non-Labor:	0	0	0	0	0	0
NSE:	39568	73228	75791	78444	67871	-10573
FTE:	0	0	0	0	0	0
- Footer:** Record: 1 of 1 (Filtered)

1SN000.006

Original DRA adjustment in DRA RO 69,504  
 Revised DRA adjustment in DRA RO 67,871  
 DRA RO Model Adjustment- Wildfire ins prem (1,633)

## **APPENDIX 4**

### **SONGS O&M AND CAPITAL Adjustments made to the DRA RO Model**

SONGS O&M Revisions

Home

Main Menu | USS - Adjust Forecasts | USS - Adjust Factors | **NSS - Adjust Forecasts** | NSS - Adjust Factors | USS/NSS - Translation Factors | Escalation | Audit Log

**Filter**

Company Info: 2100-NSS [v] [Apply Filter]

SOE Area: SONGS [v] [Reset Filter]

Work Group Info: 1ES001-001-REF NK - EG -SONGS Wkp\_Grp\_2 [v]

**Current Record**

Company: SDG&E [2100-NSS]  
 SOE Area: SONGS  
 Functional Area: EOES  
 Wkp Grp - Sub: 1ES001-001  
 Wkp Grp Desc: REF NK - EG -SONGS Wkp\_Grp\_2  
 Witness Name: Demarco, Michael Lewis

	2009	2010	2011	2012	2012 Revised	2012 Variance
Labor:	0	0	0	0	0	0
Non-Labor:	0	0	0	0	0	0
NSE:	126098	96791	100997	118551	118463	-88
FTE:	0	0	0	0	0	0

Record: [Navigation icons] 1 of 1 (Filtered)

SONGS Capital Revisions

1-SONGS Units 2 & 3 Capital Projects (excludes 4.9% A&G adder)

Budget Code 00004.00

	2010	2011	2012	Total
Original DRA Forecast	31,000	30,800	34,300	96,100
Revised Forecast	33,585	36,392	43,725	113,702
Adjustment to DRA RO Model - SONGS cap	2,585	5,592	9,425	17,602

## **APPENDIX 5**

### **Undepreciated Meter Amortization Adjustment made to the DRA RO Model**

Home

Main Menu | USS - Adjust Forecasts | USS - Adjust Factors | **NSS - Adjust Forecasts** | NSS - Adjust Factors | USS/NSS - Translation Factors | Escalation | Audit Log

**Filter**

Company Info: 2100-NSS

SOE Area: DISTRIBUTION

Work Group Info: 1ED014-000-Service Order Team (SOT)

**Current Record**

Company: SDG&E [2100-NSS]  
 SOE Area: DISTRIBUTION  
 Functional Area: EOED  
 Wkp Grp - Sub: 1ED014-000  
 Wkp Grp Desc: Service Order Team (SOT)  
 Witness Name: Furgerson, Scott P

	2009	2010	2011	2012	2012 Revised	2012 Variance
Labor:	117	117	117	117	117	0
Non-Labor:	193	230	230	153	116	-37
NSE:	0	0	0	0	14184	14184
FTE:	1.9	1.9	1.9	1.9	1.9	0

Record: 1 of 1 (Filtered)

\$14.184 million included in the non-shared O&M input field to effectuate the addition of Undepreciated meter amortization as discussed in exh. DRA 15, p.9-10