

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

Application No. 10-12-____
Exhibit No.: (SCG-08-WP)

WORKPAPERS TO
PREPARED DIRECT TESTIMONY
OF MICHAEL H. BALDWIN
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

DECEMBER 2010



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

Application No. 10-12-____
Exhibit No.: (SCG-08-WP)

WORKPAPERS TO
PREPARED DIRECT TESTIMONY
OF MICHAEL H. BALDWIN
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

DECEMBER 2010



**2012 General Rate Case - APP
INDEX OF WORKPAPERS**

Exhibit SCG-08 - CS - OFFICE OPERATIONS

DOCUMENT	PAGE
Overall Summary For Exhibit No. SCG-08	1
<i>Summary of Non-Shared Services Workpapers</i>	2
Category: A. Billing Services	3
..200000.000 - BILLING SERVICES	4
Category: B. Measurement Data Operations	24
..200001.000 - MEASUREMENT DATA OPERATIONS	25
..200001.001 - MEASUREMENT DATA OPERATIONS - TELEMETRY	30
Category: C. Office Credit & Collections	35
..200003.000 - OFFICE CREDIT & COLLECTIONS	36
..200003.001 - OFFICE CREDIT & COLLECTIONS - POSTAGE	64
Category: D. Bill Delivery	73
..200004.000 - REMITTANCE PROCESSING	74
..200004.001 - REMITTANCE PROCESSING - BILL POSTAGE	81
Category: E. CS Technology Support	91
..200005.000 - CS TECHNOLOGY SUPPORT	92
Category: F. CS Operations Other	99
..200006.000 - CS OPERATIONS OTHER	100
<i>Summary of Shared Services Workpapers</i>	116
Category: A. Customer Remittance & Bill Delivery	117
..2200-0355.000 - REMITTANCE PROCESSING & BILL DELIVERY	118
..2200-0355.001 - POSTAGE	129
..2200-2026.000 - BILL PRESENTMENT & PAYMENT CHANNEL MGR	138
..2200-2247.000 - MANAGER OF REMITTANCE PROCESSING	148
Category: B. CS Technology Support	161
..2200-2111.000 - CS FIELD SYSTEMS MANAGER	162
Category: C. Business Planning & Budgets Manager	173
..2200-2110.000 - BUSINESS PLANNING & BUDGETS	174
Category: D. Major Markets Credit & Collections	182
..2200-0354.000 - MAJOR MARKETS CREDIT & COLLECTIONS	183
Category: E. VP Engineering & Ops Staff	226
..2200-0225.000 - VP - ENGINEERING & OPS STAFF	227

2012 General Rate Case - APP
INDEX OF WORKPAPERS

Exhibit SCG-08 - CS - OFFICE OPERATIONS

DOCUMENT	PAGE
Category: F. Market Services	235
..2200-2201.000 - MARKET SERVICES	236
Category: G. Billed-in from SDG&E	260
..2200-8911.000 - BILLED-IN COST CENTER FOR CS - OFFICE OPERATIONS	261
<i>Appendix A: List of Non-Shared Cost Centers</i>	268

Overall Summary For Exhibit No. SCG-08

Area: CS - OFFICE OPERATIONS

Witness: Baldwin, Michael H

Description	In 2009 \$ (000)			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
<i>Non-Shared Services</i>	43,433	44,485	44,941	45,884
<i>Shared Services</i>	6,676	6,632	6,672	6,793
<i>Total</i>	50,109	51,117	51,613	52,677

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H

Summary of Non-Shared Services Workpapers:

Description	In 2009 \$ (000)			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
<i>A. Billing Services</i>	7,378	7,427	7,466	7,512
<i>B. Measurement Data Operations</i>	1,036	1,223	1,223	1,223
<i>C. Office Credit & Collections</i>	5,333	5,760	5,760	5,760
<i>D. Bill Delivery</i>	26,279	25,958	26,112	26,621
<i>E. CS Technology Support</i>	2,304	2,482	2,745	3,133
<i>F. CS Operations Other</i>	1,103	1,635	1,635	1,635
Total	43,433	44,485	44,941	45,884

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Billing Services
 Workpaper: 200000.000

Summary for Category: A. Billing Services

	In 2009\$ (000)			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	7,291	7,301	7,340	7,386
Non-Labor	87	126	126	126
NSE	0	0	0	0
Total	7,378	7,427	7,466	7,512
FTE	101.1	104.1	104.7	105.4

**Workpapers belonging to this Category:
 200000.000 BILLING SERVICES**

Labor	7,291	7,301	7,340	7,386
Non-Labor	87	126	126	126
NSE	0	0	0	0
Total	7,378	7,427	7,466	7,512
FTE	101.1	104.1	104.7	105.4

Beginning of Workpaper
200000.000 - BILLING SERVICES

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Billing Services
 Category-Sub: 1. CS Operations - Billing Services
 Workpaper: 200000.000 - BILLING SERVICES

Activity Description:

Customer billing expenses cover the cost of calculating customers' bills and maintaining accurate customer account information. The customer billing function at SCG has two distinct organizations - residential and small commercial and industrial customers, and large commercial and industrial customers.

Forecast Methodology:

Labor - 5-YR Average

Work volumes in Billing are driven by fluctuations in customer usage, increased complexities due to new rates and programs, and automation and business process improvements. For these reasons it is logical to project the base future expense by using a five year historical average to encompass the increases and decreases in work flow volumes over a reasonable timeframe.

Non-Labor - 5-YR Average

Work volumes in Billing are driven by fluctuations in customer usage, increased complexities due to new rates and programs, and automation and business process improvements. For these reasons it is logical to project the base future expense by using a five year historical average to encompass the increases and decreases in work flow volumes over a reasonable timeframe.

NSE - 5-YR Average

Work volumes in Billing are driven by fluctuations in customer usage, increased complexities due to new rates and programs, and automation and business process improvements. For these reasons it is logical to project the base future expense by using a five year historical average to encompass the increases and decreases in work flow volumes over a reasonable timeframe.

Summary of Results:

	In 2009\$ (000)								
	Adjusted-Recorded					Adjusted-Forecast			
	2005	2006	2007	2008	2009	2010	2011	2012	
Years									
Labor	7,140	7,087	7,412	7,250	7,291	7,301	7,340	7,386	
Non-Labor	114	153	170	107	87	126	126	126	
NSE	0	0	0	0	0	0	0	0	
Total	7,254	7,240	7,582	7,357	7,378	7,427	7,466	7,512	
FTE	104.5	103.1	106.0	103.5	101.1	104.1	104.7	105.4	

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Billing Services
 Category-Sub: 1. CS Operations - Billing Services
 Workpaper: 200000.000 - BILLING SERVICES

Forecast Summary:

Forecast Method		In 2009 \$(000)								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		2010	2011	2012	2010	2011	2012	2010	2011	2012
Labor	5-YR Average	7,236	7,236	7,236	65	104	150	7,301	7,340	7,386
Non-Labor	5-YR Average	126	126	126	0	0	0	126	126	126
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		7,362	7,362	7,362	65	104	150	7,427	7,466	7,512
FTE	5-YR Average	103.6	103.6	103.6	0.5	1.1	1.8	104.1	104.7	105.4

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010	30	0	0	30	0.0	1-Sided Adj
0.5 FTE for new account set up; additional reads will fail edit parameters.						
2010	0	0	0	0	0.5	1-Sided Adj
0.5 FTE for new account set up; additional reads will fail edit paramaters.						
2010	-11	0	0	-11	0.0	1-Sided Adj
Adjustment made to compensate for shift in labor in 2005, partially offset by vacancies in prior years and actual V&S incurred that was higher than applied V&S factor.						
2010	46	0	0	46	0.0	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						
2010 Total	65	0	0	65	0.5	

2011 69 0 0 69 0.0 1-Sided Adj

1.1 FTE for new account set up; additional reads will fail edit parameters.

2011 0 0 0 0 1.1 1-Sided Adj

1.1 FTE for new account set up; additional reads will fail edit paramaters.

2011 -11 0 0 -11 0.0 1-Sided Adj

Adjustment made to compensate for shift in labor in 2005, partially offset by vacancies in prior years and actual V&S incurred that was higher than applied V&S factor.

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Billing Services
 Category-Sub: 1. CS Operations - Billing Services
 Workpaper: 200000.000 - BILLING SERVICES

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2011	46	0	0	46	0.0	1-Sided Adj

Full Year adjustment to reflect actual current staffing levels and rates and related expenses.

2011 Total	104	0	0	104	1.1	
-------------------	------------	----------	----------	------------	------------	--

2012	115	0	0	115	0.0	1-Sided Adj
------	-----	---	---	-----	-----	-------------

1.8 FTE for new account set up; additional reads will fail edit parameters.

2012	0	0	0	0	1.8	1-Sided Adj
------	---	---	---	---	-----	-------------

1.8 FTE for new account set up; additional reads will fail edit parameters.

2012	-11	0	0	-11	0.0	1-Sided Adj
------	-----	---	---	-----	-----	-------------

Adjustment made to compensate for shift in labor in 2005, partially offset by vacancies in prior years and actual V&S incurred that was higher than applied V&S factor.

2012	46	0	0	46	0.0	1-Sided Adj
------	----	---	---	----	-----	-------------

Full Year adjustment to reflect actual current staffing levels and rates and related expenses.

2012 Total	150	0	0	150	1.8	
-------------------	------------	----------	----------	------------	------------	--

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: A. Billing Services
Category-Sub: 1. CS Operations - Billing Services
Workpaper: 200000.000 - BILLING SERVICES

Determination of Adjusted-Recorded:

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	5,449	5,525	5,955	5,929	6,333
Non-Labor	101	141	162	107	110
NSE	0	0	0	0	0
Total	5,550	5,666	6,117	6,036	6,443
FTE	88.5	87.1	89.7	86.4	86.3
Adjustments (Nominal \$) **					
Labor	0	0	0	0	-158
Non-Labor	0	0	0	0	-23
NSE	0	0	0	0	0
Total	0	0	0	0	-181
FTE	0.0	0.0	0.0	0.0	-1.3
Recorded-Adjusted (Nominal \$)					
Labor	5,449	5,525	5,955	5,929	6,175
Non-Labor	101	141	162	107	87
NSE	0	0	0	0	0
Total	5,550	5,666	6,117	6,036	6,262
FTE	88.5	87.1	89.7	86.4	85.0
Vacation & Sick (Nominal \$)					
Labor	929	987	1,039	1,142	1,116
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	929	987	1,039	1,142	1,116
FTE	16.0	16.0	16.3	17.1	16.1
Escalation to 2009\$					
Labor	762	574	418	179	0
Non-Labor	12	12	8	0	0
NSE	0	0	0	0	0
Total	774	586	426	179	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	7,140	7,087	7,412	7,250	7,291
Non-Labor	114	153	170	107	87
NSE	0	0	0	0	0
Total	7,253	7,239	7,582	7,357	7,378
FTE	104.5	103.1	106.0	103.5	101.1

* After company-wide exclusions of Non-GRC costs

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Billing Services
 Category-Sub: 1. CS Operations - Billing Services
 Workpaper: 200000.000 - BILLING SERVICES

Summary of Adjustments to Recorded:

In Nominal \$ (000)						
Year	2005	2006	2007	2008	2009	
Labor	0	0	0	0	-158	
Non-Labor	0	0	0	0	-23	
NSE	0	0	0	0	0	
Total	0	0	0	0	-181	
FTE	0.0	0.0	0.0	0.0	-1.3	

Detail of Adjustments to Recorded:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005 Total	0	0	0	0.0			
2006 Total	0	0	0	0.0			
2007 Total	0	0	0	0.0			
2008 Total	0	0	0	0.0			
2009	34	0	0	0.0	1-Sided Adj	N/A	SDALEY2010030 9115724253
	Partial labor erroneously charged to BCAP.						
2009	0	0	0	0.3	1-Sided Adj	N/A	SDALEY2010030 9115739330
	Partial labor erroneously charged to BCAP.						
2009	-192	0	0	0.0	1-Sided Adj	N/A	SDALEY2010032 3110639313
	Removal of the incremental SCG AMI Project Management Office (PMO) related expenses for administrative, deployment planning, and information technology tasks.						
2009	0	-23	0	0.0	1-Sided Adj	N/A	SDALEY2010032 3110652843
	Removal of the incremental SCG AMI Project Management Office (PMO) related expenses for administrative, deployment planning, and information technology tasks.						

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Billing Services
 Category-Sub: 1. CS Operations - Billing Services
 Workpaper: 200000.000 - BILLING SERVICES

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2009	0	0	0	-1.6	1-Sided Adj	N/A	SDALEY2010032 3110706280
Removal of the incremental SCG AMI Project Management Office (PMO) related expenses for administrative, deployment planning, and information technology tasks.							
2009 Total	-158	-23	0	-1.3			

Supplemental Workpapers for Workpaper 200000.000



Ken Deremer
Director

Tariffs & Regulatory Accounts

8330 Century Park Court CP32C
San Diego, CA 92123-1548
Tel: 858.654.1756
Fax: 858.654.1788
KDeremer@SempraUtilities.com

June 28, 2007

Advice No. 3756
(U 904 G)

Public Utilities Commission of the State of California

Subject: Newly Designed Bill Format Proposal

Southern California Gas Company (SoCalGas) hereby submits for filing revisions to its tariff schedule, applicable throughout its service territory, as shown in Attachment B.

Purpose

The purpose of this advice filing is to request authority from the California Public Utilities Commission (Commission) to implement a redesigned bill format for SoCalGas' monthly gas statements. The redesigned bill formats being submitted herein are consistent with Decision No. (D.) 05-11-009, which directs the utilities to develop more customer-friendly, useful bill formats. San Diego Gas & Electric Company is concurrently filing an advice letter to request authority to implement a redesigned bill format.

SoCalGas' bill redesign project will proceed following receipt of the Commission's approval. The redesigned bill formats are expected to be implemented with customer bills beginning with the first bill cycle in May 2008.

Background

In early 2006, SoCalGas initiated an effort to redesign its energy bill format. The intent of the effort was to comport with a Commission goal found in D.05-11-009 related to developing more customer-friendly bill formats that could assist customers in meeting demand response, energy efficiency, and other policy goals. With this in mind, SoCalGas established a project team comprised of SoCalGas personnel experienced in customer contact and billing, hired a proven professional document design firm and purchased state-of-the-art document composition software to not only meet current business requirements in developing more customer-friendly bill formats, but also accommodate/enable future rate structures.

As a result of SoCalGas' efforts, a new bill design was produced that offers improved readability and facilitates customer decision making, while maintaining all billing information displayed on current bills.

Improved readability is accomplished by structuring the information in a logical hierarchy starting with utility contact information at the top, followed by account summary, account detail, and targeted messaging. Icons are used to draw the customer's attention to important bill messages, such as energy savings tips, rate changes, and application of the California Alternate Rates for Energy discount, if applicable. A column format is used to improve the readability associated with the detailed Energy Charges section.

Improved facilitation of customer decision making is accomplished by including a usage chart displaying 13 months of historical energy use; a tabular chart comparing the current month's usage to that of the previous month and to that of the same month of the prior year; and improved target messaging of Energy Efficiency and Demand Response Programs. For billing periods that cover a portion of two separate months, the gas commodity price for each of the months will be displayed on the new bill format in order to provide the customer with greater insight into the gas charges component. Presently, only the gas commodity price for the most recent month is displayed on the bill.

Feedback on the new bill design was solicited from the Commission's Consumer Service and Information Division; Office of Commissioner John A. Bohn, Division of Ratepayer Advocates, The Utility Reform Network, and Disability Rights Advocates. SoCalGas also conducted in-depth one-on-one interviews with a cross-section of its residential and non-residential customers using a marketing research vendor. The new bill design was particularly well received. Much of the feedback received from these various groups was integrated into the final bill design.

Redesigned Bill Format

SoCalGas' current Customer Information System's (CIS) typical bill format used for its core customers is printed on the front of one sheet of 6 ½" x 11" bill stock with preprinted information on the back. The redesigned CIS typical bill format will be printed on both the front and back of one sheet of 8 ½" x 11" bill stock. The information preprinted on the back of the current bill stock will be incorporated into the bill formats and customized based on customer class, service provided and other account-specific information. All detailed billing information currently required by the Commission's General Order 58-A, the Public Utilities Code, Decisions, and SoCalGas' CPUC-authorized tariffs will continue to be included on the redesigned bills. Samples of the current bills and the redesigned bill prototypes, in addition to annotated versions of the same, are shown in Attachment C.

The prototypes in Attachment C are organized by Formats A – I as shown in the table found below. The bill prototypes are separated by a sheet that explains the rate represented by the samples that follow and a notation of the other rates this sample would also accommodate. For example, Format A shows prototypes of bills calculated using the GR rate. The samples that follow show a current bill, a redesigned bill, an annotated current bill and an annotated redesigned bill. This same type of bill format shown on these samples would also accommodate bills calculated using the GR-C and GO-AC rates.

Format	Rate(s)	Also Accommodates this Rate(s)
A	GR	GR-C, GO-AC
B	GT-R	GT-RL, GT-ME, GT-MC, GTO-AC, GT-NGVR, GT-NGVRL, GT-EN, GT-MC, GT-MBE, GT-MBC, GT-MLE, GT-MLC, GT-MBLE, GT-MBLC
C	GRL	G-NGVRL
D	GS/GSL	GS-C, GSL-C, GT-S, GT-SL
E	GM-E	GM-C, GM-EC, GM-CC, GM-BE, GM-BC, GM-BEC, GM-BCC, GML-E, GML-C, GML-EC, GML-CC, GMBL-E, GMBL-C, GMBL-EC, GMBL-CC
F	G-NGVR	G-NGVRC
G	GN-10	GN-10C, GN-10V, GN-10VC, GN-10L
H	GT-10	GT-10V, GT-10L, GT-EN
I	G-EN	G-ENC

The samples of the current bills and their corresponding redesigned bill prototypes illustrate how the new design accommodates the information currently being delivered to SoCalGas' core customers. The annotated versions of the Format A samples show the relative position of information elements on the current and redesigned bills. The data (rates, formulas, baseline allowances, etc.) are for illustrative purposes only and are included to make it easier to identify and understand the document structure. For the annotated versions of the Formats B – I, only additional changes not already noted on earlier formats are identified.

The bill-form used in SoCalGas' Specialized Customer Billing System (SCBS), for noncore and other non-residential accounts with very specialized billing requirements, will be modified only to be a consistent size with the redesigned bills that are processed in SoCalGas' CIS as shown in Attachment C. No other SCBS bill-form changes will be made due to the specialized requirements of these bills. As such, a sample of this slight modification showing the difference in paper size has not been included with this filing.

Tariff Changes

SoCalGas' redesigned bill effort encompasses the General Service, Form 41-R. This form is a template and contains only the SoCalGas name and logo. Each actual bill will contain the billing detail as reflected by the prototypes in Attachment C.

This filing does not conflict with any rate schedules or any other rules, or cause the withdrawal of service.

Protest

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and received within 20 days of the date of this Advice Letter. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC - Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Maria Salinas (mas@cpuc.ca.gov) and Honesto Gatchalian (inj@cpuc.ca.gov) of the Energy Division. A copy of the protest shall also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Sid Newsom
Tariff Manager - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No. (213) 244-4957
E-Mail: snewsom@semprautilities.com

Effective Date

SoCalGas believes that this filing is subject to Energy Division disposition and therefore respectfully requests that this advice letter become effective July 28, 2007, which is 30 calendar days after the date filed. Due to the timing needed to complete the bill redesign prototypes, the new bill redesigned form will be implemented with customers' bills beginning with the first bill cycle in May 2008.

Notice

A copy of this Advice Letter is being sent to the parties listed on Attachment A.

Ken Deremer
Director
Tariffs and Regulatory Accounts

Attachments

1 Application No: A.08-02-001
2 Exhibit No.: _____
3 Witness: Rodger Schwecke
4

5 _____)
6 In the Matter of the Application of San Diego Gas &)
7 Electric Company (U 902 G) and Southern California)
8 Gas Company (U 904 G) for Authority to Revise) A.08-02-001
9 Their Rates Effective January 1, 2009, in Their) (Filed February 4, 2008)
10 Biennial Cost Allocation Proceeding.)
11 _____)

12 **PREPARED DIRECT TESTIMONY**
13 **OF RODGER SCHWECKE**
14 **SAN DIEGO GAS & ELECTRIC COMPANY**
15 **AND**
16 **SOUTHERN CALIFORNIA GAS COMPANY**

17
18
19
20
21
22
23
24
25
26 **BEFORE THE PUBLIC UTILITIES COMMISSION**
27 **OF THE STATE OF CALIFORNIA**
28 **December 5, 2008**

1	TABLE OF CONTENTS	
2		<u>Page</u>
3	I. Qualifications	1
4	II. Purpose of Testimony	1
5	III. Narrowing the Regulatory Gap	4
6	A. Overview of the Current Regulatory Gap	4
7	B. Different Rate Design, Cost Recovery and Price Signals	5
8	C. Mismatched Service Obligations.....	8
9	D. Balancing Service.....	9
10	IV. Proposed Noncore Rate Redesign and Elimination of the Peaking Service Tariff....	9
11	A. Transmission-Level Rate Options	9
12	B. Differentiation of Interruptible Rates from Firm Rates.....	12
13	V. Other Proposals Needed to Narrow the Regulatory Gap	13
14	A. Ability to Negotiate Transportation Rates to Compete	13
15	B. Continued Utility Service to Bypassed Customers	14
16	VI. Proposals for the Utilities’ System Operator Related Functions	16
17	A. Reasonableness Review Risk	16
18	B. Minimum Flowing Supply Requirement for End-Use Customers	17
19	C. Formula for Calculating Required Purchases by the HUB	20
20	D. Procedure for Approval of Minimum Flow Supply Requirement Tools	22
21	E. Access to Operational Information by the HUB	22
22	VII. Eligibility for Electric Generation Core Service	23
23	A. Request	23
24	B. Customer Benefits	25
25	C. Eligibility Criteria.....	26
26	D. Potential Impacts	27
27	VIII. Backbone Transmission Cost Study	27
28	IX. SDG&E Curtailment Charge Refunds	34
	A. SDG&E Curtailment History	34
	B. Accounts No Longer Customers of Record.....	35

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

1 X. Sempra-Wide NGV Rate36
2 A. Background.....36
3 B. Request36
4 C. Customer Benefits37
5 D. Potential Impacts37
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**PREPARED DIRECT TESTIMONY
OF RODGER SCHWECKE**

I. Qualifications

My name is Rodger Schwecke. I am employed by Southern California Gas Company (SoCalGas) as the Director of Energy Markets and Capacity Products in the Customer Services Department. My business address is 555 West Fifth Street, Los Angeles, California, 90013-1011. My responsibilities are to manage service to the largest gas customers of San Diego Gas & Electric (SDG&E) and SoCalGas, specifically large electric generators, refineries and wholesale customers. I also manage for SDG&E and SoCalGas the unbundled storage program, the Operational HUB (G-PAL) services and minimum flowing supply purchases, policies and procedures for scheduling and nominations on the SDG&E and SoCalGas systems, daily operation and enhancements to SoCalGas' Electronic Bulletin Board (EBB), and all aspects of SDG&E/SoCalGas' interconnect and operational balancing agreements with all suppliers delivering natural gas into the utility system.

I have been employed by SoCalGas and its affiliates since June 1983 in numerous positions, including General Manager/Vice President – Bangor Gas Company; Vice President Marketing - Frontier Energy; and Business Development Manager, Senior Pipeline Products Manager, Project Manager, Account Executive Supervisor, Market Planner Analyst, and Energy Systems Engineer for SoCalGas. I assumed my current position in December 2007. During my employment I have been responsible for various aspects of utility development and operations, sales and marketing, regulatory matters, and customer relations. I graduated in 1983 from California State University, Long Beach, with a Bachelor of Science in Chemical Engineering.

I have previously testified before the California Public Utilities Commission, State of Maine Utilities Commission, and the North Carolina Utilities Commission.

II. Purpose of Testimony

The purpose of my testimony is to sponsor: new rate proposals for core and noncore customers of SDG&E and SoCalGas (Utilities); proposals for the Utilities' System Operator; and the Utilities' backbone transmission cost study. The first set of rate proposals address the

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

1 Commission's order to close or sufficiently narrow the "regulatory gap" between the Utilities'
2 rates and services and those of competing interstate pipelines to allow SoCalGas to eliminate the
3 Peaking Service tariff (Schedule GT-PS) without creating an undue risk of significant cost shifts
4 due to uneconomic partial bypass of the Utilities.¹ The transportation service proposal includes:

- 5 • a new reservation charge rate design option for transmission-level noncore
6 customers, based on the embedded costs and capacity of the transmission
7 system, plus a volumetric usage rate to recover the remaining non-base margin
8 costs. The term for this option is three (3) years;
- 9 • an all-volumetric rate for firm, full requirements transportation with a term of
10 six years;
- 11 • an all-volumetric interruptible rate equal to the volumetric firm rate, with a
12 one-month term.

13 Under this proposal to narrow the regulatory gap, the Utilities also propose changes to the
14 load balancing rules that set requirements for allowable differentials between customer usage and
15 customer deliveries of natural gas, so the rules will be more consistent with those of competing
16 interstate pipelines. If the Commission adopts the Utilities' proposals to narrow the regulatory
17 gap, then the Utilities propose to eliminate the Peaking Service tariff. However, as described
18 later in this testimony, because the proposals cannot completely close the regulatory gap, the
19 Utilities need to retain certain other tools, aside from the Peaking Service tariff, to compete with
20 uneconomic partial bypass and prevent cost shifts. In this testimony, I review the key elements
21 of the regulatory gap that, as the Commission has consistently determined, create a need for a
22 rate design to prevent uneconomic partial bypass and cost shifting from partial-bypass customers
23 to other customers of the Utilities. I then further describe the Utilities' proposals and how they
24 address the regulatory gap while meeting the needs of the majority of the Utilities' customers
25

26 ^{1/} D.06-12-031, p. 143, O.P. 9(a) "In its next Biennial Cost Allocation Proceeding (BCAP),
27 SoCalGas shall include a proposal for a total redesign of its rate consistent with the discussion
28 regarding closing or minimizing the regulatory gap" and 9(b) as modified by D.07-09-046, p. 25,
O.P. 2. 9(b) "At the conclusion of SoCalGas' next BCAP, we intend to sunset the existing
peaking rate tariff." Also, see discussion in D.06-12-031, p.129. "A wholesale change in rate
design may be needed if parties want to truly resolve the peaking rate issue, promote pipe-to-pipe
competition, and protect the captive customers who remain on the system."

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

1 that would not benefit from partial bypass. The embedded cost allocation analysis for this
2 proposed rate design is presented in the testimonies of Mr. Emmrich for SoCalGas and Dr.
3 Schmidt for SDG&E. Further details of the rate design itself are presented in the testimonies of
4 Mr. Lenart for SoCalGas and Mr. Bonnett for SDG&E.

5 Second, I am making certain proposals regarding the activities of the Utilities' System
6 Operator. The Utilities propose five key items as they relate to the System Operator functions.
7 These proposals include:

- 8 • a minimum flowing supply requirement for end-use customers to ensure the
9 system operates reliably without the need to curtail customers;
- 10 • a formula for calculating required purchases to meet minimum flowing supply
11 requirements;
- 12 • a procedure for approving tools to meet the minimum flowing supply
13 requirements beyond what was adopted in D.07-12-019; and
- 14 • the level of access to operational information by the Operational HUB (HUB).

15 Third, I am sponsoring a proposal to revise the eligibility criteria for the Core
16 Commercial and Industrial Service rate schedule(s). The Utilities propose to increase the size-
17 limit eligibility for electric generation (EG) customers desiring core service to 1 megawatt
18 ("MW") of installed capacity, regardless of monthly usage (average monthly usage is
19 approximately 34,000 therms). This proposal includes retaining the ability of an EG customer
20 with a higher capacity to elect core service if its average monthly usage is 20,800 therms or less.

21 Fourth, my testimony presents the backbone transmission cost study as ordered in
22 D.06-12-031. The Utilities recommend that the Commission consider the adoption of a
23 cost-based firm access rights (FAR) charge using updated cost information in the 18-month
24 review proceeding for FAR, which will be filed in mid-2010. The Commission has indicated it
25 intends to use that proceeding to consider modifications to the FAR program, including further
26 unbundling and at-risk proposals. The Commission has also indicated that incorporation of a
27 cost-based rate would be at the end of the first three-year term for FAR, which will be near the
28

1 end of this Biennial Cost Allocation Proceeding (BCAP) period if the Utilities' proposal to
2 extend the BCAP term from two years to three years is adopted.²

3 Fifth, I am sponsoring the Utilities' recommendation for how to refund to SDG&E
4 customers \$3.3 million in gas curtailment violation charges collected between November 2000
5 and February 2001. The Utilities propose to refund these charges to customers of record at that
6 time, taking into account the need to avoid rewarding customers that did not comply with the
7 curtailment orders.

8 Finally, my testimony proposes to establish a single "Sempra-wide" natural gas vehicle
9 (NGV) rate for use across the Utilities' service territories.

10 **III. Narrowing the Regulatory Gap**

11 **A. Overview of the Current Regulatory Gap**

12 In D.06-12-031, the Commission reaffirmed that a "regulatory gap" exists between the
13 reservation rates and service obligations of pipelines regulated by the Federal Energy Regulatory
14 Commission (FERC) (and proprietary pipelines) and the all-volumetric rates and service
15 obligations of the Utilities. The Commission further reaffirmed that this gap provides an
16 incentive for the Utilities' customers to take baseload transportation service from a FERC-
17 regulated pipeline while taking swing service (peaking or residual load service) from the
18 Utilities. The Commission observed that there would be a resulting shift of costs from partial-
19 bypass customers to the Utilities' remaining customers.

20 The Peaking Service tariff has effectively allowed SoCalGas to compete with
21 uneconomic partial bypass of its system and to recover the cost to provide transportation service
22 to any partial bypass customer who continues to be connected to the SoCalGas system for
23 standby or swing service. In fact, the Commission recognized that eliminating the Peaking
24 Service tariff without changes to the Utilities' all-volumetric rate structure will lead to higher-
25 cost service, since the Utilities' largest customers would take service for the baseload portion of
26 their load from competing pipelines, leaving smaller customers, who are not the target of bypass
27 pipelines, to pick up the remaining costs. The Commission also recognized the essential fairness

28 ^{2/} If the three-year term is not adopted, then implementation of the cost based rate would come one
year into the next BCAP term.

SCG Billing Labor Increase - Customer/Meter Growth

	Base Year	2010	2011	2012	Total growth
Meter Growth Rate	0%	0.6%	0.7%	0.9%	
Recorded Expenses	\$ 5,109	\$ 5,139	\$ 5,178	\$ 5,224	
Increase due to growth		\$ 30	\$ 38	\$ 47	\$ 115

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: B. Measurement Data Operations
 Workpaper: VARIOUS

Summary for Category: B. Measurement Data Operations

	In 2009\$ (000)			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	623	753	753	753
Non-Labor	413	470	470	470
NSE	0	0	0	0
Total	1,036	1,223	1,223	1,223
FTE	9.3	10.5	10.5	10.5

Workpapers belonging to this Category:

20001.000 MEASUREMENT DATA OPERATIONS

Labor	623	753	753	753
Non-Labor	14	25	25	25
NSE	0	0	0	0
Total	637	778	778	778
FTE	9.3	10.5	10.5	10.5

20001.001 MEASUREMENT DATA OPERATIONS - TELEMTRY

Labor	0	0	0	0
Non-Labor	399	445	445	445
NSE	0	0	0	0
Total	399	445	445	445
FTE	0.0	0.0	0.0	0.0

Beginning of Workpaper
200001.000 - MEASUREMENT DATA OPERATIONS

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: B. Measurement Data Operations
 Category-Sub: 1. Measurement Data Operations
 Workpaper: 200001.000 - MEASUREMENT DATA OPERATIONS

Activity Description:

The Measurement Data Operations (MDO) monitors and maintains accurate and timely measurement reporting for all (1,405) large gas volume meters equipped with electronic measurement devices collected by the Measurement Collection System (MCS). MDO provides support to key departments on the processing and reporting of measurement and gas quality data pertaining to customers, suppliers, and storage operations.

Forecast Methodology:

Labor - 5-YR Average

The existing workforce size is necessary to provide continuing business, regulatory, and systems support in the management of complex customer accounts for gas measurement activities. For Measurement Data Operations (MDO), some benefits may eventually result from the AMI Project related to the collection of measurements for noncore customers. However, there is an ever increasing emphasis on improving gas quality data processing and analyses which will result in a relatively constant workforce requirement for this group.

Non-Labor - 5-YR Average

The existing workforce size is necessary to provide continuing business, regulatory, and systems support in the management of complex customer accounts for gas measurement activities. For Measurement Data Operations (MDO), some benefits may eventually result from the AMI Project related to the collection of measurements for noncore customers. However, there is an ever increasing emphasis on improving gas quality data processing and analyses which will result in a relatively constant workforce requirement for this group.

NSE - 5-YR Average

N/A

Summary of Results:

Years	In 2009\$ (000)								
	Adjusted-Recorded					Adjusted-Forecast			
	2005	2006	2007	2008	2009	2010	2011	2012	
Labor	785	712	734	649	623	753	753	753	
Non-Labor	13	51	31	17	14	25	25	25	
NSE	0	0	0	0	0	0	0	0	
Total	798	763	765	666	637	778	778	778	
FTE	12.0	10.5	11.0	9.8	9.3	10.5	10.5	10.5	

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: B. Measurement Data Operations
 Category-Sub: 1. Measurement Data Operations
 Workpaper: 200001.000 - MEASUREMENT DATA OPERATIONS

Forecast Summary:

Forecast Method		In 2009 \$(000)								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		2010	2011	2012	2010	2011	2012	2010	2011	2012
Labor	5-YR Average	700	700	700	53	53	53	753	753	753
Non-Labor	5-YR Average	25	25	25	0	0	0	25	25	25
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		725	725	725	53	53	53	778	778	778
FTE	5-YR Average	10.5	10.5	10.5	0.0	0.0	0.0	10.5	10.5	10.5

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010	53	0	0	53	0.0	1-Sided Adj

Full Year adjustment to reflect actual current staffing levels and rates and related expenses.

2010 Total	53	0	0	53	0.0
-------------------	-----------	----------	----------	-----------	------------

2011	53	0	0	53	0.0	1-Sided Adj
------	----	---	---	----	-----	-------------

Full Year adjustment to reflect actual current staffing levels and rates and related expenses.

2011 Total	53	0	0	53	0.0
-------------------	-----------	----------	----------	-----------	------------

2012	53	0	0	53	0.0	1-Sided Adj
------	----	---	---	----	-----	-------------

Full Year adjustment to reflect actual current staffing levels and rates and related expenses.

2012 Total	53	0	0	53	0.0
-------------------	-----------	----------	----------	-----------	------------

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: B. Measurement Data Operations
Category-Sub: 1. Measurement Data Operations
Workpaper: 200001.000 - MEASUREMENT DATA OPERATIONS

Determination of Adjusted-Recorded:

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	599	555	589	531	528
Non-Labor	52	47	30	17	14
NSE	0	0	0	0	0
Total	651	602	619	548	542
FTE	10.2	8.9	9.3	8.2	7.8
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	-40	0	0	0	0
NSE	0	0	0	0	0
Total	-40	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	599	555	589	531	528
Non-Labor	12	47	30	17	14
NSE	0	0	0	0	0
Total	611	602	619	548	542
FTE	10.2	8.9	9.3	8.2	7.8
Vacation & Sick (Nominal \$)					
Labor	102	99	103	102	95
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	102	99	103	102	95
FTE	1.8	1.6	1.7	1.6	1.5
Escalation to 2009\$					
Labor	84	58	41	16	0
Non-Labor	1	4	1	0	0
NSE	0	0	0	0	0
Total	85	62	43	16	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	785	712	734	649	623
Non-Labor	13	51	31	17	14
NSE	0	0	0	0	0
Total	798	763	765	666	637
FTE	12.0	10.5	11.0	9.8	9.3

* After company-wide exclusions of Non-GRC costs

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: B. Measurement Data Operations
 Category-Sub: 1. Measurement Data Operations
 Workpaper: 200001.000 - MEASUREMENT DATA OPERATIONS

Summary of Adjustments to Recorded:

In Nominal \$ (000)						
Year	2005	2006	2007	2008	2009	
Labor	0	0	0	0	0	0
Non-Labor	-40	0	0	0	0	0
NSE	0	0	0	0	0	0
Total	-40	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0	0.0

Detail of Adjustments to Recorded:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005	0	-40	0	0.0	CCTR Transf	To 2200-0048.000	SDALEY2009091 4135539297
HR Claims costs							
2005 Total	0	-40	0	0.0			
2006 Total	0	0	0	0.0			
2007 Total	0	0	0	0.0			
2008 Total	0	0	0	0.0			
2009 Total	0	0	0	0.0			

Beginning of Workpaper
200001.001 - MEASUREMENT DATA OPERATIONS - TELEMETRY

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: B. Measurement Data Operations
 Category-Sub: 2. Measurement Data Operations-Telemetry
 Workpaper: 200001.001 - MEASUREMENT DATA OPERATIONS - TELEMETRY

Activity Description:

The 5 year average methodology is appropriate, as it captures the year to year ebb and flow of the telemetry activity. Phone lines and costs for those phone lines fluctuate as customers enter and exit core functions, so the 5 year average captures these fluctuations.

Forecast Methodology:

Labor - 5-YR Average

The 5 year average methodology is appropriate, as it captures the year to year ebb and flow of the telemetry activity. Phone lines and costs for those phone lines fluctuate as customers enter and exit core functions, so the 5 year average captures these fluctuations.

Non-Labor - 5-YR Average

The 5 year average methodology is appropriate, as it captures the year to year ebb and flow of the telemetry activity. Phone lines and costs for those phone lines fluctuate as customers enter and exit core functions, so the 5 year average captures these fluctuations.

NSE - 5-YR Average

N/A

Summary of Results:

	In 2009\$ (000)								
	Adjusted-Recorded					Adjusted-Forecast			
	2005	2006	2007	2008	2009	2010	2011	2012	
Years									
Labor	0	0	0	0	0	0	0	0	
Non-Labor	643	447	375	362	399	445	445	445	
NSE	0	0	0	0	0	0	0	0	
Total	643	447	375	362	399	445	445	445	
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: B. Measurement Data Operations
 Category-Sub: 2. Measurement Data Operations-Telemetry
 Workpaper: 200001.001 - MEASUREMENT DATA OPERATIONS - TELEMTRY

Forecast Summary:

Forecast Method		In 2009 \$(000)								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		2010	2011	2012	2010	2011	2012	2010	2011	2012
Labor	5-YR Average	0	0	0	0	0	0	0	0	0
Non-Labor	5-YR Average	445	445	445	0	0	0	445	445	445
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		445	445	445	0	0	0	445	445	445
FTE	5-YR Average	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Forecast Adjustment Details:

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: B. Measurement Data Operations
 Category-Sub: 2. Measurement Data Operations-Telemetry
 Workpaper: 200001.001 - MEASUREMENT DATA OPERATIONS - TELEMETRY

Determination of Adjusted-Recorded:

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	0	0	0	0	0
Non-Labor	573	413	358	363	399
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	573	413	358	363	399
FTE	0.0	0.0	0.0	0.0	0.0
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	0	0	0	0	0
Non-Labor	573	413	358	363	399
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	573	413	358	363	399
FTE	0.0	0.0	0.0	0.0	0.0
Vacation & Sick (Nominal \$)					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Escalation to 2009\$					
Labor	0	0	0	0	0
Non-Labor	70	34	17	-1	0
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	70	34	17	-1	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	0	0	0	0	0
Non-Labor	643	447	375	362	399
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	643	447	375	362	399
FTE	0.0	0.0	0.0	0.0	0.0

* After company-wide exclusions of Non-GRC costs

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: B. Measurement Data Operations
 Category-Sub: 2. Measurement Data Operations-Telemetry
 Workpaper: 200001.001 - MEASUREMENT DATA OPERATIONS - TELEMETRY

Summary of Adjustments to Recorded:

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

Detail of Adjustments to Recorded:

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: C. Office Credit & Collections
 Workpaper: VARIOUS

Summary for Category: C. Office Credit & Collections

	In 2009\$ (000)			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	2,940	3,250	3,250	3,250
Non-Labor	915	1,032	1,032	1,032
NSE	1,478	1,478	1,478	1,478
Total	5,333	5,760	5,760	5,760
FTE	42.3	48.6	48.6	48.6

Workpapers belonging to this Category:

200003.000 OFFICE CREDIT & COLLECTIONS

Labor	2,940	3,250	3,250	3,250
Non-Labor	915	1,032	1,032	1,032
NSE	0	0	0	0
Total	3,855	4,282	4,282	4,282
FTE	42.3	48.6	48.6	48.6

200003.001 OFFICE CREDIT & COLLECTIONS - POSTAGE

Labor	0	0	0	0
Non-Labor	0	0	0	0
NSE	1,478	1,478	1,478	1,478
Total	1,478	1,478	1,478	1,478
FTE	0.0	0.0	0.0	0.0

Beginning of Workpaper
200003.000 - OFFICE CREDIT & COLLECTIONS

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: C. Office Credit & Collections
 Category-Sub: 1. CS Operations-Office Credit & Collections
 Workpaper: 200003.000 - OFFICE CREDIT & COLLECTIONS

Activity Description:

Credit and collections expenses include the cost of establishing and implementing policies and procedures to ensure authorized collections-related tariff rules are followed and collection activity is effectively performed.

Forecast Methodology:

Labor - 5-YR Average

Work volumes in Credit & Collections are driven by many factors that vary over time and impact various functions within the overall process. Examples would include the strength of the economy, unemployment levels and the ability of small commercial customers to obtain credit and maintain cash flows. For these reasons it is logical to project future expense by using a five year historical average to encompass the fluctuations in work flow volumes over a reasonable timeframe.

Non-Labor - 5-YR Average

Work volumes in Credit & Collections are driven by many factors that vary over time and impact various functions within the overall process. Examples would include the strength of the economy, unemployment levels and the ability of small commercial customers to obtain credit and maintain cash flows. For these reasons it is logical to project future expense by using a five year historical average to encompass the fluctuations in work flow volumes over a reasonable timeframe.

NSE - 5-YR Average

N/A

Summary of Results:

	In 2009\$ (000)								
	Adjusted-Recorded					Adjusted-Forecast			
Years	2005	2006	2007	2008	2009	2010	2011	2012	
Labor	3,085	2,995	2,901	2,941	2,940	3,250	3,250	3,250	
Non-Labor	969	976	853	858	915	1,032	1,032	1,032	
NSE	0	0	0	0	0	0	0	0	
Total	4,054	3,971	3,754	3,799	3,855	4,282	4,282	4,282	
FTE	46.9	45.3	43.1	43.2	42.3	48.6	48.6	48.6	

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: C. Office Credit & Collections
 Category-Sub: 1. CS Operations-Office Credit & Collections
 Workpaper: 200003.000 - OFFICE CREDIT & COLLECTIONS

Forecast Summary:

Forecast Method		In 2009 \$(000)								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		2010	2011	2012	2010	2011	2012	2010	2011	2012
Labor	5-YR Average	2,972	2,972	2,972	278	278	278	3,250	3,250	3,250
Non-Labor	5-YR Average	914	914	914	118	118	118	1,032	1,032	1,032
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		3,886	3,886	3,886	396	396	396	4,282	4,282	4,282
FTE	5-YR Average	44.2	44.2	44.2	4.4	4.4	4.4	48.6	48.6	48.6

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010	278	0	0	278	0.0	1-Sided Adj
4.4 FTE's required to support Red Flag Rules legislation. Compliance with Red Flags will increase annual labor and vendor costs for customer authentication process.						
2010	0	0	0	0	4.4	1-Sided Adj
4.4 FTE's required to support Red Flag Rules legislation.						
2010	0	118	0	118	0.0	1-Sided Adj
Experian costs for customer authentication processes in support of Red Flag Rules.						
2010 Total	278	118	0	396	4.4	
2011	278	0	0	278	0.0	1-Sided Adj
4.4 FTE's required to support Red Flag Rules legislation. Compliance with Red Flags will increase annual labor and vendor costs for customer authentication process.						
2011	0	0	0	0	4.4	1-Sided Adj
4.4 FTE's required to support Red Flag Rules legislation.						
2011	0	118	0	118	0.0	1-Sided Adj
Experian costs for customer authentication processes in support of Red Flag Rules.						
2011 Total	278	118	0	396	4.4	

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: C. Office Credit & Collections
 Category-Sub: 1. CS Operations-Office Credit & Collections
 Workpaper: 200003.000 - OFFICE CREDIT & COLLECTIONS

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2012	278	0	0	278	0.0	1-Sided Adj
4.4 FTE's required to support Red Flag Rules legislation. Compliance with Red Flags will increase annual labor and vendor costs for customer authentication process.						
2012	0	0	0	0	4.4	1-Sided Adj
4.4 FTE's required to support Red Flag Rules legislation.						
2012	0	118	0	118	0.0	1-Sided Adj
Experian costs for customer authentication processes in support of Red Flag Rules.						
2012 Total	278	118	0	396	4.4	

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: C. Office Credit & Collections
Category-Sub: 1. CS Operations-Office Credit & Collections
Workpaper: 200003.000 - OFFICE CREDIT & COLLECTIONS

Determination of Adjusted-Recorded:

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	2,209	2,222	2,244	2,334	2,490
Non-Labor	1,000	901	814	860	915
NSE	0	0	0	0	0
Total	3,210	3,123	3,058	3,194	3,405
FTE	37.3	36.4	35.1	35.0	35.6
Adjustments (Nominal \$) **					
Labor	145	113	86	71	0
Non-Labor	-137	0	0	0	0
NSE	0	0	0	0	0
Total	8	113	86	71	0
FTE	2.4	1.9	1.4	1.1	0.0
Recorded-Adjusted (Nominal \$)					
Labor	2,354	2,335	2,330	2,405	2,490
Non-Labor	863	901	814	860	915
NSE	0	0	0	0	0
Total	3,217	3,236	3,144	3,265	3,405
FTE	39.7	38.3	36.5	36.1	35.6
Vacation & Sick (Nominal \$)					
Labor	401	417	407	463	450
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	401	417	407	463	450
FTE	7.2	7.0	6.6	7.1	6.7
Escalation to 2009\$					
Labor	329	243	164	73	0
Non-Labor	106	75	39	-2	0
NSE	0	0	0	0	0
Total	435	318	203	71	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	3,085	2,995	2,901	2,941	2,940
Non-Labor	969	976	853	858	915
NSE	0	0	0	0	0
Total	4,054	3,971	3,754	3,799	3,855
FTE	46.9	45.3	43.1	43.2	42.3

* After company-wide exclusions of Non-GRC costs

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: C. Office Credit & Collections
 Category-Sub: 1. CS Operations-Office Credit & Collections
 Workpaper: 200003.000 - OFFICE CREDIT & COLLECTIONS

Summary of Adjustments to Recorded:

In Nominal \$ (000)					
Year	2005	2006	2007	2008	2009
Labor	145	113	86	71	0
Non-Labor	-137	0	0	0	0
NSE	0	0	0	0	0
Total	8	113	86	71	0
FTE	2.4	1.9	1.4	1.1	0.0

Detail of Adjustments to Recorded:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005	0	-137	0	0.0	CCTR Transf	To 2200-0352.001	SDALEY2009091 4134157703
Transfer Postage Expense under CE 6220450							
2005	58	0	0	0.0	CCTR Transf	From 2200-2029.000	TP6JJP20090914 122806023
Cost in cost center 2200-2029 belong to Mass Markets Credit & Collections and Mgmnt expenses. S/B 2200-0350							
2005	0	0	0	0.9	CCTR Transf	From 2200-2029.000	TP6JJP20090914 122939777
Cost in cost center 2200-2029 belongs to Mass Markets Credit & Collections and Mgmnt expenses. S/B 2200-0350.							
2005	86	0	0	0.0	CCTR Transf	From 2200-2029.000	TP6JJP20090914 123609657
Cost in cost center 2200-2029 belong to Mass Markets Credit & Collections and Nonmgmnt expenses. S/B 2200-0351							
2005	0	0	0	1.5	CCTR Transf	From 2200-2029.000	TP6JJP20090914 123655080
Cost in cost center 2200-2029 belong to Mass Markets Credit & Collections and NonMgmnt expenses. S/B 2200-0351							
2005 Total	145	-137	0	2.4			
2006	14	0	0	0.0	CCTR Transf	From 2200-2029.000	TP6JJP20090914 123303340
Cost in cost center 2200-2029 belong to Mass Markets Credit & Collections and Mgmnt expenses. S/B 2200-0350							

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: C. Office Credit & Collections
 Category-Sub: 1. CS Operations-Office Credit & Collections
 Workpaper: 200003.000 - OFFICE CREDIT & COLLECTIONS

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2006	0	0	0	0.2	CCTR Transf	From 2200-2029.000	TP6JJP20090914 123402670
Cost in cost center 2200-2029 belong to Mass Markets Credit & Collections and Mgmnt expenses. S/B 2200-0350							
2006	100	0	0	0.0	CCTR Transf	From 2200-2029.000	TP6JJP20090914 123816503
Cost in cost center 2200-2029 belong to Mass Markets Credit & Collections and NonMgmnt expenses. S/B 2200-0351							
2006	0	0	0	1.7	CCTR Transf	From 2200-2029.000	TP6JJP20090914 123857647
Cost in cost center 2200-2029 belong to Mass Markets Credit & Collections and NonMgmnt expenses. S/B 2200-0351							
2006 Total	113	0	0	1.9			
2007	86	0	0	0.0	CCTR Transf	From 2200-2029.000	TP6JJP20090914 124022630
Cost in cost center 2200-2029 belong to Mass Markets Credit & Collections and NonMgmnt expenses. S/B 2200-0351							
2007	0	0	0	1.4	CCTR Transf	From 2200-2029.000	TP6JJP20090914 124056117
Cost in cost center 2200-2029 belong to Mass Markets Credit & Collections and NonMgmnt expenses. S/B 2200-0351							
2007 Total	86	0	0	1.4			
2008	71	0	0	0.0	CCTR Transf	From 2200-2029.000	TP6JJP20090914 124150117
Cost in cost center 2200-2029 belong to Mass Markets Credit & Collections and NonMgmnt expenses. S/B 2200-0351							
2008	0	0	0	1.1	CCTR Transf	From 2200-2029.000	TP6JJP20090914 124228727
Cost in cost center 2200-2029 belong to Mass Markets Credit & Collections and NonMgmnt expenses. S/B 2200-0351							
2008 Total	71	0	0	1.1			
2009 Total	0	0	0	0.0			

Supplemental Workpapers for Workpaper 200003.000



Federal Register

Friday,
November 9, 2007

Part IV

Department of the Treasury
Office of the Comptroller of the
Currency

12 CFR Part 41

Federal Reserve System

12 CFR Part 222

Federal Deposit Insurance
Corporation

12 CFR Parts 334 and 364

Department of the Treasury
Office of Thrift Supervision

12 CFR Part 571

National Credit Union
Administration

12 CFR Part 717

Federal Trade Commission

16 CFR Part 681

Identity Theft Red Flags and Address
Discrepancies Under the Fair and
Accurate Credit Transactions Act of 2003;
Final Rule

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

63718 Federal Register / Vol. 72, No. 217 / Friday, November 9, 2007 / Rules and Regulations

DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

12 CFR Part 41

[Docket ID OCC-2007-0017]

RIN 1557-AC87

FEDERAL RESERVE SYSTEM

12 CFR Part 222

[Docket No. R-1255]

FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Parts 334 and 364

RIN 3064-AD00

DEPARTMENT OF THE TREASURY

Office of Thrift Supervision

12 CFR Part 571

[Docket No. OTS-2007-0019]

RIN 1550-AC04

NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 717

FEDERAL TRADE COMMISSION

16 CFR Part 681

RIN 3084-AA94

Identity Theft Red Flags and Address Discrepancies Under the Fair and Accurate Credit Transactions Act of 2003

AGENCIES: Office of the Comptroller of the Currency, Treasury (OCC); Board of Governors of the Federal Reserve System (Board); Federal Deposit Insurance Corporation (FDIC); Office of Thrift Supervision, Treasury (OTS); National Credit Union Administration (NCUA); and Federal Trade Commission (FTC or Commission).

ACTION: Joint final rules and guidelines.

SUMMARY: The OCC, Board, FDIC, OTS, NCUA and FTC (the Agencies) are jointly issuing final rules and guidelines implementing section 114 of the Fair and Accurate Credit Transactions Act of 2003 (FACT Act) and final rules implementing section 315 of the FACT Act. The rules implementing section 114 require each financial institution or creditor to develop and implement a written Identity Theft Prevention Program (Program) to detect, prevent,

and mitigate identity theft in connection with the opening of certain accounts or certain existing accounts. In addition, the Agencies are issuing guidelines to assist financial institutions and creditors in the formulation and maintenance of a Program that satisfies the requirements of the rules. The rules implementing section 114 also require credit and debit card issuers to assess the validity of notifications of changes of address under certain circumstances. Additionally, the Agencies are issuing joint rules under section 315 that provide guidance regarding reasonable policies and procedures that a user of consumer reports must employ when a consumer reporting agency sends the user a notice of address discrepancy.

DATES: The joint final rules and guidelines are effective January 1, 2008. The mandatory compliance date for this rule is November 1, 2008.

FOR FURTHER INFORMATION CONTACT:

OCC: Amy Friend, Assistant Chief Counsel, (202) 874-5200; Deborah Katz, Senior Counsel, or Andra Shuster, Special Counsel, Legislative and Regulatory Activities Division, (202) 874-5090; Paul Utterback, Compliance Specialist, Compliance Department, (202) 874-5461; or Aida Plaza Carter, Director, Bank Information Technology, (202) 874-4740, Office of the Comptroller of the Currency, 250 E Street, SW., Washington, DC 20219.

Board: David A. Stein or Ky Tran-Trong, Counsels, or Amy Burke, Attorney, Division of Consumer and Community Affairs, (202) 452-3667; Kara L. Handzlik, Attorney, Legal Division, (202) 452-3852; or John Gibbons, Supervisory Financial Analyst, Division of Banking Supervision and Regulation, (202) 452-6409, Board of Governors of the Federal Reserve System, 20th and C Streets, NW., Washington, DC 20551.

FDIC: Jeffrey M. Kopchik, Senior Policy Analyst, (202) 898-3872, or David P. Lafleur, Policy Analyst, (202) 898-6569, Division of Supervision and Consumer Protection; Richard M. Schwartz, Counsel, (202) 898-7424, or Richard B. Foley, Counsel, (202) 898-3784, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.

OTS: Ekita Mitchell, Consumer Regulations Analyst, Compliance and Consumer Protection, (202) 906-6451; Kathleen M. McNulty, Technology Program Manager, Information Technology Risk Management, (202) 906-6322; or Richard Bennett, Senior Compliance Counsel, Regulations and Legislation Division, (202) 906-7409,

Office of Thrift Supervision, 1700 G Street, NW., Washington, DC 20552.

NCUA: Regina M. Metz, Staff Attorney, Office of General Counsel, (703) 518-6540, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314-3428.

FTC: Naomi B. Lefkowitz, Attorney, or Pavneet Singh, Attorney, Division of Privacy and Identity Protection, Bureau of Consumer Protection, (202) 326-2252, Federal Trade Commission, 600 Pennsylvania Avenue, NW., Washington DC 20580.

SUPPLEMENTARY INFORMATION:

I. Introduction

The President signed the FACT Act into law on December 4, 2003.¹ The FACT Act added several new provisions to the Fair Credit Reporting Act of 1970 (FCRA), 15 U.S.C. 1681 *et seq.* Section 114 of the FACT Act, 15 U.S.C. 1681m(e), amends section 615 of the FCRA, and directs the Agencies to issue joint regulations and guidelines regarding the detection, prevention, and mitigation of identity theft, including special regulations requiring debit and credit card issuers to validate notifications of changes of address under certain circumstances.² Section 315 of the FACT Act, 15 U.S.C. 1681c(h), adds a new section 605(h)(2) to the FCRA requiring the Agencies to issue joint regulations that provide guidance regarding reasonable policies and procedures that a user of a consumer report should employ when the user receives a notice of address discrepancy.

On July 18, 2006, the Agencies published a joint notice of proposed rulemaking (NPRM) in the **Federal Register** (71 FR 40786) proposing rules and guidelines to implement section 114 and proposing rules to implement section 315 of the FACT Act. The public comment period closed on September 18, 2006. The Agencies collectively received a total of 129 comments in response to the NPRM, although many commenters sent copies of the same letter to each of the Agencies. The comments included 63 from financial institutions, 12 from financial institution holding companies, 23 from financial institution trade associations, 12 from individuals, nine from other trade associations, five from other business entities, three from consumer

¹ Pub. L. 108-159.

² Section 111 of the FACT Act defines "identity theft" as "a fraud committed using the identifying information of another person, subject to such further definition as the [Federal Trade] Commission may prescribe, by regulation." 15 U.S.C. 1681a(q)(3).

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

Federal Register / Vol. 72, No. 217 / Friday, November 9, 2007 / Rules and Regulations 63719

groups,³ one from a member of Congress, and one from the United States Small Business Administration (SBA).

II. Section 114 of the FACT Act

A. Red Flag Regulations and Guidelines

1. Background

Section 114 of the FACT Act requires the Agencies to jointly issue guidelines for financial institutions and creditors regarding identity theft with respect to their account holders and customers. Section 114 also directs the Agencies to prescribe joint regulations requiring each financial institution and creditor to establish reasonable policies and procedures for implementing the guidelines, to identify possible risks to account holders or customers or to the safety and soundness of the institution or "customer."⁴

In developing the guidelines, the Agencies must identify patterns, practices, and specific forms of activity that indicate the possible existence of identity theft. The guidelines must be updated as often as necessary, and cannot be inconsistent with the policies and procedures issued under section 326 of the USA PATRIOT Act,⁵ 31 U.S.C. 5318(l), that require verification of the identity of persons opening new accounts. The Agencies also must consider including reasonable guidelines that would apply when a transaction occurs in connection with a consumer's credit or deposit account that has been inactive for two years. These guidelines would provide that in such circumstances, a financial institution or creditor "shall follow reasonable policies and procedures" for notifying the consumer, "in a manner reasonably designed to reduce the likelihood of identity theft."

2. Overview of Proposal and Comments Received

The Agencies proposed to implement section 114 through regulations requiring each financial institution and creditor to implement a written Program to detect, prevent and mitigate identity theft in connection with the opening of an account or any existing account. The Agencies also proposed guidelines that identified 31 patterns, practices, and specific forms of activity that indicate a possible risk of identity theft. The proposed regulations required each financial institution and creditor to incorporate into its Program relevant

³ One of these letters represented the comments of five consumer groups.

⁴ Use of the term "customer," here, appears to be a drafting error and likely should read "creditor."

⁵ Pub. L. 107-56.

indicators of a possible risk of identity theft (Red Flags), including indicators from among those listed in the guidelines. To promote flexibility and responsiveness to the changing nature of identity theft, the proposed rules also stated that covered entities would need to include in their Programs relevant Red Flags from applicable supervisory guidance, their own experiences, and methods that the entity had identified that reflect changes in identity theft risks.

The Agencies invited comment on all aspects of the proposed regulations and guidelines implementing section 114, and specifically requested comment on whether the elements described in section 114 had been properly allocated between the proposed regulations and the proposed guidelines.

Consumer groups maintained that the proposed regulations provided too much discretion to financial institutions and creditors to decide which accounts and Red Flags to include in their Programs and how to respond to those Red Flags. These commenters stated that the flexible and risk-based approach taken in the proposed rulemaking would permit "business as usual."

Some small financial institutions also expressed concern about the flexibility afforded by the proposal. These commenters stated that they preferred to have clearer, more structured guidance describing exactly how to develop and implement a Program and what they would need to do to achieve compliance.

Most commenters, however, including many financial institutions and creditors, asserted that the proposal was overly prescriptive, contained requirements beyond those mandated in the FACT Act, would be costly and burdensome to implement, and would complicate the existing efforts of financial institutions and creditors to detect and prevent identity theft. Some industry commenters asserted that the rulemaking was unnecessary because large businesses, such as banks and telecommunications companies, already are motivated to prevent identity theft and other forms of fraud in order to limit their own financial losses. Financial institution commenters maintained that they are already doing most of what would be required by the proposal as a result of having to comply with the customer identification program (CIP) regulations implementing section 326 of the USA PATRIOT Act⁶ and other existing requirements. These

⁶ See, e.g., 31 CFR 103.121 (applicable to banks, thrifts and credit unions and certain non-federally regulated banks).

commenters suggested that the regulations and guidelines take the form of broad objectives modeled on the objectives set forth in the "Interagency Guidelines Establishing Information Security Standards" (Information Security Standards).⁷ A few financial institution commenters asserted that the primary cause of identity theft is the lack of care on the part of the consumer. They stated that consumers should be held responsible for protecting their own identifying information.

The Agencies have modified the proposed rules and guidelines in light of the comments received. An overview of the final rules, guidelines, and supplement, a discussion of the comments, and the specific manner in which the proposed rules and guidelines have been modified, follows.

3. Overview of final rules and guidelines

The Agencies are issuing final rules and guidelines that provide both flexibility and more guidance to financial institutions and creditors. The final rules also require the Program to address accounts where identity theft is most likely to occur. The final rules describe which financial institutions and creditors are required to have a Program, the objectives of the Program, the elements that the Program must contain, and how the Program must be administered.

Under the final rules, only those financial institutions and creditors that offer or maintain "covered accounts" must develop and implement a written Program. A covered account is (1) an account primarily for personal, family, or household purposes, that involves or is designed to permit multiple payments or transactions, or (2) any other account for which there is a reasonably foreseeable risk to customers or the safety and soundness of the financial institution or creditor from identity theft. Each financial institution and creditor must periodically determine whether it offers or maintains a "covered account."

The final regulations provide that the Program must be designed to detect, prevent, and mitigate identity theft in connection with the opening of a covered account or any existing covered account. In addition, the Program must be tailored to the entity's size, complexity and nature of its operations.

⁷ 12 CFR part 30, app. B (national banks); 12 CFR part 208, app. D-2 and part 225, app. F (state member banks and holding companies); 12 CFR part 364, app. B (state non-member banks); 12 CFR part 570, app. B (savings associations); 12 CFR part 748, App. A (credit unions).

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

63754 Federal Register / Vol. 72, No. 217 / Friday, November 9, 2007 / Rules and Regulations

phone account, utility account, checking account, or savings account; and

(ii) Any other account that the financial institution or creditor offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of the financial institution or creditor from identity theft, including financial, operational, compliance, reputation, or litigation risks.

(4) *Credit* has the same meaning as in 15 U.S.C. 1681a(r)(5).

(5) *Creditor* has the same meaning as in 15 U.S.C. 1681a(r)(5), and includes lenders such as banks, finance companies, automobile dealers, mortgage brokers, utility companies, and telecommunications companies.

(6) *Customer* means a person that has a covered account with a financial institution or creditor.

(7) *Financial institution* has the same meaning as in 15 U.S.C. 1681a(t).

(8) *Identity theft* has the same meaning as in 16 CFR 603.2(a).

(9) *Red Flag* means a pattern, practice, or specific activity that indicates the possible existence of identity theft.

(10) *Service provider* means a person that provides a service directly to the financial institution or creditor.

(c) *Periodic Identification of Covered Accounts*. Each financial institution or creditor must periodically determine whether it offers or maintains covered accounts. As a part of this determination, a financial institution or creditor must conduct a risk assessment to determine whether it offers or maintains covered accounts described in paragraph (b)(3)(ii) of this section, taking into consideration:

(1) The methods it provides to open its accounts;

(2) The methods it provides to access its accounts; and

(3) Its previous experiences with identity theft.

(d) *Establishment of an Identity Theft Prevention Program*. (1) *Program requirement*. Each financial institution or creditor that offers or maintains one or more covered accounts must develop and implement a written Identity Theft Prevention Program (Program) that is designed to detect, prevent, and mitigate identity theft in connection with the opening of a covered account or any existing covered account. The Program must be appropriate to the size and complexity of the financial institution or creditor and the nature and scope of its activities.

(2) *Elements of the Program*. The Program must include reasonable policies and procedures to:

(i) Identify relevant Red Flags for the covered accounts that the financial institution or creditor offers or maintains, and incorporate those Red Flags into its Program;

(ii) Detect Red Flags that have been incorporated into the Program of the financial institution or creditor;

(iii) Respond appropriately to any Red Flags that are detected pursuant to paragraph (d)(2)(ii) of this section to prevent and mitigate identity theft; and

(iv) Ensure the Program (including the Red Flags determined to be relevant) is updated periodically, to reflect changes in risks to customers and to the safety and soundness of the financial institution or creditor from identity theft.

(e) *Administration of the Program*. Each financial institution or creditor that is required to implement a Program must provide for the continued administration of the Program and must:

(1) Obtain approval of the initial written Program from either its board of directors or an appropriate committee of the board of directors;

(2) Involve the board of directors, an appropriate committee thereof, or a designated employee at the level of senior management in the oversight, development, implementation and administration of the Program;

(3) Train staff, as necessary, to effectively implement the Program; and

(4) Exercise appropriate and effective oversight of service provider arrangements.

(f) *Guidelines*. Each financial institution or creditor that is required to implement a Program must consider the guidelines in Appendix J of this part and include in its Program those guidelines that are appropriate.

§ 41.91 Duties of card issuers regarding changes of address.

(a) *Scope*. This section applies to an issuer of a debit or credit card (card issuer) that is a national bank, Federal branch or agency of a foreign bank, and any of their operating subsidiaries that are not functionally regulated within the meaning of section 5(c)(5) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1844(c)(5)).

(b) *Definitions*. For purposes of this section:

(1) *Cardholder* means a consumer who has been issued a credit or debit card.

(2) *Clear and conspicuous* means reasonably understandable and designed to call attention to the nature and significance of the information presented.

(c) *Address validation requirements*. A card issuer must establish and

implement reasonable policies and procedures to assess the validity of a change of address if it receives notification of a change of address for a consumer's debit or credit card account and, within a short period of time afterwards (during at least the first 30 days after it receives such notification), the card issuer receives a request for an additional or replacement card for the same account. Under these circumstances, the card issuer may not issue an additional or replacement card, until, in accordance with its reasonable policies and procedures and for the purpose of assessing the validity of the change of address, the card issuer:

(1)(i) Notifies the cardholder of the request:

(A) At the cardholder's former address; or

(B) By any other means of communication that the card issuer and the cardholder have previously agreed to use; and

(ii) Provides to the cardholder a reasonable means of promptly reporting incorrect address changes; or

(2) Otherwise assesses the validity of the change of address in accordance with the policies and procedures the card issuer has established pursuant to § 41.90 of this part.

(d) *Alternative timing of address validation*. A card issuer may satisfy the requirements of paragraph (c) of this section if it validates an address pursuant to the methods in paragraph (c)(1) or (c)(2) of this section when it receives an address change notification, before it receives a request for an additional or replacement card.

(e) *Form of notice*. Any written or electronic notice that the card issuer provides under this paragraph must be clear and conspicuous and provided separately from its regular correspondence with the cardholder.

Appendices D-I [Reserved]

■ 7. Add and reserve appendices D through I to part 41.

■ 8. Add Appendix J to part 41 to read as follows:

Appendix J to Part 41—Interagency Guidelines on Identity Theft Detection, Prevention, and Mitigation

Section 41.90 of this part requires each financial institution and creditor that offers or maintains one or more covered accounts, as defined in § 41.90(b)(3) of this part, to develop and provide for the continued administration of a written Program to detect, prevent, and mitigate identity theft in connection with the opening of a covered account or any existing covered account. These guidelines are intended to assist financial institutions and creditors in the

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

Federal Register / Vol. 72, No. 217 / Friday, November 9, 2007 / Rules and Regulations 63755

formulation and maintenance of a Program that satisfies the requirements of § 41.90 of this part.

I. The Program

In designing its Program, a financial institution or creditor may incorporate, as appropriate, its existing policies, procedures, and other arrangements that control reasonably foreseeable risks to customers or to the safety and soundness of the financial institution or creditor from identity theft.

II. Identifying Relevant Red Flags

(a) *Risk Factors.* A financial institution or creditor should consider the following factors in identifying relevant Red Flags for covered accounts, as appropriate:

(1) The types of covered accounts it offers or maintains;

(2) The methods it provides to open its covered accounts;

(3) The methods it provides to access its covered accounts; and

(4) Its previous experiences with identity theft.

(b) *Sources of Red Flags.* Financial institutions and creditors should incorporate relevant Red Flags from sources such as:

(1) Incidents of identity theft that the financial institution or creditor has experienced;

(2) Methods of identity theft that the financial institution or creditor has identified that reflect changes in identity theft risks; and

(3) Applicable supervisory guidance.

(c) *Categories of Red Flags.* The Program should include relevant Red Flags from the following categories, as appropriate. Examples of Red Flags from each of these categories are appended as Supplement A to this Appendix J.

(1) Alerts, notifications, or other warnings received from consumer reporting agencies or service providers, such as fraud detection services;

(2) The presentation of suspicious documents;

(3) The presentation of suspicious personal identifying information, such as a suspicious address change;

(4) The unusual use of, or other suspicious activity related to, a covered account; and

(5) Notice from customers, victims of identity theft, law enforcement authorities, or other persons regarding possible identity theft in connection with covered accounts held by the financial institution or creditor.

III. Detecting Red Flags

The Program's policies and procedures should address the detection of Red Flags in connection with the opening of covered accounts and existing covered accounts, such as by:

(a) Obtaining identifying information about, and verifying the identity of, a person opening a covered account, for example, using the policies and procedures regarding identification and verification set forth in the Customer Identification Program rules implementing 31 U.S.C. 5318(l) (31 CFR 103.121); and

(b) Authenticating customers, monitoring transactions, and verifying the validity of change of address requests, in the case of existing covered accounts.

IV. Preventing and Mitigating Identity Theft

The Program's policies and procedures should provide for appropriate responses to the Red Flags the financial institution or creditor has detected that are commensurate with the degree of risk posed. In determining an appropriate response, a financial institution or creditor should consider aggravating factors that may heighten the risk of identity theft, such as a data security incident that results in unauthorized access to a customer's account records held by the financial institution, creditor, or third party, or notice that a customer has provided information related to a covered account held by the financial institution or creditor to someone fraudulently claiming to represent the financial institution or creditor or to a fraudulent website. Appropriate responses may include the following:

(a) Monitoring a covered account for evidence of identity theft;

(b) Contacting the customer;

(c) Changing any passwords, security codes, or other security devices that permit access to a covered account;

(d) Reopening a covered account with a new account number;

(e) Not opening a new covered account;

(f) Closing an existing covered account;

(g) Not attempting to collect on a covered account or not selling a covered account to a debt collector;

(h) Notifying law enforcement; or

(i) Determining that no response is warranted under the particular circumstances.

V. Updating the Program

Financial institutions and creditors should update the Program (including the Red Flags determined to be relevant) periodically, to reflect changes in risks to customers or to the safety and soundness of the financial institution or creditor from identity theft, based on factors such as:

(a) The experiences of the financial institution or creditor with identity theft;

(b) Changes in methods of identity theft;

(c) Changes in methods to detect, prevent, and mitigate identity theft;

(d) Changes in the types of accounts that the financial institution or creditor offers or maintains; and

(e) Changes in the business arrangements of the financial institution or creditor, including mergers, acquisitions, alliances, joint ventures, and service provider arrangements.

VI. Methods for Administering the Program

(a) *Oversight of Program.* Oversight by the board of directors, an appropriate committee of the board, or a designated employee at the level of senior management should include:

(1) Assigning specific responsibility for the Program's implementation;

(2) Reviewing reports prepared by staff regarding compliance by the financial institution or creditor with § 41.90 of this part; and

(3) Approving material changes to the Program as necessary to address changing identity theft risks.

(b) *Reports.* (1) *In general.* Staff of the financial institution or creditor responsible for development, implementation, and

administration of its Program should report to the board of directors, an appropriate committee of the board, or a designated employee at the level of senior management, at least annually, on compliance by the financial institution or creditor with § 41.90 of this part.

(2) *Contents of report.* The report should address material matters related to the Program and evaluate issues such as: the effectiveness of the policies and procedures of the financial institution or creditor in addressing the risk of identity theft in connection with the opening of covered accounts and with respect to existing covered accounts; service provider arrangements; significant incidents involving identity theft and management's response; and recommendations for material changes to the Program.

(c) *Oversight of service provider arrangements.* Whenever a financial institution or creditor engages a service provider to perform an activity in connection with one or more covered accounts the financial institution or creditor should take steps to ensure that the activity of the service provider is conducted in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft. For example, a financial institution or creditor could require the service provider by contract to have policies and procedures to detect relevant Red Flags that may arise in the performance of the service provider's activities, and either report the Red Flags to the financial institution or creditor, or to take appropriate steps to prevent or mitigate identity theft.

VII. Other Applicable Legal Requirements

Financial institutions and creditors should be mindful of other related legal requirements that may be applicable, such as:

(a) For financial institutions and creditors that are subject to 31 U.S.C. 5318(g), filing a Suspicious Activity Report in accordance with applicable law and regulation;

(b) Implementing any requirements under 15 U.S.C. 1681c-1(h) regarding the circumstances under which credit may be extended when the financial institution or creditor detects a fraud or active duty alert;

(c) Implementing any requirements for furnishers of information to consumer reporting agencies under 15 U.S.C. 1681s-2, for example, to correct or update inaccurate or incomplete information, and to not report information that the furnisher has reasonable cause to believe is inaccurate; and

(d) Complying with the prohibitions in 15 U.S.C. 1681m on the sale, transfer, and placement for collection of certain debts resulting from identity theft.

Supplement A to Appendix J

In addition to incorporating Red Flags from the sources recommended in section II.b. of the Guidelines in Appendix J of this part, each financial institution or creditor may consider incorporating into its Program, whether singly or in combination, Red Flags from the following illustrative examples in connection with covered accounts:

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

63756 Federal Register / Vol. 72, No. 217 / Friday, November 9, 2007 / Rules and Regulations

Alerts, Notifications or Warnings from a Consumer Reporting Agency

1. A fraud or active duty alert is included with a consumer report.
2. A consumer reporting agency provides a notice of credit freeze in response to a request for a consumer report.
3. A consumer reporting agency provides a notice of address discrepancy, as defined in § 41.82(b) of this part.
4. A consumer report indicates a pattern of activity that is inconsistent with the history and usual pattern of activity of an applicant or customer, such as:
 - a. A recent and significant increase in the volume of inquiries;
 - b. An unusual number of recently established credit relationships;
 - c. A material change in the use of credit, especially with respect to recently established credit relationships; or
 - d. An account that was closed for cause or identified for abuse of account privileges by a financial institution or creditor.

Suspicious Documents

5. Documents provided for identification appear to have been altered or forged.
6. The photograph or physical description on the identification is not consistent with the appearance of the applicant or customer presenting the identification.
7. Other information on the identification is not consistent with information provided by the person opening a new covered account or customer presenting the identification.
8. Other information on the identification is not consistent with readily accessible information that is on file with the financial institution or creditor, such as a signature card or a recent check.
9. An application appears to have been altered or forged, or gives the appearance of having been destroyed and reassembled.

Suspicious Personal Identifying Information

10. Personal identifying information provided is inconsistent when compared against external information sources used by the financial institution or creditor. For example:
 - a. The address does not match any address in the consumer report; or
 - b. The Social Security Number (SSN) has not been issued, or is listed on the Social Security Administration's Death Master File.
11. Personal identifying information provided by the customer is not consistent with other personal identifying information provided by the customer. For example, there is a lack of correlation between the SSN range and date of birth.
12. Personal identifying information provided is associated with known fraudulent activity as indicated by internal or third-party sources used by the financial institution or creditor. For example:
 - a. The address on an application is the same as the address provided on a fraudulent application; or
 - b. The phone number on an application is the same as the number provided on a fraudulent application.
13. Personal identifying information provided is of a type commonly associated with fraudulent activity as indicated by

internal or third-party sources used by the financial institution or creditor. For example:

- a. The address on an application is fictitious, a mail drop, or a prison; or
 - b. The phone number is invalid, or is associated with a pager or answering service.
14. The SSN provided is the same as that submitted by other persons opening an account or other customers.
 15. The address or telephone number provided is the same as or similar to the account number or telephone number submitted by an unusually large number of other persons opening accounts or other customers.
 16. The person opening the covered account or the customer fails to provide all required personal identifying information on an application or in response to notification that the application is incomplete.
 17. Personal identifying information provided is not consistent with personal identifying information that is on file with the financial institution or creditor.
 18. For financial institutions and creditors that use challenge questions, the person opening the covered account or the customer cannot provide authenticating information beyond that which generally would be available from a wallet or consumer report.
- Unusual Use of, or Suspicious Activity Related to, the Covered Account
19. Shortly following the notice of a change of address for a covered account, the institution or creditor receives a request for a new, additional, or replacement card or a cell phone, or for the addition of authorized users on the account.
 20. A new revolving credit account is used in a manner commonly associated with known patterns of fraud patterns. For example:
 - a. The majority of available credit is used for cash advances or merchandise that is easily convertible to cash (e.g., electronics equipment or jewelry); or
 - b. The customer fails to make the first payment or makes an initial payment but no subsequent payments.
 21. A covered account is used in a manner that is not consistent with established patterns of activity on the account. There is, for example:
 - a. Nonpayment when there is no history of late or missed payments;
 - b. A material increase in the use of available credit;
 - c. A material change in purchasing or spending patterns;
 - d. A material change in electronic fund transfer patterns in connection with a deposit account; or
 - e. A material change in telephone call patterns in connection with a cellular phone account.
 22. A covered account that has been inactive for a reasonably lengthy period of time is used (taking into consideration the type of account, the expected pattern of usage and other relevant factors).
 23. Mail sent to the customer is returned repeatedly as undeliverable although transactions continue to be conducted in connection with the customer's covered account.

24. The financial institution or creditor is notified that the customer is not receiving paper account statements.

25. The financial institution or creditor is notified of unauthorized charges or transactions in connection with a customer's covered account.

Notice From Customers, Victims of Identity Theft, Law Enforcement Authorities, or Other Persons Regarding Possible Identity Theft in Connection With Covered Accounts Held by the Financial Institution or Creditor

26. The financial institution or creditor is notified by a customer, a victim of identity theft, a law enforcement authority, or any other person that it has opened a fraudulent account for a person engaged in identity theft.

Board of Governors of the Federal Reserve System

12 CFR Chapter II.

Authority and Issuance

■ For the reasons set forth in the joint preamble, part 222 of title 12, chapter II, of the Code of Federal Regulations is amended as follows:

PART 222—FAIR CREDIT REPORTING (REGULATION V)

■ 1. The authority citation for part 222 continues to read as follows:

Authority: 15 U.S.C. 1681a, 1681b, 1681c, 1681m, 1681s, 1681s-2, 1681s-3, 1681t, and 1681w; Secs. 3 and 214, Pub. L. 108-159, 117 Stat. 1952.

Subpart A—General Provisions

■ 2. Section 222.3 is amended by revising the introductory text to read as follows:

§ 222.3 Definitions.

For purposes of this part, unless explicitly stated otherwise:

* * * * *

■ 3. The heading for Subpart I is revised to read as follows:

Subpart I—Duties of Users of Consumer Reports Regarding Address Discrepancies and Records Disposal

■ 4. A new § 222.82 is added to read as follows:

§ 222.82 Duties of users regarding address discrepancies.

(a) *Scope.* This section applies to a user of consumer reports (user) that receives a notice of address discrepancy from a consumer reporting agency, and that is a member bank of the Federal Reserve System (other than a national bank) and its respective operating subsidiaries, a branch or agency of a foreign bank (other than a Federal branch, Federal agency, or insured State branch of a foreign bank), commercial

Background - FACTA (Red Flag) FTE Calculation

Workload in Mass Markets and Collections (MMCC) will increase due to Red Flags legislation. Red Flags requires the company to authenticate or verify the identity of the customer. The most common method for customer authentication is by social security number (SSN) using POSID, a third-party tool. POSID is an on-line credit and collections tool used by the Customer Service Rep when creating a turn-on order. Prior to Red Flags, there was no mandate to confirm identity and thus SoCalGas did not always require a SSN. However, with the Red Flags mandate, more customers will provide a SSN to confirm identity which will result in higher POSID costs. Yet there will be customers who cannot be authenticated via POSID, i.e., no SSN or SSN not verifiable (No Match result in POSID).

Customers who cannot be authenticated via POSID where a SSN results in a No Match and customers who do not provide a SSN will need to be authenticated via other processes. These customers will be processed via PreciseID, another third party on-line tool specifically purchased due to Red Flags. According to the PreciseID vendor (Experian), there is at least a 50 percent success rate in authenticating a customer via PreciseID. (SoCalGas does not have enough history with this tool to determine the company-specific success rate.) The remaining 50 percent of customers who cannot be authenticated with PreciseID will be processed at Authorized Payment Locations (APL), Branch Offices or MMCC staff.

SoCalGas initiated Red Flags compliance procedures in May 2009, prior to the effective legislation date. Therefore, the activity level for the period May-September 2009 will be used as the basis for determining the incremental volume of work due to Red Flags. This period is compared to five-year average activity levels in arriving at the incremental increase.

Customer authentication will be performed at the time service is requested (turn-on) for residential customers. There are three general groups of turn-ons, (1) a new customer, (2) a returning customer, one who has had prior service, and (3) a flopper (one who is terminating service at one service address and turning on at another). Due to the large volume of customers in the first two groups, it was decided to implement Red Flags procedures only on new and returning customers. Floppers, which are less risky for payment default, would be addressed at a later time. To ensure compliance to Red Flags, any customers not authenticated would be flagged in CIS such that bad debt accounts would not be reported to a credit bureau.

Forecast Methodology and Assumptions

Red Flags compliance was performed on new and returning customers during May to Sep 2009.
Calculate the POSID percentage increase during this period by comparing the annualized volume (for May to Sep 2009) to a five-year average,
Data shows an increase in POSID activity of 6% (89% less 83%)
This means an increase in POSID vendor costs would increase by 6% of new customers and returning customers at 53 cents per

Data shows that 19% (8% plus 11%) would require further processing via PreciseID or manual processing by APL's, Branch Offices or
This means that 50 % of this 19% would successfully be processed using PreciseID at 95 cents per transaction.
And that the remaining 8% (50% of the 19%) would be processed manually.
Estimate that 47% of the 8% would be processed by MMCC staff while the other 3% would be process by APL's and Branch
The 47% is based on the percentage of processing performed on reconnections. This is believed to be a good proxy in

Other Assumptions

Average salary rate: \$ 30.55 which is the staff level performing the majority of customer authentication processing in MMCC.
Estimated average manual processing time by MMCC per transaction: 20 minutes

Total Jan 2005-Sep 2009	Turn-On	FlopOver	New Customer	Returning Customer
Unique CustID	3,156,160	907,693		
Monthly Average	55,371	15,924		
Annual Average	664,455	191,093	429,045	44,316

Assume all returning customers will need to be POSID, whether or not SSN was previously provided.

Total Jan 2005-Sep 2009	New Customers	POSID	Match	No Match	Not POSID
Unique CustID	2,037,965	1,692,883	1,527,881	165,002	345,082
Monthly Average	35,754	29,700	26,805	2,895	6,054
Annual Average	429,045	356,396	321,659	34,737	72,649
Percent of New Cust		83%	75%	8%	17%

Total May-Sep 2009	New Customers	POSID	Match	No Match	Not POSID
Unique CustID	196,708	175,096	160,243	14,853	21,612
Monthly Average	39,342	35,019	32,049	2,971	4,322
Annual Average	472,099	420,230	384,583	35,647	51,869
Percent of New Cust		89%	81%	8%	11%

During May - Sep, 100% customer authentication resulted in a larger volume of customers providing SSN.
 Assume these percentages will be consistent for future customer authentication: 81% Match; 19% No Match or Not POSID.
 During these summer months, the annualized numbers are higher than total year average due to seasonality.
 Therefore, annual average used for this forecast should be based on Jan-Sep 2009 volumes.

Additional data/assumptions:

Budgeted S-T labor hrs per employee per year		1,577
Budgeted S-T Labor \$ per employee per hr	\$	30.55
Connect Check (POSID) Vendor cost per txn	\$	0.53
Precise ID (Challenge Q) Vendor cost per txn	\$	0.95
MMCC manual processing time (in minutes) per txn		20

Per Experian, it is probable that 50% of customers with No Match and Not POSID will be successfully authenticated via Precise ID, while the other 50% will be processed manually.

Authentication Streams - Addl Processing

APL	12%
Branch Office	41%
Credit & Collections	47%
Total	100%

As a proxy, the above authentication streams are based on actual reconnect fee payment streams.

Forecast Additional Costs for New Customers:

Increase in POSID txns: **\$ 13,520**
 New customers who will provide a SSN for POSID will increase by 6% (89-83%); or **25,510** customers (6% of 429,045)
 Precise ID cost for No Match and Not POSID customers: **\$ 75,558**
 Additional vendor cost for Precise ID on 19% of new customers (8+11%); or **79,535** customers (19% of 429,045)
 MMCC labor cost for processing customer authentication:
 Calculated volume to flow to MMCC (47% * 79,535 * 50%): **18,691**
 Total processing time in hours at 20 minutes per txn: **6,230**
 FTE equivalent at 1,577 straight time per year: **4.0**
 Total annual labor \$ at \$30.55 per hour and 2,088 hours **\$ 252,033**
 (note: 2080 hrs for 2011; 2088 hrs for 2012)

Forecast Additional Costs for Returning Customers:

Increase in POSID txns: **\$ 20,907** **89%** percent of returning customers who will provide a SSN for POSID
 Returning customers who will provide a SSN for POSID **39,447** (89% of 44,316)
 Precise ID cost for No Match and Not POSID customers: **\$ 7,804**
 Additional vendor cost for Precise ID on 19% of returning customers **8,215** (19% of 44,316)
 MMCC labor cost for processing customer authentication:
 Calculated volume to flow to MMCC (47% * 8,215 * 50%): **1,931**
 Total processing time in hours at 20 minutes per txn: **644**
 FTE equivalent at 1,577 straight time per year: **0.4**
 Total annual labor \$ at \$30.55 per hour and 2,088 hours **\$ 26,032**
 (note: 2080 hrs for 2011; 2088 hrs for 2012)

	New Customer	Returning Customer	Total
Forecast Increment \$			
Connect Check (POSID) Vendor cost	\$ 13,520	\$ 20,907	\$ 34,428
Precise ID (Challenge Q) Vendor cost	\$ 75,558	\$ 7,804	\$ 83,362
MMCC labor cost for manual processing	\$ 252,033	\$ 26,032	\$ 278,065
Total cost increment	\$ 341,112	\$ 54,744	\$ 395,855
FTE	4.0	0.4	4.4

	New Customer	Returning Customer	Total
Forecast Increment Volume			
Connect Check (POSID)	25,510	39,447	64,958
Precise ID (Challenge Q)	79,535	8,215	87,750
MMCC Customer Authentication	18,691	1,931	20,621
Branch Office Customer Authentication	16,305	1,684	17,989
APL Customer Authentication	4,772	493	5,265

COM/CAB/tcg

Date of Issuance 2/5/2010

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission's Own Motion to address the issue of customers' electric and natural gas service disconnection.

FILED
PUBLIC UTILITIES COMMISSION
FEBRUARY 4, 2010
SAN FRANCISCO, CALIFORNIA
RULEMAKING 10-02-005

**ORDER INSTITUTING RULEMAKING
TO ESTABLISH WAYS TO IMPROVE CUSTOMER NOTIFICATION
AND EDUCATION TO DECREASE THE NUMBER OF GAS
AND ELECTRIC UTILITY SERVICE DISCONNECTIONS**

1. Summary

We open this rulemaking to continue our efforts to reduce the number of residential gas and electric utility service disconnections due to nonpayment by improving customer notification and education. The economic crisis currently existing in California and a recent increase in utility service disconnections has led us to reexamine utility disconnection rules and practices. We want to identify more effective ways for the utilities to work with their customers and develop solutions that avoid unnecessary disconnections without placing an undue cost burden on other customers.

In this rulemaking, we require Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas) to implement the following interim practices no later than five business days from the mailing of this order:

R.10-02-005 COM/CAB/tcg

- 1) All customer service representatives (CSRs) must inform any customer that owes an arrearage on a utility bill that puts the customer at risk for disconnection that the customer has right to arrange for a bill payment plan extending a minimum of three months in which to repay the arrearage. CSRs may exercise discretion as to extending the three months up to twelve months¹ depending on the particulars of a customer's situation and ability to repay the arrearage. CSRs may work with customers to develop a shorter repayment plan, as long as the customer is informed of the three-month option. Customers must keep current on their utility bills while repaying the arrearage balance.
- 2) Once a customer has established credit as a customer of that utility, the utility must not require that customer to pay additional reestablishment of credit deposits with the utility for either slow-payment/no-payment of bills or following a disconnection.
- 3) Each utility is authorized to file a Tier 1 advice letter to establish a memorandum account to track any significant additional costs associated with complying with the new practices initiated with this rulemaking, including the operations and maintenance charges associated with implementing the practices as well as any uncollectables that are in excess of those projected in the utility's last general rate case. As part of this proceeding, the Commission will consider the process for determining the categories and amounts of costs in the memorandum account that should be considered reasonable for recovery, as well as the appropriate methods for recovery.

The utilities and parties will have an opportunity to comment on these interim practices and their efficacies, as well as sunset provisions if appropriate, while the parties continue to explore and dialogue about other solutions to assist customers to pay their utility bills and avoid disconnection of service. The

¹ Each utility may implement a repayment plan schedule that exceeds twelve months, but we are not currently requiring any utility to extend the schedule beyond three months.

R.10-02-005 COM/CAB/tcg

Commission recognizes that each utility has been implementing its own respective program on outreach and education to reduce the number of unnecessary disconnections; however, there has been no consistency or uniformity across all utilities. The Commission is initiating this Rulemaking to incorporate the productive and effective practices that each utility can share so that all gas and electric utilities have the benefit of implementing best practices in this area.

2. Background

On June 19, 2009, The Utility Reform Network (TURN) filed a Petition to initiate a rulemaking (Petition) to address arrearage management and shutoff prevention for residential customers. (Petition (P.) 09-06-022.) In response to TURN's Petition, a proposed decision issued on September 25, 2009, which examined the existing low-income programs that are available to low-income customers, evaluated whether the utilities are performing outreach and education on the availability of the low-income programs, and considered whether any additional programs are necessary at this time. Upon initial examination, the proposed decision determined that existing programs and outreach were sufficient and that a rulemaking was not needed at this time.

On November 19, 2009, the Division of Ratepayer Advocates (DRA), who strongly supported TURN's Petition, released a report, "Status Report on Energy Utility Service Disconnections," that discussed data regarding service disconnections and reconnections from January 2006 through August 2009. Based on the data contained in DRA's Report, President Peevey announced that the Commission would hold an en banc on December 17, 2009.

Commissioners Peevey, Grueneich, Bohn and Simon participated in the en banc and listened to presentations from DRA, TURN, Greenling Institute and

R.10-02-005 COM/CAB/tcg

the four major utilities. From the en banc discussion, the Commission learned that the disconnection rate was rapidly rising for low-income households. In addition, the utilities reported that a very high percentage of customers who are disconnected are reconnected within 48 hours.

Following the en banc, all four utilities agreed to a moratorium on service disconnections beginning December 21 and extending through January 5.² The reasoning behind the moratorium was to enable customers and the utilities to have time to contact one another about arrearage repayment without fear of a disconnection during the holiday/winter period.

The Commission then held a workshop on January 5, 2010 to afford the utilities and other stakeholders an opportunity to discuss “best-practices” for customer outreach and education so that customers can address repayment of arrearages *before* they are disconnected. The emphasis by the Commission was on having the utilities work within their communities to get the word out that customers having difficulty paying their utility bill should immediately contact their electric or gas company to discuss how to best repay the arrearage, prevent disconnection, and see whether there are ways to decrease the monthly bill through assistance programs or energy efficiency efforts.

² SCE voluntarily extended their moratorium through January 21, 2010.

R.10-02-005 COM/CAB/tcg

The Commission had envisioned that through the en banc and workshop efforts that the utilities could individually, or jointly, develop innovations to their current bill collection practices that would assure the Commission that bill arrearages and disconnections were being thoroughly addressed by the utilities resulting in fewer residential disconnections. However, the Commission now believes it is appropriate to open a rulemaking to gather input from the utilities and consumer groups on ways to decrease the number of household disconnections while at the same time not shifting the burden of non-paying customers to other ratepayers.

3. Implementation of New Practices

Following the en banc and workshop, the Commission has carefully considered the exchange of information between the utilities and the consumer advocates and has determined that there are some interim practices the Commission can implement immediately that are aimed at addressing the Commission's primary focus: having the utilities work with their customers to address bill arrearages before disconnection. While we recognize that disconnections for non-payment of utility bills will never be completely obliterated, we find that the following procedures are intended to offer immediate help for customers to address bill arrearages and avoid disconnections. Therefore, we direct PG&E, SCE, SDG&E and SoCalGas to immediately implement the following practices no later than five business days after the mailing of this order:

- 1) All CSRs must inform any customer that owes an arrearage on a utility bill that puts them at risk for disconnection that the customer has a right to arrange a bill payment plan extending a minimum of

R.10-02-005 COM/CAB/tcg

three months in which to repay the arrearage. CSRs may exercise discretion as to extending the three months up to twelve months³ depending on the particulars of a customer's situation and ability to repay the arrearage. CSRs may work with customers to develop a shorter re-payment plan, as long as the customer is informed of the three-month option. Customers must keep current on their utility bills while repaying the arrearage balance.

- 2) Once a customer has established credit as a customer of that utility, the utility must not require that customer to pay additional reestablishment of credit deposits with the utility for either slow-payment/no-payment of bills or following a disconnection.
- 3) Each utility is authorized to file a Tier 1 advice letter to open a memorandum account to track any significant additional costs associated with complying with the new practices initiated with this rulemaking, including the operations and maintenance charges associated with implementing the practices as well as any uncollectables that are in excess of those projected in the utility's last general rate case. As part of this proceeding, the Commission will consider the process for determining the categories and amounts of costs in the memorandum account that should be considered reasonable for recovery, as well as the appropriate methods for recovery.

We recognize two important principles: (1) utility service is a matter of health and safety and we do not have the luxury of time to flush out fully best practices in a long proceeding before we take any action to address the current disconnection rate; and (2) we do not have a complete record to fully and finally determine if the above practices are sufficient to help the Commission meet its goal of reducing disconnections whenever some other method of bill payment

³ Each utility may implement a repayment plan schedule that exceeds twelve months, but we are not currently requiring any utility to extend the schedule beyond three months.

R.10-02-005 COM/CAB/tcg

can be arranged. Therefore, we direct the utilities and the consumer groups to continue their dialogue and efforts to determine what are the best practices, and to assess whether the interim practices we are establishing today are ones that will ultimately further our goals.

To ensure that the Commission and parties can fully evaluate the efficacy of these interim practices, and to assist the Commission in determining whether to maintain, expand, or modify these practices, and whether or if to sunset them, we will require the utilities to submit monthly reports of specific disconnection-related data including the number of disconnections experienced by each utility. Appendix A contains the additional data to be submitted on a monthly basis by each respondent investor-owned utility.

In addition, it has come to our attention through reports on utility-sponsored focus groups that an anomaly occurs in the billing/accounting departments of the utilities when a customer owes both for an arrearage and a current bill. For illustration purposes, assume a customer owes an arrearage of \$150, is on a 3-month re-payment plan whereby the customer pays \$50 towards the arrearage, and the customer has a current monthly bill of \$100. If the customer makes a payment of \$150, representing the \$50 arrearage payment and the \$100 current bill payment, how does the utility ensure that the proper monies are credited to the appropriate accounts? If all \$150 is applied to the arrearage, the customer is delinquent on the current bill, whereas if all \$150 is applied to the current bill the customer has a credit, but is in default on the arrearage re-payment arrangement. We request that the utilities propose a uniform billing/accounting methodology that ensures that the customer receives proper credit for monies paid.

R.10-02-005 COM/CAB/tcg

4. Preliminary Scoping Memo

As required by Rule 7.1(d) of our Rules of Practice and Procedure (Rules), this order includes a preliminary scoping memo as set forth below. Unless a further Scoping Memo is deemed appropriate by the assigned Administrative Law Judge (ALJ) or the assigned Commissioner, the Preliminary Scope will be addressed in the first decision in this proceeding. As previously stated, the focus of this proceeding is to reduce the number of gas and electric utility service disconnections due to nonpayment by improving customer notification and education, including ways to help customers avoid disconnections while working with the utilities to pay arrearages and keep current on bills.

In addition to the practices we are implementing with the issuance of this Rulemaking, we also ask parties to consider the following issues as part of the scope of the proceeding and inform the Commission of your comments on whether to adopt any of the following practices:

- Best practices for contacting customers who are delinquent in their bill payments, including methods such as bill inserts, special colored-bills, individualized messages on a bill, separate mailings, dropped-off notices, telephone calls [including whether live-voice or recorded messages], e-mails, text-messaging, third-party notification, etc.;
- Language options and how a utility would know what language would be appropriate for a particular household;
- Outreach and education about customer assistance programs, energy efficiency programs, bill management options, balanced payment plans, etc.;
- How customers are “targeted” for outreach and education information, and whether the customer should be required to initiate the first contact;

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

R.10-02-005 COM/CAB/tcg

- Whether CSRs should have “scripts” or be left to their own discretion in how they communicate with each individual customer;
- How should the utilities tailor their automated call and written notices concerning disconnection so that customers who use telephone relay services and sight-impaired customers are receiving the notices;
- Should a utility charge a customer for a remote connection or disconnection;
- Whether the reporting requirements included in this rulemaking are sufficient or should they be eliminated or expanded;
- Whether the Commission should set a benchmark for the number of disconnections experienced and what such a benchmark should be;
- If the utilities are not to collect post-service initiation deposits, are there other ways for the utilities to reduce future revenue losses from uncollectibles, such as financial institution guarantees;
- How does a utility distinguish between a payment extension and a payment installment plan and how is the difference communicated to the customer;
- If a customer requests a monthly billing date that is different from the date assigned by the utility, does the utility accommodate this request, and if so, how is the customer notified;
- How can the utilities strive to maintain the direct communication and personal contact that customers associate with in-person disconnection visits, when the utilities return to remote disconnections;
- How can all utilities incorporate best practices, such as those employed by SDG&E and SoCalGas, to work with community-based-organizations (CBO) and faith-based organizations to educate customers on the California Alternate Rates for Energy (CARE) and other assistance programs; and

R.10-02-005 COM/CAB/tcg

- Should the utilities utilize more data-sharing programs along the lines used by SDG&E to partner with school districts and use the program data as a screen to enroll additional families in the CARE program, while protecting privacy issues.

5. Emergency Fund

Our regulated energy utilities have a unique opportunity to leverage available funds under the federal government's American Recovery and Reinvestment Act (ARRA) to provide critical payment assistance to eligible low-income customers. Under ARRA, funds were appropriated for the Temporary Assistance to Needy Families (TANF) Emergency Contingency Fund (Emergency Fund) over fiscal years 2009 and 2010. This Emergency Fund is in addition to the regular TANF Contingency Fund that needy families in California can access through established agencies during the economic downturn. Through this provision of ARRA, every one dollar of local contributions will be matched with four dollars from the Emergency Fund. Through this one time program that will expire on September 30, 2010, eligible low-income customers who have experienced an uncontrollable or unforeseen hardship may receive an energy credit on their utility bill.

To take advantage of this unique and fleeting opportunity, we direct respondent investor-owned utilities (IOUs) to file Tier 3 advice letters within 30 days of the effective date of this order outlining their proposed program to take advantage of the Emergency Fund. We envision that respondent IOUs will continue to use their shareholder and employee funded charitable contribution for this purpose, but may also present a proposal to transfer some funds collected in the CARE balancing account for this effort to leverage as much available ARRA funds as possible. We also expect that IOUs will keep administrative costs to a minimum in order to provide the greatest benefit to

Beginning of Workpaper
200003.001 - OFFICE CREDIT & COLLECTIONS - POSTAGE

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: C. Office Credit & Collections
 Category-Sub: 2. CS Operations-Office Credit & Collections-Postage
 Workpaper: 200003.001 - OFFICE CREDIT & COLLECTIONS - POSTAGE

Activity Description:

N/A

Forecast Methodology:

Labor - Base YR Rec

N/A

Non-Labor - Base YR Rec

N/A

NSE - Base YR Rec

The base year recorded postage expense is an accurate representation of current postage rates.

Summary of Results:

	In 2009\$ (000)								
	Adjusted-Recorded					Adjusted-Forecast			
	2005	2006	2007	2008	2009	2010	2011	2012	
Years									
Labor	0	0	0	0	0	0	0	0	
Non-Labor	0	0	0	0	0	0	0	0	
NSE	1,505	1,720	1,623	1,914	1,478	1,478	1,478	1,478	
Total	1,505	1,720	1,623	1,914	1,478	1,478	1,478	1,478	
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: C. Office Credit & Collections
 Category-Sub: 2. CS Operations-Office Credit & Collections-Postage
 Workpaper: 200003.001 - OFFICE CREDIT & COLLECTIONS - POSTAGE

Forecast Summary:

Forecast Method		In 2009 \$(000)								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		2010	2011	2012	2010	2011	2012	2010	2011	2012
Labor	Base YR Rec	0	0	0	0	0	0	0	0	0
Non-Labor	Base YR Rec	0	0	0	0	0	0	0	0	0
NSE	Base YR Rec	1,478	1,478	1,478	0	0	0	1,478	1,478	1,478
Total		1,478	1,478	1,478	0	0	0	1,478	1,478	1,478
FTE	Base YR Rec	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Forecast Adjustment Details:

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

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: C. Office Credit & Collections
Category-Sub: 2. CS Operations-Office Credit & Collections-Postage
Workpaper: 200003.001 - OFFICE CREDIT & COLLECTIONS - POSTAGE

Determination of Adjusted-Recorded:

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	0	0	0	0	0
Non-Labor	1,203	1,587	1,549	1,919	1,478
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,203	1,587	1,549	1,919	1,478
FTE	0.0	0.0	0.0	0.0	0.0
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	-1,203	-1,587	-1,549	-1,919	-1,478
NSE	<u>1,340</u>	<u>1,587</u>	<u>1,549</u>	<u>1,919</u>	<u>1,478</u>
Total	137	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	<u>1,340</u>	<u>1,587</u>	<u>1,549</u>	<u>1,919</u>	<u>1,478</u>
Total	1,340	1,587	1,549	1,919	1,478
FTE	0.0	0.0	0.0	0.0	0.0
Vacation & Sick (Nominal \$)					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Escalation to 2009\$					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	<u>164</u>	<u>132</u>	<u>75</u>	<u>-5</u>	<u>0</u>
Total	164	132	75	-5	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	<u>1,505</u>	<u>1,720</u>	<u>1,623</u>	<u>1,914</u>	<u>1,478</u>
Total	1,505	1,720	1,623	1,914	1,478
FTE	0.0	0.0	0.0	0.0	0.0

* After company-wide exclusions of Non-GRC costs

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: C. Office Credit & Collections
 Category-Sub: 2. CS Operations-Office Credit & Collections-Postage
 Workpaper: 200003.001 - OFFICE CREDIT & COLLECTIONS - POSTAGE

Summary of Adjustments to Recorded:

In Nominal \$ (000)					
Year	2005	2006	2007	2008	2009
Labor	0	0	0	0	0
Non-Labor	-1,203	-1,587	-1,549	-1,919	-1,478
NSE	1,340	1,587	1,549	1,919	1,478
Total	137	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0

Detail of Adjustments to Recorded:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adi Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005	0	137	0	0.0	CCTR Transf	From 2200-0351.000	SDALEY2009091 4134157703
Transfer Postage Expense under CE 6220450							
2005	0	-1,203	0	0.0	NSE Transfer	N/A	SDALEY2010042 6100211417
Aligning history to forecasting postage with non standard escalation.							
2005	0	0	1,203	0.0	NSE Transfer	N/A	SDALEY2010042 6100211417
Aligning history to forecasting postage with non standard escalation.							
2005	0	0	137	0.0	NSE Transfer	N/A	SDALEY2010042 8132910633
Forecasting with Non Standard escalation.							
2005	0	-137	0	0.0	NSE Transfer	N/A	SDALEY2010042 8132910633
Forecasting with Non Standard escalation.							
2005 Total	0	-1,203	1,340	0.0			
2006	0	-1,587	0	0.0	NSE Transfer	N/A	SDALEY2010042 6100403650
Aligning history to forecasting postage with non standard escalation.							
2006	0	0	1,587	0.0	NSE Transfer	N/A	SDALEY2010042 6100403650
Aligning history to forecasting postage with non standard escalation.							
2006 Total	0	-1,587	1,587	0.0			

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: C. Office Credit & Collections
 Category-Sub: 2. CS Operations-Office Credit & Collections-Postage
 Workpaper: 200003.001 - OFFICE CREDIT & COLLECTIONS - POSTAGE

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2007	0	-1,549	0	0.0	NSE Transfer	N/A	SDALEY2010042 6100532290
Aligning history to forecasting postage with non standard escalation.							
2007	0	0	1,549	0.0	NSE Transfer	N/A	SDALEY2010042 6100532290
Aligning history to forecasting postage with non standard escalation.							
2007 Total	0	-1,549	1,549	0.0			
2008	0	-1,919	0	0.0	NSE Transfer	N/A	SDALEY2010042 6100700230
Aligning history to forecasting postage with non standard escalation.							
2008	0	0	1,919	0.0	NSE Transfer	N/A	SDALEY2010042 6100700230
Aligning history to forecasting postage with non standard escalation.							
2008 Total	0	-1,919	1,919	0.0			
2009	0	-1,478	0	0.0	NSE Transfer	N/A	SDALEY2010042 6100746993
Aligning history to forecasting postage with non standard escalation.							
2009	0	0	1,478	0.0	NSE Transfer	N/A	SDALEY2010042 6100746993
Aligning history to forecasting postage with non standard escalation.							
2009 Total	0	-1,478	1,478	0.0			

Supplemental Workpapers for Workpaper 200003.001

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



FOR IMMEDIATE RELEASE
July 6, 2010

POSTAL NEWS

Media Contact: Joanne Veto
(O) 202-268-3118
(C) 301-325-1960
joanne.m.veto@usps.gov

usps.com/news
Release No. 10-063

Incentives Included in Price Filing
About 90 Percent of Proposed Price Changes Under 6 Percent

WASHINGTON — Volume discounts and free additional weight are included in the proposed price changes the U.S. Postal Service filed with the Postal Regulatory Commission (PRC) today.

Price changes for the majority of products and services fall between 4 percent and 6 percent. These products and services account for about 90 percent of Market Dominant revenue. The Postal Service Governors approved the recommendation for prices for all 18 Market Dominant products.

Products outside the range include Periodicals (8 percent), Standard Mail Parcels (23 percent) and Media/Library Mail (7 percent). The increases above the average are intended to improve the financial performance of products that currently do not cover costs while limiting the impact on customers.

The filing includes two incentives designed to retain and grow profitable mail volume: "Reply Rides Free" and "Saturation Mail/High Density Incentive Program."

Reply Rides Free encourages the use of bill and statement mailings for marketing messages. For qualifying customers, a 1.2-ounce piece is charged the 1-ounce price if a reply envelope or card is included in the mailing.

The Saturation Mail/High Density Incentive Program provides rebates for volume growth for Standard Mail and Nonprofit Mail letters and flats. A minimum of six Saturation/High Density mailings in a Fiscal Year is required.

If approved as proposed, the new prices would take effect on Jan. 2, 2011 – almost two years since the Postal Service last raised rates.

The proposed price changes would generate \$2.3 billion for the last three quarters of the 2011 Fiscal Year (January to September) and an estimated \$3 billion for the full 12 months of Fiscal Year 2012.

Despite eliminating millions of work hours and reducing expenses by more than \$1 billion every year since 2001, a budget gap remains. The proposed price increases will help close a \$7 billion projected shortfall in FY 2011. The Postal Service would have needed to raise rates an average of 20 percent across all product lines to completely close that expected gap.

"This proposal is moderate and reasonable and carefully evaluated for its effect on our customers," said Maura Robinson, vice president, Pricing. "Increasing prices will help overcome some of the financial challenges faced by the Postal Service. We will continue to work with Congress and other stakeholders to implement long-term solutions."

Postmaster General John E. Potter identified in March a number of actions the Postal Service will pursue, including a change to delivery frequency, expanded access to products and services more convenient to customers and restructuring prepayment of retiree health benefits. Potter was clear at the time that customers would not be asked to close the entire budget gap.

Innovations like Reply Rides Free and Saturation Mail incentive programs reinforce the value of mail, help retain volume and provide opportunities to grow the business. These products also have proven to cover their costs and contribute much needed revenue to the Postal Service. Still, greater product and pricing flexibility is needed if the Postal Service is to remain a vital driver of the American economy.

"Future price increases can be greatly alleviated if the Postal Service is given the tools necessary to be a more flexible,

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

market-oriented company," Robinson said.

Other highlights from the price filing include:

- First-Class Mail stamps would increase to 46 cents. A new Forever Stamp image will be available in October.
- First-Class Mail postcard prices would increase 2 cents to 30 cents.
- Periodicals would receive an 8 percent increase.
- Recommended increase for catalogs is 5.1 percent.
- Standard Mail parcels would increase about 23 percent.

This is the first time the Postal Service is requesting price increases above the rate of inflation, an action that is allowed under the 2006 Postal law as long as the Postal Service can demonstrate "exceptional or extraordinary circumstance."

An ongoing recession that has rocked the Postal Service business customer base, continued movement toward electronic alternatives and unprecedented volume loss have created a situation where the price cap of 0.6 percent, based on the Consumer Price Index, is insufficient to cover the extraordinary losses.

The PRC has 90 days to review and make a final ruling on the filing (on or about Oct. 4). The PRC can accept or reject all price requests.

The Postal Service receives no tax dollars for operating expenses, and relies on the sale of postage, products and services to fund its operations.

More detailed information on the price filing is available at usps.com.

#

Please Note: For broadcast quality video and audio, photo stills and other media resources, visit the USPS Newsroom at www.usps.com/communications/newsroom/welcome.htm.

A self-supporting government enterprise, the U.S. Postal Service is the only delivery service that reaches every address in the nation, 150 million residences, businesses and Post Office Boxes. The Postal Service receives no direct support from taxpayers. With 36,000 retail locations and the most frequently visited website in the federal government, the Postal Service relies on the sale of postage, products and services to pay for operating expenses. Named the Most Trusted Government Agency five consecutive years and the sixth Most Trusted Business in the nation by the Ponemon Institute, the Postal Service has annual revenue of more than \$68 billion and delivers nearly half the world's mail. If it were a private sector company, the U.S. Postal Service would rank 28th in the 2009 Fortune 500.

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: D. Bill Delivery
 Workpaper: VARIOUS

Summary for Category: D. Bill Delivery

	In 2009\$ (000)			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	1,510	1,725	1,725	1,725
Non-Labor	4,345	3,766	3,766	3,766
NSE	20,424	20,467	20,621	21,130
Total	26,279	25,958	26,112	26,621
FTE	22.6	26.0	26.0	26.0

Workpapers belonging to this Category:

200004.000 REMITTANCE PROCESSING

Labor	1,510	1,725	1,725	1,725
Non-Labor	4,345	3,766	3,766	3,766
NSE	0	0	0	0
Total	5,855	5,491	5,491	5,491
FTE	22.6	26.0	26.0	26.0

200004.001 REMITTANCE PROCESSING - BILL POSTAGE

Labor	0	0	0	0
Non-Labor	0	0	0	0
NSE	20,424	20,467	20,621	21,130
Total	20,424	20,467	20,621	21,130
FTE	0.0	0.0	0.0	0.0

Beginning of Workpaper
200004.000 - REMITTANCE PROCESSING

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: D. Bill Delivery
 Category-Sub: 1. CS Operations - Bill Delivery
 Workpaper: 200004.000 - REMITTANCE PROCESSING

Activity Description:

This cost center group is used to track expenditures, labor and non-labor, associated with printing and inserting services for customer bills, notices, letters, and customer correspondence. These services are provided to both SCG and SDG&E by the Customer Data Distribution Staff, including the Bill Delivery and Payment Operations Manager.

Forecast Methodology:

Labor - 5-YR Average

The Remittance Processing group can experience slight fluctuations in levels of work from year to year. To account for these fluctuations, it is logical to establish a base for future expense by using a five year historical average to encompass the fluctuations in work flow volumes over a reasonable timeframe.

Non-Labor - 5-YR Average

The Remittance Processing group can experience slight fluctuations in levels of work from year to year. To account for these fluctuations, it is logical to establish a base for future expense by using a five year historical average to encompass the fluctuations in work flow volumes over a reasonable timeframe.

NSE - 5-YR Average

N/A

Summary of Results:

	In 2009\$ (000)								
	Adjusted-Recorded					Adjusted-Forecast			
	2005	2006	2007	2008	2009	2010	2011	2012	
Years									
Labor	1,906	1,790	1,454	1,504	1,510	1,725	1,725	1,725	
Non-Labor	3,394	3,075	3,967	4,053	4,345	3,766	3,766	3,766	
NSE	0	0	0	0	0	0	0	0	
Total	5,300	4,865	5,421	5,557	5,855	5,491	5,491	5,491	
FTE	29.3	26.9	22.5	22.8	22.6	26.0	26.0	26.0	

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: D. Bill Delivery
 Category-Sub: 1. CS Operations - Bill Delivery
 Workpaper: 200004.000 - REMITTANCE PROCESSING

Forecast Summary:

Forecast Method		In 2009 \$(000)								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Labor	5-YR Average	1,632	1,632	1,632	93	93	93	1,725	1,725	1,725
Non-Labor	5-YR Average	3,766	3,766	3,766	0	0	0	3,766	3,766	3,766
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		5,398	5,398	5,398	93	93	93	5,491	5,491	5,491
FTE	5-YR Average	24.8	24.8	24.8	1.2	1.2	1.2	26.0	26.0	26.0

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010	93	0	0	93	0.0	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						
2010	0	0	0	0	1.2	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						
2010 Total	93	0	0	93	1.2	
2011	93	0	0	93	0.0	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						
2011	0	0	0	0	1.2	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						
2011 Total	93	0	0	93	1.2	
2012	93	0	0	93	0.0	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						
2012	0	0	0	0	1.2	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: D. Bill Delivery
Category-Sub: 1. CS Operations - Bill Delivery
Workpaper: 200004.000 - REMITTANCE PROCESSING

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2012 Total	93	0	0	93	1.2	

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: D. Bill Delivery
Category-Sub: 1. CS Operations - Bill Delivery
Workpaper: 200004.000 - REMITTANCE PROCESSING

Determination of Adjusted-Recorded:

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	1,416	1,396	1,168	1,230	1,279
Non-Labor	3,023	2,838	3,785	4,063	4,345
NSE	0	0	0	0	0
Total	4,439	4,234	4,953	5,293	5,624
FTE	24.3	22.7	19.0	19.0	19.0
Adjustments (Nominal \$) **					
Labor	38	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	39	0	0	0	0
FTE	0.5	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	1,455	1,396	1,168	1,230	1,279
Non-Labor	3,023	2,838	3,785	4,063	4,345
NSE	0	0	0	0	0
Total	4,478	4,234	4,953	5,293	5,624
FTE	24.8	22.7	19.0	19.0	19.0
Vacation & Sick (Nominal \$)					
Labor	248	249	204	237	231
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	248	249	204	237	231
FTE	4.5	4.2	3.5	3.8	3.6
Escalation to 2009\$					
Labor	203	145	82	37	0
Non-Labor	371	236	182	-10	0
NSE	0	0	0	0	0
Total	574	381	264	27	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	1,906	1,790	1,454	1,504	1,510
Non-Labor	3,394	3,075	3,967	4,053	4,345
NSE	0	0	0	0	0
Total	5,300	4,865	5,421	5,557	5,855
FTE	29.3	26.9	22.5	22.8	22.6

* After company-wide exclusions of Non-GRC costs

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: D. Bill Delivery
 Category-Sub: 1. CS Operations - Bill Delivery
 Workpaper: 200004.000 - REMITTANCE PROCESSING

Summary of Adjustments to Recorded:

In Nominal \$ (000)						
Year	2005	2006	2007	2008	2009	
Labor	38	0	0	0	0	
Non-Labor	0.387	0	0	0	0	
NSE	0	0	0	0	0	
Total	39	0	0	0	0	
FTE	0.5	0.0	0.0	0.0	0.0	

Detail of Adjustments to Recorded:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005	38	0	0	0.0	CCTR Transfer	From 2200-0413.000	SDALEY2010041 5123122867
Residential Services Organization has been restructured. Remittance Processing Project Manager labor and non-labor should be moved from NSS cost center 2200-0413 into NSS cost center 2200-2199 Remittance Processing Support to align with current org.							
2005	0	0.387	0	0.0	CCTR Transfer	From 2200-0413.000	SDALEY2010041 5123147947
Residential Services Organization has been restructured. Remittance Processing Project Manager labor and non-labor should be moved from NSS cost center 2200-0413 into NSS cost center 2200-2199 Remittance Processing Support to align with current org.							
2005	0	0	0	0.5	CCTR Transfer	From 2200-0413.000	SDALEY2010041 5123219180
Residential Services Organization has been restructured. Remittance Processing Project Manager labor and non-labor should be moved from NSS cost center 2200-0413 into NSS cost center 2200-2199 Remittance Processing Support to align with current org.							

2005 Total	38	0.387	0	0.5	
-------------------	-----------	--------------	----------	------------	--

2006 Total	0	0	0	0.0	
-------------------	----------	----------	----------	------------	--

2007 Total	0	0	0	0.0	
-------------------	----------	----------	----------	------------	--

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: D. Bill Delivery
Category-Sub: 1. CS Operations - Bill Delivery
Workpaper: 200004.000 - REMITTANCE PROCESSING

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

Beginning of Workpaper
200004.001 - REMITTANCE PROCESSING - BILL POSTAGE

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: D. Bill Delivery
 Category-Sub: 2. CS Operations - Bill Delivery - Postage
 Workpaper: 200004.001 - REMITTANCE PROCESSING - BILL POSTAGE

Activity Description:

This cost center group is used to track postage costs associated with mailing of the SCG's customer bills, notices, letters, and customer correspondence.

Forecast Methodology:

Labor - Base YR Rec

Keeping up with the dynamics of the mailing environment, a responsive starting point would be Base Year 2009

Non-Labor - Base YR Rec

Keeping up with the dynamics of the mailing environment, a responsive starting point would be Base Year 2009

NSE - Base YR Rec

N/A

Summary of Results:

	In 2009\$ (000)							
	Adjusted-Recorded					Adjusted-Forecast		
Years	2005	2006	2007	2008	2009	2010	2011	2012
Labor	0	0	0	0	0	0	0	0
Non-Labor	0	0	0	0	0	0	0	0
NSE	20,359	20,515	20,156	20,150	20,424	20,467	20,621	21,130
Total	20,359	20,515	20,156	20,150	20,424	20,467	20,621	21,130
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: D. Bill Delivery
 Category-Sub: 2. CS Operations - Bill Delivery - Postage
 Workpaper: 200004.001 - REMITTANCE PROCESSING - BILL POSTAGE

Forecast Summary:

Forecast Method		In 2009 \$(000)								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		2010	2011	2012	2010	2011	2012	2010	2011	2012
Labor	Base YR Rec	0	0	0	0	0	0	0	0	0
Non-Labor	Base YR Rec	0	0	0	0	0	0	0	0	0
NSE	Base YR Rec	20,424	20,424	20,424	43	197	706	20,467	20,621	21,130
Total		20,424	20,424	20,424	43	197	706	20,467	20,621	21,130
FTE	Base YR Rec	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010	0	0	653	653	0.0	1-Sided Adj
Increase due to Meter Growth.						
2010	0	0	-610	-610	0.0	1-Sided Adj
Savings due to electronic billings						
2010 Total	0	0	43	43	0.0	
2011	0	0	1,095	1,095	0.0	1-Sided Adj
Increase due to meter growth.						
2011	0	0	-898	-898	0.0	1-Sided Adj
Savings due to electronic billings.						
2011 Total	0	0	197	197	0.0	
2012	0	0	1,653	1,653	0.0	1-Sided Adj
Increase due to meter growth.						
2012	0	0	-947	-947	0.0	1-Sided Adj
Savings due to electronic billings.						

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: D. Bill Delivery
 Category-Sub: 2. CS Operations - Bill Delivery - Postage
 Workpaper: 200004.001 - REMITTANCE PROCESSING - BILL POSTAGE

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2012 Total	0	0	706	706	0.0	

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: D. Bill Delivery
Category-Sub: 2. CS Operations - Bill Delivery - Postage
Workpaper: 200004.001 - REMITTANCE PROCESSING - BILL POSTAGE

Determination of Adjusted-Recorded:

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	0	0	0	0	0
Non-Labor	18,134	18,940	19,231	20,201	20,424
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	18,134	18,940	19,231	20,201	20,424
FTE	0.0	0.0	0.0	0.0	0.0
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	-18,134	-18,940	-19,231	-20,201	-20,424
NSE	<u>18,134</u>	<u>18,940</u>	<u>19,231</u>	<u>20,201</u>	<u>20,424</u>
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	<u>18,134</u>	<u>18,940</u>	<u>19,231</u>	<u>20,201</u>	<u>20,424</u>
Total	18,134	18,940	19,231	20,201	20,424
FTE	0.0	0.0	0.0	0.0	0.0
Vacation & Sick (Nominal \$)					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Escalation to 2009\$					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	<u>2,225</u>	<u>1,576</u>	<u>925</u>	<u>-50</u>	<u>0</u>
Total	2,225	1,576	925	-50	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	<u>20,359</u>	<u>20,515</u>	<u>20,156</u>	<u>20,150</u>	<u>20,424</u>
Total	20,359	20,515	20,156	20,150	20,424
FTE	0.0	0.0	0.0	0.0	0.0

* After company-wide exclusions of Non-GRC costs

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: D. Bill Delivery
 Category-Sub: 2. CS Operations - Bill Delivery - Postage
 Workpaper: 200004.001 - REMITTANCE PROCESSING - BILL POSTAGE

Summary of Adjustments to Recorded:

In Nominal \$ (000)					
Year	2005	2006	2007	2008	2009
Labor	0	0	0	0	0
Non-Labor	-18,134	-18,940	-19,231	-20,201	-20,424
NSE	18,134	18,940	19,231	20,201	20,424
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0

Detail of Adjustments to Recorded:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005	0	-18,134	0	0.0	NSE Transfer	N/A	SDALEY2010042 6094250137
Aligning history to forecasting postage with non standard escalation.							
2005	0	0	18,134	0.0	NSE Transfer	N/A	SDALEY2010042 6094250137
Aligning history to forecasting postage with non standard escalation.							
2005 Total	0	-18,134	18,134	0.0			
2006	0	-18,940	0	0.0	NSE Transfer	N/A	SDALEY2010042 6094340307
Aligning history to forecasting postage with non standard escalation.							
2006	0	0	18,940	0.0	NSE Transfer	N/A	SDALEY2010042 6094340307
Aligning history to forecasting postage with non standard escalation.							
2006 Total	0	-18,940	18,940	0.0			
2007	0	-19,140	0	0.0	NSE Transfer	N/A	SDALEY2010042 6094449230
Aligning history to forecasting postage with non standard escalation.							
2007	0	0	19,140	0.0	NSE Transfer	N/A	SDALEY2010042 6094449230
Aligning history to forecasting postage with non standard escalation.							
2007	0	0	91	0.0	NSE Transfer	N/A	SDALEY2010042 6094459557
Aligning history to forecasting postage with non standard escalation.							

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: D. Bill Delivery
 Category-Sub: 2. CS Operations - Bill Delivery - Postage
 Workpaper: 200004.001 - REMITTANCE PROCESSING - BILL POSTAGE

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2007	0	-91	0	0.0	NSE Transfer	N/A	SDALEY2010042 6094459557
Aligning history to forecasting postage with non standard escalation.							
2007 Total	0	-19,231	19,231	0.0			
2008	0	-20,173	0	0.0	NSE Transfer	N/A	SDALEY2010042 6094531887
Aligning history to forecasting postage with non standard escalation.							
2008	0	0	20,173	0.0	NSE Transfer	N/A	SDALEY2010042 6094531887
Aligning history to forecasting postage with non standard escalation.							
2008	0	0	27	0.0	NSE Transfer	N/A	SDALEY2010042 6094542730
Aligning history to forecasting postage with non standard escalation.							
2008	0	-27	0	0.0	NSE Transfer	N/A	SDALEY2010042 6094542730
Aligning history to forecasting postage with non standard escalation.							
2008 Total	0	-20,201	20,201	0.0			
2009	0	-20,390	0	0.0	NSE Transfer	N/A	SDALEY2010042 6094614103
Aligning history to forecasting postage with non standard escalation.							
2009	0	0	20,390	0.0	NSE Transfer	N/A	SDALEY2010042 6094614103
Aligning history to forecasting postage with non standard escalation.							
2009	0	0	34	0.0	NSE Transfer	N/A	SDALEY2010042 6094629230
Aligning history to forecasting postage with non standard escalation.							
2009	0	-34	0	0.0	NSE Transfer	N/A	SDALEY2010042 6094629230
Aligning history to forecasting postage with non standard escalation.							
2009 Total	0	-20,424	20,424	0.0			

Supplemental Workpapers for Workpaper 200004.001

SCG Postage Calculation

		2009	2010	2011	2012	2009	2010	2011	2012
▶ Total	Volume	67,315,774	68,459,231	69,766,877	71,416,821				
	Postage	\$22,472,063	\$23,125,530	\$23,567,253	\$24,124,604	\$22,472	\$23,126	\$23,567	\$24,125
	Avg. Rate	\$0.334	\$0.338	\$0.338	\$0.338				
Increment									
	Volume		1,143,457	1,307,646	1,649,944				
	Postage		\$653,468	\$441,723	\$557,351		\$653	\$442	\$557
	Avg. Rate		\$0.004	\$0.000	\$0.000				
<hr/>									
▶ Savings									
	1• Suppressed Bills	9,456,933	11,090,400	11,834,400	11,881,200				
	Postage	\$3,130,796	\$3,715,284	\$3,964,524	\$3,980,202	\$3,131	\$3,715	\$3,965	\$3,980
	Avg. Rate	\$0.331	\$0.335	\$0.335	\$0.335				
Increment									
	Volume		1,633,467	744,000	46,800				
	Postage		\$584,488	\$249,240	\$15,678		\$584	\$249	\$16
	Avg. Rate		\$0.004	\$0.000	\$0.000				
<hr/>									
2•	ChkFree's e-Bills	1,807,377	1,944,952	2,218,884	2,456,802				
	Postage	\$248,753	\$274,341	\$312,979	\$346,538	\$249	\$274	\$313	\$347
	Avg. Rate	\$0.138	\$0.141	\$0.141	\$0.141				
Increment									
	Volume		137,575	273,932	237,918				
	Postage		\$25,588	\$38,639	\$33,559		\$26	\$39	\$34
	Avg. Rate		\$0.003	\$0.000	\$0.000				
\$947,191									
<hr/>									
▶ Net									
	Bills	56,051,464	55,423,879	55,713,593	57,078,819				
	Postage	\$19,092,514	\$19,135,906	\$19,289,750	\$19,797,864	\$19,093	\$19,136	\$19,290	\$19,798
	Avg. Rate	\$0.341	\$0.345	\$0.346	\$0.347				
Increment									
	Volume		(627,585)	289,714	1,365,226				
	Postage		\$43,392	\$153,844	\$508,114		\$43	\$154	\$508
	Avg. Rate		\$0.005	\$0.001	\$0.001				

Net/1000 ▶	Net/1000	\$19,093	\$19,136	\$19,290	\$19,798
Y-E 2009 - SAP Includes Prefunds ▶		\$20,391			
Estimated Prefunds ▶		\$1,298	\$1,298	\$1,298	\$1,298
Net/1000 ▶			\$20,434	\$20,588	\$21,096
			<hr style="border: 1px solid blue;"/>		
Increment before increase in May 2011 ▶			\$43	\$154	\$508
Impact of increase in May 2011 ▶			\$0	\$0	\$0

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: E. CS Technology Support
 Workpaper: 200005.000

Summary for Category: E. CS Technology Support

	In 2009\$ (000)			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	1,708	1,925	2,188	2,575
Non-Labor	596	557	557	558
NSE	0	0	0	0
Total	2,304	2,482	2,745	3,133
FTE	21.3	23.8	27.3	31.8

Workpapers belonging to this Category:

200005.000 CS TECHNOLOGY SUPPORT

Labor	1,708	1,925	2,188	2,575
Non-Labor	596	557	557	558
NSE	0	0	0	0
Total	2,304	2,482	2,745	3,133
FTE	21.3	23.8	27.3	31.8

Beginning of Workpaper
200005.000 - CS TECHNOLOGY SUPPORT

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: E. CS Technology Support
 Category-Sub: 1. CS Operations-Customer ServiceTechnology Support
 Workpaper: 200005.000 - CS TECHNOLOGY SUPPORT

Activity Description:

The STS-Field Systems SCG Team supports the PACER and ART applications and maintains the functionality of approximately 1,600 Mobile Data Terminals (MDTs) for clients in the Customer Service Field organization. These business clients operate as a 24/7 frontline service provider and respond to customers' request for various offered services and emergency response in case of gas related incidents.

Forecast Methodology:

Labor - 5-YR Average

Year to year o&m expenses in Customer Services Systems & Technology can vary, up or down, due to charging capital & refundable programs and changes in staff. Utilizing a 5-year average neutralizes any fluctuations in expenses that occur in an exceptional year or years.

Non-Labor - 5-YR Average

Year to year o&m expenses in Customer Services Systems & Technology can vary, up or down, due to charging capital & refundable programs and changes in staff. Utilizing a 5-year average neutralizes any fluctuations in expenses that occur in an exceptional year or years.

NSE - 5-YR Average

N/A

Summary of Results:

	In 2009\$ (000)								
	Adjusted-Recorded					Adjusted-Forecast			
	2005	2006	2007	2008	2009	2010	2011	2012	
Years									
Labor	1,431	1,759	1,767	1,706	1,708	1,925	2,188	2,575	
Non-Labor	787	297	425	607	596	557	557	558	
NSE	0	0	0	0	0	0	0	0	
Total	2,218	2,056	2,192	2,313	2,304	2,482	2,745	3,133	
FTE	19.2	23.2	22.2	21.2	21.3	23.8	27.3	31.8	

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: E. CS Technology Support
 Category-Sub: 1. CS Operations-Customer ServiceTechnology Support
 Workpaper: 200005.000 - CS TECHNOLOGY SUPPORT

Forecast Summary:

Forecast Method		In 2009 \$(000)								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		2010	2011	2012	2010	2011	2012	2010	2011	2012
Labor	5-YR Average	1,674	1,674	1,674	251	514	901	1,925	2,188	2,575
Non-Labor	5-YR Average	542	542	542	15	15	16	557	557	558
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		2,216	2,216	2,216	266	529	917	2,482	2,745	3,133
FTE	5-YR Average	21.4	21.4	21.4	2.4	5.9	10.4	23.8	27.3	31.8

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010	176	0	0	176	0.0	1-Sided Adj
Current staffing adjustment and pay equity adjustments.						
2010	0	0	0	0	1.4	1-Sided Adj
Current staffing adjustment and pay equity adjustments.						
2010	0	15	0	15	0.0	1-Sided Adj
Current non labor adjustment and MDT parts and repair.						
2010	75	0	0	75	0.0	1-Sided Adj
2 Business Systems Analysts to support OpEx implementation, eServices implementation and CRM implementation. Estimated hire date 7/1/10.						
2010	0	0	0	0	1.0	1-Sided Adj
2 Business Systems Analysts to support OpEx implementation, eServices implementation and CRM implementation. Estimated hire date 7/1/10.						
2010 Total	251	15	0	266	2.4	

2011	176	0	0	176	0.0	1-Sided Adj
Current staffing adjustment and pay equity adjustments.						
2011	0	0	0	0	1.4	1-Sided Adj
Current staffing adjustment and pay equity adjustments.						

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: E. CS Technology Support
 Category-Sub: 1. CS Operations-Customer ServiceTechnology Support
 Workpaper: 200005.000 - CS TECHNOLOGY SUPPORT

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2011	0	15	0	15	0.0	1-Sided Adj
Current non labor adjustment and MDT parts and repair.						
2011	113	0	0	113	0.0	1-Sided Adj
1.5 Business Analysts to provide support to: IST automation, AQMD Requirements/IST Systems, additional wireless MDTs, Multi gas detector stations, OpEx Supervisor enablement, and the SCG MDT refresh.						
2011	0	0	0	0	1.5	1-Sided Adj
1.5 Business Analysts to provide support to: IST automation, AQMD Requirements/IST Systems, additional wireless MDTs, Multi gas detector stations, OpEx Supervisor enablement, and the SCG MDT refresh.						
2011	225	0	0	225	0.0	1-Sided Adj
Full Year effect of 2 Business Systems Analysts added on 7/1/2010. Will support OpEx implementation & eServices implementation. 1 Business System Analyst to support new enhanced communications and notifications infrastructure and meet increased business applications support.						
2011	0	0	0	0	3.0	1-Sided Adj
Full Year effect of 2 Business Systems Analysts added on 7/1/2010. Will support OpEx implementation & eServices implementation. 1 Business System Analyst to support new enhanced communications and notifications infrastructure and meet increased business applications support.						
2011 Total	514	15	0	529	5.9	

2012	176	0	0	176	0.0	1-Sided Adj
Current staffing adjustment and pay equity adjustments.						
2012	0	0	0	0	1.4	1-Sided Adj
Current staffing adjustment and pay equity adjustments.						
2012	0	16	0	16	0.0	1-Sided Adj
Current non labor adjustment and MDT parts and repair.						
2012	40	0	0	40	0.0	1-Sided Adj

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: E. CS Technology Support
 Category-Sub: 1. CS Operations-Customer ServiceTechnology Support
 Workpaper: 200005.000 - CS TECHNOLOGY SUPPORT

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
Salary differential as a result of the promotion of 4 Business Systems Analysts to Technical Advisors. (\$10K X 4)						
2012	310	0	0	310	0.0	1-Sided Adj
Full year effect of 1.5 Business Analysts to provide support to: IST automation, AQMD Requirements/IST Systems, additional wireless MDTs, Multi gas detector stations, OpEx Supervisor enablement, and additional O&M activities from newly introduced technical capabilities resulting from the SCG MDT refresh. 1 Technical Advisor to provide support to: Forecasting and Scheduling for PACER and ART, and Multi gas detector stations.						
2012	0	0	0	0	4.0	1-Sided Adj
Full year effect of 1.5 Business Analysts to provide support to: IST automation, AQMD Requirements/IST Systems, additional wireless MDTs, Multi gas detector stations, OpEx Supervisor enablement, and additional O&M activities from newly introduced technical capabilities resulting from the SCG MDT refresh. 1 Technical Advisor to provide support to: Forecasting and Scheduling for PACER and ART, and Multi gas detector stations.						
2012	375	0	0	375	0.0	1-Sided Adj
Full year effect of 2 Business Systems Analysts added on 7/1/2010. Will support OpEx implementation, eServices implementation and CRM implementation. 1 Business Systems Analyst added in 2011 to support new enhanced communications and notifications infrastructure to assist in maintaining new technologies from planned technical upgrades and to build bench strength for these roles that combine both business and technical expertise. 2 Business Systems Analysts to assist in maintaining new technologies from planned technical upgrades and increased utilization of online services.						
2012	0	0	0	0	5.0	1-Sided Adj
Full year effect of 2 Business Systems Analysts added on 7/1/2010. Will support OpEx implementation, eServices implementation and CRM implementation. 1 Business Systems Analyst added in 2011 to support new enhanced communications and notifications infrastructure to assist in maintaining new technologies from planned technical upgrades and to build bench strength for these roles that combine both business and technical expertise. 2 Business Systems Analysts to assist in maintaining new technologies from planned technical upgrades and increased utilization of online services.						
2012 Total	901	16	0	917	10.4	

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: E. CS Technology Support
Category-Sub: 1. CS Operations-Customer ServiceTechnology Support
Workpaper: 200005.000 - CS TECHNOLOGY SUPPORT

Determination of Adjusted-Recorded:

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	1,092	1,372	1,419	1,395	1,447
Non-Labor	701	274	405	609	596
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,794	1,646	1,825	2,004	2,043
FTE	16.3	19.6	18.8	17.7	17.9
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	1,092	1,372	1,419	1,395	1,447
Non-Labor	701	274	405	609	596
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,794	1,646	1,825	2,004	2,043
FTE	16.3	19.6	18.8	17.7	17.9
Vacation & Sick (Nominal \$)					
Labor	186	245	248	269	261
Non-Labor	0	0	0	0	0
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	186	245	248	269	261
FTE	2.9	3.6	3.4	3.5	3.4
Escalation to 2009\$					
Labor	153	142	100	42	0
Non-Labor	86	23	19	-2	0
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	239	165	119	41	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	1,431	1,759	1,767	1,706	1,708
Non-Labor	787	297	425	607	596
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	2,219	2,056	2,191	2,313	2,305
FTE	19.2	23.2	22.2	21.2	21.3

* After company-wide exclusions of Non-GRC costs

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: E. CS Technology Support
 Category-Sub: 1. CS Operations-Customer ServiceTechnology Support
 Workpaper: 200005.000 - CS TECHNOLOGY SUPPORT

Summary of Adjustments to Recorded:

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

Detail of Adjustments to Recorded:

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: F. CS Operations Other
 Workpaper: 200006.000

Summary for Category: F. CS Operations Other

	In 2009\$ (000)			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	960	1,449	1,449	1,449
Non-Labor	143	186	186	186
NSE	0	0	0	0
Total	1,103	1,635	1,635	1,635
FTE	10.1	14.3	14.3	14.3

**Workpapers belonging to this Category:
 200006.000 CS OPERATIONS OTHER**

Labor	960	1,449	1,449	1,449
Non-Labor	143	186	186	186
NSE	0	0	0	0
Total	1,103	1,635	1,635	1,635
FTE	10.1	14.3	14.3	14.3

Beginning of Workpaper
200006.000 - CS OPERATIONS OTHER

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: F. CS Operations Other
 Category-Sub: 1. CS Operations - Other
 Workpaper: 200006.000 - CS OPERATIONS OTHER

Activity Description:

This workgroup encompasses activities such as Residential Services, Business Planning and Budgeting and VP groups.

Forecast Methodology:

Labor - 5-YR Average

This workgroup encompasses several different operational groups providing ongoing support such as Residential Services and Business Planning and is reflected accurately in the five year average.

Non-Labor - 5-YR Average

This workgroup encompasses several different operational groups providing ongoing support such as Residential Services and Business Planning and is reflected accurately in the five year average.

NSE - 5-YR Average

N/A

Summary of Results:

	In 2009\$ (000)							
	Adjusted-Recorded					Adjusted-Forecast		
Years	2005	2006	2007	2008	2009	2010	2011	2012
Labor	710	982	941	927	960	1,449	1,449	1,449
Non-Labor	200	186	168	68	143	186	186	186
NSE	0	0	0	0	0	0	0	0
Total	910	1,168	1,109	995	1,103	1,635	1,635	1,635
FTE	8.1	10.9	10.3	9.7	10.1	14.3	14.3	14.3

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: F. CS Operations Other
 Category-Sub: 1. CS Operations - Other
 Workpaper: 200006.000 - CS OPERATIONS OTHER

Forecast Summary:

Forecast Method		In 2009 \$(000)								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		2010	2011	2012	2010	2011	2012	2010	2011	2012
Labor	5-YR Average	904	904	904	545	545	545	1,449	1,449	1,449
Non-Labor	5-YR Average	153	153	153	33	33	33	186	186	186
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		1,057	1,057	1,057	578	578	578	1,635	1,635	1,635
FTE	5-YR Average	9.8	9.8	9.8	4.5	4.5	4.5	14.3	14.3	14.3

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010	190	0	0	190	0.0	1-Sided Adj

Adjustment to show 2009 year end O&M employee level \$48K Labor, \$5K non labor, and 0.6 FTE. Senior Industrial Engineer added to lead design, develop and implement Engineering Labor Standards (ELS) for Customer Service Field technicians. \$85K Labor, \$3K non labor and 1.0 FTE. Two interns added to assist with ELS program. \$57K Labor, \$2K non labor and 1.4 FTE.

2010	0	0	0	0	3.0	1-Sided Adj
------	---	---	---	---	-----	-------------

Adjustment to show 2009 year end O&M employee level \$48K Labor, \$5K non labor, and 0.6 FTE. Senior Industrial Engineer added to lead design, develop and implement Engineering Labor Standards (ELS) for Customer Service Field technicians. \$85K Labor, \$3K non labor and 1.0 FTE. Two interns added to assist with ELS program. \$57K Labor, \$2K non labor and 1.4 FTE.

2010	0	9	0	9	0.0	1-Sided Adj
------	---	---	---	---	-----	-------------

Adjustment to show 2009 year end O&M employee level \$48K Labor, \$5K non labor, and 0.6 FTE. Senior Industrial Engineer added to lead design, develop and implement Engineering Labor Standards (ELS) for Customer Service Field technicians. \$85K Labor, \$3K non labor and 1.0 FTE. Two interns added to assist with ELS program. \$57K Labor, \$2K non labor and 1.4 FTE.

2010	0	-29	0	-29	0.0	1-Sided Adj
------	---	-----	---	-----	-----	-------------

Reduction due to departmental re-organization.

2010	55	0	0	55	0.0	1-Sided Adj
------	----	---	---	----	-----	-------------

Full Year adjustment to reflect actual current staffing levels and rates and related expenses.

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: F. CS Operations Other
 Category-Sub: 1. CS Operations - Other
 Workpaper: 200006.000 - CS OPERATIONS OTHER

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2010	0	3	0	3	0.0	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						
2010	0	0	0	0	0.5	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						
2010	300	0	0	300	0.0	1-Sided Adj
New Customer Operations VP labor, non labor and FTE to align with current organizational structure.						
2010	0	50	0	50	0.0	1-Sided Adj
New Customer Operations VP labor, non labor and FTE to align with current organizational structure.						
2010	0	0	0	0	1.0	1-Sided Adj
New Customer Operations VP labor, non labor and FTE to align with current organizational structure.						
2010 Total	545	33	0	578	4.5	

2011	190	0	0	190	0.0	1-Sided Adj
Adjustment to show 2009 year end O&M employee level \$48K Labor, \$5K non labor, and 0.6 FTE. Senior Industrial Engineer added to lead design, develop and implement Engineering Labor Standards (ELS) for Customer Service Field technicians. \$85K Labor, \$3K non labor and 1.0 FTE. Two interns added to assist with ELS program. \$57K Labor, \$2K non labor and 1.4 FTE.						
2011	0	9	0	9	0.0	1-Sided Adj
Adjustment to show 2009 year end O&M employee level \$48K Labor, \$5K non labor, and 0.6 FTE. Senior Industrial Engineer added to lead design, develop and implement Engineering Labor Standards (ELS) for Customer Service Field technicians. \$85K Labor, \$3K non labor and 1.0 FTE. Two interns added to assist with ELS program. \$57K Labor, \$2K non labor and 1.4 FTE.						
2011	0	0	0	0	3.0	1-Sided Adj

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: F. CS Operations Other
 Category-Sub: 1. CS Operations - Other
 Workpaper: 200006.000 - CS OPERATIONS OTHER

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
-------------------	--------------	-------------	------------	--------------	------------	-----------------

Adjustment to show 2009 year end O&M employee level \$48K Labor, \$5K non labor, and 0.6 FTE. Senior Industrial Engineer added to lead design, develop and implement Engineering Labor Standards (ELS) for Customer Service Field technicians. \$85K Labor, \$3K non labor and 1.0 FTE. Two interns added to assist with ELS program. \$57K Labor, \$2K non labor and 1.4 FTE.

2011	0	-29	0	-29	0.0	1-Sided Adj
------	---	-----	---	-----	-----	-------------

Reduction due to departmental re-organization.

2011	55	0	0	55	0.0	1-Sided Adj
------	----	---	---	----	-----	-------------

Full Year adjustment to reflect actual current staffing levels and rates and related expenses.

2011	0	3	0	3	0.0	1-Sided Adj
------	---	---	---	---	-----	-------------

Full Year adjustment to reflect actual current staffing levels and rates and related expenses.

2011	0	0	0	0	0.5	1-Sided Adj
------	---	---	---	---	-----	-------------

Full Year adjustment to reflect actual current staffing levels and rates and related expenses.

2011	300	0	0	300	0.0	1-Sided Adj
------	-----	---	---	-----	-----	-------------

New Customer Operations VP labor, non labor and FTE to align with current organizational structure.

2011	0	50	0	50	0.0	1-Sided Adj
------	---	----	---	----	-----	-------------

New Customer Operations VP labor, non labor and FTE to align with current organizational structure.

2011	0	0	0	0	1.0	1-Sided Adj
------	---	---	---	---	-----	-------------

New Customer Operations VP labor, non labor and FTE to align with current organizational structure.

2011 Total	545	33	0	578	4.5	
-------------------	------------	-----------	----------	------------	------------	--

2012	190	0	0	190	0.0	1-Sided Adj
------	-----	---	---	-----	-----	-------------

Adjustment to show 2009 year end O&M employee level \$48K Labor, \$5K non labor, and 0.6 FTE. Senior Industrial Engineer added to lead design, develop and implement Engineering Labor Standards (ELS) for Customer Service Field technicians. \$85K Labor, \$3K non labor and 1.0 FTE. Two interns added to assist with ELS program. \$57K Labor, \$2K non labor and 1.4 FTE.

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: F. CS Operations Other
 Category-Sub: 1. CS Operations - Other
 Workpaper: 200006.000 - CS OPERATIONS OTHER

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

Adjustment to show 2009 year end O&M employee level \$48K Labor, \$5K non labor, and 0.6 FTE. Senior Industrial Engineer added to lead design, develop and implement Engineering Labor Standards (ELS) for Customer Service Field technicians. \$85K Labor, \$3K non labor and 1.0 FTE. Two interns added to assist with ELS program. \$57K Labor, \$2K non labor and 1.4 FTE.

2012	0	0	0	0	3.0	1-Sided Adj
------	---	---	---	---	-----	-------------

Adjustment to show 2009 year end O&M employee level \$48K Labor, \$5K non labor, and 0.6 FTE. Senior Industrial Engineer added to lead design, develop and implement Engineering Labor Standards (ELS) for Customer Service Field technicians. \$85K Labor, \$3K non labor and 1.0 FTE. Two interns added to assist with ELS program. \$57K Labor, \$2K non labor and 1.4 FTE.

2012	0	-29	0	-29	0.0	1-Sided Adj
------	---	-----	---	-----	-----	-------------

Reduction due to departmental re-organization.

2012	55	0	0	55	0.0	1-Sided Adj
------	----	---	---	----	-----	-------------

Full Year adjustment to reflect actual current staffing levels and rates and related expenses.

2012	0	3	0	3	0.0	1-Sided Adj
------	---	---	---	---	-----	-------------

Full Year adjustment to reflect actual current staffing levels and rates and related expenses.

2012	0	0	0	0	0.5	1-Sided Adj
------	---	---	---	---	-----	-------------

Full Year adjustment to reflect actual current staffing levels and rates and related expenses.

2012	300	0	0	300	0.0	1-Sided Adj
------	-----	---	---	-----	-----	-------------

New Customer Operations VP labor, non labor and FTE to align with current organizational structure.

2012	0	50	0	50	0.0	1-Sided Adj
------	---	----	---	----	-----	-------------

New Customer Operations VP labor, non labor and FTE to align with current organizational structure.

2012	0	0	0	0	1.0	1-Sided Adj
------	---	---	---	---	-----	-------------

New Customer Operations VP labor, non labor and FTE to align with current organizational structure.

2012 Total	545	33	0	578	4.5	
-------------------	------------	-----------	----------	------------	------------	--

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: F. CS Operations Other
Category-Sub: 1. CS Operations - Other
Workpaper: 200006.000 - CS OPERATIONS OTHER

Year/Expl. Labor NLbr NSE Total FTE Adj Type

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: F. CS Operations Other
Category-Sub: 1. CS Operations - Other
Workpaper: 200006.000 - CS OPERATIONS OTHER

Determination of Adjusted-Recorded:

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	938	998	835	756	813
Non-Labor	253	-76	-108	22	102
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,192	922	727	777	915
FTE	12.4	12.4	9.5	8.1	8.5
Adjustments (Nominal \$) **					
Labor	-397	-232	-79	2	0
Non-Labor	-75	248	268	46	41
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	-472	15	189	49	41
FTE	-5.5	-3.2	-0.8	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	542	766	756	758	813
Non-Labor	178	172	160	68	143
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	720	938	916	826	955
FTE	6.9	9.2	8.7	8.1	8.5
Vacation & Sick (Nominal \$)					
Labor	92	137	132	146	147
Non-Labor	0	0	0	0	0
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	92	137	132	146	147
FTE	1.2	1.7	1.6	1.6	1.6
Escalation to 2009\$					
Labor	76	80	53	23	0
Non-Labor	22	14	8	0	0
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	98	94	61	23	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	710	982	941	927	960
Non-Labor	200	186	168	68	143
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	909	1,168	1,109	995	1,102
FTE	8.1	10.9	10.3	9.7	10.1

* After company-wide exclusions of Non-GRC costs

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: F. CS Operations Other
 Category-Sub: 1. CS Operations - Other
 Workpaper: 200006.000 - CS OPERATIONS OTHER

Summary of Adjustments to Recorded:

In Nominal \$ (000)					
Year	2005	2006	2007	2008	2009
Labor	-397	-232	-79	2	0
Non-Labor	-75	248	268	46	41
NSE	0	0	0	0	0
Total	-472	15	189	49	41
FTE	-5.5	-3.2	-0.8	0.0	0.0

Detail of Adjustments to Recorded:

Year/Expl.	Labor	NLbr	NSE	FTE	Adj Type	From CCtr	RefID
2005	-35	0	0	0.0	CCTR Transf	To 2200-2201.000	KHART20090914 081212927
Residential Services Organization has been restructured. CS Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2201 CS Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2005	0	-2	0	0.0	CCTR Transf	To 2200-2201.000	KHART20090914 081253913
Residential Services Organization has been restructured. CS Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2201 CS Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2005	0	0	0	-0.4	CCTR Transf	To 2200-2201.000	KHART20090914 081329210
Residential Services Organization has been restructured. CS Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2201 CS Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2005	-24	0	0	0.0	CCTR Transf	To 2200-2111.000	KHART20090914 081524243
Residential Services Organization has been restructured. Sr. Business Analyst employee labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2111 in the Customer Service Staff org. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2005	0	-0.354	0	0.0	CCTR Transf	To 2200-2111.000	KHART20090914 081618557
Residential Services Organization has been restructured. Sr. Business Analyst employee labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2111 in the Customer Service Staff org. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: F. CS Operations Other
 Category-Sub: 1. CS Operations - Other
 Workpaper: 200006.000 - CS OPERATIONS OTHER

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From Cctr</u>	<u>RefID</u>
2005	0	0	0	-0.4	CCTR Transf	To 2200-2111.000	KHART20090914 081653680
Residential Services Organization has been restructured. Sr. Business Analyst employee labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2111 in the Customer Service Staff org. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2005	227	0	0	0.0	CCTR Transfer	From 2200-0342.000	KHART20100415 114753743
Residential Services Organization has been restructured. Channel Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into NSS cost center 2200-0413 Channel Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2005	-227	0	0	0.0	CCTR Transfer	To 2200-0413.000	KHART20100415 114753743
Residential Services Organization has been restructured. Channel Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into NSS cost center 2200-0413 Channel Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2005	0	35	0	0.0	1-Sided Adj	N/A	SDALEY2009091 4140246413
Exclusion - items being addressed in Miscellaneous Revenue testimony.							
2005	0	282	0	0.0	1-Sided Adj	N/A	SDALEY2009091 4141536710
Exclusion - items being addressed in Miscellaneous Revenue testimony.							
2005	0	-325	0	0.0	CCTR Transf	To 2200-0048.000	SDALEY2009091 4141639760
HR Claims costs							
2005	0	6	0	0.0	CCTR Transfer	From 2200-0342.000	SDALEY2010041 5115720727
Residential Services Organization has been restructured. Channel Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into NSS cost center 2200-0413 Channel Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2005	0	-6	0	0.0	CCTR Transfer	To 2200-0413.000	SDALEY2010041 5115720727
Residential Services Organization has been restructured. Channel Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into NSS cost center 2200-0413 Channel Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: F. CS Operations Other
 Category-Sub: 1. CS Operations - Other
 Workpaper: 200006.000 - CS OPERATIONS OTHER

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From Cctr</u>	<u>RefID</u>
2005	0	0	0	-2.9	CCTR Transfer	To 2200-0413.000	SDALEY2010041 5115748540
Residential Services Organization has been restructured. Channel Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into NSS cost center 2200-0413 Channel Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2005	0	0	0	2.9	CCTR Transfer	From 2200-0342.000	SDALEY2010041 5115748540
Residential Services Organization has been restructured. Channel Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into NSS cost center 2200-0413 Channel Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2005	-254	0	0	0.0	CCTR Transfer	To 2200-2050.000	SDALEY2010041 5121451697
Residential Services Organization has been restructured. Branch Office employees' labor and non-labor should be moved from NSS cost center 2200-0413 into NSS cost center 2200-2050 Branch Office Operations Manager to align with current org.							
2005	0	-65	0	0.0	CCTR Transfer	To 2200-2050.000	SDALEY2010041 5121531040
Residential Services Organization has been restructured. Branch Office employees' labor and non-labor should be moved from NSS cost center 2200-0413 into NSS cost center 2200-2050 Branch Office Operations Manager to align with current org.							
2005	0	0	0	-3.7	CCTR Transfer	To 2200-2050.000	SDALEY2010041 5121602400
Residential Services Organization has been restructured. Branch Office employees' labor and non-labor should be moved from NSS cost center 2200-0413 into NSS cost center 2200-2050 Branch Office Operations Manager to align with current org.							
2005	-38	0	0	0.0	CCTR Transfer	To 2200-2199.000	SDALEY2010041 5123122867
Residential Services Organization has been restructured. Remittance Processing Project Manager labor and non-labor should be moved from NSS cost center 2200-0413 into NSS cost center 2200-2199 Remittance Processing Support to align with current org.							
2005	0	-0.387	0	0.0	CCTR Transfer	To 2200-2199.000	SDALEY2010041 5123147947
Residential Services Organization has been restructured. Remittance Processing Project Manager labor and non-labor should be moved from NSS cost center 2200-0413 into NSS cost center 2200-2199 Remittance Processing Support to align with current org.							

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: F. CS Operations Other
 Category-Sub: 1. CS Operations - Other
 Workpaper: 200006.000 - CS OPERATIONS OTHER

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005	0	0	0	-0.5	CCTR Transfer	To 2200-2199.000	SDALEY2010041 5123219180
Residential Services Organization has been restructured. Remittance Processing Project Manager labor and non-labor should be moved from NSS cost center 2200-0413 into NSS cost center 2200-2199 Remittance Processing Support to align with current org.							
2005	-44	0	0	0.0	CCTR Transf	To 2200-2196.000	SDALEY2010042 0064814790
Residential Services organization has been restructured. Branch Office employee's labor should be moved from NSS cost center 2200-0413 to NSS cost center 2200-2196 Branch Office Regional Supervisor 2 to align with current org.							
2005	0	0	0	-0.5	CCTR Transf	To 2200-2196.000	SDALEY2010042 0073225540
Residential Services Organization has been restructured. Branch Office employees' labor and non-labor should be moved from NSS cost center 2200-0413 into NSS cost center 2200-2196 Branch Office Regional Supervisor 2 to align with current org.							
2005 Total	-397	-75	0	-5.5			

2006	-104	0	0	0.0	CCTR Transf	To 2200-2201.000	KHART20090914 082259550
Residential Services Organization has been restructured. CS Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2201 CS Strategies. 2200-0342 was a shared service prior to 2009, but no longer is considered shared.							
2006	0	-9	0	0.0	CCTR Transf	To 2200-2201.000	KHART20090914 082340487
Residential Services Organization has been restructured. CS Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2201 CS Strategies. 2200-0342 was a shared service prior to 2009, but no longer is considered shared.							
2006	0	0	0	-1.3	CCTR Transf	To 2200-2201.000	KHART20090914 082419957
Residential Services Organization has been restructured. CS Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2201 CS Strategies. 2200-0342 was a shared service prior to 2009, but no longer is considered shared.							
2006	0	247	0	0.0	1-Sided Adj	N/A	SDALEY2009091 4140416603
Exclusion - items being addressed in Miscellaneous Revenue testimony.							
2006	-18	0	0	0.0	1-Sided Adj	N/A	SDALEY2009091 4140555887
One time project labor							

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: F. CS Operations Other
 Category-Sub: 1. CS Operations - Other
 Workpaper: 200006.000 - CS OPERATIONS OTHER

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From Cctr</u>	<u>RefID</u>
2006	0	0	0	-0.2	1-Sided Adj	N/A	SDALEY2009091 4140620027
One time project labor - FTE portion							
2006	202	0	0	0.0	CCTR Transfer	From 2200-0342.000	SDALEY2010041 5115953930
Residential Services Organization has been restructured. Channel Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into NSS cost center 2200-0413 Channel Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2006	-202	0	0	0.0	CCTR Transfer	To 2200-0413.000	SDALEY2010041 5115953930
Residential Services Organization has been restructured. Channel Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into NSS cost center 2200-0413 Channel Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2006	0	11	0	0.0	CCTR Transfer	From 2200-0342.000	SDALEY2010041 5120039040
Residential Services Organization has been restructured. Channel Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into NSS cost center 2200-0413 Channel Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2006	0	-11	0	0.0	CCTR Transfer	To 2200-0413.000	SDALEY2010041 5120039040
Residential Services Organization has been restructured. Channel Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into NSS cost center 2200-0413 Channel Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2006	0	0	0	-2.5	CCTR Transfer	To 2200-0413.000	SDALEY2010041 5120106290
Residential Services Organization has been restructured. Channel Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into NSS cost center 2200-0413 Channel Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2006	0	0	0	2.5	CCTR Transfer	From 2200-0342.000	SDALEY2010041 5120106290
Residential Services Organization has been restructured. Channel Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into NSS cost center 2200-0413 Channel Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: F. CS Operations Other
 Category-Sub: 1. CS Operations - Other
 Workpaper: 200006.000 - CS OPERATIONS OTHER

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2006	-110	0	0	0.0	CCTR Transfer	To 2200-2050.000	SDALEY2010041 5121925133
Residential Services Organization has been restructured. Branch Office employees' labor and non-labor should be moved from NSS cost center 2200-0413 into NSS cost center 2200-2050 Branch Office Operations Manager to align with current org.							
2006	0	10	0	0.0	CCTR Transfer	To 2200-2050.000	SDALEY2010041 5122003180
Residential Services Organization has been restructured. Branch Office employees' labor and non-labor should be moved from NSS cost center 2200-0413 into NSS cost center 2200-2050 Branch Office Operations Manager to align with current org.							
2006	0	0	0	-1.7	CCTR Transfer	To 2200-2050.000	SDALEY2010041 5122023757
Residential Services Organization has been restructured. Branch Office employees' labor and non-labor should be moved from NSS cost center 2200-0413 into NSS cost center 2200-2050 Branch Office Operations Manager to align with current org.							
2006 Total	-232	248	0	-3.2			
2007	-81	0	0	0.0	CCTR Transf	To 2200-2201.000	KHART20090914 085904247
Residential Services Organization has been restructured. CS Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2201 CS Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2007	0	0	0	-0.8	CCTR Transf	To 2200-2201.000	KHART20090914 090004747
Residential Services Organization has been restructured. CS Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2201 CS Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2007	-139	0	0	0.0	CCTR Transfer	To 2200-0413.000	SDALEY2010041 5120647303
Residential Services Organization has been restructured. Channel Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into NSS cost center 2200-0413 Channel Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2007	139	0	0	0.0	CCTR Transfer	From 2200-0342.000	SDALEY2010041 5120647303
Residential Services Organization has been restructured. Channel Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into NSS cost center 2200-0413 Channel Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: F. CS Operations Other
 Category-Sub: 1. CS Operations - Other
 Workpaper: 200006.000 - CS OPERATIONS OTHER

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2007	0	2	0	0.0	CCTR Transfer	From 2200-0342.000	SDALEY2010041 5120722163
Residential Services Organization has been restructured. Channel Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into NSS cost center 2200-0413 Channel Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2007	0	-2	0	0.0	CCTR Transfer	To 2200-0413.000	SDALEY2010041 5120722163
Residential Services Organization has been restructured. Channel Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into NSS cost center 2200-0413 Channel Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2007	0	0	0	1.6	CCTR Transfer	From 2200-0342.000	SDALEY2010041 5120746210
Residential Services Organization has been restructured. Channel Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into NSS cost center 2200-0413 Channel Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2007	0	0	0	-1.6	CCTR Transfer	To 2200-0413.000	SDALEY2010041 5120746210
Residential Services Organization has been restructured. Channel Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into NSS cost center 2200-0413 Channel Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2007	0	-1	0	0.0	CCTR Transf	To 2200-2201.000	KHART20090914 085743073
Residential Services Organization has been restructured. CS Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2201 CS Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2007	-0.109	0	0	0.0	1-Sided Adj	N/A	SDALEY2009091 4140733373
One time project labor							
2007	0	270	0	0.0	1-Sided Adj	N/A	SDALEY2009091 4140852937
Exclusion - items being addressed in Miscellaneous Revenue testimony							
2007	2	0	0	0.0	CCTR Transfer	To 2200-2050.000	SDALEY2010041 5122214007
Residential Services Organization has been restructured. Branch Office employees' labor and non-labor should be moved from NSS cost center 2200-0413 into NSS cost center 2200-2050 Branch Office Operations Manager to align with current org.							

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: F. CS Operations Other
 Category-Sub: 1. CS Operations - Other
 Workpaper: 200006.000 - CS OPERATIONS OTHER

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2007 Total	-79	268	0	-0.8			
2008	2	0	0	0.0	CCTR Transf	To 2200-2201.000	KHART20090914 090427360
Residential Services Organization has been restructured. CS Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2201 CS Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2008	-1	0	0	0.0	CCTR Transfer	From 2200-0342.000	SDALEY2010041 5120922570
Residential Services Organization has been restructured. Channel Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into NSS cost center 2200-0413 Channel Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2008	1	0	0	0.0	CCTR Transfer	To 2200-0413.000	SDALEY2010041 5120922570
Residential Services Organization has been restructured. Channel Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into NSS cost center 2200-0413 Channel Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2008	0	46	0	0.0	1-Sided Adj	N/A	SDALEY2009091 4140957220
Exclusion - items being addressed in Miscellaneous Revenue testimony							
2008 Total	2	46	0	0.0			
2009	0	38	0	0.0	1-Sided Adj	N/A	SDALEY2010022 5121755333
Exclusion - items being addressed in miscellaneous revenue testimony. 6350710							
2009	0	-9	0	0.0	CCTR Transf	To 2200-2188.000	SDALEY2010030 2124011230
Cost center correction - Transfer nonlabor costs related to Communications and Strategy from CC 2200-0340 to CC 2200-2188.							
2009	0	12	0	0.0	1-Sided Adj	N/A	SDALEY2010022 5121714447
Exclusion - items being addressed in miscellaneous revenue testimony. 6213085							
2009 Total	0	41	0	0.0			

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H

Summary of Shared Services Workpapers:

Description	In 2009 \$ (000) "Book Expense"			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
<i>A. Customer Remittance & Bill Delivery</i>	4,318	4,016	4,016	4,016
<i>B. CS Technology Support</i>	207	267	267	267
<i>C. Business Planning & Budgets Manager</i>	65	83	83	83
<i>D. Major Markets Credit & Collections</i>	865	836	836	836
<i>E. VP Engineering & Ops Staff</i>	247	387	387	387
<i>F. Market Services</i>	253	328	377	377
<i>G. Billed-in from SDG&E</i>	721	715	706	827
<i>Total</i>	6,676	6,632	6,672	6,793

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Cost Center: VARIOUS

Summary for Category: A. Customer Remittance & Bill Delivery

	In 2009\$ (000) "Book Expense"			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	3,234	3,051	3,051	3,051
Non-Labor	1,079	961	961	961
NSE	5	4	4	4
Total	4,318	4,016	4,016	4,016
FTE	54.0	58.0	58.0	58.0

Cost Centers belonging to this Category:

2200-0355.000 REMITTANCE PROCESSING & BILL DELIVERY

Labor	2,848	2,660	2,660	2,660
Non-Labor	1,078	939	939	939
NSE	0	0	0	0
Total	3,926	3,599	3,599	3,599
FTE	48.6	52.2	52.2	52.2

2200-0355.001 POSTAGE

Labor	0	0	0	0
Non-Labor	0	0	0	0
NSE	5	4	4	4
Total	5	4	4	4
FTE	0.0	0.0	0.0	0.0

2200-2026.000 BILL PRESENTMENT & PAYMENT CHANNEL MGR

Labor	63	64	64	64
Non-Labor	0	3	3	3
NSE	0	0	0	0
Total	63	67	67	67
FTE	0.8	1.0	1.0	1.0

2200-2247.000 MANAGER OF REMITTANCE PROCESSING

Labor	323	327	327	327
Non-Labor	1	19	19	19
NSE	0	0	0	0
Total	324	346	346	346
FTE	4.6	4.8	4.8	4.8

Beginning of Workpaper
2200-0355.000 - REMITTANCE PROCESSING & BILL DELIVERY

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: A. Customer Remittance & Bill Delivery
Category-Sub: 1. Customer Remittance & Bill Delivery
Cost Center: 2200-0355.000 - REMITTANCE PROCESSING & BILL DELIVERY

Activity Description:

This cost center supports bill remittance processing.

Forecast Methodology:

Labor - 5-YR Average

To be in-line with other aggregate cost measures, we are using the "5-year average" as starting point for our GRC forecast.

While the electronic payments trending up, opposing to the mail payments trending down, the fluctuation of the business cycle should be captured within the 5-year interval.

Non-Labor - 5-YR Average

To be in-line with other aggregate cost measures, we are using the "5-year average" as starting point for our GRC forecast.

While the electronic payments trending up, opposing to the mail payments trending down, the fluctuation of the business cycle should be captured within the 5-year interval.

NSE - 5-YR Average

N/A

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Category-Sub: 1. Customer Remittance & Bill Delivery
 Cost Center: 2200-0355.000 - REMITTANCE PROCESSING & BILL DELIVERY

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		3,527	3,537	3,369	3,022	2,848	3,019	3,019	3,019
Non-Labor		900	1,042	1,105	1,126	1,078	1,048	1,048	1,048
NSE		0	0	0	0	0	0	0	0
Total		4,427	4,579	4,474	4,148	3,926	4,067	4,067	4,067
FTE		62.6	62.1	59.3	53.4	48.6	52.2	52.2	52.2
		Allocations Out							
Labor		0	0	0	0	0	359	359	359
Non-Labor		0	0	0	0	0	109	109	109
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	468	468	468
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		3,527	3,537	3,369	3,022	2,848	2,660	2,660	2,660
Non-Labor		900	1,042	1,105	1,126	1,078	939	939	939
NSE		0	0	0	0	0	0	0	0
Total		4,427	4,579	4,474	4,148	3,926	3,599	3,599	3,599
FTE		62.6	62.1	59.3	53.4	48.6	52.2	52.2	52.2
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		3,527	3,537	3,369	3,022	2,848	2,660	2,660	2,660
Non-Labor		900	1,042	1,105	1,126	1,078	939	939	939
NSE		0	0	0	0	0	0	0	0
Total		4,427	4,579	4,474	4,148	3,926	3,599	3,599	3,599
FTE		62.6	62.1	59.3	53.4	48.6	52.2	52.2	52.2

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Category-Sub: 1. Customer Remittance & Bill Delivery
 Cost Center: 2200-0355.000 - REMITTANCE PROCESSING & BILL DELIVERY

Calculation of Book Expense:

	2009 Adjusted-Recorded					2010 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	542	96	0	638	9.00	0	121	0	121	1.80
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	2,306	982	0	3,288	39.60	3,019	927	0	3,946	50.40
% Allocation										
Retained	100.00%	100.00%				88.16%	88.16%			
SEU	0.00%	0.00%				11.84%	11.84%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	2,306	982	0	3,288		2,660	818	0	3,478	
SEU	0	0	0	0		359	109	0	468	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	2,848	1,078	0	3,926	48.60	3,019	1,048	0	4,067	52.20
Total Alloc. Out	0	0	0	0		359	109	0	468	
Total Retained	2,848	1,078	0	3,926		2,660	939	0	3,599	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	2,848	1,078	0	3,926		2,660	939	0	3,599	

	2011 Adjusted-Forecast					2012 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	121	0	121	1.80	0	121	0	121	1.80
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	3,019	927	0	3,946	50.40	3,019	927	0	3,946	50.40
% Allocation										
Retained	88.16%	88.16%				88.16%	88.16%			
SEU	11.84%	11.84%				11.84%	11.84%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	2,660	818	0	3,478		2,660	818	0	3,478	
SEU	359	109	0	468		359	109	0	468	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	3,019	1,048	0	4,067	52.20	3,019	1,048	0	4,067	52.20
Total Alloc. Out	359	109	0	468		359	109	0	468	
Total Retained	2,660	939	0	3,599		2,660	939	0	3,599	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	2,660	939	0	3,599		2,660	939	0	3,599	

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: A. Customer Remittance & Bill Delivery
Category-Sub: 1. Customer Remittance & Bill Delivery
Cost Center: 2200-0355.000 - REMITTANCE PROCESSING & BILL DELIVERY

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

"Based on the total payments processed for each company, the allocation percentage is derived, and applied to the direct costs posted to this cost center. Annually, the allocation percentage is updated with data reported at year-end.

Annual updates for 2009 reflect Year-end 2008 data.

"

Cost Center Allocation Percentage for 2010

"Based on the total payments processed for each company, the allocation percentage is derived, and applied to the direct costs posted to this cost center. Annually, the allocation percentage is updated with data reported at year-end.

Annual updates for 2010 reflect Year-end 2009 data.

"

Cost Center Allocation Percentage for 2011

"Based on the total payments processed for each company, the allocation percentage is derived, and applied to the direct costs posted to this cost center. Annually, the allocation percentage is updated with data reported at year-end.

Annual updates for 2010 reflecting Year-end 2009 data is used as an estimate for 2011.

"

Cost Center Allocation Percentage for 2012

"Based on the total payments processed for each company, the allocation percentage is derived, and applied to the direct costs posted to this cost center. Annually, the allocation percentage is updated with data reported at year-end.

Annual updates for 2010 reflecting Year-end 2009 data is used as an estimate for 2012.

"

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: A. Customer Remittance & Bill Delivery
Category-Sub: 1. Customer Remittance & Bill Delivery
Cost Center: 2200-0355.000 - REMITTANCE PROCESSING & BILL DELIVERY

Forecast Summary:

		In 2009 \$(000) "Incurred Costs"								
Forecast Method		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Labor	5-YR Average	3,259	3,259	3,259	-240	-240	-240	3,019	3,019	3,019
Non-Labor	5-YR Average	1,048	1,048	1,048	0	0	0	1,048	1,048	1,048
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		4,307	4,307	4,307	-240	-240	-240	4,067	4,067	4,067
FTE	5-YR Average	57.2	57.2	57.2	-5.0	-5.0	-5.0	52.2	52.2	52.2

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010	0	-20	0	-20	0.0	SSD_Type Transf
	Directly Retained s/b \$162K, as it is Oracle software specific to SCG.					
2010	0	20	0	20	0.0	SSD_Type Transf
	Directly Retained s/b \$162K, as it is Oracle software specific to SCG.					
2010	-108	0	0	-108	0.0	SSD_Type Transf
	All labor in this cost center is subject to allocation.					
2010	108	0	0	108	0.0	SSD_Type Transf
	All labor in this cost center is subject to allocation.					
2010	0	-42	0	-42	0.0	SSD_Type Transf
	Directly Retained s/b \$120K, as it is Oracle software specific to SCG.					
2010	0	42	0	42	0.0	SSD_Type Transf
	Directly Retained s/b \$120K, as it is Oracle software specific to SCG.					
2010	-240	0	0	-240	0.0	1-Sided Adj
	Efficiency yields a reduction in workforce by 5 FTE's of level 1. \$23 X 2088 X 5 = \$240K					
2010	0	0	0	0	-5.0	1-Sided Adj
	Efficiency yields a reduction in workforce by 5 FTE's of level 1. \$23 X 2088 X 5 = \$240K					
2010	0	-65	0	-65	0.0	SSD_Type Transf
	These expenditures are SCG applicable only.					

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Category-Sub: 1. Customer Remittance & Bill Delivery
 Cost Center: 2200-0355.000 - REMITTANCE PROCESSING & BILL DELIVERY

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2010	0	65	0	65	0.0	SSD_Type Transf
These expenditures are SCG applicable only.						
2010	-344	0	0	-344	0.0	SSD_Type Transf
These expenditures are subject to allocation.						
2010	344	0	0	344	0.0	SSD_Type Transf
These expenditures are subject to allocation.						
2010	0	0	0	0	-6.2	1-Sided Adj
FTE's transferred to Subject to allocation						
2010	0	0	0	0	6.2	1-Sided Adj
Transferred from Directly retained						
2010 Total	-240	0	0	-240	-5.0	
2011	0	-20	0	-20	0.0	SSD_Type Transf
Directly Retained s/b \$162K, as it is Oracle software specific to SCG.						
2011	0	20	0	20	0.0	SSD_Type Transf
Directly Retained s/b \$162K, as it is Oracle software specific to SCG.						
2011	-108	0	0	-108	0.0	SSD_Type Transf
All labor in this cost center is subject to allocation.						
2011	108	0	0	108	0.0	SSD_Type Transf
All labor in this cost center is subject to allocation.						
2011	0	-42	0	-42	0.0	SSD_Type Transf
Directly Retained s/b \$120K, as it is Oracle software specific to SCG.						
2011	0	42	0	42	0.0	SSD_Type Transf
Directly Retained s/b \$120K, as it is Oracle software specific to SCG.						

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Category-Sub: 1. Customer Remittance & Bill Delivery
 Cost Center: 2200-0355.000 - REMITTANCE PROCESSING & BILL DELIVERY

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2011	-240	0	0	-240	0.0	1-Sided Adj
Efficiency yields a reduction in workforce by 5 FTE's of level 1. \$23 X 2088 X 5 = \$240K						
2011	0	0	0	0	-5.0	1-Sided Adj
Efficiency yields a reduction in workforce by 5 FTE's of level 1. \$23 X 2088 X 5 = \$240K						
2011	-344	0	0	-344	0.0	SSD_Type Transf
Labor subject to allocation						
2011	344	0	0	344	0.0	SSD_Type Transf
Labor subject to allocation						
2011	0	-65	0	-65	0.0	SSD_Type Transf
These expenditures are SCG applicable only.						
2011	0	65	0	65	0.0	SSD_Type Transf
These expenditures are SCG applicable only.						
2011	0	0	0	0	-6.2	1-Sided Adj
FTE's transferred to Subject to Allocation						
2011	0	0	0	0	6.2	1-Sided Adj
FTE's transferred from Directly Retained						
2011 Total	-240	0	0	-240	-5.0	
2012	0	-20	0	-20	0.0	SSD_Type Transf
Directly Retained s/b \$162K, as it is Oracle software specific to SCG.						
2012	0	20	0	20	0.0	SSD_Type Transf
Directly Retained s/b \$162K, as it is Oracle software specific to SCG.						
2012	-108	0	0	-108	0.0	SSD_Type Transf
All labor in this cost center is subject to allocation.						

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Category-Sub: 1. Customer Remittance & Bill Delivery
 Cost Center: 2200-0355.000 - REMITTANCE PROCESSING & BILL DELIVERY

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2012	108	0	0	108	0.0	SSD_Type Transf
All labor in this cost center is subject to allocation.						
2012	0	-42	0	-42	0.0	SSD_Type Transf
Directly Retained s/b \$120K, as it is Oracle software specific to SCG.						
2012	0	42	0	42	0.0	SSD_Type Transf
Directly Retained s/b \$120K, as it is Oracle software specific to SCG.						
2012	-240	0	0	-240	0.0	1-Sided Adj
Efficiency yields a reduction in workforce by 5 FTE's of level 1. \$23 X 2088 X 5 = \$240K						
2012	0	0	0	0	-5.0	1-Sided Adj
Efficiency yields a reduction in workforce by 5 FTE's of level 1. \$23 X 2088 X 5 = \$240K						
2012	-344	0	0	-344	0.0	SSD_Type Transf
Labor subject to allocation						
2012	344	0	0	344	0.0	SSD_Type Transf
Labor subject to allocation						
2012	0	-65	0	-65	0.0	SSD_Type Transf
These expenditures are SCG applicable only.						
2012	0	65	0	65	0.0	SSD_Type Transf
These expenditures are SCG applicable only.						
2012	0	0	0	0	-6.2	1-Sided Adj
FTE's transferred to Subject to allocation						
2012	0	0	0	0	6.2	1-Sided Adj
FTE's transferred from Directly Retained						
2012 Total	-240	0	0	-240	-5.0	

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Category-Sub: 1. Customer Remittance & Bill Delivery
 Cost Center: 2200-0355.000 - REMITTANCE PROCESSING & BILL DELIVERY

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	2,680	2,755	2,717	2,496	2,412
Non-Labor	801	957	1,047	1,109	1,078
NSE	0	0	0	0	0
Total	3,481	3,712	3,764	3,606	3,491
FTE	53.1	52.6	50.1	44.6	40.8
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	2,680	2,755	2,717	2,496	2,412
Non-Labor	801	957	1,047	1,109	1,078
NSE	0	0	0	0	0
Total	3,481	3,712	3,764	3,606	3,491
FTE	53.0	52.5	50.1	44.6	40.9
Vacation & Sick (Nominal \$)					
Labor	457	492	474	481	436
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	457	492	474	481	436
FTE	9.6	9.6	9.2	8.8	7.7
Escalation to 2009\$					
Labor	390	289	179	44	0
Non-Labor	99	85	59	17	0
NSE	0	0	0	0	0
Total	489	375	238	61	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	3,527	3,537	3,370	3,022	2,848
Non-Labor	900	1,042	1,106	1,126	1,078
NSE	0	0	0	0	0
Total	4,427	4,579	4,475	4,148	3,926
FTE	62.6	62.1	59.3	53.4	48.6

* After company-wide exclusions of Non-GRC costs

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Category-Sub: 1. Customer Remittance & Bill Delivery
 Cost Center: 2200-0355.000 - REMITTANCE PROCESSING & BILL DELIVERY

Summary of Adjustments to Recorded:

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

Detail of Adjustments to Recorded:

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

**Beginning of Workpaper
2200-0355.001 - POSTAGE**

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: A. Customer Remittance & Bill Delivery
Category-Sub: 1. Customer Remittance & Bill Delivery
Cost Center: 2200-0355.001 - POSTAGE

Activity Description:

Postage

Forecast Methodology:

Labor - Base YR Rec

N/A

Non-Labor - Base YR Rec

N/A

NSE - Base YR Rec

The base year recorded postage expense is an accurate representation of current postage rates.

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Category-Sub: 1. Customer Remittance & Bill Delivery
 Cost Center: 2200-0355.001 - POSTAGE

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		5	6	5	5	5	5	5	5
Total		5	6	5	5	5	5	5	5
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Allocations Out							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	1	1	1
Total		0	0	0	0	0	1	1	1
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		5	6	5	5	5	4	4	4
Total		5	6	5	5	5	4	4	4
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		5	6	5	5	5	4	4	4
Total		5	6	5	5	5	4	4	4
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Category-Sub: 1. Customer Remittance & Bill Delivery
 Cost Center: 2200-0355.001 - POSTAGE

Calculation of Book Expense:

	2009 Adjusted-Recorded					2010 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	0	0	0	0.00	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	0	0	5	5	0.00	0	0	5	5	0.00
% Allocation										
Retained	100.00%	100.00%				88.16%	88.16%			
SEU	0.00%	0.00%				11.84%	11.84%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	0	0	5	5		0	0	4	4	
SEU	0	0	0	0		0	0	1	1	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	0	0	5	5	0.00	0	0	5	5	0.00
Total Alloc. Out	0	0	0	0		0	0	1	1	
Total Retained	0	0	5	5		0	0	4	4	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	0	0	5	5		0	0	4	4	

	2011 Adjusted-Forecast					2012 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	0	0	0	0.00	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	0	0	5	5	0.00	0	0	5	5	0.00
% Allocation										
Retained	88.16%	88.16%				88.16%	88.16%			
SEU	11.84%	11.84%				11.84%	11.84%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	0	0	4	4		0	0	4	4	
SEU	0	0	1	1		0	0	1	1	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	0	0	5	5	0.00	0	0	5	5	0.00
Total Alloc. Out	0	0	1	1		0	0	1	1	
Total Retained	0	0	4	4		0	0	4	4	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	0	0	4	4		0	0	4	4	

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: A. Customer Remittance & Bill Delivery
Category-Sub: 1. Customer Remittance & Bill Delivery
Cost Center: 2200-0355.001 - POSTAGE

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

"Based on the total payments processed for each company, the allocation percentage is derived, and applied to the direct costs posted to this cost center. Annually, the allocation percentage is updated with data reported at year-end.

Annual updates for 2009 reflect Year-end 2008 data.

"

Cost Center Allocation Percentage for 2010

"Based on the total payments processed for each company, the allocation percentage is derived, and applied to the direct costs posted to this cost center. Annually, the allocation percentage is updated with data reported at year-end.

Annual updates for 2010 reflect Year-end 2009 data.

"

Cost Center Allocation Percentage for 2011

"Based on the total payments processed for each company, the allocation percentage is derived, and applied to the direct costs posted to this cost center. Annually, the allocation percentage is updated with data reported at year-end.

Annual updates for 2010 reflecting Year-end 2009 data is used as an estimate for 2011.

"

Cost Center Allocation Percentage for 2012

"Based on the total payments processed for each company, the allocation percentage is derived, and applied to the direct costs posted to this cost center. Annually, the allocation percentage is updated with data reported at year-end.

Annual updates for 2010 reflecting Year-end 2009 data is used as an estimate for 2012.

"

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Category-Sub: 1. Customer Remittance & Bill Delivery
 Cost Center: 2200-0355.001 - POSTAGE

Forecast Summary:

		In 2009 \$(000) "Incurred Costs"								
Forecast Method		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Labor	Base YR Rec	0	0	0	0	0	0	0	0	0
Non-Labor	Base YR Rec	0	0	0	0	0	0	0	0	0
NSE	Base YR Rec	5	5	5	0	0	0	5	5	5
Total		5	5	5	0	0	0	5	5	5
FTE	Base YR Rec	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Forecast Adjustment Details:

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Category-Sub: 1. Customer Remittance & Bill Delivery
 Cost Center: 2200-0355.001 - POSTAGE

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	0	0	0	0	0
Non-Labor	4	5	5	4	5
NSE	0	0	0	0	0
Total	4	5	5	4	5
FTE	0.0	0.0	0.0	0.0	0.0
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	-4	-5	-5	-4	-5
NSE	4	5	5	4	5
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	4	5	5	4	5
Total	4	5	5	4	5
FTE	0.0	0.0	0.0	0.0	0.0
Vacation & Sick (Nominal \$)					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Escalation to 2009\$					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	1	0	0	0	0
Total	1	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	5	6	5	5	5
Total	5	6	5	5	5
FTE	0.0	0.0	0.0	0.0	0.0

* After company-wide exclusions of Non-GRC costs

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Category-Sub: 1. Customer Remittance & Bill Delivery
 Cost Center: 2200-0355.001 - POSTAGE

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000) "Incurred Costs"				
	2005	2006	2007	2008	2009
Labor	0	0	0	0	0
Non-Labor	-4	-5	-5	-4	-5
NSE	4	5	5	4	5
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0

Detail of Adjustments to Recorded:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005	0	-4	0	0.0	NSE Transfer	N/A	SDALEY2010042 6094810417
Aligning history to forecasting postage with non standard escalation.							
2005	0	0	4	0.0	NSE Transfer	N/A	SDALEY2010042 6094810417
Aligning history to forecasting postage with non standard escalation.							
2005 Total	0	-4	4	0.0			
2006	0	-5	0	0.0	NSE Transfer	N/A	SDALEY2010042 6094841010
Aligning history to forecasting postage with non standard escalation.							
2006	0	0	5	0.0	NSE Transfer	N/A	SDALEY2010042 6094841010
Aligning history to forecasting postage with non standard escalation.							
2006 Total	0	-5	5	0.0			
2007	0	-5	0	0.0	NSE Transfer	N/A	SDALEY2010042 6094902447
Aligning history to forecasting postage with non standard escalation.							
2007	0	0	5	0.0	NSE Transfer	N/A	SDALEY2010042 6094902447
Aligning history to forecasting postage with non standard escalation.							
2007 Total	0	-5	5	0.0			

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Category-Sub: 1. Customer Remittance & Bill Delivery
 Cost Center: 2200-0355.001 - POSTAGE

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2008	0	-4	0	0.0	NSE Transfer	N/A	SDALEY2010042 6094951230
Aligning history to forecasting postage with non standard escalation.							
2008	0	0	4	0.0	NSE Transfer	N/A	SDALEY2010042 6094951230
Aligning history to forecasting postage with non standard escalation.							
2008 Total	0	-4	4	0.0			

2009	0	-5	0	0.0	NSE Transfer	N/A	SDALEY2010042 6095005150
Aligning history to forecasting postage with non standard escalation.							
2009	0	0	5	0.0	NSE Transfer	N/A	SDALEY2010042 6095005150
Aligning history to forecasting postage with non standard escalation.							
2009 Total	0	-5	5	0.0			

Beginning of Workpaper
2200-2026.000 - BILL PRESENTMENT & PAYMENT CHANNEL MGR

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: A. Customer Remittance & Bill Delivery
Category-Sub: 1. Customer Remittance & Bill Delivery
Cost Center: 2200-2026.000 - BILL PRESENTMENT & PAYMENT CHANNEL MGR

Activity Description:

This cost center is used to track labor and non labor expenditures associated with researching, advisory, and strategic planning services provided to both SCG and SDG&E by the Bill Presentment and Payment Channel Manager.

Forecast Methodology:

Labor - 5-YR Average

The 5 year average methodology is appropriate in this cost center, as it is a support function largely unchanged in staff over the past five years.

Non-Labor - 5-YR Average

The 5 year average methodology is appropriate in this cost center, as it is a support function largely unchanged in staff over the past five years.

NSE - 5-YR Average

The 5 year average methodology is appropriate in this cost center, as it is a support function largely unchanged in staff over the past five years.

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Category-Sub: 1. Customer Remittance & Bill Delivery
 Cost Center: 2200-2026.000 - BILL PRESENTMENT & PAYMENT CHANNEL MGR

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		45	98	101	97	91	96	96	96
Non-Labor		7	8	5	0	0	4	4	4
NSE		0	0	0	0	0	0	0	0
Total		52	106	106	97	91	100	100	100
FTE		0.5	1.1	1.1	1.0	0.8	1.0	1.0	1.0
		Allocations Out							
Labor		0	49	40	29	28	32	32	32
Non-Labor		0	4	2	0	0	1	1	1
NSE		0	0	0	0	0	0	0	0
Total		0	53	42	29	28	33	33	33
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		45	49	61	68	63	64	64	64
Non-Labor		7	4	3	0	0	3	3	3
NSE		0	0	0	0	0	0	0	0
Total		52	53	64	68	63	67	67	67
FTE		0.5	1.1	1.1	1.0	0.8	1.0	1.0	1.0
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		45	49	61	68	63	64	64	64
Non-Labor		7	4	3	0	0	3	3	3
NSE		0	0	0	0	0	0	0	0
Total		52	53	64	68	63	67	67	67
FTE		0.5	1.1	1.1	1.0	0.8	1.0	1.0	1.0

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Category-Sub: 1. Customer Remittance & Bill Delivery
 Cost Center: 2200-2026.000 - BILL PRESENTMENT & PAYMENT CHANNEL MGR

Calculation of Book Expense:

	2009 Adjusted-Recorded					2010 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	0	0	0	0.00	0	0	0	0	0.00
Directly Allocated	2	0	0	2	0.00	0	0	0	0	0.00
Subj. To % Alloc.	89	0	0	89	0.80	96	4	0	100	1.00
% Allocation										
Retained	70.70%	70.68%				65.73%	65.73%			
SEU	29.30%	29.32%				34.27%	34.27%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	63	0	0	63		64	3	0	67	
SEU	26	0	0	26		32	1	0	33	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	91	0	0	91	0.80	96	4	0	100	1.00
Total Alloc. Out	28	0	0	28		32	1	0	33	
Total Retained	63	0	0	63		64	3	0	67	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	63	0	0	63		64	3	0	67	

	2011 Adjusted-Forecast					2012 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	0	0	0	0.00	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	96	4	0	100	1.00	96	4	0	100	1.00
% Allocation										
Retained	65.73%	65.73%				65.73%	65.73%			
SEU	34.27%	34.27%				34.27%	34.27%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	64	3	0	67		64	3	0	67	
SEU	32	1	0	33		32	1	0	33	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	96	4	0	100	1.00	96	4	0	100	1.00
Total Alloc. Out	32	1	0	33		32	1	0	33	
Total Retained	64	3	0	67		64	3	0	67	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	64	3	0	67		64	3	0	67	

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: A. Customer Remittance & Bill Delivery
Category-Sub: 1. Customer Remittance & Bill Delivery
Cost Center: 2200-2026.000 - BILL PRESENTMENT & PAYMENT CHANNEL MGR

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

"This cost center is used to track expenditures, Labor and Non-Labor, associated with researching, advisory, and strategic planning services provided to both SCG and SDG&E by the Bill Presentment and Payment Channel Manager.

Posting to this cost center includes the Bill Presentment and Payment Channel Manager, whose services entail activities related to Bill Presentment and Payment Channel.

Based on the volumes of items distributed and dollars processed reported as of Year-end 2008, the percentage shares between SDGE and SCG are as follows:

- Items Distributed SDGE 18.06% and SCG 81.94%
- Dollars Processed SDGE 40.55% and SCG 59.45%

The services provided by the Bill Presentment and Payment Channel Manager are equally shared among the Operational Units, including Data Distribution and Remittance Processing.

An attachment is included, detailing the Proportional Percentage Shared among Operational Units between two companies. The calculations will be updated promptly according to changes in staffing and services."

Cost Center Allocation Percentage for 2010

"This cost center is used to track expenditures, Labor and Non-Labor, associated with researching, advisory, and strategic planning services provided to both SCG and SDG&E by the Bill Presentment and Payment Channel Manager.

Posting to this cost center includes the Bill Presentment and Payment Channel Manager, whose services entail activities related to Bill Presentment and Payment Channel.

Based on the volumes of items distributed and dollars processed reported as of Year-end 2008, the percentage shares between SDGE and SCG are as follows:

- Items Distributed SDGE 18.06% and SCG 81.94%
- Dollars Processed SDGE 40.55% and SCG 59.45%

The services provided by the Bill Presentment and Payment Channel Manager are equally shared among the Operational Units, including Data Distribution and Remittance Processing.

An attachment is included, detailing the Proportional Percentage Shared among Operational Units between two companies. The calculations will be updated promptly according to changes in staffing and services." "

Cost Center Allocation Percentage for 2011

"This cost center is used to track expenditures, Labor and Non-Labor, associated with researching, advisory, and strategic planning services provided to both SCG and SDG&E by the Bill Presentment and Payment Channel Manager.

Posting to this cost center includes the Bill Presentment and Payment Channel Manager, whose services entail activities related to Bill Presentment and Payment Channel.

Based on the volumes of items distributed and dollars processed reported as of Year-end 2008, the percentage shares between SDGE and SCG are as follows:

- Items Distributed SDGE 18.06% and SCG 81.94%
- Dollars Processed SDGE 40.55% and SCG 59.45%

The services provided by the Bill Presentment and Payment Channel Manager are equally shared among the Operational Units, including Data Distribution and Remittance Processing.

An attachment is included, detailing the Proportional Percentage Shared among Operational Units between two companies. The calculations will be updated promptly according to changes in staffing and services."

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: A. Customer Remittance & Bill Delivery
Category-Sub: 1. Customer Remittance & Bill Delivery
Cost Center: 2200-2026.000 - BILL PRESENTMENT & PAYMENT CHANNEL MGR

Cost Center Allocation Percentage for 2012

"This cost center is used to track expenditures, Labor and Non-Labor, associated with researching, advisory, and strategic planning services provided to both SCG and SDG&E by the Bill Presentment and Payment Channel Manager.

Posting to this cost center includes the Bill Presentment and Payment Channel Manager, whose services entail activities related to Bill Presentment and Payment Channel.

Based on the volumes of items distributed and dollars processed reported as of Year-end 2008, the percentage shares between SDGE and SCG are as follows:

- Items Distributed SDGE 18.06% and SCG 81.94%
- Dollars Processed SDGE 40.55% and SCG 59.45%

The services provided by the Bill Presentment and Payment Channel Manager are equally shared among the Operational Units, including Data Distribution and Remittance Processing.

An attachment is included, detailing the Proportional Percentage Shared among Operational Units between two companies. The calculations will be updated promptly according to changes in staffing and services."

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Category-Sub: 1. Customer Remittance & Bill Delivery
 Cost Center: 2200-2026.000 - BILL PRESENTMENT & PAYMENT CHANNEL MGR

Forecast Summary:

		In 2009 \$(000) "Incurred Costs"								
Forecast Method		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Labor	5-YR Average	86	86	86	10	10	10	96	96	96
Non-Labor	5-YR Average	4	4	4	0	0	0	4	4	4
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		90	90	90	10	10	10	100	100	100
FTE	5-YR Average	0.9	0.9	0.9	0.1	0.1	0.1	1.0	1.0	1.0

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010	10	0	0	10	0.0	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						
2010	0	0	0	0	0.1	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						
2010 Total	10	0	0	10	0.1	

2011	10	0	0	10	0.0	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						
2011	0	0	0	0	0.1	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						
2011 Total	10	0	0	10	0.1	

2012	10	0	0	10	0.0	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						
2012	0	0	0	0	0.1	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: A. Customer Remittance & Bill Delivery
Category-Sub: 1. Customer Remittance & Bill Delivery
Cost Center: 2200-2026.000 - BILL PRESENTMENT & PAYMENT CHANNEL MGR

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2012 Total	10	0	0	10	0.1	

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: A. Customer Remittance & Bill Delivery
Category-Sub: 1. Customer Remittance & Bill Delivery
Cost Center: 2200-2026.000 - BILL PRESENTMENT & PAYMENT CHANNEL MGR

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	34	77	81	81	77
Non-Labor	6	7	5	0	0
NSE	0	0	0	0	0
Total	40	84	86	81	77
FTE	0.4	0.9	0.9	0.8	0.8
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	34	77	81	81	77
Non-Labor	6	7	5	0	0
NSE	0	0	0	0	0
Total	40	84	86	81	77
FTE	0.4	0.9	0.9	0.8	0.7
Vacation & Sick (Nominal \$)					
Labor	6	14	14	16	14
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	6	14	14	16	14
FTE	0.1	0.2	0.2	0.2	0.1
Escalation to 2009\$					
Labor	5	8	5	1	0
Non-Labor	1	1	0	0	0
NSE	0	0	0	0	0
Total	6	9	6	1	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	45	98	101	97	91
Non-Labor	7	8	5	0	0
NSE	0	0	0	0	0
Total	52	106	105	97	91
FTE	0.5	1.1	1.1	1.0	0.8

* After company-wide exclusions of Non-GRC costs

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Category-Sub: 1. Customer Remittance & Bill Delivery
 Cost Center: 2200-2026.000 - BILL PRESENTMENT & PAYMENT CHANNEL MGR

Summary of Adjustments to Recorded:

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

Detail of Adjustments to Recorded:

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

Beginning of Workpaper
2200-2247.000 - MANAGER OF REMITTANCE PROCESSING

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: A. Customer Remittance & Bill Delivery
Category-Sub: 1. Customer Remittance & Bill Delivery
Cost Center: 2200-2247.000 - MANAGER OF REMITTANCE PROCESSING

Activity Description:

This cost center is used to track labor and non labor expenditures associated with researching, advisory, and strategic planning services provided to both SCG and SDG&E by the Manager of Remittance Processing and Supporting staff.

Forecast Methodology:

Labor - 5-YR Average

To be in-line with other aggregate cost measures, we are using the "5-year average" as starting point for our GRC forecast.

While the electronic payments trending up, opposing to the mail payments trending down, the fluctuation of the business cycle should be captured within the 5-year interval.

Non-Labor - 5-YR Average

To be in-line with other aggregate cost measures, we are using the "5-year average" as starting point for our GRC forecast.

While the electronic payments trending up, opposing to the mail payments trending down, the fluctuation of the business cycle should be captured within the 5-year interval.

NSE - 5-YR Average

N/A

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: A. Customer Remittance & Bill Delivery
Category-Sub: 1. Customer Remittance & Bill Delivery
Cost Center: 2200-2247.000 - MANAGER OF REMITTANCE PROCESSING

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		0	0	342	365	406	425	425	425
Non-Labor		0	0	55	13	1	25	25	25
NSE		0	0	0	0	0	0	0	0
Total		0	0	397	378	407	450	450	450
FTE		0.0	0.0	3.8	4.1	4.6	4.8	4.8	4.8
		Allocations Out							
Labor		0	0	61	67	83	98	98	98
Non-Labor		0	0	11	3	0	6	6	6
NSE		0	0	0	0	0	0	0	0
Total		0	0	72	70	83	104	104	104
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		0	0	281	298	323	327	327	327
Non-Labor		0	0	44	10	1	19	19	19
NSE		0	0	0	0	0	0	0	0
Total		0	0	325	308	324	346	346	346
FTE		0.0	0.0	3.8	4.1	4.6	4.8	4.8	4.8
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		0	0	281	298	323	327	327	327
Non-Labor		0	0	44	10	1	19	19	19
NSE		0	0	0	0	0	0	0	0
Total		0	0	325	308	324	346	346	346
FTE		0.0	0.0	3.8	4.1	4.6	4.8	4.8	4.8

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Category-Sub: 1. Customer Remittance & Bill Delivery
 Cost Center: 2200-2247.000 - MANAGER OF REMITTANCE PROCESSING

Calculation of Book Expense:

	2009 Adjusted-Recorded					2010 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	41	0	0	41	0.40	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	365	1	0	366	4.20	425	25	0	450	4.80
% Allocation										
Retained	77.30%	77.29%				77.07%	77.07%			
SEU	22.70%	22.71%				22.93%	22.93%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	282	1	0	283		327	19	0	346	
SEU	83	0	0	83		98	6	0	104	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	406	1	0	407	4.60	425	25	0	450	4.80
Total Alloc. Out	83	0	0	83		98	6	0	104	
Total Retained	323	1	0	324		327	19	0	346	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	323	1	0	324		327	19	0	346	

	2011 Adjusted-Forecast					2012 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	0	0	0	0.00	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	425	25	0	450	4.80	425	25	0	450	4.80
% Allocation										
Retained	77.07%	77.07%				77.07%	77.07%			
SEU	22.93%	22.93%				22.93%	22.93%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	327	19	0	346		327	19	0	346	
SEU	98	6	0	104		98	6	0	104	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	425	25	0	450	4.80	425	25	0	450	4.80
Total Alloc. Out	98	6	0	104		98	6	0	104	
Total Retained	327	19	0	346		327	19	0	346	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	327	19	0	346		327	19	0	346	

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: A. Customer Remittance & Bill Delivery
Category-Sub: 1. Customer Remittance & Bill Delivery
Cost Center: 2200-2247.000 - MANAGER OF REMITTANCE PROCESSING

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

"

?This cost center is used to track expenditures, Labor and Non-Labor, associated with managerial, advisory, and strategic planning services provided to both SCG and SDG&E by the Manager of Remittance Processing and Supporting Staff.

?Posting to this cost center will include the Manager of Remittance Processing, the Project Manager, the Business Advisor, the Business Systems Analyst, and the Administrative Assistant, whose services encompass Customer Data Distribution, Customer Remittance Processing, and the Branch Offices, including Authorized Payment Locations.

?Based on volumes reported as of Year-End 2008, the percentage shares between SDGE and SCG are as follows:

- Data Distribution SDGE 27.94% and SCG 72.06%
- Remittance Processing SDGE 21.75% and SCG 78.25%
- Branch Offices, including Authorized Payment Locations SDGE 14.16% and SCG 85.84%

?The services provided by the Manager of Remittance Processing and Supporting Staff are shared among the Operational Units, as follows:

- The services provided by the Manager of Remittance Processing, the Business Advisor, and the Business Systems Analyst are shared equally among the Operational Units, including Data Distribution, Remittance Processing, Branch Offices, and Authorized Payment Locations.
- The services provided by the Project Manager are shared between Data Distribution with 80% and Remittance Processing with 20%.
- The services provided by the Administrative Assistant are shared between Data Distribution with 20% and Remittance Processing with 80%.

?An attachment is included, detailing the Proportional Percentage Shared among Operational Units between two companies.

The calculations will be updated promptly according to changes in staffing and services.

"

Cost Center Allocation Percentage for 2010

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: A. Customer Remittance & Bill Delivery
Category-Sub: 1. Customer Remittance & Bill Delivery
Cost Center: 2200-2247.000 - MANAGER OF REMITTANCE PROCESSING

"
?This cost center is used to track expenditures, Labor and Non-Labor, associated with managerial, advisory, and strategic planning services provided to both SCG and SDG&E by the Manager of Remittance Processing and Supporting Staff.

?Posting to this cost center will include the Manager of Remittance Processing, the Project Manager, the Business Advisor, the Business Systems Analyst, and the Administrative Assistant, whose services encompass Customer Data Distribution, Customer Remittance Processing, and the Branch Offices, including Authorized Payment Locations.

?Based on volumes reported as of Year-End 2008, the percentage shares between SDGE and SCG are as follows:

- Data Distribution SDGE 27.94% and SCG 72.06%
- Remittance Processing SDGE 21.75% and SCG 78.25%
- Branch Offices, including Authorized Payment Locations SDGE 14.16% and SCG 85.84%

?The services provided by the Manager of Remittance Processing and Supporting Staff are shared among the Operational Units, as follows:

- The services provided by the Manager of Remittance Processing, the Business Advisor, and the Business Systems Analyst are shared equally among the Operational Units, including Data Distribution, Remittance Processing, Branch Offices, and Authorized Payment Locations.
- The services provided by the Project Manager are shared between Data Distribution with 80% and Remittance Processing with 20%.
- The services provided by the Administrative Assistant are shared between Data Distribution with 20% and Remittance Processing with 80%.

?An attachment is included, detailing the Proportional Percentage Shared among Operational Units between two companies.

The calculations will be updated promptly according to changes in staffing and services.

Cost Center Allocation Percentage for 2011

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: A. Customer Remittance & Bill Delivery
Category-Sub: 1. Customer Remittance & Bill Delivery
Cost Center: 2200-2247.000 - MANAGER OF REMITTANCE PROCESSING

"
?This cost center is used to track expenditures, Labor and Non-Labor, associated with managerial, advisory, and strategic planning services provided to both SCG and SDG&E by the Manager of Remittance Processing and Supporting Staff.

?Posting to this cost center will include the Manager of Remittance Processing, the Project Manager, the Business Advisor, the Business Systems Analyst, and the Administrative Assistant, whose services encompass Customer Data Distribution, Customer Remittance Processing, and the Branch Offices, including Authorized Payment Locations.

?Based on volumes reported as of Year-End 2008, the percentage shares between SDGE and SCG are as follows:

- Data Distribution SDGE 27.94% and SCG 72.06%
- Remittance Processing SDGE 21.75% and SCG 78.25%
- Branch Offices, including Authorized Payment Locations SDGE 14.16% and SCG 85.84%

?The services provided by the Manager of Remittance Processing and Supporting Staff are shared among the Operational Units, as follows:

- The services provided by the Manager of Remittance Processing, the Business Advisor, and the Business Systems Analyst are shared equally among the Operational Units, including Data Distribution, Remittance Processing, Branch Offices, and Authorized Payment Locations.
- The services provided by the Project Manager are shared between Data Distribution with 80% and Remittance Processing with 20%.
- The services provided by the Administrative Assistant are shared between Data Distribution with 20% and Remittance Processing with 80%.

?An attachment is included, detailing the Proportional Percentage Shared among Operational Units between two companies.

The calculations will be updated promptly according to changes in staffing and services.

Cost Center Allocation Percentage for 2012

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: A. Customer Remittance & Bill Delivery
Category-Sub: 1. Customer Remittance & Bill Delivery
Cost Center: 2200-2247.000 - MANAGER OF REMITTANCE PROCESSING

"
?This cost center is used to track expenditures, Labor and Non-Labor, associated with managerial, advisory, and strategic planning services provided to both SCG and SDG&E by the Manager of Remittance Processing and Supporting Staff.

?Posting to this cost center will include the Manager of Remittance Processing, the Project Manager, the Business Advisor, the Business Systems Analyst, and the Administrative Assistant, whose services encompass Customer Data Distribution, Customer Remittance Processing, and the Branch Offices, including Authorized Payment Locations.

?Based on volumes reported as of Year-End 2008, the percentage shares between SDGE and SCG are as follows:

- Data Distribution SDGE 27.94% and SCG 72.06%
- Remittance Processing SDGE 21.75% and SCG 78.25%
- Branch Offices, including Authorized Payment Locations SDGE 14.16% and SCG 85.84%

?The services provided by the Manager of Remittance Processing and Supporting Staff are shared among the Operational Units, as follows:

- The services provided by the Manager of Remittance Processing, the Business Advisor, and the Business Systems Analyst are shared equally among the Operational Units, including Data Distribution, Remittance Processing, Branch Offices, and Authorized Payment Locations.
- The services provided by the Project Manager are shared between Data Distribution with 80% and Remittance Processing with 20%.
- The services provided by the Administrative Assistant are shared between Data Distribution with 20% and Remittance Processing with 80%.

?An attachment is included, detailing the Proportional Percentage Shared among Operational Units between two companies.

The calculations will be updated promptly according to changes in staffing and services.

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Category-Sub: 1. Customer Remittance & Bill Delivery
 Cost Center: 2200-2247.000 - MANAGER OF REMITTANCE PROCESSING

Forecast Summary:

		In 2009 \$(000) "Incurred Costs"								
Forecast Method		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Labor	5-YR Average	222	222	222	203	203	203	425	425	425
Non-Labor	5-YR Average	13	13	13	12	12	12	25	25	25
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		235	235	235	215	215	215	450	450	450
FTE	5-YR Average	2.5	2.5	2.5	2.3	2.3	2.3	4.8	4.8	4.8

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010	-8	0	0	-8	0.0	SSD_Type Transf
	All labor subject to allocation.					
2010	8	0	0	8	0.0	SSD_Type Transf
	All labor subject to allocation.					
2010	203	0	0	203	0.0	1-Sided Adj
	Adjustment to current staffing level.					
2010	0	12	0	12	0.0	1-Sided Adj
	Adjustment to current staffing level.					
2010	0	0	0	0	2.3	1-Sided Adj
	Adjustment to current staffing level.					
2010	-16	0	0	-16	0.0	SSD_Type Transf
	All labor subject to allocation					
2010	16	0	0	16	0.0	SSD_Type Transf
	All labor subject to allocation					
2010	0	0	0	0	-0.2	1-Sided Adj
	FTE transferred to subject to allocation					
2010	0	0	0	0	0.2	1-Sided Adj
	FTE transferred from Directly Retained					

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Category-Sub: 1. Customer Remittance & Bill Delivery
 Cost Center: 2200-2247.000 - MANAGER OF REMITTANCE PROCESSING

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2010 Total	203	12	0	215	2.3	
2011	-8	0	0	-8	0.0	SSD_Type Transf
	All labor subject to allocation.					
2011	8	0	0	8	0.0	SSD_Type Transf
	All labor subject to allocation.					
2011	203	0	0	203	0.0	1-Sided Adj
	Adjustment to current staffing level.					
2011	0	12	0	12	0.0	1-Sided Adj
	Adjustment to current staffing level.					
2011	0	0	0	0	2.3	1-Sided Adj
	Adjustment to current staffing level.					
2011	-16	0	0	-16	0.0	SSD_Type Transf
	All labor subject to allocation					
2011	16	0	0	16	0.0	SSD_Type Transf
	All labor subject to allocation					
2011	0	0	0	0	-0.2	1-Sided Adj
	FTE transferred to Subject to Allocation					
2011	0	0	0	0	0.2	1-Sided Adj
	FTE transferred from Directly Retained					
2011 Total	203	12	0	215	2.3	
2012	-8	0	0	-8	0.0	SSD_Type Transf
	All labor subject to allocation.					

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Category-Sub: 1. Customer Remittance & Bill Delivery
 Cost Center: 2200-2247.000 - MANAGER OF REMITTANCE PROCESSING

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2012	8	0	0	8	0.0	SSD_Type Transf
All labor subject to allocation.						
2012	203	0	0	203	0.0	1-Sided Adj
Adjustment to current staffing level.						
2012	0	12	0	12	0.0	1-Sided Adj
Adjustment to current staffing level.						
2012	0	0	0	0	2.3	1-Sided Adj
Adjustment to current staffing level.						
2012	-16	0	0	-16	0.0	SSD_Type Transf
All labor subject to allocation						
2012	16	0	0	16	0.0	SSD_Type Transf
All labor subject to allocation						
2012	0	0	0	0	-0.2	1-Sided Adj
FTE transferred to Subject to Allocation						
2012	0	0	0	0	0.2	1-Sided Adj
FTE transferred from Directly Retained						
2012 Total	203	12	0	215	2.3	

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Category-Sub: 1. Customer Remittance & Bill Delivery
 Cost Center: 2200-2247.000 - MANAGER OF REMITTANCE PROCESSING

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	0	0	275	301	344
Non-Labor	0	0	52	13	1
NSE	0	0	0	0	0
Total	0	0	327	314	346
FTE	0.0	0.0	3.2	3.4	3.9
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	0	0	275	301	344
Non-Labor	0	0	52	13	1
NSE	0	0	0	0	0
Total	0	0	327	314	346
FTE	0.0	0.0	3.2	3.4	3.8
Vacation & Sick (Nominal \$)					
Labor	0	0	48	58	62
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	48	58	62
FTE	0.0	0.0	0.6	0.7	0.8
Escalation to 2009\$					
Labor	0	0	18	5	0
Non-Labor	0	0	3	0	0
NSE	0	0	0	0	0
Total	0	0	21	6	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	0	0	341	364	407
Non-Labor	0	0	55	13	1
NSE	0	0	0	0	0
Total	0	0	396	377	408
FTE	0.0	0.0	3.8	4.1	4.6

* After company-wide exclusions of Non-GRC costs

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: A. Customer Remittance & Bill Delivery
 Category-Sub: 1. Customer Remittance & Bill Delivery
 Cost Center: 2200-2247.000 - MANAGER OF REMITTANCE PROCESSING

Summary of Adjustments to Recorded:

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

Detail of Adjustments to Recorded:

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: B. CS Technology Support
 Cost Center: 2200-2111.000

Summary for Category: B. CS Technology Support

	In 2009\$ (000) "Book Expense"			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	193	250	250	250
Non-Labor	14	17	17	17
NSE	0	0	0	0
Total	207	267	267	267
FTE	2.5	3.6	3.6	3.6

Cost Centers belonging to this Category:

2200-2111.000 CS FIELD SYSTEMS MANAGER

Labor	193	250	250	250
Non-Labor	14	17	17	17
NSE	0	0	0	0
Total	207	267	267	267
FTE	2.5	3.6	3.6	3.6

Beginning of Workpaper
2200-2111.000 - CS FIELD SYSTEMS MANAGER

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: B. CS Technology Support
Category-Sub: 1. CS Technology Support
Cost Center: 2200-2111.000 - CS FIELD SYSTEMS MANAGER

Activity Description:

The Field Systems & Projects Manager provides oversight and management support for the Field Systems cost centers at SDG&E & SoCalGas. The Administrative Assistant provides staff support services to both utilities.

Forecast Methodology:

Labor - 5-YR Average

Year to year o&m expenses in Customer Services Systems & Technology can vary, up or down, due to charging capital & refundable programs and changes in staff. Utilizing a 5-year average neutralizes any fluctuations in expenses that occur in an exceptional year or years.

Non-Labor - 5-YR Average

Year to year o&m expenses in Customer Services Systems & Technology can vary, up or down, due to charging capital & refundable programs and changes in staff. Utilizing a 5-year average neutralizes any fluctuations in expenses that occur in an exceptional year or years.

NSE - 5-YR Average

N/A

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: B. CS Technology Support
Category-Sub: 1. CS Technology Support
Cost Center: 2200-2111.000 - CS FIELD SYSTEMS MANAGER

Summary of Results:

Years	In 2009\$ (000)							
	Adjusted-Recorded					Adjusted-Forecast		
	2005	2006	2007	2008	2009	2010	2011	2012
	Total Incurred (100% Level)							
Labor	59	67	188	184	226	327	327	327
Non-Labor	7	16	19	22	17	23	23	23
NSE	0	0	0	0	0	0	0	0
Total	66	83	207	206	243	350	350	350
FTE	0.7	0.6	2.1	2.0	2.5	3.6	3.6	3.6
	Allocations Out							
Labor	0	21	34	32	33	77	77	77
Non-Labor	0	5	3	3	3	6	6	6
NSE	0	0	0	0	0	0	0	0
Total	0	26	37	35	36	83	83	83
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Retained							
Labor	59	46	154	152	193	250	250	250
Non-Labor	7	11	16	19	14	17	17	17
NSE	0	0	0	0	0	0	0	0
Total	66	57	170	171	207	267	267	267
FTE	0.7	0.6	2.1	2.0	2.5	3.6	3.6	3.6
	Allocations In							
Labor	0	0	0	0	0	0	0	0
Non-Labor	0	0	0	0	0	0	0	0
NSE	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Book Expense							
Labor	59	46	154	152	193	250	250	250
Non-Labor	7	11	16	19	14	17	17	17
NSE	0	0	0	0	0	0	0	0
Total	66	57	170	171	207	267	267	267
FTE	0.7	0.6	2.1	2.0	2.5	3.6	3.6	3.6

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: B. CS Technology Support
 Category-Sub: 1. CS Technology Support
 Cost Center: 2200-2111.000 - CS FIELD SYSTEMS MANAGER

Calculation of Book Expense:

	2009 Adjusted-Recorded					2010 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	17	0	0	17	0.10	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	209	17	0	226	2.40	327	23	0	350	3.60
% Allocation										
Retained	84.03%	84.03%				76.62%	76.62%			
SEU	15.97%	15.97%				23.38%	23.38%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	176	14	0	190		250	17	0	267	
SEU	33	3	0	36		77	6	0	83	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	226	17	0	243	2.50	327	23	0	350	3.60
Total Alloc. Out	33	3	0	36		77	6	0	83	
Total Retained	193	14	0	207		250	17	0	267	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	193	14	0	207		250	17	0	267	

	2011 Adjusted-Forecast					2012 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	0	0	0	0.00	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	327	23	0	350	3.60	327	23	0	350	3.60
% Allocation										
Retained	76.62%	76.62%				76.62%	76.62%			
SEU	23.38%	23.38%				23.38%	23.38%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	250	17	0	267		250	17	0	267	
SEU	77	6	0	83		77	6	0	83	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	327	23	0	350	3.60	327	23	0	350	3.60
Total Alloc. Out	77	6	0	83		77	6	0	83	
Total Retained	250	17	0	267		250	17	0	267	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	250	17	0	267		250	17	0	267	

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: B. CS Technology Support
Category-Sub: 1. CS Technology Support
Cost Center: 2200-2111.000 - CS FIELD SYSTEMS MANAGER

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

The allocation is based on budgeted 2009 FTEs supported by the Field Systems Manager and his Administrative Assistant. The Field Systems Manager oversees and manages Customer Services Field Systems activities at both utilities. The manager has direct responsibilities for the following cost centers: SDG&E 2100-3584, 2100-3732 SCG 2200-0343, 2200-2255. The Field Systems Manager and Administrative Assistant's resources are allocated based on the overall headcount of the Field Systems organization.

Cost Center Allocation Percentage for 2010

The allocation is based on budgeted 2009 FTEs supported by the Field Systems Manager and his Administrative Assistant. The Field Systems Manager oversees and manages Customer Services Field Systems activities at both utilities. The manager has direct responsibilities for the following cost centers: SDG&E 2100-3584, 2100-3732 SCG 2200-0343, 2200-2255. The Field Systems Manager and Administrative Assistant's resources are allocated based on the overall headcount of the Field Systems organization.

Cost Center Allocation Percentage for 2011

The allocation is based on budgeted 2009 FTEs supported by the Field Systems Manager and his Administrative Assistant. The Field Systems Manager oversees and manages Customer Services Field Systems activities at both utilities. The manager has direct responsibilities for the following cost centers: SDG&E 2100-3584, 2100-3732 SCG 2200-0343, 2200-2255. The Field Systems Manager and Administrative Assistant's resources are allocated based on the overall headcount of the Field Systems organization.

Cost Center Allocation Percentage for 2012

The allocation is based on budgeted 2009 FTEs supported by the Field Systems Manager and his Administrative Assistant. The Field Systems Manager oversees and manages Customer Services Field Systems activities at both utilities. The manager has direct responsibilities for the following cost centers: SDG&E 2100-3584, 2100-3732 SCG 2200-0343, 2200-2255. The Field Systems Manager and Administrative Assistant's resources are allocated based on the overall headcount of the Field Systems organization.

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: B. CS Technology Support
 Category-Sub: 1. CS Technology Support
 Cost Center: 2200-2111.000 - CS FIELD SYSTEMS MANAGER

Forecast Summary:

		In 2009 \$(000) "Incurred Costs"								
Forecast Method		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Labor	5-YR Average	144	144	144	183	183	183	327	327	327
Non-Labor	5-YR Average	16	16	16	7	7	7	23	23	23
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		160	160	160	190	190	190	350	350	350
FTE	5-YR Average	1.5	1.5	1.5	2.1	2.1	2.1	3.6	3.6	3.6

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010	-7	0	0	-7	0.0	SSD_Type Transf
All expenses subject to allocation.						
2010	7	0	0	7	0.0	SSD_Type Transf
All expenses subject to allocation.						
2010	0	-1	0	-1	0.0	SSD_Type Transf
All expenses subject to allocation.						
2010	0	1	0	1	0.0	SSD_Type Transf
All expenses subject to allocation.						
2010	183	0	0	183	0.0	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						
2010	0	7	0	7	0.0	1-Sided Adj
To tru up the 5 yr average to the projected 2010 plan.						
2010	0	0	0	0	2.1	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						
2010 Total	183	7	0	190	2.1	

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: B. CS Technology Support
 Category-Sub: 1. CS Technology Support
 Cost Center: 2200-2111.000 - CS FIELD SYSTEMS MANAGER

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2011	-7	0	0	-7	0.0	SSD_Type Transf
All expenses subject to allocation.						
2011	7	0	0	7	0.0	SSD_Type Transf
All expenses subject to allocation.						
2011	0	-1	0	-1	0.0	SSD_Type Transf
All expenses subject to allocation.						
2011	0	1	0	1	0.0	SSD_Type Transf
All expenses subject to allocation.						
2011	183	0	0	183	0.0	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						
2011	0	7	0	7	0.0	1-Sided Adj
To tru up the 5 yr average to the projected 2010 plan.						
2011	0	0	0	0	2.1	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						
2011 Total	183	7	0	190	2.1	
2012	-7	0	0	-7	0.0	SSD_Type Transf
All expenses subject to allocation.						
2012	7	0	0	7	0.0	SSD_Type Transf
All expenses subject to allocation.						
2012	0	-1	0	-1	0.0	SSD_Type Transf
All expenses subject to allocation.						
2012	0	1	0	1	0.0	SSD_Type Transf
All expenses subject to allocation.						

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: B. CS Technology Support
 Category-Sub: 1. CS Technology Support
 Cost Center: 2200-2111.000 - CS FIELD SYSTEMS MANAGER

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2012	183	0	0	183	0.0	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						
2012	0	7	0	7	0.0	1-Sided Adj
To tru up the 5 yr average to the projected 2010 plan.						
2012	0	0	0	0	2.1	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						
2012 Total	183	7	0	190	2.1	

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: B. CS Technology Support
Category-Sub: 1. CS Technology Support
Cost Center: 2200-2111.000 - CS FIELD SYSTEMS MANAGER

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	20	52	152	152	191
Non-Labor	6	14	18	21	17
NSE	0	0	0	0	0
Total	26	67	170	173	209
FTE	0.2	0.5	1.8	1.7	2.1
Adjustments (Nominal \$) **					
Labor	24	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	25	0	0	0	0
FTE	0.4	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	45	52	152	152	191
Non-Labor	6	14	18	21	17
NSE	0	0	0	0	0
Total	51	67	170	173	209
FTE	0.6	0.5	1.8	1.7	2.1
Vacation & Sick (Nominal \$)					
Labor	8	9	26	29	35
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	8	9	26	29	35
FTE	0.1	0.1	0.3	0.3	0.4
Escalation to 2009\$					
Labor	7	6	10	3	0
Non-Labor	1	1	1	0	0
NSE	0	0	0	0	0
Total	7	7	11	3	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	59	67	188	184	226
Non-Labor	7	16	19	21	17
NSE	0	0	0	0	0
Total	66	83	207	205	243
FTE	0.7	0.6	2.1	2.0	2.5

* After company-wide exclusions of Non-GRC costs

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: B. CS Technology Support
 Category-Sub: 1. CS Technology Support
 Cost Center: 2200-2111.000 - CS FIELD SYSTEMS MANAGER

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000) "Incurred Costs"				
	2005	2006	2007	2008	2009
Labor	24	0	0	0	0
Non-Labor	0.354	0	0	0	0
NSE	0	0	0	0	0
Total	25	0	0	0	0
FTE	0.4	0.0	0.0	0.0	0.0

Detail of Adjustments to Recorded:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005	24	0	0	0.0	CCTR Transf	From 2200-0342.000	KHART20090914 081524243
Residential Services Organization has been restructured. Sr. Business Analyst employee labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2111 in the Customer Service Staff org. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2005	0	0.354	0	0.0	CCTR Transf	From 2200-0342.000	KHART20090914 081618557
Residential Services Organization has been restructured. Sr. Business Analyst employee labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2111 in the Customer Service Staff org. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2005	0	0	0	0.4	CCTR Transf	From 2200-0342.000	KHART20090914 081653680
Residential Services Organization has been restructured. Sr. Business Analyst employee labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2111 in the Customer Service Staff org. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							

2005 Total 24 0.354 0 0.4

2006 Total 0 0 0 0.0

2007 Total 0 0 0 0.0

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: B. CS Technology Support
Category-Sub: 1. CS Technology Support
Cost Center: 2200-2111.000 - CS FIELD SYSTEMS MANAGER

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: C. Business Planning & Budgets Manager
 Cost Center: 2200-2110.000

Summary for Category: C. Business Planning & Budgets Manager

	In 2009\$ (000) "Book Expense"			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	65	83	83	83
Non-Labor	0	0	0	0
NSE	0	0	0	0
Total	65	83	83	83
FTE	1.1	1.0	1.0	1.0

Cost Centers belonging to this Category:

2200-2110.000 BUSINESS PLANNING & BUDGETS

Labor	65	83	83	83
Non-Labor	0	0	0	0
NSE	0	0	0	0
Total	65	83	83	83
FTE	1.1	1.0	1.0	1.0

Beginning of Workpaper
2200-2110.000 - BUSINESS PLANNING & BUDGETS

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: C. Business Planning & Budgets Manager
Category-Sub: 1. Business Planning and Budgets Manager
Cost Center: 2200-2110.000 - BUSINESS PLANNING & BUDGETS

Activity Description:

This cost center contains the costs associated with Budget Planning services provided by a SoCalGas Employee (1-Sr.Analyst) to the VP of SCG Customer Operations. Activities include; data collection and creation of consolidated reports, analysis of the monthly results, and special project support as needed. This includes providing timely information and analysis that supports senior management decision making.

Forecast Methodology:

Labor - 5-YR Average

The 5 year average methodology is appropriate in this cost center, as it is a Business Planning support function largely unchanged in over the past five years.

Non-Labor - 5-YR Average

The 5 year average methodology is appropriate in this cost center, as it is a Business Planning support function largely unchanged in over the past five years.

NSE - 5-YR Average

N/A

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: C. Business Planning & Budgets Manager
 Category-Sub: 1. Business Planning and Budgets Manager
 Cost Center: 2200-2110.000 - BUSINESS PLANNING & BUDGETS

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		83	86	67	90	91	83	83	83
Non-Labor		0	0	1	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		83	86	68	90	91	83	83	83
FTE		1.1	1.1	0.8	1.1	1.1	1.0	1.0	1.0
		Allocations Out							
Labor		41	26	34	42	26	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		41	26	34	42	26	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		42	60	33	48	65	83	83	83
Non-Labor		0	0	1	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		42	60	34	48	65	83	83	83
FTE		1.1	1.1	0.8	1.1	1.1	1.0	1.0	1.0
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		42	60	33	48	65	83	83	83
Non-Labor		0	0	1	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		42	60	34	48	65	83	83	83
FTE		1.1	1.1	0.8	1.1	1.1	1.0	1.0	1.0

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: C. Business Planning & Budgets Manager
Category-Sub: 1. Business Planning and Budgets Manager
Cost Center: 2200-2110.000 - BUSINESS PLANNING & BUDGETS

Calculation of Book Expense:

	2009 Adjusted-Recorded					2010 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	0	0	0	0.00	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	91	0	0	91	1.10	83	0	0	83	1.00
% Allocation										
Retained	70.76%	70.76%				100.00%	100.00%			
SEU	29.24%	29.24%				0.00%	0.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	65	0	0	65		83	0	0	83	
SEU	26	0	0	26		0	0	0	0	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	91	0	0	91	1.10	83	0	0	83	1.00
Total Alloc. Out	26	0	0	26		0	0	0	0	
Total Retained	65	0	0	65		83	0	0	83	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	65	0	0	65		83	0	0	83	

	2011 Adjusted-Forecast					2012 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	0	0	0	0.00	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	83	0	0	83	1.00	83	0	0	83	1.00
% Allocation										
Retained	100.00%	100.00%				100.00%	100.00%			
SEU	0.00%	0.00%				0.00%	0.00%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	83	0	0	83		83	0	0	83	
SEU	0	0	0	0		0	0	0	0	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	83	0	0	83	1.00	83	0	0	83	1.00
Total Retained	83	0	0	83		83	0	0	83	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	83	0	0	83		83	0	0	83	

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: C. Business Planning & Budgets Manager
Category-Sub: 1. Business Planning and Budgets Manager
Cost Center: 2200-2110.000 - BUSINESS PLANNING & BUDGETS

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

Multi factor provided by Affiliate Billing and Costing group for VP level activity.

Cost Center Allocation Percentage for 2010

This cost center is 100% retained at SCG.

Cost Center Allocation Percentage for 2011

This cost center is 100% retained at SCG.

Cost Center Allocation Percentage for 2012

This cost center is 100% retained at SCG.

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: C. Business Planning & Budgets Manager
 Category-Sub: 1. Business Planning and Budgets Manager
 Cost Center: 2200-2110.000 - BUSINESS PLANNING & BUDGETS

Forecast Summary:

Forecast Method		In 2009 \$(000) "Incurred Costs"								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		2010	2011	2012	2010	2011	2012	2010	2011	2012
Labor	5-YR Average	83	83	83	0	0	0	83	83	83
Non-Labor	5-YR Average	0	0	0	0	0	0	0	0	0
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		83	83	83	0	0	0	83	83	83
FTE	5-YR Average	1.0	1.0	1.0	0.0	0.0	0.0	1.0	1.0	1.0

Forecast Adjustment Details:

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: C. Business Planning & Budgets Manager
 Category-Sub: 1. Business Planning and Budgets Manager
 Cost Center: 2200-2110.000 - BUSINESS PLANNING & BUDGETS

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	63	67	54	74	77
Non-Labor	0	0	1	0	0
NSE	0	0	0	0	0
Total	63	67	55	74	77
FTE	0.9	0.9	0.7	0.9	0.9
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	63	67	54	74	77
Non-Labor	0	0	1	0	0
NSE	0	0	0	0	0
Total	63	67	55	74	77
FTE	0.9	0.9	0.7	0.9	0.9
Vacation & Sick (Nominal \$)					
Labor	11	12	9	14	14
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	11	12	9	14	14
FTE	0.2	0.2	0.1	0.2	0.2
Escalation to 2009\$					
Labor	9	7	4	1	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	9	7	4	1	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	83	86	67	90	91
Non-Labor	0	0	1	0	0
NSE	0	0	0	0	0
Total	83	86	68	90	91
FTE	1.1	1.1	0.8	1.1	1.1

* After company-wide exclusions of Non-GRC costs

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: C. Business Planning & Budgets Manager
 Category-Sub: 1. Business Planning and Budgets Manager
 Cost Center: 2200-2110.000 - BUSINESS PLANNING & BUDGETS

Summary of Adjustments to Recorded:

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

Detail of Adjustments to Recorded:

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: D. Major Markets Credit & Collections
 Cost Center: 2200-0354.000

Summary for Category: D. Major Markets Credit & Collections

	In 2009\$ (000) "Book Expense"			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	679	666	666	666
Non-Labor	186	170	170	170
NSE	0	0	0	0
Total	865	836	836	836
FTE	14.2	15.0	15.0	15.0

Cost Centers belonging to this Category:

2200-0354.000 MAJOR MARKETS CREDIT & COLLECTIONS

Labor	679	666	666	666
Non-Labor	186	170	170	170
NSE	0	0	0	0
Total	865	836	836	836
FTE	14.2	15.0	15.0	15.0

Beginning of Workpaper
2200-0354.000 - MAJOR MARKETS CREDIT & COLLECTIONS

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: D. Major Markets Credit & Collections
Category-Sub: 1. Major Markets Credit & Collections
Cost Center: 2200-0354.000 - MAJOR MARKETS CREDIT & COLLECTIONS

Activity Description:

The Major Market Credit & Collection (MMCC) group is responsible for the credit analysis and collection follow up on large Commercial and Industrial customers and other third party entities at both SCG and SDG&E.

Forecast Methodology:

Labor - 5-YR Average

The Major Market Credit and Collections group can experience fluctuations in levels of work from year to year. To account for these fluctuations, it is logical to establish a base for future expense by using a five year historical average to encompass the increases and decreases in work flow volumes over a reasonable timeframe.

Non-Labor - 5-YR Average

The Major Market Credit and Collections group can experience fluctuations in levels of work from year to year. To account for these fluctuations, it is logical to establish a base for future expense by using a five year historical average to encompass the increases and decreases in work flow volumes over a reasonable timeframe.

NSE - 5-YR Average

N/A

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: D. Major Markets Credit & Collections
 Category-Sub: 1. Major Markets Credit & Collections
 Cost Center: 2200-0354.000 - MAJOR MARKETS CREDIT & COLLECTIONS

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		873	976	1,045	1,047	1,139	1,206	1,206	1,206
Non-Labor		270	291	310	255	313	309	309	309
NSE		0	0	0	0	0	0	0	0
Total		1,143	1,267	1,355	1,302	1,452	1,515	1,515	1,515
FTE		10.3	12.2	13.0	13.1	14.2	15.0	15.0	15.0
		Allocations Out							
Labor		288	370	408	408	460	540	540	540
Non-Labor		89	110	121	100	127	139	139	139
NSE		0	0	0	0	0	0	0	0
Total		377	480	529	508	587	679	679	679
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		585	606	637	639	679	666	666	666
Non-Labor		181	181	189	155	186	170	170	170
NSE		0	0	0	0	0	0	0	0
Total		766	787	826	794	865	836	836	836
FTE		10.3	12.2	13.0	13.1	14.2	15.0	15.0	15.0
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		585	606	637	639	679	666	666	666
Non-Labor		181	181	189	155	186	170	170	170
NSE		0	0	0	0	0	0	0	0
Total		766	787	826	794	865	836	836	836
FTE		10.3	12.2	13.0	13.1	14.2	15.0	15.0	15.0

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: D. Major Markets Credit & Collections
 Category-Sub: 1. Major Markets Credit & Collections
 Cost Center: 2200-0354.000 - MAJOR MARKETS CREDIT & COLLECTIONS

Calculation of Book Expense:

	2009 Adjusted-Recorded					2010 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	0	0	0	0.00	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	1,139	313	0	1,452	14.20	1,206	309	0	1,515	15.00
% Allocation										
Retained	59.59%	59.59%				55.25%	55.25%			
SEU	40.41%	40.41%				44.75%	44.75%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	679	186	0	865		666	170	0	836	
SEU	460	127	0	587		540	139	0	679	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	1,139	313	0	1,452	14.20	1,206	309	0	1,515	15.00
Total Alloc. Out	460	127	0	587		540	139	0	679	
Total Retained	679	186	0	865		666	170	0	836	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	679	186	0	865		666	170	0	836	

	2011 Adjusted-Forecast					2012 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	0	0	0	0.00	0	0	0	0	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	1,206	309	0	1,515	15.00	1,206	309	0	1,515	15.00
% Allocation										
Retained	55.25%	55.25%				55.25%	55.25%			
SEU	44.75%	44.75%				44.75%	44.75%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	666	170	0	836		666	170	0	836	
SEU	540	139	0	679		540	139	0	679	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	1,206	309	0	1,515	15.00	1,206	309	0	1,515	15.00
Total Alloc. Out	540	139	0	679		540	139	0	679	
Total Retained	666	170	0	836		666	170	0	836	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	666	170	0	836		666	170	0	836	

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: D. Major Markets Credit & Collections
Category-Sub: 1. Major Markets Credit & Collections
Cost Center: 2200-0354.000 - MAJOR MARKETS CREDIT & COLLECTIONS

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

The MMCC group is responsible for the credit analysis and collection follow-up on large commercial and industrial customers and other third party entities. Therefore, our primary driver to direct shared service dollars is an allocation based on the number of completed credit analyses of various SCG and SDG&E companies/entities. For 2009, we used our 2008 historical activity from January 1, 2008 through October 31, 2008. This activity represents an allocation of 59.59% (SCG) and 40.41% (SDG&E) based on 202 SCG entities and 137 SDG&E entities reviewed.

Cost Center Allocation Percentage for 2010

The MMCC group is responsible for the credit analysis and collection follow-up on large commercial and industrial customers and other third party entities. Therefore, our primary driver to direct shared service dollars was an allocation based on the number of hours required to complete the credit analysis of various SCG and SDG&E companies / entities. For 2010 through 2012, we used historical activity from December 1, 2008 through November 30, 2009. This activity represented an allocation of 55.25% (SCG) and 44.75% (SDG&E) based on 6,984 hours spent on SCG and 5,656 hours spent on SDG&E entity reviews. This hourly factor was used to account for more time consuming work related to SDG&E programs (i.e., renewable power, demand response, etc.) that occurred during the period.

Cost Center Allocation Percentage for 2011

The MMCC group is responsible for the credit analysis and collection follow-up on large commercial and industrial customers and other third party entities. Therefore, our primary driver to direct shared service dollars was an allocation based on the number of hours required to complete the credit analysis of various SCG and SDG&E companies / entities. For 2010 through 2012, we used historical activity from December 1, 2008 through November 30, 2009. This activity represented an allocation of 55.25% (SCG) and 44.75% (SDG&E) based on 6,984 hours spent on SCG and 5,656 hours spent on SDG&E entity reviews. This hourly factor was used to account for more time consuming work related to SDG&E programs (i.e., renewable power, demand response, etc.) that occurred during the period.

Cost Center Allocation Percentage for 2012

The MMCC group is responsible for the credit analysis and collection follow-up on large commercial and industrial customers and other third party entities. Therefore, our primary driver to direct shared service dollars was an allocation based on the number of hours required to complete the credit analysis of various SCG and SDG&E companies / entities. For 2010 through 2012, we used historical activity from December 1, 2008 through November 30, 2009. This activity represented an allocation of 55.25% (SCG) and 44.75% (SDG&E) based on 6,984 hours spent on SCG and 5,656 hours spent on SDG&E entity reviews. This hourly factor was used to account for more time consuming work related to SDG&E programs (i.e., renewable power, demand response, etc.) that occurred during the period.

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: D. Major Markets Credit & Collections
 Category-Sub: 1. Major Markets Credit & Collections
 Cost Center: 2200-0354.000 - MAJOR MARKETS CREDIT & COLLECTIONS

Forecast Summary:

		In 2009 \$(000) "Incurred Costs"								
Forecast Method		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Labor	5-YR Average	1,016	1,016	1,016	190	190	190	1,206	1,206	1,206
Non-Labor	5-YR Average	287	287	287	22	22	22	309	309	309
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		1,303	1,303	1,303	212	212	212	1,515	1,515	1,515
FTE	5-YR Average	12.6	12.6	12.6	2.4	2.4	2.4	15.0	15.0	15.0

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010	35	0	0	35	0.0	1-Sided Adj
Add back 2 positions historically located at SDG&E (old cost center 2100-3489) that were not included in our 2005 and 2006 historical cost basis.						
2010	0	2	0	2	0.0	1-Sided Adj
Current staffing level adjustment and associated non labor (0.4 FTE.).						
2010	0	0	0	0	0.4	1-Sided Adj
Add back 2 positions historically located at SDG&E (old cost center 2100-3489) that were not included in our 2005 and 2006 historical cost basis.						
2010	155	0	0	155	0.0	1-Sided Adj
Add 2 Sr. Credit and Collections Analysts to support new Company Programs.						
2010	0	0	0	0	2.0	1-Sided Adj
Add 2 Sr. Credit and Collections Analysts to support new Company Programs.						
2010	0	20	0	20	0.0	1-Sided Adj
2 user accounts for Credit Reporting Services.						
2010 Total	190	22	0	212	2.4	

2011 35 0 0 35 0.0 1-Sided Adj

Add back 2 positions historically located at SDG&E (old cost center 2100-3489) that were not included in our 2005 and 2006 historical cost basis.

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: D. Major Markets Credit & Collections
 Category-Sub: 1. Major Markets Credit & Collections
 Cost Center: 2200-0354.000 - MAJOR MARKETS CREDIT & COLLECTIONS

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2011	0	2	0	2	0.0	1-Sided Adj
Current staffing level adjustment and associated non labor (0.4 FTE.).						
2011	0	0	0	0	0.4	1-Sided Adj
Add back 2 positions historically located at SDG&E (old cost center 2100-3489) that were not included in our 2005 and 2006 historical cost basis.						
2011	155	0	0	155	0.0	1-Sided Adj
Add 2 Sr. Credit and Collections Analysts to support new Company Programs.						
2011	0	0	0	0	2.0	1-Sided Adj
Add 2 Sr. Credit and Collections Analysts to support new Company Programs.						
2011	0	20	0	20	0.0	1-Sided Adj
2 user accounts for Credit Reporting Services.						
2011 Total	190	22	0	212	2.4	

2012	35	0	0	35	0.0	1-Sided Adj
Add back 2 positions historically located at SDG&E (old cost center 2100-3489) that were not included in our 2005 and 2006 historical cost basis.						
2012	0	2	0	2	0.0	1-Sided Adj
Current staffing level adjustment and associated non labor (0.4 FTE.).						
2012	0	0	0	0	0.4	1-Sided Adj
Add back 2 positions historically located at SDG&E (old cost center 2100-3489) that were not included in our 2005 and 2006 historical cost basis.						
2012	155	0	0	155	0.0	1-Sided Adj
Add 2 Sr. Credit and Collections Analysts to support new Company Programs.						
2012	0	0	0	0	2.0	1-Sided Adj
Add 2 Sr. Credit and Collections Analysts to support new Company Programs.						

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: D. Major Markets Credit & Collections
 Category-Sub: 1. Major Markets Credit & Collections
 Cost Center: 2200-0354.000 - MAJOR MARKETS CREDIT & COLLECTIONS

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2012	0	20	0	20	0.0	1-Sided Adj

2 user accounts for Credit Reporting Services.

2012 Total	190	22	0	212	2.4	
-------------------	------------	-----------	----------	------------	------------	--

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: D. Major Markets Credit & Collections
Category-Sub: 1. Major Markets Credit & Collections
Cost Center: 2200-0354.000 - MAJOR MARKETS CREDIT & COLLECTIONS

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	663	760	842	865	965
Non-Labor	240	267	294	251	314
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	903	1,027	1,136	1,117	1,278
FTE	8.7	10.3	11.0	10.9	11.9
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	663	760	842	865	965
Non-Labor	240	267	294	251	314
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	903	1,027	1,136	1,117	1,278
FTE	8.7	10.3	11.0	10.9	11.9
Vacation & Sick (Nominal \$)					
Labor	113	136	147	167	174
Non-Labor	0	0	0	0	0
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	113	136	147	167	174
FTE	1.6	1.9	2.0	2.2	2.3
Escalation to 2009\$					
Labor	96	80	55	15	0
Non-Labor	30	24	16	4	0
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	126	104	72	19	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	873	976	1,045	1,047	1,139
Non-Labor	270	291	310	255	314
NSE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,143	1,267	1,355	1,303	1,453
FTE	10.3	12.2	13.0	13.1	14.2

* After company-wide exclusions of Non-GRC costs

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: D. Major Markets Credit & Collections
 Category-Sub: 1. Major Markets Credit & Collections
 Cost Center: 2200-0354.000 - MAJOR MARKETS CREDIT & COLLECTIONS

Summary of Adjustments to Recorded:

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

Detail of Adjustments to Recorded:

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

Supplemental Workpapers for Workpaper 2200-0354.000

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

SOUTHERN CALIFORNIA GAS COMPANY Original CAL. P.U.C. SHEET NO. 42260-G*
 LOS ANGELES, CALIFORNIA CANCELING Original CAL. P.U.C. SHEET NO. 41516-G

Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 1

APPLICABILITY

Applicable to firm and interruptible receipt point access rights to Utility's transmission system. Service under this Schedule is available to any creditworthy party. All eligible participants are collectively referred to herein as "customers" unless otherwise specified.

Firm receipt point access rights to Utility's transmission system do not guarantee nor imply firm service on Utility's local transmission/distribution system; such service is defined by the end-use customers' applicable Utility transportation service agreement.

TERRITORY

Applicable throughout the service territory.

RECEIPT POINTS

Receipt Points available for service under this schedule are as follows:

<u>Transmission Zone</u>	<u>Total Transmission Zone Firm Access (MMcfd)</u>	<u>Specific Points of Access (MMcfd)*</u>
Southern	1210	EPN Ehrenberg - 1210 TGN Otay Mesa - 400 NBP Blythe - 1200
Northern	1590	TW North Needles - 800 TW Topock - 190 EPN Topock - 540 QST North Needles - 120 KR Kramer Junction - 500
Wheeler	765	KR/MP Wheeler Ridge - 765 PG&E Kern River Station - 520 OEHI Gosford - 150
Line 85	160	California Supply
Coastal	150	California Supply
Other	<u>N/A</u>	California Supply
Total	3875	

* Any interstate pipeline, LNG Supplier or PG&E that interconnect through a new receipt point may be added to that Transmission Zone.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3706-A
 DECISION NO. 06-12-031, 07-06-003
 1C13

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 17, 2007
 EFFECTIVE Nov 16, 2007
 RESOLUTION NO. G-3407

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

SOUTHERN CALIFORNIA GAS COMPANY Original CAL. P.U.C. SHEET NO. 42262-G
 LOS ANGELES, CALIFORNIA CANCELING Original CAL. P.U.C. SHEET NO. 41518-G

Schedule No. G-RPA <u>RECEIPT POINT ACCESS</u>					Sheet 3
(Continued)					
<u>RATES</u>					
<u>RECEIPT POINT ACCESS RIGHTS</u>					
This Schedule provides for both firm and interruptible receipt point access rights. This Schedule is applicable at all Receipt Points available under the following rates:					
<u>Rate</u>	<u>Description of Service</u>	<u>Term</u>	<u>Rate Structure</u>	<u>Reservation Rate (per Dth per day)</u>	<u>Volumetric Rate (per Dth)</u>
G-RPA1	Firm	Three Years*	100% Reservation	\$0.05	\$0.0
G-RPA2**	Firm	Three to Twenty Years	100% Reservation	Cost Based	\$0.0
G-RPAN	Short Term Firm	Up to Three Years	100% Reservation	Market Based up to \$0.05	\$0.0
G-RPAI	Interruptible	Up to Three Years	100% Volumetric	\$0.0	Market Based up to \$0.05

* Terms are available for up to twenty years during Steps 3A and 3B open seasons.
 ** Customers taking service under G-RPA2 will also pay the G-RPA1 rate.

BILLING CALCULATION

Monthly Reservation Charge:

The Monthly Reservation Charge is payable each month regardless of the quantity of gas scheduled during the billing period. The Reservation Charge for each billing period shall be calculated using the applicable reservation rate and the DCQ as specified in Customer's RPAC.

Monthly Reservation Charge = Reservation Rate * DCQ * number of days in the billing period
 (or if less than one month, number of days in term of contract)

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3706-A
 DECISION NO. 06-12-031, 07-06-003
 3C12

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 17, 2007
 EFFECTIVE Nov 16, 2007
 RESOLUTION NO. G-3407

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

SOUTHERN CALIFORNIA GAS COMPANY Original CAL. P.U.C. SHEET NO. 42263-G
LOS ANGELES, CALIFORNIA CANCELING Original CAL. P.U.C. SHEET NO. 41519-G

Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 4

(Continued)

RATES (Continued)

BILLING CALCULATION (Continued)

Monthly Volumetric Charge:

The Monthly Volumetric Charge for each billing period shall be calculated using the applicable volumetric rate multiplied by the scheduled quantities on the Customer's RPAC.

Monthly Volumetric Charge = Volumetric Rate * Quantities of Gas Scheduled during the
billing period

SPECIAL CONDITIONS

GENERAL

1. The definitions of the principal terms used in this schedule are found either herein or in Rule No. 1, Definitions.
2. Any disputed bill will be treated in accordance with Rule No. 11, Disputed Bills.
3. As a condition precedent to service under this schedule, an executed Receipt Point Master Agreement (RPMA) and a Receipt Point Access Contract (RPAC) (Form Nos. 6597-18 and 6597-17) are required. All contracts, rates and conditions are subject to revision and modification as a result of CPUC order or rules.
4. Customer must meet the Utility's applicable credit requirements.
5. The Utility will display on its Electronic Bulletin Board (EBB) total available receipt point access capacity at each point along with the firm and interruptible scheduled volumes at the respective points during each nomination cycle.
6. The Utility will file quarterly reports to the Commission stating the receipt point access rights held by Customers. Such reports will provide the name of the entity holding firm receipt point access rights, the quantity held, usage of the rights, and the terms of those rights. Such information, excluding usage, will also be posted on the Utility's EBB and will be updated daily.
7. The Utility will post on its EBB, by Receipt Point, all contracted firm receipt point access capacity and the available unsubscribed receipt point access capacity for sale. This information will be updated on a daily basis.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3706-A
DECISION NO. 06-12-031, 07-06-003

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Sep 17, 2007
EFFECTIVE Nov 16, 2007
RESOLUTION NO. G-3407

4C10

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

SOUTHERN CALIFORNIA GAS COMPANY Original CAL. P.U.C. SHEET NO. 42264-G
LOS ANGELES, CALIFORNIA CANCELING Original CAL. P.U.C. SHEET NO. 41520-G

Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 5

(Continued)

SPECIAL CONDITIONS (Continued)

NOMINATIONS AND BALANCING

8. Service under this rate schedule shall be subject to all applicable terms, conditions and obligations of Rule No. 23, Continuity of Service and Interruption of Delivery, Rule No. 30, Transportation of Customer-Owned Gas, and Rate Schedule No. G-IMB, Transportation Imbalance Service.
9. The Utility will schedule interruptible nominations up to all available receipt point access capacity at each of its Receipt Points subject to Rule No. 30, Transportation of Customer-Owned Gas.
10. Customers holding firm receipt point access capacity will be able to nominate natural gas for delivery on an alternate "within-the-zone" firm basis from any specific Receipt Point within an applicable transmission zone. Customers will also be able to nominate natural gas for delivery on an alternate "outside-the-zone" firm basis from any receipt point on the system. All such nominations will be scheduled in accordance with Rule No. 30, Transportation of Customer-Owned Gas.
11. A customer may opt to designate one and only one nominating agent in addition to itself at any one time to nominate on all RPACs under a customer's RPMA. Customer must provide appropriate written authorization to the Utility of its intent to add or change a designated nominating agent via the Nomination and Trading Authorization Form (Form No. 9924). Such designation shall be subject to that nominating agent complying with applicable tariff and contractual provisions. Customer shall provide appropriate written notice to the Utility of its intent to terminate a nominating agent via the Termination of Nominating or Trading Agent Form (Form No. 9926).

SECONDARY MARKET ASSIGNMENTS

12. Customers who hold firm receipt point access rights may release all or a portion of those rights to any creditworthy party in the secondary market through SoCalGas' EBB (see Special Condition 15 below for exception) at a rate up to 125% of the G-RPA1 rate. Any creditworthy party may purchase firm receipt point access rights in the secondary market. Any party releasing firm rights will be referred to as "Releasing Shipper" and the party purchasing firm rights through the secondary market will be referred to as "Acquiring Shipper." Rights may be re-released any number of times under the same rules applicable to releases by customers who originally obtained the rights directly from the Utility. Releases may consist of all or part of the receipt point access rights of a customer's DCQ and all or part of the remaining contract term with a minimum term of one day. The Utility will bill the Acquiring Shipper and credit the Releasing Shipper subject to the provisions in Special Condition 15. If the Acquiring Shipper's rate is less than the Releasing Shippers rate, the Releasing Shipper will continue to be responsible for payment of the difference. In the event that the Utility realizes revenues from an Acquiring Shipper that exceed the amount due from a Releasing Shipper for any month, the Utility shall credit any excess amount to the account of the Releasing Shipper, or return excess revenues directly to the Releasing Shipper, as may be requested.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3706-A
DECISION NO. 06-12-031, 07-06-003
5C11

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Sep 17, 2007
EFFECTIVE Nov 16, 2007
RESOLUTION NO. G-3407

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

SOUTHERN CALIFORNIA GAS COMPANY Original CAL. P.U.C. SHEET NO. 42265-G*
LOS ANGELES, CALIFORNIA CANCELING Original CAL. P.U.C. SHEET NO. 41521-G

Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 6

(Continued)

SPECIAL CONDITIONS (Continued)

SECONDARY MARKET ASSIGNMENTS (Continued)

13. A customer may opt to designate one and only one trading agent in addition to itself at any one time to buy or sell firm receipt point access rights in the secondary market. The trading agent shall be specified on the Nomination and Trading Authorization Form (Form No. 9924) and shall apply to all RPACs under that customer's RPMA. Such designation shall be subject to that trading agent complying with applicable tariff and contractual provisions. Customer shall provide appropriate written notice to the Utility of its intent to terminate a trading agent via the Form to Terminate a Nominating or Trading Agent (Form No. 9926).
14. Contract releases of firm rights must be done electronically using the Utility's EBB.
15. The Acquiring Shipper must satisfy the Utility's applicable credit requirements. If the Utility's creditworthiness requirements are satisfied, the Utility shall notify the Releasing Shipper that it is conditionally* relieved of all liability for performance by the Acquiring Shipper for the term of the release. Alternatively, the Releasing Shipper may, at its option, waive the creditworthiness requirements applicable to the Acquiring Shipper, in which case the Releasing Shipper shall remain secondarily liable for non-performance by the Acquiring Shipper. If a Releasing Shipper exercises this option, it must continue to meet the Utility's applicable credit requirements for the duration of the contract.
16. The Utility will post on its EBB a summary of the completed secondary market transactions, listing releasing party, acquiring party, amount of capacity, receipt point, transaction price, and term of the release. The summary information regarding secondary market transactions will be posted the next business day.
17. Market participants can voluntarily post secondary receipt point capacity transaction offers on the Utility's EBB.

* The Releasing Shipper shall continue to be liable and responsible for all reservation charges associated with the released firm rights up to the maximum reservation rate specified in the Releasing Shipper's firm rights contract except those releases at the tariff rate or higher for the remaining duration of the Releasing Shipper's contract. If Acquiring Shipper does not make payment to the Utility of all applicable charges, the Utility shall notify the Releasing Shipper of the amount due, including all applicable late charges, and such amount shall be paid by the Releasing Shipper. Re-releases by an Acquiring Shipper shall not relieve the original or any subsequent Releasing Shipper of its obligations. In addition, Releasing Shipper may terminate the release of firm rights to an Acquiring Shipper if such Shipper fails to pay the entire amount of any bill for service under the release when such amount is due. Once terminated, firm rights and all applicable charges shall revert to the Releasing Shipper.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3706-A
DECISION NO. 06-12-031, 07-06-003

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Sep 17, 2007
EFFECTIVE Nov 16, 2007
RESOLUTION NO. G-3407

6C13

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

SOUTHERN CALIFORNIA GAS COMPANY	Revised	CAL. P.U.C. SHEET NO.	43327-G
LOS ANGELES, CALIFORNIA	CANCELING	CAL. P.U.C. SHEET NO.	42807-G
	Original		42266-G

Schedule No. G-RPA <u>RECEIPT POINT ACCESS</u>	Sheet 7
(Continued)	
<u>SPECIAL CONDITIONS</u> (Continued)	
<u>SET-ASIDES: Pre-Open Season - Step 1</u>	
18. The Utility Gas Procurement Department is assigned firm receipt point access rights prior to the open season process to match qualifying upstream pipeline contracts for their core loads. Other Wholesale Customers, Core Transportation Aggregators (CTAs), California producers and certain long-term contract (LTK) holders shall have the option to acquire firm receipt point access rights prior to the initial open season. The set-aside rights will be taken under the G-RPA1 rate.	T,D
19. The Utility Gas Procurement Department set-aside is equal to the average daily capacity of the qualifying upstream pipeline contracts (those exceeding 18 months during the applicable three-year period). The set-aside is established based on actual commitments in place three months before any three-year open season.	T
20. California Producers including Exxon Mobil's production at Santa Ynez whose facilities are connected directly to the (i) Utility's Line 85, (ii) North Coastal system or (iii) another system without a single identified receipt point or transmission zone will receive a set-aside option for a quantity equal to the producer's peak month's daily average production over the most recent three-year period. Peak month is defined as the month with the highest average daily volume. The set-aside quantity shall be increased if the specific production is likely to increase and such forecasted increase can be justified by the producer. California Producers may elect all or a portion of the set-aside quantity. This set-aside applies to any SoCalGas "native gas" production. Occidental of Elk Hills, Inc. will be provided a similar set-aside option for 90 MMcfd at the OEHI Gosford receipt point. The set-aside rights will be taken under the G-RPA1 rate.	D T
21. An end-use customer under a Commission-approved long-term firm transportation contract in effect on December 14, 2006 which specifies firm deliveries at a particular Utility receipt point shall have a set-aside option, equal to the higher of the customer's Tier 1 contract quantities or the most recent average daily usage, for access capacity at those specified receipt points. Customers with these long-term contracts will have the ability to increase the set-aside quantity based on a justified increase in consumption under the long-term transportation agreement based on Special Condition No. 33 (4). The set-aside rights will be taken under the G-RPA1 rate.	T
(Continued)	

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3818-A
 DECISION NO. 07-12-019

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 12, 2008
 EFFECTIVE Jul 18, 2008
 RESOLUTION NO. _____

7C11

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

SOUTHERN CALIFORNIA GAS COMPANY	Revised	CAL. P.U.C. SHEET NO.	43328-G
LOS ANGELES, CALIFORNIA	CANCELING	CAL. P.U.C. SHEET NO.	42808-G
	Original		42267-G

Schedule No. G-RPA <u>RECEIPT POINT ACCESS</u>	Sheet 8
(Continued)	
<u>SPECIAL CONDITIONS</u> (Continued)	
<u>SET-ASIDE OPTIONS – Pre-Open Season Step 1</u> (Continued)	
<p>22. PG&E customers (City of Glendale, City of Pasadena, Ulster Petroleum LTD, Talisman (Rigel), and U.S. Gypsum) with effective Commission-approved contracts for delivery at PG&E Kern River Station under PG&E G-XF Rate Schedule in effect at the time of implementation, shall have a set-aside option for access rights at PG&E Kern River Station. The set-aside rights will be taken under the G-RPA1 rate.</p> <p>23. Parties who have provided incremental cost based funding under Utility Rule No. 39, Access to the SoCalGas Pipeline System, for increased receipt point capacity on a Displacement Receipt Point Capacity and Expansion Receipt Point Capacity, or a combination of the two, basis shall receive a set-aside option prior to the first open season following completion of the facilities and each open season thereafter. Such set-aside option shall equal the quantity of the increase in receipt point capacity funded. The set-aside quantity at Otay Mesa shall be limited to 700 MMcf/d of Displacement Receipt Point Capacity. The set-aside rights will be taken under the G-RPA1 rate.</p> <p>24. CTAs set-aside is equal to the average daily capacity of the qualifying upstream pipeline contracts (those exceeding 18 months during the applicable three-year period) to serve their core loads. These set-asides options are established based on actual commitments in place three months before any three-year open season. CTAs are not required to select the set-aside option. The set-aside rights will be taken under the G-RPA1 rate.</p> <p>25. Other wholesale customers' set-aside for only their core load is equal to the average daily capacity of the qualifying upstream pipeline contracts (those exceeding 18 months during the applicable three-year period). These set-asides options are established based on actual commitments in place three months before any three-year open season. The other wholesale customer is not required to select the set-aside option. The set-aside rights will be taken under the G-RPA1 rate.</p> <p>26. If the total amount of set-asides exceed the available capacity at a particular receipt point or the available capacity of the applicable Transmission Zone, set-asides for core customers, including the core loads of wholesale customers provided set-asides options, will be provided first and all other set-asides are subject to being pro-rated to the extent the total amount of set-asides selected exceed the available capacity of the applicable Transmission Zone or a particular receipt point.</p>	<p>T</p> <p>T</p> <p>T</p> <p>T</p> <p>T</p>
(Continued)	

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3818-A
 DECISION NO. 07-12-019

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 12, 2008
 EFFECTIVE Jul 18, 2008
 RESOLUTION NO. _____

8C11

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

SOUTHERN CALIFORNIA GAS COMPANY	Revised	CAL. P.U.C. SHEET NO.	43329-G
LOS ANGELES, CALIFORNIA	CANCELING	Revised	CAL. P.U.C. SHEET NO. 42809-G
		Original	42268-G

<p>Schedule No. G-RPA <u>RECEIPT POINT ACCESS</u></p> <p>(Continued)</p> <p><u>SPECIAL CONDITIONS</u> (Continued)</p> <p><u>OPEN SEASON: Preferential Bidding – Step 2</u></p> <p>27. An open season – Step 2 will be conducted through the Utility’s on-line bid system prior to service commencing under this schedule, and every three years thereafter, whereby all existing firm receipt point capacity available after Step 1 shall be made available through an open season process consisting of three rounds of bidding.</p> <p>28. Only end-use customers, including noncore customers, the eligible end-use customers of wholesale customers, the Utility Gas Procurement Department, and CTAs are entitled to participate in Step 2.</p> <p>29. SDG&E’s noncore transportation customers are eligible to participate directly in the Utility’s open season steps. SDG&E will provide the Utility with a list of its applicable noncore customers that will be participating, along with those customers’ historical annual average usage needed to establish maximum bidding rights.</p> <p>30. Other wholesale customers may elect to have the Utility allow all of their noncore customers to participate directly in the Utility’s open season steps. Under this scenario, the wholesale customer’s noncore customers will be treated like the rest of the Utility’s noncore customers. Each other wholesale customer electing this provision will be required to provide the Utility with a listing of its applicable noncore customers that will be participating, along with those customers’ historical annual average usage needed to establish the maximum bidding rights.</p> <p>31. Other wholesale customers not electing to have their noncore customers participate directly in the Utility’s open season will be provided maximum bidding rights for their noncore loads. The wholesale customer can then participate in the open season process, along with the Utility’s other noncore customers, on behalf of its noncore customers’ requirements.</p> <p style="text-align: center;">(Continued)</p>	<p>Sheet 9</p> <p>T</p> <p>T, D</p> <p>T</p> <p>T</p> <p>T</p>
--	--

(TO BE INSERTED BY UTILITY)
 ADVISE LETTER NO. 3818-A
 DECISION NO. 07-12-019
 9C11

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 12, 2008
 EFFECTIVE Jul 18, 2008
 RESOLUTION NO. _____

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

SOUTHERN CALIFORNIA GAS COMPANY	Revised	CAL. P.U.C. SHEET NO.	43330-G
LOS ANGELES, CALIFORNIA	CANCELING	CAL. P.U.C. SHEET NO.	42810-G
	Original		42269-G

Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 10

(Continued)

SPECIAL CONDITIONS (Continued)

OPEN SEASON: Preferential Bidding – Step 2

32. A customer's maximum bidding rights will include a base load maximum plus for certain customers a monthly peaking maximum over a Base Period. Base Period will be defined as the 36 consecutive months of consumption data ending four months prior to the start of the process to assign/award Receipt Point rights. These rights will be calculated as follows:
- 1) Customer's base load maximum bidding rights will be determined based on that customer's average daily historical consumption during the Base Period less any set-aside elected by that customer under an end-use transportation agreement. In the case of a customer that has tolling agreements with a third party for its plants operations, the third party will be afforded maximum bidding rights based on the historical usage under the tolling agreements and subsequently the plant operator's maximum bidding rights will be reduced accordingly. Each wholesale customer will have to attest to the portion of its Utility metered consumption used for core customers to the extent it is only participating on behalf of its core customers.
 - 2) For the Utility Gas Procurement Department, core loads of other wholesale customers and CTAs will only be provided base load maximum bidding rights. These maximum bidding rights will equal the respective customer's average daily usage during the Base Period less any set-aside elected. For CTAs, the average daily usage will be their currently "contracted for" load.
 - 3) For other customers, the months the customer uses more than its average base load, the customer's monthly maximum bidding rights will be set equal to its historical usage in those particular months during the Base Period less any set-aside elected.

T

T,D

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3818-A
DECISION NO. 07-12-019

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 12, 2008
EFFECTIVE Jul 18, 2008
RESOLUTION NO. _____

10C11

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

SOUTHERN CALIFORNIA GAS COMPANY	Revised	CAL. P.U.C. SHEET NO.	43331-G
LOS ANGELES, CALIFORNIA	CANCELING	CAL. P.U.C. SHEET NO.	42811-G
	Original		42270-G

Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 11

(Continued)

SPECIAL CONDITIONS (Continued)

OPEN SEASON: Preferential Bidding – Step 2 (Continued)

32. (Continued)

- 4) To the extent a customer's historical load is not expected to represent its future consumption, documented to the Utility's satisfaction, due to additional equipment being added, new facilities being built, or a new customer taking transportation service for an existing facility, maximum bidding rights will be adjusted to account for these exceptions. Following are the general guidelines to permit such an exception:
 - a) New customer's bidding rights may be established by providing copies of documentation submitted to public entities (state or local) describing expected equipment use for regulatory or permitting requirements.
 - b) For an existing customer's plant adding new equipment capacity, new equipment must have been ordered and an increase in bidding rights will be based on a projection of use: (Existing plant + new equipment capacity)/(existing plant capacity times the historical 12-month load profile).
 - c) A new customer may establish bidding rights by agreeing to minimum use-or-pay obligations in a new Utility transportation contract to replace or substitute for historical load.

33. Customers may submit an annual base load receipt point access bid up to the average daily quantity established as their maximum bidding rights. Additionally, customers may bid monthly bids up to the monthly quantity recorded for that customer in a particular month as established in their maximum bidding rights. The sum of the monthly bid plus any base load bid covering a particular month may not exceed the maximum bidding rights established for the particular month.

34. A customer may not bid in aggregate more than its annual total of maximum bidding rights. Any capacity awarded in Round 1 of the Step 2 Open Season will reduce the amount of bidding rights, both for base loaded bids and monthly bids for Rounds 2 and 3. Customers may submit bids in the Step 2 rounds for an amount of receipt point access rights up to 100% of their bidding rights, and may bid to acquire such rights at any Receipt Points or combination of Receipt Points. The sum of all of a customer's awards for Rounds 1, 2, and 3 may not exceed its maximum bidding rights.

35. Bids will be submitted for Step 2 on a Receipt Point and Quantity basis only.

36. End-use customers entitled to participate in Rounds 1, 2 and 3 may (1) bid on their own behalf, or (2) allow a third party (such as a marketer) to bid on their behalf.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3818-A
 DECISION NO. 07-12-019

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 12, 2008
 EFFECTIVE Jul 18, 2008
 RESOLUTION NO. _____

11C11

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

SOUTHERN CALIFORNIA GAS COMPANY LOS ANGELES, CALIFORNIA	CANCELING	Revised	CAL. P.U.C. SHEET NO.	43332-G
		Revised	CAL. P.U.C. SHEET NO.	42812-G
		Original		42271-G

Schedule No. G-RPA <u>RECEIPT POINT ACCESS</u> (Continued)	Sheet 12
<u>SPECIAL CONDITIONS</u> (Continued)	
<u>OPEN SEASON: Preferential Bidding – Step 2</u> (Continued)	
37. The applicable rate for firm access rights awarded in Step 2 will be the G-RPA1.	T
38. All bids must be submitted through the Utility’s internet-based bid system platform. Prior to submitting a bid, a bidder must have an executed RPMA in place and must also have satisfied the Utility’s applicable credit requirements.	T
39. An end-use customer who is already in good standing for credit with the Utility prior to Step 2 will be deemed creditworthy up to their specified maximum bidding rights.	T
40. All bids, once submitted, cannot be withdrawn. The Utility will provide a confirmation to the bidding party that the submitted bid was received.	T
41. Bids for monthly capacity will be given a lower priority relative to bids for base load capacity in awarding receipt point access rights for over-subscribed Receipt Points.	T
42. If more quantity is bid for at a particular Receipt Point or Transmission Zone than the available capacity at the Receipt Point or Transmission Zone, all such bidders will be awarded rights on a basis pro rata to the amounts they bid for that point. Bids will be prorated first at a particular receipt points and then at the Transmission Zone if needed.	T
43. Successful bidders are contractually liable for all firm receipt point access rights awarded to them in Step 2 and will be assigned a unique contract number for each successful bid.	T
<u>OPEN SEASON: Long Term Open Season – Step 3(A&B)</u>	
44. An open season –Step 3A will be conducted through the Utility’s on-line bid system prior to service commencing under this schedule whereby all existing firm receipt point capacity available after Step 2 shall be made available through an open season process consisting of one round of bidding.	T
45. The applicable rate for firm access rights awarded in Step 3A will be the G-RPA1.	T
46. An open season –Step 3B will be conducted through the Utility’s on-line bid system prior to service commencing under this schedule whereby remaining base-load existing capacity, expansions at existing receipt points, and new receipt point capacity shall be made available through an open season process consisting of one round of bidding.	T
(Continued)	

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3818-A
 DECISION NO. 07-12-019
 12C11

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 12, 2008
 EFFECTIVE Jul 18, 2008
 RESOLUTION NO. _____

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

SOUTHERN CALIFORNIA GAS COMPANY LOS ANGELES, CALIFORNIA	CANCELING	Revised	CAL. P.U.C. SHEET NO.	43333-G
		Revised	CAL. P.U.C. SHEET NO.	42813-G
		Original		42272-G

Schedule No. G-RPA	Sheet 13
<u>RECEIPT POINT ACCESS</u>	
(Continued)	
<u>SPECIAL CONDITIONS</u> (Continued)	
<u>OPEN SEASON: Long Term Open Season – Step 3(A&B)</u> (Continued)	
47. All bids for Steps 3A and 3B must be submitted through the Utility’s internet-based bid system platform. Prior to submitting a bid, a bidder must have an executed RPMA in place and must also have satisfied the Utility’s applicable credit requirements.	T
48. All bids for Steps 3A and 3B must be submitted as annual base load quantities.	T
49. The term of the contracts awarded in Steps 3A and 3B will be for three to 20 years.	T
50. The applicable rate for firm access rights awarded in Step 3B will be the G-RPA1 plus any applicable G-RPA2 as specifically determined for a Receipt Point.	T
51. The Utility will provide estimated costs and reservation charges applicable to various new receipt points and terms of service prior to the commencement of the Open Season for Step 3B.	T
52. The maximum total bid for any party is established by its creditworthiness.	T
53. A customer may submit multiple bids for each individual Receipt Point, but all submitted bids are binding and cannot be withdrawn.	T
54. Any bid submitted may be prorated based on the other bids submitted in order to meet the available receipt point access capacity available. Customers may signify that any of their specific receipt point bids is an all-or-nothing bid so that it will be rejected if any prorating is required.	T
55. In accordance with Rule No. 39, Access to the SoCalGas Pipeline System, once capacity is awarded for new receipt point capacity in Step 3B, the Utility will request an upfront payment of the estimated costs prior to commencing construction of the required facility enhancements, with this payment charged to all Step 3B contract holders on a pro rata basis.	T
56. Once the actual construction costs of the completed facilities are finalized and placed in service, awarded capacity holders winning bidders in Step 3B will have their estimated reservation charges adjusted to account for the actual costs of construction as specified through a SoCalGas Advice Letter. Prior to approval of the Utility’s Advice Letter determining actual cost of construction, customer will be charged the estimated reservation charge.	T
(Continued)	

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3818-A
 DECISION NO. 07-12-019

13C11

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 12, 2008
 EFFECTIVE Jul 18, 2008
 RESOLUTION NO. _____

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

SOUTHERN CALIFORNIA GAS COMPANY LOS ANGELES, CALIFORNIA	CANCELED	Revised	CAL. P.U.C. SHEET NO.	43334-G
		Revised	CAL. P.U.C. SHEET NO.	42814-G
		Original		42273-G

Schedule No. G-RPA <u>RECEIPT POINT ACCESS</u> (Continued)	Sheet 14
<u>SPECIAL CONDITIONS</u> (Continued)	
<u>OPEN SEASON: Long Term Open Season – Step 3 (A& B)</u> (Continued)	
57. Customers will have three funding options for increasing receipt point capacity under Step 3B. First, a customer may elect to pay 100% of the costs, including applicable CIAC taxes, to the Utility in accordance with Rule No. 39 to complete the installation of the necessary facility without any refund of the advanced funds and not be charged a G-RPA2 rate on a going forward basis. Second, a customer may elect to pay 100% of the costs to the Utility in accordance with Rule No. 39 to complete the installation of the necessary facility, receive a refund of those advanced funds after gas first flows through the receipt point, and be charged a G-RPA2 rate on a going forward basis. Third, a customer may elect to install the necessary facility themselves under the direction of the Utility, transfer ownership of the necessary facilities, along with any payment of applicable CIAC taxes, and not be charged a G-RPA2 rate on a going forward basis.	T
58. Customers that are awarded new receipt point capacity shall be able to continue their capacity rights ownership after the initial contract term by exercising a Right of First Refusal (ROFR) for a like contract term.	T
59. In order to minimize the amount of Utility facilities that are actually required to meet the Step 3B awarded bids, the Utility will first ask all existing capacity rights holders if they are willing to turn-back their awarded capacity at the G-RPA1 rate.	T
60. If bidders in Step 3B secure capacity that later is accorded rolled-in ratemaking treatment, they would be permitted to relinquish the capacity before the end of their contract term (and be relieved of the associated reservation charges). This relinquishment would be timed to correspond to the allocation of existing capacity to customers in succeeding Step 1 and Step 2 open seasons.	T
<u>CONTRACT INTERCHANGEABILITY</u>	
61. After receipt point capacity is awarded in all steps described, capacity holders will also be allowed to “re-contract” any part of their capacity from any Receipt Point on the system to a different point, even in a different zone, to the extent capacity is available at the requested Receipt Point.	T
62. After all of the steps have taken place, the Utility will post any available receipt point capacity on its EBB and accept requests from capacity holders to move their specific receipt point capacities during a two-week re-contracting period. At the end of this period, the Utility will evaluate all requests for changes on a non-discriminatory basis and grant requests where receipt point capacity is available. To the extent more quantities are requested to be moved to a particular Receipt Point or Transmission Zone than the available capacity, the requests will be prorated among the requesting customers. Customers may signify that their specific receipt point move request is an all-or-nothing request so that it will be rejected if any prorating is required.	T
(Continued)	

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3818-A
 DECISION NO. 07-12-019

14C11

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 12, 2008
 EFFECTIVE Jul 18, 2008
 RESOLUTION NO. _____

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

SOUTHERN CALIFORNIA GAS COMPANY LOS ANGELES, CALIFORNIA	CANCELED	Revised	CAL. P.U.C. SHEET NO.	43335-G
		Revised	CAL. P.U.C. SHEET NO.	42815-G
		Original		42274-G

Schedule No. G-RPA <u>RECEIPT POINT ACCESS</u>	Sheet 15
(Continued)	
<u>SPECIAL CONDITIONS</u> (Continued)	
<u>CONTRACT INTERCHANGEABILITY</u> (Continued)	
63. After the re-contracting period for receipt point access capacity, all remaining available capacities will be available to customers on a "first-come, first-served" basis.	T
64. At any time, should sufficient customer demand exist for expansion of a receipt point or take-away capacity from a receipt point or transmission zone, the Utility will conduct an open season consistent with the initial Step 3 Open Season Process to award firm rights where applicable.	T
<u>REMAINING FIRM RECEIPT POINT ACCESS CAPACITY</u>	
65. Any creditworthy market participants may acquire available receipt point capacity for a minimum term of one month and a maximum term up to the period remaining in the three-year cycle at the G-RPAN rate.	T
66. All unsubscribed firm receipt point capacity will be available to customers on a "first-come, first-served" basis.	T
67. The Utility may also make available any operationally available capacity in excess of the above stated firm capacity quantities on a short-term firm basis under G-RPA1.	T
68. The Utility may also post the availability of monthly receipt point capacity at a negotiated level below the G-RPA1 rate and will hold an open season for that capacity. Participants may submit a bid for receipt point capacity at the negotiated rate. Should the Utility receive bids in excess of the posted receipt point access capacity at a particular Receipt Point or within a particular Transmission Zone, participant awards will be awarded such that the awarded receipt point access capacity does not exceed the available capacities. Awards will be allocated first to the highest price bids; among equal price bids awards will be allocated from the longest term to the shortest term. If necessary, awards will be prorated among like price and like term bids. Customers may signify that any of their specific receipt point bids is an all-or-nothing bid so that it will be rejected if any prorating is required.	T
(Continued)	

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3818-A
 DECISION NO. 07-12-019

15C11

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 12, 2008
 EFFECTIVE Jul 18, 2008
 RESOLUTION NO. _____

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

SOUTHERN CALIFORNIA GAS COMPANY	Revised	CAL. P.U.C. SHEET NO.	43336-G	
LOS ANGELES, CALIFORNIA	CANCELING	Revised	CAL. P.U.C. SHEET NO.	42816-G
	Original		42275-G	

Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 16

(Continued)

SPECIAL CONDITIONS (Continued)

INTERUPPTIBLE RECEIPT POINT ACCESS

- | | |
|---|---|
| 69. The Utility will make available all unutilized firm receipt point access capacity or operationally available capacity on an interruptible basis at the G-RPAI rate and will schedule that capacity in accordance with the Utility' Rule No. 30 for scheduling of interruptible capacity. | T |
| 70. Customers taking interruptible service under the G-RPAI rate will only be required to execute one contract, which will provide service from all Receipt Points. | T |
| 71. The Utility will contract with any creditworthy party for interruptible receipt point service under the G-RPAI rate. | T |
| 72. The Utility may also post daily interruptible volumetric charges at a level below the G-RPAI rate for all interruptible receipt point service or just for a particular Receipt Point. On any day in which the Utility posts a daily interruptible charge at a level below the G-RPAI rate, all interruptible service used by customers at the applicable particular Receipt Points during that day will be charged the reduced volumetric charge. No interruptible service shall be charged at a level below the G-RPAI rate without the rate first being posted. | T |

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3818-A
DECISION NO. 07-12-019

16C11

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 12, 2008
EFFECTIVE Jul 18, 2008
RESOLUTION NO. _____

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

SOUTHERN CALIFORNIA GAS COMPANY Original CAL. P.U.C. SHEET NO. 43348-G
 LOS ANGELES, CALIFORNIA CANCELING Original CAL. P.U.C. SHEET NO. 42829-G

<p>SCHEDULE G-PAL <u>OPERATIONAL HUB SERVICES</u></p> <p><u>APPLICABILITY</u></p> <p>This rate schedule applies to interruptible gas parking and gas loaning services (“Operations Park and Loan Services”) to any qualified creditworthy party, referred herein as “Customer”, as provided by the Utility System Operator using its system capacity. Gas parking is the temporary storage of gas on the Utility’s system and gas loaning is the temporary lending of gas from the Utility’s system. For purposes of this tariff, the Utility Gas Procurement Department is a Customer.</p> <p><u>TERRITORY</u></p> <p>The receipt and delivery points of service are entirely within the state of California, and are specified in the Operations Park and Loan Services Agreement (Schedule O of the Master Services Contract).</p> <p><u>RATES</u></p> <p>Rates for service will be negotiated on an individual transaction basis and shall depend on current market conditions. The rates shall fall within the following range:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Minimum Rate (per transaction)</td> <td style="text-align: right;">\$50 minimum</td> </tr> <tr> <td colspan="2">Maximum Rate (per Dth)</td> </tr> <tr> <td style="padding-left: 20px;">Operations Parking</td> <td style="text-align: right;">\$1.63 *</td> </tr> <tr> <td style="padding-left: 20px;">Operations Loaning</td> <td style="text-align: right;">\$1.63 *</td> </tr> </table> <p>The minimum rate reflects the incremental administrative and overhead costs necessary to carry out an Operations Parking or Operations Loaning Transaction.</p> <p>The maximum rates are set equivalent to the maximum rate for inventory-only service in the Utility’s G-TBS schedule.</p> <p>* An additional fuel charge may be levied if the requested service will cause an incremental fuel cost for storage compression. Customer will be notified of the need for incremental fuel in advance of any service being provided, in which case Customer shall pay an in-kind fuel charge of 2.44%.</p> <p style="text-align: center;">(Continued)</p>	Minimum Rate (per transaction)	\$50 minimum	Maximum Rate (per Dth)		Operations Parking	\$1.63 *	Operations Loaning	\$1.63 *	<p>Sheet 1</p> <p>N</p> <p>N</p> <p>N</p> <p>N</p> <p>N</p> <p>N</p>
Minimum Rate (per transaction)	\$50 minimum								
Maximum Rate (per Dth)									
Operations Parking	\$1.63 *								
Operations Loaning	\$1.63 *								

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3818-A
 DECISION NO. 07-12-019
 1C12

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 12, 2008
 EFFECTIVE Jul 18, 2008
 RESOLUTION NO. _____

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

SOUTHERN CALIFORNIA GAS COMPANY Original CAL. P.U.C. SHEET NO. 43349-G
LOS ANGELES, CALIFORNIA CANCELING Original CAL. P.U.C. SHEET NO. 42830-G

SCHEDULE G-PAL
OPERATIONAL HUB SERVICES

Sheet 2

(Continued)

SPECIAL CONDITIONS

General

1. As a pre-requisite to the service under this schedule, an executed Master Services Contract and Schedule O, Operations Park and Loan Services Agreement (Form Nos. 6597 and 6597-22) are required (referred to in this schedule as the "Agreement"). All agreements, rates and conditions are subject to revision and modification as a result of Commission order.
2. The definitions of principal terms used in this rate schedule are contained in Rule No. 1 and in the Agreement.
3. The Utility System Operator is under no obligation to accept any bids or make any offers for Park or Loan services.
4. Service under this schedule shall be restricted in accordance with the provisions of Rule No. 23.
5. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the services provided under this schedule.
6. The length of term for service under this schedule shall be set forth in the Agreement.
7. In the event the Agreement is terminated, for whatever reason, prior to the completion of the term of such Agreement, Utility may, at its option, immediately purchase any remaining inventory quantities from Customer at the applicable Buy-Back Rate stated in Schedule No. G-IMB. The Buy-Back purchase amount paid to Customer may be reduced by any outstanding amounts owed by Customer for any other services provided by the Utility.
8. Prior to and while taking service under this tariff, Customer must meet the Utility's creditworthiness requirements.
9. Any bids or offers discussed by the parties and Agreement terms shall remain confidential except as required for reporting or disclosure by governmental agencies acting within their scope of authority.

Transaction Imbalances

10. An Under-Performance Imbalance is created when Customer uses less service than specified in the Agreement. In the event of an Under-Performance Imbalance, Customer is responsible for any charges applicable for unused capacity, unless otherwise specified in the Agreement or agreed to between the Utility and Customer.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3818-A
DECISION NO. 07-12-019

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 12, 2008
EFFECTIVE Jul 18, 2008
RESOLUTION NO. _____

2012

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

SOUTHERN CALIFORNIA GAS COMPANY Original CAL. P.U.C. SHEET NO. 43350-G
LOS ANGELES, CALIFORNIA CANCELING Original CAL. P.U.C. SHEET NO. 42831-G

SCHEDULE G-PAL
OPERATIONAL HUB SERVICES

Sheet 3

(Continued)

SPECIAL CONDITIONS (Continued)

Transaction Imbalances (Continued)

11. An Unauthorized-Use Imbalance occurs when Customer uses more service than specified in the Agreement. In the event of an Unauthorized-Use Imbalance, Customer shall be charged the maximum rate applicable to the services used, unless otherwise specified in the Agreement or agreed to between the Utility and Customer.
12. A Park Imbalance occurs when Customer leaves gas in Utility System beyond the date specified in the Agreement. In the event of a Park Imbalance, the Utility may, at its option, purchase, at any time, any remaining inventory quantities from Customer at the applicable Buy-Back Rate stated in Schedule No. G-IMB or charge Customer for Unauthorized Use, unless otherwise specified in the Agreement or agreed to between the Utility and Customer.
13. A Loan Imbalance occurs when Customer returns less gas to the Utility than specified in the Agreement. In the event of a Loan Imbalance, the Utility may replace the gas at a price reasonable for the Agreement's Point of Receipt consistent with the amount of notice provided by Customer, or, at the Utility's sole option, choose not to replace the gas. Where the Utility has replaced the gas, Customer shall be charged the Utility's cost for gas and transport to the Agreement's Point of Receipt, unless otherwise specified in the Agreement or agreed to between the Utility and Customer. Where the Utility has chosen not to replace the gas, Customer shall be charged the daily price, as determined by the method specified in the Agreement, applicable to the days for which an imbalance exists, multiplied by the daily imbalance amount, unless otherwise specified in the Agreement or agreed to between the Utility and Customer.

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3818-A
DECISION NO. 07-12-019

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 12, 2008
EFFECTIVE Jul 18, 2008
RESOLUTION NO. _____

3C12



Office of the Governor

ARNOLD SCHWARZENEGGER
THE PEOPLE'S GOVERNOR

Home About Arnold About Maria Newsroom Multimedia Issues Blog Interact

Press Release

11/17/2008 GAAS:785:08 FOR IMMEDIATE RELEASE [Print Version](#) |

Governor Schwarzenegger Advances State's Renewable Energy Development



Signs Executive Order to Raise California's Renewable Energy Goals to 33 Percent by 2020, Clear Red Tape for Renewable Projects

1

tweet

retweet



Building on his commitment to reducing greenhouse gas emissions and increasing the state's renewable energy, Governor Arnold Schwarzenegger today signed Executive Order S-14-08 (EO) to streamline California's renewable energy project approval process and increase the state's Renewable

Energy Standard to 33 percent renewable power by 2020.

"I am proposing we set the most aggressive target in the nation for renewable energy-33 percent by the year 2020-that's a third of our energy from sources like solar, wind and geothermal," Governor Schwarzenegger said. "But we won't meet that goal doing business as usual, where environmental regulations are holding up environmental progress in some cases. This executive order will clear the red tape for renewable projects and streamline the permitting and siting of new plants and transmission lines. With this investment in renewable energy projects, California has a bright energy future ahead that will help us fight climate change while driving our state's green economy."

The Governor made today's announcement at the site of OptiSolar's new plant in Sacramento, which will begin manufacturing solar panels in early 2009. When fully built out, the one-million-square-foot plant will be the largest photovoltaic solar panel manufacturing plant in North America, providing 1,000 green jobs and producing approximately 2,000 solar panels per day.

To solidify his promise to increase the amount of electricity California receives from renewable resources, the Governor will expand the state's current RPS requirements to 33 percent by 2020. The Governor also will propose legislative language that will codify the new higher standards and require all utilities, public and private, to meet the 33 percent target and spread implementation costs across all ratepayers with safeguards for low-income customers. It will allow for the expansion of eligibility for California's RPS program to renewable energy generation from other western states and reform the renewable energy market structure to spur new development while providing consumer safeguards.

The EO will advance California's transition into a clean energy economy and directs state agencies to create comprehensive plans to prioritize regional renewable projects based on an area's renewable

<http://gov.ca.gov/press-release/11073/>

10/13/2009

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

Governor Schwarzenegger Advances State's Renewable Energy Development

Page 2 of 5

resource potential and the level of protection for plant and animal habitat. To implement and track the progress of the EO, the California Energy Commission (CEC) and the Department of Fish and Game (DFG) today signed a Memorandum of Understanding formalizing a Renewable Energy Action Team (REAT). [Click](#)

To streamline the application process for renewable energy development, the CEC and DFG will create a "one-stop" permitting process with the goal of reducing the application time for specific projects in half. This will be achieved through the creation of a special joint streamlining unit that will concurrently review permit applications filed at the state level.

To jump start Natural Communities Conservation Plans (NCCPs) under the EO, the REAT will initiate the Desert Renewable Energy Conservation Plan in the priority Mojave and Colorado Desert regions and identify other preferred areas that will benefit from a streamlined permitting and environmental review process. This will dramatically reduce the time and uncertainty normally associated with building new renewable projects.

In addition to the EO announced today, the CEC, DFG, U.S. Fish and Wildlife Service and the U.S. Bureau of Land Management signed a Memorandum of Understanding to establish a coordinated approach with our federal partners in the expedited permitting process. This coordinated approach will significantly reduce the time and expense for developing renewable energy on federally-owned California land, including the priority Mojave and Colorado Desert regions.

Gov. Schwarzenegger has led California in establishing laws and policies aimed at helping to promote renewable energy and fight global warming, including:

- In September 2008, Gov. Schwarzenegger signed [AB 1451](#) by Assemblyman Mark Leno (D-San Francisco), [AB 2466](#) by Assemblyman John Laird (D-Santa Cruz) and [AB 2267](#) by Assemblyman Felipe Fuentes (D-Sylmar) to build on California's commitment to increase renewable energy use. AB 1451 will build on the state's solar power usage by continuing a property tax exclusion for projects that utilize solar panel energy and expanding the exclusion to builder-installed solar energy systems in new homes. AB 2267 builds on the state's green economy by requiring the CPUC to grant incentives to eligible California-technology manufacturers. This bill also requires the Energy Commission to give priority to California-based companies when granting awards and will not only create jobs for hardworking Californians but will attract more clean-tech and green-tech companies to the state. AB 2466 will increase energy efficiency and help protect the environment by authorizing local governments to receive a utility bill credit for surplus renewable electricity generated at one site against the electricity consumption at other sites.
- In 2006, the Governor [announced](#) his Million Solar Roofs Plan to provide 3,000 megawatts of additional clean energy and reduce the output of greenhouse gases by three million tons, equivalent to taking one million cars off the road. Now known as the California Solar Initiative, the \$3.3 billion incentive plan for homeowners and building owners who install solar electric systems will lead to one million solar roofs in California by 2017.
- Announced as a component of the California Solar Initiative in 2007, the New Solar Homes Partnership (NSHP) aims to create a self-sustaining market for solar homes and gain builder commitment to install solar energy systems. A new home that qualifies for the NSHP is at least 15 percent more efficient than the current building standards.
- In September 2006, the Governor [signed](#) the Global Warming Solutions Act of 2006, California's landmark bill that established a first-in-the-world comprehensive program of regulatory and market mechanisms to achieve real, quantifiable, cost-effective reductions of greenhouse gases. The law will reduce carbon emissions in California to 1990 levels by the year 2020. Gov. Schwarzenegger has also called for the state to reduce carbon emissions to 80 percent below 1990 levels by the year 2050.

California's push to fight global warming and increase renewable energy will also boost our economy. According to an economic study by the University of California at Berkeley and Next 10, California's policies will create as many as 403,000 jobs in the next 12 years and household incomes will increase by \$48 billion.

The full text of the EO is below:

EXECUTIVE ORDER S-14-08
by the Governor of the State of California

WHEREAS, the State of California is a world leader in efforts to reduce global warming and greenhouse gas emissions, increase renewable energy production, promote energy efficiency, energy conservation, clean air and emission controls, expand the use of low carbon, alternative fuels and

<http://gov.ca.gov/press-release/11073/>

10/13/2009

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

promote and commercialize new technologies and industries; and

WHEREAS, California has previously led the nation with an aggressive Renewable Portfolio Standard (RPS), requiring California's retail sellers of electricity to serve 20 percent of their load with renewable energy by 2010; and

WHEREAS, in 2003, the Governor called for an acceleration of the RPS, urging that 20 percent of California's electricity come from renewable sources by 2010 rather than 2017, seven years earlier than previously required, and this accelerated standard became law in September 2006, when the Governor signed SB 107; and

WHEREAS, California's high standards and ambitious goals have resulted in California leading the nation in renewable energy innovation, receiving more investment funding in clean technology than anywhere else in the United States, and accounting for 44 percent of all U.S. patents in solar technologies and 37 percent of all U.S. patents in wind technologies; and

WHEREAS, producing electricity from renewable resources provides multiple and significant benefits to California's environment and economy, including improving local air quality and reducing global warming pollution, diversifying energy supply, improving energy security, enhancing economic development, and creating jobs; and

WHEREAS, California has some of the best renewable energy resource areas in the world, providing immense potential for clean, valuable electricity generation in the state, and the development of these resources must be accelerated; and

WHEREAS, substantially increased development of renewable electricity sources, energy efficiency and demand response is needed to meet the greenhouse gas reduction goal of 1990 levels by 2020 and 80 percent below 1990 emissions levels by 2050, making the success and expansion of renewables a key priority for California's economic and environmental future; and

WHEREAS, fostering greater and more timely renewable energy development means California's energy agencies must establish a more cohesive and integrated statewide strategy, including greater coordination and streamlining of the siting, permitting, and procurement processes for renewable generation, improving the manner in which the state develops its transmission infrastructure, and encouraging technically and economically feasible distributed renewable energy opportunities; and

WHEREAS, the California Public Utilities Commission (CPUC) has approved more than 6,300 MW of renewable generation contracts for investor-owned utilities, and has identified various challenges that impede their timely realization, relating to transmission, financing, siting, permitting, integration, environmental and military objectives, technology development and commercialization and equipment procurement; and

WHEREAS, the California Energy Commission (CEC) in its 2007 Integrated Energy Policy Report (IEPR) indicated that there are substantial barriers to generation siting, permitting and transmission that must be addressed in order to achieve the 2010 and 2020 RPS goals; and

WHEREAS, the Renewable Energy Transmission Initiative (RETI) is a statewide initiative to help identify the transmission projects needed to accommodate these renewable energy goals and facilitate transmission corridor designation and transmission and generation siting and permitting; and

WHEREAS, RETI will (1) assess competitive renewable energy zones in California and surrounding regions that can provide significant electricity to California consumers by 2020; (2) identify those zones that can be developed in the most timely and cost effective way, with least environmental impact; and (3) prepare detailed transmission plans for those zones identified for development; and

WHEREAS, deployment of new renewable energy technologies across the state will require utilizing new areas of biologically sensitive land; and

WHEREAS, California is committed to conserving natural communities at the ecosystem scale through the use of California's unique Natural Community Conservation Planning (NCCP) tool, coordinated by the Department of Fish and Game (DFG) and CEC, which identifies and provides for the region-wide protection of plants, animals, and their habitats while allowing for compatible economic activities such as renewable energy generation; and

WHEREAS, the Western Governor's Association has initiated the Western Renewable Energy Zone (WREZ) initiative to identify and expedite cost-effective, environmentally sensitive transmission development to areas with high-grade, renewable energy resources in order to bring about the development of 30,000 megawatts of clean and diversified energy across the West by 2015.

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

Governor Schwarzenegger Advances State's Renewable Energy Development

Page 4 of 5

NOW, THEREFORE, I, ARNOLD SCHWARZENEGGER, Governor of the State of California, by virtue of the power vested in me by the Constitution and statutes of the State of California, do hereby order effective immediately:

1. That the following Renewable Portfolio Standard target is hereby established for California: All retail sellers of electricity shall serve 33 percent of their load with renewable energy by 2020. State government agencies are hereby directed to take all appropriate actions to implement this target in all regulatory proceedings, including siting, permitting, and procurement for renewable energy power plants and transmission lines.
2. The Resources Agency shall lead the joint collaboration between the CEC and the DFG to expedite the development of RPS eligible renewable energy resources through the actions outlined in this order.
3. The Department of Fish and Game shall immediately create a new internal division, the primary purpose being comprehensive planning and streamlined compliance services; including for renewable energy projects. The division shall ensure the timely completion of NCCPs, which embody the balancing of project assurances with ecosystem protection.
4. Pursuant to this Order and the MOU signed on November 17, 2008 by the CEC and DFG formalizing the Renewable Energy Action Team (REAT), the REAT shall lead completion of items 5 through 12.
5. Pursuant to the MOU, DFG and CEC shall immediately create a "one-stop" process for permitting renewable energy generation power plants. Instead of filing multiple sequential applications, the DFG and CEC shall create a concurrent application review process, which shall be filed directly at the state level. To facilitate this process, a special joint streamlining unit shall be created and shall reduce permit processing times by at least 50% for projects in renewable energy development areas, as such areas are defined by the REAT beginning on February 1, 2009.
6. Pursuant to the MOU signed on November 17, 2008 by the CEC, the DFG, the United States Bureau of Land Management and the U.S. Fish and Wildlife Service, the REAT shall endeavor to include all appropriate federal partners in the expedited permitting process described in number 5 above.
7. By December 1, 2008, the REAT shall initiate the Desert Renewable Energy Conservation Plan (DRECP) process for the Mojave and Colorado Desert regions.
8. By March 1, 2009, the REAT shall identify and publish top priority areas in California where other NCCPs or similar plans should be developed based upon their renewable energy development potential.
9. By December 31, 2009, the REAT shall develop and publish a Best Management Practices manual to assist RPS project applicants in designing projects to emphasize siting considerations and minimize environmental impacts for RPS desert projects.
10. By December 31, 2009, the REAT, in conjunction with our federal partners and stakeholder groups, shall develop a conservation strategy that clearly identifies and maps areas for RPS project development and areas intended for long-term natural resource conservation as a foundation for the DRECP.
11. By December 31, 2010, the REAT, in conjunction with our federal partners and stakeholder groups, shall complete the draft DRECP and initiate the environmental review process.
12. By June 1, 2012, the final DRECP shall provide binding, long-term endangered species permit assurances, facilitate the RPS desert project approval process, and provide a process for state and federal conservation funding to implement the DRECP.
13. By January 1, 2010, the CEC shall provide an estimate of total retail electricity sales in California in 2020 by utility and shall update this number every two years through the IEPR.
14. Direct the CEC, and request the CPUC and California Independent System Operator (ISO), to work with other RETI stakeholders to complete the following by March 31, 2009: (a) develop a product that identifies top priority renewable energy zones that can be developed reliably, cost-effectively and with least environmental impact; and (b) issue a Renewable Transmission Development Report that identifies potential routes and interconnection points for new lines. I direct DFG to participate in the RETI process and the REAT to provide increased technical support to the RETI stakeholder group. I also request that the CPUC and the ISO support the RETI stakeholder group as appropriate in order to meet this deadline.

<http://gov.ca.gov/press-release/11073/>

10/13/2009

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

Governor Schwarzenegger Advances State's Renewable Energy Development

Page 5 of 5

15. Direct the CEC, and request the CPUC, to participate in the WREZ initiative in order to increase availability to all potential renewable energy resources, coordinate research, planning, and investments with our regional partners, and to complement RETI. Specifically, I request that the CPUC, in conjunction with the CEC, ensure that there is information exchange and coordination between the WREZ initiative and RETI and to facilitate the feasible integration of the resulting plans from each initiative.

16. In order to facilitate the timely permitting of renewable energy projects, all state regulatory agencies shall give priority to renewable energy projects as set forth in this Executive Order.

17. In conjunction with its work with DFG to develop the DRECP pursuant to number 7 above and any work it performs to facilitate the siting and permitting of renewable generation and transmission projects, the CEC shall coordinate with BLM, CPUC, the California ISO, and other interested federal, state, and local agencies, work closely with interested stakeholders, and utilize input from RETI.

This Order is not intended to create, and does not create, any right or benefit, whether substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, entities, officers, employees, agents or any other person.

I FURTHER DIRECT that as soon as hereafter possible, this Order be filed with the Office of the Secretary of State and that widespread publicity and notice be given to this Order.

IN WITNESS WHEREOF I have here unto set my hand and caused the Great Seal of the State of California to be affixed this the 17th day of November 2008.

ARNOLD SCHWARZENEGGER
Governor of California

ATTEST:
DEBRA BOWEN
Secretary of State

[Text Version](#) | [Email the Governor](#) | [Email Alerts](#) | [Internship Program](#) | [Technical Contact](#) |
[RSS Feeds](#) | [Site Map](#) | [Privacy Policy](#) | [Conditions of Use](#) | [Office Contact](#)

[CA State Homepage](#) | [Save Our Water](#)

© 2009 State of California

<http://gov.ca.gov/press-release/11073/>

10/13/2009



Office of the Governor

ARNOLD SCHWARZENEGGER
THE PEOPLE'S GOVERNOR

Home About Arnold About Maria Newsroom Multimedia Issues Blog Interact

Press Release

09/15/2009 GAAS:529:08 FOR IMMEDIATE RELEASE [Print Version](#) | [ShareThis](#)

Gov. Schwarzenegger Signs Executive Order to Advance State's Renewable Energy Portfolio Standard to 33 Percent by 2020



Advancing California's commitment to reducing greenhouse gas emissions and increasing the state's renewable energy, Governor Arnold Schwarzenegger today signed an Executive Order (EO) directing the California Air Resources Board (CARB) to adopt regulations increasing California's Renewable Portfolio Standard (RPS) to 33 percent by 2020 - [first established by the Governor's directive last year](#).

15 tweets

retweet

4 shares

[Share](#)

The Governor's EO upholds

California's leadership in environmental policies and builds on AB 32 goals by ensuring California will have the flexibility needed to use renewable energy sources for 33 percent of our state's energy consumption by 2020. Today's action will provide clear, permanent direction for creation, delivery and servicing of California's renewable energy projects, which will help avoid another energy crisis while achieving our renewable energy goals.

"Three years ago, I signed AB 32 and committed California to roll back our greenhouse gas emissions a nation-leading 25 percent by 2020. We've made a lot of progress since then, but we still have a lot of work to do to reach our goals," said Governor Schwarzenegger. "So I am taking action today to make sure California remains a pioneer in clean energy and clean jobs and directing the California Air Resources Board to enact regulations to reach our 33 percent renewable energy standards by 2020. With this investment in renewable energy projects, California has a bright energy future ahead that will help us fight climate change while driving our state's green economy."

The Governor's order places the highest priority on renewable resources that will provide the greatest environmental benefits that can be developed quickly and support reliable, efficient and cost-effective electricity system operations including resources and facilities located throughout the Western Interconnection. Working with the Public Utilities Commission (PUC), the Independent System Operator (ISO) and the California Energy Commission (CEC), CARB must adopt these regulations by July 31, 2010.

Last November, Governor Schwarzenegger built on his commitment to accelerating the state's renewable energy standard and [signed Executive Order S-14-08](#) to streamline California's renewable energy project approval process and increase the state's RPS to the most aggressive in the nation at 33 percent renewable power by 2020. The Governor also called on the legislature to pass legislation

<http://gov.ca.gov/press-release/13273/>

10/13/2009

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

Gov. Schwarzenegger Signs Executive Order to Advance State's Renewable Energy Portf... Page 2 of 5

increasing the state's RPS to meet that target and, in May, sent legislative leaders a letter outlining what would need to be included in legislation - most importantly, that it increase the state's renewable energy portfolio standard while protecting ratepayers and creating a healthy market.

Unfortunately, the bills the legislature recently passed are unnecessarily complex, would substantially increase costs on Californians and California's businesses and, if passed, the state standard could be held up in legal battles because the bills violate the U.S. Constitution's commerce clause by restricting the sale of energy across state lines. For these reasons, the Governor is taking action administratively today to increase California's RPS to the highest in the nation - 33 percent by 2020.

In 2007, the Governor called for an acceleration of the RPS, and signed SB 107 by Senator Joe Simitian (D-Palo Alto) requiring investor owned utilities to have 20 percent of their electricity come from renewable sources by 2010. Previously, state law passed in 2002 required that this target be achieved by 2017.

In September 2006, the Governor [signed](#) the Global Warming Solutions Act of 2006, California's landmark bill that established a first-in-the-world comprehensive program of regulatory and market mechanisms to achieve real, quantifiable and cost-effective reductions of greenhouse gas emissions. The law will reduce carbon emissions in California to 1990 levels by the year 2020. AB 32 requires CARB to develop regulations and market mechanisms that will ultimately reduce California's greenhouse gas emissions by 25 percent by 2020. Mandatory caps will begin in 2012 for significant sources and ratchet down to meet the 2020 goals. The Governor has also called for the state to reduce carbon emissions to 80 percent below 1990 levels by the year 2050.

The Governor has led California in establishing laws and policies aimed at helping to promote renewable energy and fight global warming, including:

- In September 2008, Gov. Schwarzenegger signed [AB 1451](#) by Assemblyman Mark Leno (D-San Francisco), [AB 2466](#) by Assemblyman John Laird (D-Santa Cruz) and [AB 2267](#) by Assemblyman Felipe Fuentes (D-Sylmar) to build on California's commitment to increase renewable energy use. AB 1451 builds on the state's solar power usage by continuing a property tax exclusion for projects that utilize solar panel energy and expanding the exclusion to builder-installed solar energy systems in new homes. AB 2267 builds on the state's green economy by requiring the CPUC to grant incentives to eligible California-technology manufacturers. This bill also requires the Energy Commission to give priority to California-based companies when granting awards and will not only create jobs for hardworking Californians but will attract more clean-tech and green-tech companies to the state. AB 2466 will increase energy efficiency and help protect the environment by authorizing local governments to receive a utility bill credit for surplus renewable electricity generated at one site against the electricity consumption at other sites.
- In 2007, Governor Schwarzenegger furthered his historic leadership to reduce greenhouse gas emissions and lower California's reliance on foreign oil by [signing Executive Order S-01-07](#) that established the world's first Low Carbon Fuel Standard for transportation fuels sold in California. The standard will reduce carbon content in all passenger vehicle fuels sold in California by at least 10 percent by 2020 and more thereafter.
- In 2006, the Governor [announced](#) his Million Solar Roofs Plan to provide 3,000 megawatts of additional clean energy and reduce the output of greenhouse gases by three million tons, equivalent to taking one million cars off the road. Now known as the California Solar Initiative, the \$3.3 billion incentive plan for homeowners and building owners who install solar electric systems will lead to one million solar roofs in California by 2017.
- Announced as a component of the California Solar Initiative in 2007, the [New Solar Homes Partnership](#) (NHSP) aims to create a self-sustaining market for solar homes and gain builder commitment to install solar energy systems. A new home that qualifies for the NSHP is at least 15 percent more efficient than the current building standards.

California's push to fight global warming and increase renewable energy will also boost our economy. According to an [economic study](#) by the University of California at Berkeley and Next 10, California's policies will create as many as 403,000 jobs in the next 12 years and household incomes will increase by \$48 billion.

The full text of the EO is below:

EXECUTIVE ORDER S-21-09

WHEREAS the State of California is a world leader in efforts to reduce global warming and greenhouse gas emissions, increase renewable energy production, promote energy efficiency and energy conservation, improve clean air and emissions controls, expand the use of low carbon and alternative fuels and promote and commercialize new environmental technologies and industries; and

<http://gov.ca.gov/press-release/13273/>

10/13/2009

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

Gov. Schwarzenegger Signs Executive Order to Advance State's Renewable Energy Portf... Page 3 of 5

WHEREAS producing electricity from renewable resources provides multiple and significant benefits to California's environment and economy, including improving local air quality and public health, reducing global warming, diversifying our energy supply, improving energy security, enhancing economic development and creating jobs; and

WHEREAS California has and can access some of the best renewable energy resource areas in the world, providing immense potential for clean, valuable electricity generation, and the development of these resources must be accelerated and maximized; and

WHEREAS the Legislature enacted the California Global Warming Solutions Act of 2006 (Chapter 488, Statutes of 2006, hereinafter "AB 32"), wherein the Legislature declared that global warming poses a serious threat to the environment of California and created a comprehensive, multi-year program to reduce greenhouse gas emissions that cause global warming; and

WHEREAS AB 32 designated the Air Resources Board ("ARB") as the state agency charged with monitoring and regulating sources of greenhouse gas emissions in California; and

WHEREAS among other requirements, AB 32 directs ARB to design emissions reduction measures, adopt regulations requiring the reporting and verification of greenhouse gas emissions, including accounting for greenhouse gas emissions from all electricity consumed in the state, and develop emissions reduction measures, including limits on emissions of greenhouse gases applied to electricity and natural gas providers serving customers in California; and

WHEREAS substantially increased development of renewable energy, energy efficiency, and demand response are all needed to meet the greenhouse reduction goal of 1990 levels by 2020 and 80 percent below 1990 levels by 2050, making the success and expansion of renewable sources of energy a key priority for California's economic and environmental future; and

WHEREAS increased use of renewable electricity is one of the most promising means to reduce greenhouse gas emissions in the transportation sector and meet California's 2050 greenhouse gas reduction goals; and

WHEREAS fostering greater and more timely renewable energy development requires a more cohesive and integrated statewide strategy by California's energy and environmental agencies, including greater coordination and streamlining of the siting, permitting and procurement processes for renewable energy generation, improving the manner in which California develops its transmission infrastructure, and encouraging technically and economically feasible distributed renewable energy technologies; and

WHEREAS in 2002, Senate Bill 1078 added to Chapter 2.3 of Part 1 of Division 1 of the Public Utilities Code, a new Article 16 (commencing with Section 399.11) establishing the California Renewable Portfolio Standard (RPS) Program, which requires the State Energy Resources Conservation and Development Commission ("CEC") and the Public Utilities Commission ("PUC") to work collaboratively to implement the RPS Program; and

WHEREAS Senate Bill 1078 established a renewable energy standard and required electrical corporations to increase their total procurement of eligible renewable energy resources by at least 1 percent per year so that 20 percent of their retail sales are procured from eligible renewable energy resources by 2017; and

WHEREAS in 2003, I called for an acceleration of the RPS, urging that 20 percent of California's electricity come from renewable sources by 2010 rather than 2017, seven years earlier than previously required, and this accelerated standard became law in September 2006, when I signed Senate Bill 107; and

WHEREAS in 2003, the PUC and the CEC adopted the 2003 Energy Action Plan I, which accelerated the RPS 20 percent renewable energy goal to 2010; and

WHEREAS in 2006 Senate Bill 107 and Senate Bill 1036 further defined the roles and responsibilities of the CEC and PUC and accelerated the implementation of the RPS; and

WHEREAS as stated in Executive Order S-14-08, an increase in renewable energy production has multiple and significant benefits to California's environment and economy, including improving local air quality and reducing greenhouse gas pollution among other benefits; and

WHEREAS as stated in Executive Order S-14-08, increased development of renewable electricity sources, energy efficiency and demand response are needed to meet the greenhouse gas reduction goal of 1990 levels and 80 percent of the 1990 levels by 2050, making the success and

<http://gov.ca.gov/press-release/13273/>

10/13/2009

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

Gov. Schwarzenegger Signs Executive Order to Advance State's Renewable Energy Portf... Page 4 of 5

expansion of renewable energy sources a key priority for California's economic and environmental future; and

WHEREAS the goals and purposes of the RPS Program and the goals and purposes of AB 32 are mutual and compatible because an increase in the use of renewable electricity will reduce greenhouse gas emissions; and

WHEREAS the joint and coordinated efforts of the energy and environmental agencies are intended to assure that the goals and purposes of these various programs will be implemented by investor-owned and publically-owned utilities to the maximum extent operationally and economically feasible and thereby will achieve the greatest results; and

WHEREAS the expansion of the RPS Program and the implementation of a complementary regulation under AB 32 designed to further reduce greenhouse gas emissions through the expansion of electricity production from renewable energy sources will advance the goals and purposes of both programs; and

WHEREAS the AB 32 Scoping Plan adopted by the ARB in December 2008 recommends achieving a statewide renewable energy mix of 33 percent as a key element for reducing greenhouse gas emissions to 1990 levels by 2020; and

WHEREAS such a complementary regulation under AB 32 will encourage the development and use of renewable energy beyond those required by the RPS Program; and

WHEREAS Executive Order S-14-08 established a target that all retail sellers of electricity shall serve 33 percent of their load with renewable energy by 2020; and

WHEREAS publically-owned utilities provide a significant amount of electricity in California and must be included in statewide efforts to reduce greenhouse gases from their systems in a manner that recognizes their individual circumstances.

NOW, THEREFORE, I, ARNOLD SCHWARZENEGGER, Governor of the State of California, by virtue of the power vested in me by the Constitution and statutes of the State of California, do hereby order effective immediately as follows:

1. That the ARB, under its AB 32 authority, shall adopt a regulation consistent with the 33 percent renewable energy target established in Executive Order S-14-08 by July 31, 2010. In developing the regulation, the ARB may consider different approaches that would achieve the objectives of the Executive Order and may increase the target and accelerate and expand the time frame based on a thorough assessment of such factors as technical feasibility, system reliability, cost, greenhouse gas emissions, environmental protection or other relevant factors.
2. That the ARB shall work with the PUC and the CEC to ensure that a regulation adopted under authority of AB 32 to encourage the creation and use of renewable energy sources shall build upon the RPS Program and shall regulate all California load serving entities, including investor-owned utilities, publically-owned utilities, direct access providers and community choice aggregators.
3. That the PUC and the CEC are requested to provide advice and assistance to, and cooperate with, the ARB in its consideration and implementation of a regulation to reduce greenhouse gas emissions through the creation and use of renewable energy sources. The ARB may delegate to the PUC and the CEC any policy development or program implementation responsibilities that would reduce duplication and improve consistency with other energy programs such as demand response, energy efficiency and energy storage.
4. That the ARB shall consult with the Independent System Operator and other load balancing authorities on, among other aspects, impacts on reliability, renewable integration requirements and interactions with wholesale power markets in carrying out the provisions of this Executive Order.
5. The ARB shall establish the highest priority for those resources that provide the greatest environmental benefits with the least environmental costs and impacts on public health that can be developed most quickly and that support reliable, efficient, cost-effective electricity system operations including resources and facilities located throughout the Western Interconnection.

This Order is not intended to create, and does not create, any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

I FURTHER DIRECT that as soon as hereafter possible, this Order be filed in the Office of the

<http://gov.ca.gov/press-release/13273/>

10/13/2009

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

Gov. Schwarzenegger Signs Executive Order to Advance State's Renewable Energy Portf... Page 5 of 5

Secretary of State and that widespread publicity and notice be given to this Order.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 15th day of September 2009.

ARNOLD SCHWARZENEGGER
Governor of California

ATTEST:
DEBRA BOWEN
Secretary of State

[Text Version](#) | [Email the Governor](#) | [Email Alerts](#) | [Internship Program](#) | [Technical Contact](#) |
[RSS Feeds](#) | [Site Map](#) | [Privacy Policy](#) | [Conditions of Use](#) | [Office Contact](#)

[CA State Homepage](#) | [Save Our Water](#)

© 2009 State of California

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: E. VP Engineering & Ops Staff
 Cost Center: 2200-0225.000

Summary for Category: E. VP Engineering & Ops Staff

	In 2009\$ (000) "Book Expense"			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	204	338	338	338
Non-Labor	43	49	49	49
NSE	0	0	0	0
Total	247	387	387	387
FTE	2.1	2.1	2.1	2.1

**Cost Centers belonging to this Category:
 2200-0225.000 VP - ENGINEERING & OPS STAFF**

Labor	204	338	338	338
Non-Labor	43	49	49	49
NSE	0	0	0	0
Total	247	387	387	387
FTE	2.1	2.1	2.1	2.1

Beginning of Workpaper
2200-0225.000 - VP - ENGINEERING & OPS STAFF

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: E. VP Engineering & Ops Staff
Category-Sub: 1. VP Engineering & Ops Staff
Cost Center: 2200-0225.000 - VP - ENGINEERING & OPS STAFF

Activity Description:

Leadership services/Intellectual property to guiding the formulation of service policies supporting improved customer satisfaction with utility (electric and gas) service including items such as rate design options, levels of service in call centers, and collections policies.

Forecast Methodology:

Labor - 5-YR Average

The 5 year average methodology is appropriate in this cost center, as it is a VP function largely unchanged in over the past five years.

Non-Labor - 5-YR Average

The 5 year average methodology is appropriate in this cost center, as it is a VP function largely unchanged in over the past five years.

NSE - 5-YR Average

N/A

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: E. VP Engineering & Ops Staff
 Category-Sub: 1. VP Engineering & Ops Staff
 Cost Center: 2200-0225.000 - VP - ENGINEERING & OPS STAFF

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		396	396	382	382	387	387	387	387
Non-Labor		67	48	62	45	54	54	54	54
NSE		0	0	0	0	0	0	0	0
Total		463	444	444	427	441	441	441	441
FTE		2.1	2.1	2.1	2.2	2.1	2.1	2.1	2.1
		Allocations Out							
Labor		192	189	187	178	183	49	49	49
Non-Labor		31	21	27	18	11	5	5	5
NSE		0	0	0	0	0	0	0	0
Total		223	210	214	196	194	54	54	54
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		204	207	195	204	204	338	338	338
Non-Labor		36	27	35	27	43	49	49	49
NSE		0	0	0	0	0	0	0	0
Total		240	234	230	231	247	387	387	387
FTE		2.1	2.1	2.1	2.2	2.1	2.1	2.1	2.1
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		204	207	195	204	204	338	338	338
Non-Labor		36	27	35	27	43	49	49	49
NSE		0	0	0	0	0	0	0	0
Total		240	234	230	231	247	387	387	387
FTE		2.1	2.1	2.1	2.2	2.1	2.1	2.1	2.1

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: E. VP Engineering & Ops Staff
Category-Sub: 1. VP Engineering & Ops Staff
Cost Center: 2200-0225.000 - VP - ENGINEERING & OPS STAFF

Calculation of Book Expense:

	2009 Adjusted-Recorded					2010 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	0	31	0	31	0.00	8	11	0	19	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	387	23	0	410	2.10	379	43	0	422	2.10
% Allocation										
Retained	52.67%	52.66%				86.79%	86.79%			
SEU	47.33%	47.34%				13.21%	13.21%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	204	12	0	216		330	38	0	368	
SEU	183	11	0	194		49	5	0	54	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	387	54	0	441	2.10	387	54	0	441	2.10
Total Alloc. Out	183	11	0	194		49	5	0	54	
Total Retained	204	43	0	247		338	49	0	387	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	204	43	0	247		338	49	0	387	

	2011 Adjusted-Forecast					2012 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	8	11	0	19	0.00	8	11	0	19	0.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	379	43	0	422	2.10	379	43	0	422	2.10
% Allocation										
Retained	86.79%	86.79%				86.79%	86.79%			
SEU	13.21%	13.21%				13.21%	13.21%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	330	38	0	368		330	38	0	368	
SEU	49	5	0	54		49	5	0	54	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	387	54	0	441	2.10	387	54	0	441	2.10
Total Alloc. Out	49	5	0	54		49	5	0	54	
Total Retained	338	49	0	387		338	49	0	387	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	338	49	0	387		338	49	0	387	

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: E. VP Engineering & Ops Staff
Category-Sub: 1. VP Engineering & Ops Staff
Cost Center: 2200-0225.000 - VP - ENGINEERING & OPS STAFF

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

Multi factor provided by Affiliate Billing and Costing group for VP level activity.

Cost Center Allocation Percentage for 2010

Multi-factor provided by Business Planning and Budget Operations group for VP level activity.

Cost Center Allocation Percentage for 2011

Multi-factor provided by Business Planning and Budget Operations group for VP level activity.

Cost Center Allocation Percentage for 2012

Multi-factor provided by Business Planning and Budget Operations group for VP level activity.

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: E. VP Engineering & Ops Staff
 Category-Sub: 1. VP Engineering & Ops Staff
 Cost Center: 2200-0225.000 - VP - ENGINEERING & OPS STAFF

Forecast Summary:

Forecast Method		In 2009 \$(000) "Incurred Costs"								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Labor	5-YR Average	387	387	387	0	0	0	387	387	387
Non-Labor	5-YR Average	54	54	54	0	0	0	54	54	54
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		441	441	441	0	0	0	441	441	441
FTE	5-YR Average	2.1	2.1	2.1	0.0	0.0	0.0	2.1	2.1	2.1

Forecast Adjustment Details:

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

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: E. VP Engineering & Ops Staff
Category-Sub: 1. VP Engineering & Ops Staff
Cost Center: 2200-0225.000 - VP - ENGINEERING & OPS STAFF

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	301	308	308	316	328
Non-Labor	59	44	58	45	53
NSE	0	0	0	0	0
Total	360	352	367	361	381
FTE	1.8	1.8	1.8	1.8	1.8
Adjustments (Nominal \$) **					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	301	308	308	316	328
Non-Labor	59	44	58	45	53
NSE	0	0	0	0	0
Total	360	352	367	361	381
FTE	1.8	1.8	1.8	1.8	1.8
Vacation & Sick (Nominal \$)					
Labor	51	55	54	61	59
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	51	55	54	61	59
FTE	0.3	0.3	0.3	0.4	0.3
Escalation to 2009\$					
Labor	44	32	20	6	0
Non-Labor	7	4	3	1	0
NSE	0	0	0	0	0
Total	51	36	24	6	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	395	395	382	382	387
Non-Labor	67	48	62	46	53
NSE	0	0	0	0	0
Total	462	444	444	428	440
FTE	2.1	2.1	2.1	2.2	2.1

* After company-wide exclusions of Non-GRC costs

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: E. VP Engineering & Ops Staff
 Category-Sub: 1. VP Engineering & Ops Staff
 Cost Center: 2200-0225.000 - VP - ENGINEERING & OPS STAFF

Summary of Adjustments to Recorded:

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

Detail of Adjustments to Recorded:

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: F. Market Services
 Cost Center: 2200-2201.000

Summary for Category: F. Market Services

	In 2009\$ (000) "Book Expense"			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	246	289	338	338
Non-Labor	7	39	39	39
NSE	0	0	0	0
Total	253	328	377	377
FTE	3.4	3.6	4.3	4.3

Cost Centers belonging to this Category:

2200-2201.000 MARKET SERVICES

Labor	246	289	338	338
Non-Labor	7	39	39	39
NSE	0	0	0	0
Total	253	328	377	377
FTE	3.4	3.6	4.3	4.3

Beginning of Workpaper
2200-2201.000 - MARKET SERVICES

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: F. Market Services
Category-Sub: 1. Market Services
Cost Center: 2200-2201.000 - MARKET SERVICES

Activity Description:

This work group [Customer Service Strategies] is involved in planning and managing SDG&E's and SoCalGas' customer experience analysis and strategy development, including analysis of customer transactions, behavioral, socio-economic, demographic and psychographic data.

Forecast Methodology:

Labor - 5-YR Average

Historically, there have been shifting levels of demand placed on the Residential Services support work groups, as changing priorities and focus have dictated where resources were allocated. Customer needs are dynamic, and do not remain static. Therefore our response to those needs requires constant readjustment to stay current with our mission. Given the nature of the work, this ebb and flow pattern is expected to continue for the foreseeable future. After weighing the available options, using an average of historical data would best capture this ebb and flow process, with a 5 year average being neither too much nor too little of a sample.

Non-Labor - 5-YR Average

Historically, there have been shifting levels of demand placed on the Residential Services support work groups, as changing priorities and focus have dictated where resources were allocated. Customer needs are dynamic, and do not remain static. Therefore our response to those needs requires constant readjustment to stay current with our mission. Given the nature of the work, this ebb and flow pattern is expected to continue for the foreseeable future. After weighing the available options, using an average of historical data would best capture this ebb and flow process, with a 5 year average being neither too much nor too little of a sample.

NSE - 5-YR Average

N/A

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: F. Market Services
 Category-Sub: 1. Market Services
 Cost Center: 2200-2201.000 - MARKET SERVICES

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		115	334	399	230	309	348	413	413
Non-Labor		1	173	13	64	9	51	51	51
NSE		0	0	0	0	0	0	0	0
Total		116	507	412	294	318	399	464	464
FTE		1.2	3.6	4.0	2.3	3.4	3.6	4.3	4.3
		Allocations Out							
Labor		0	0	53	49	63	59	75	75
Non-Labor		0	85	3	14	2	12	12	12
NSE		0	0	0	0	0	0	0	0
Total		0	85	56	63	65	71	87	87
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		115	334	346	181	246	289	338	338
Non-Labor		1	88	10	50	7	39	39	39
NSE		0	0	0	0	0	0	0	0
Total		116	422	356	231	253	328	377	377
FTE		1.2	3.6	4.0	2.3	3.4	3.6	4.3	4.3
		Allocations In							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		115	334	346	181	246	289	338	338
Non-Labor		1	88	10	50	7	39	39	39
NSE		0	0	0	0	0	0	0	0
Total		116	422	356	231	253	328	377	377
FTE		1.2	3.6	4.0	2.3	3.4	3.6	4.3	4.3

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: F. Market Services
Category-Sub: 1. Market Services
Cost Center: 2200-2201.000 - MARKET SERVICES

Calculation of Book Expense:

	2009 Adjusted-Recorded					2010 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	39	0	0	39	0.40	95	1	0	96	1.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	270	9	0	279	3.00	253	50	0	303	2.60
% Allocation										
Retained	76.69%	76.69%				76.67%	76.67%			
SEU	23.31%	23.31%				23.33%	23.33%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	207	7	0	214		194	38	0	232	
SEU	63	2	0	65		59	12	0	71	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	309	9	0	318	3.40	348	51	0	399	3.60
Total Alloc. Out	63	2	0	65		59	12	0	71	
Total Retained	246	7	0	253		289	39	0	328	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	246	7	0	253		289	39	0	328	

	2011 Adjusted-Forecast					2012 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Retained	95	1	0	96	1.00	95	1	0	96	1.00
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	318	50	0	368	3.30	318	50	0	368	3.30
% Allocation										
Retained	76.67%	76.67%				76.67%	76.67%			
SEU	23.33%	23.33%				23.33%	23.33%			
CORP	0.00%	0.00%				0.00%	0.00%			
Unreg	0.00%	0.00%				0.00%	0.00%			
\$ Allocation										
Retained	243	38	0	281		243	38	0	281	
SEU	75	12	0	87		75	12	0	87	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	413	51	0	464	4.30	413	51	0	464	4.30
Total Alloc. Out	75	12	0	87		75	12	0	87	
Total Retained	338	39	0	377		338	39	0	377	
Allocations In	0	0	0	0		0	0	0	0	
Book Expense	338	39	0	377		338	39	0	377	

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: F. Market Services
Category-Sub: 1. Market Services
Cost Center: 2200-2201.000 - MARKET SERVICES

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009

Although the work is similar for both Companies, the budget magnitude for the organizations supported best reflects the level of effort required for each Company.

Cost Center Allocation Percentage for 2010

Although the work is similar for both Companies, the budget magnitude for the organizations supported best reflects the level of effort required for each Company.

Cost Center Allocation Percentage for 2011

Although the work is similar for both Companies, the budget magnitude for the organizations supported best reflects the level of effort required for each Company.

Cost Center Allocation Percentage for 2012

Although the work is similar for both Companies, the budget magnitude for the organizations supported best reflects the level of effort required for each Company.

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: F. Market Services
 Category-Sub: 1. Market Services
 Cost Center: 2200-2201.000 - MARKET SERVICES

Forecast Summary:

		In 2009 \$(000) "Incurred Costs"								
Forecast Method		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Labor	5-YR Average	277	277	277	71	136	136	348	413	413
Non-Labor	5-YR Average	51	51	51	0	0	0	51	51	51
NSE	5-YR Average	0	0	0	0	0	0	0	0	0
Total		328	328	328	71	136	136	399	464	464
FTE	5-YR Average	2.9	2.9	2.9	0.7	1.4	1.4	3.6	4.3	4.3

Forecast Adjustment Details:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010	39	0	0	39	0.0	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						
2010	0	0	0	0	0.4	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						
2010	32	0	0	32	0.0	1-Sided Adj
Adjustment to show O&M labor for 1 current employee who worked on projects outside of this cost center in 2009 at 1/3 an FTE in O&M for this cost center in 2010.						
2010	0	0	0	0	0.3	1-Sided Adj
Adjustment to show O&M labor for 1 current employee who worked on projects outside of this cost center in 2009 at 1/3 an FTE in O&M for this cost center in 2010.						
2010 Total	71	0	0	71	0.7	

2011	39	0	0	39	0.0	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						
2011	0	0	0	0	0.4	1-Sided Adj
Full Year adjustment to reflect actual current staffing levels and rates and related expenses.						
2011	97	0	0	97	0.0	1-Sided Adj
Adjustment to show O&M labor for 1 current employee who worked on projects outside of this cost center in 2009 at 1 FTE in O&M for this cost center in 2011.						

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: F. Market Services
 Category-Sub: 1. Market Services
 Cost Center: 2200-2201.000 - MARKET SERVICES

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj Type</u>
2011	0	0	0	0	1.0	1-Sided Adj

Adjustment to show O&M labor for 1 current employee who worked on projects outside of this cost center in 2009 at 1 FTE in O&M for this cost center in 2011.

2011 Total	136	0	0	136	1.4	
-------------------	------------	----------	----------	------------	------------	--

2012	39	0	0	39	0.0	1-Sided Adj
------	----	---	---	----	-----	-------------

Full Year adjustment to reflect actual current staffing levels and rates and related expenses.

2012	0	0	0	0	0.4	1-Sided Adj
------	---	---	---	---	-----	-------------

Full Year adjustment to reflect actual current staffing levels and rates and related expenses.

2012	97	0	0	97	0.0	1-Sided Adj
------	----	---	---	----	-----	-------------

Adjustment to show O&M labor for 1 current employee who worked on projects outside of this cost center in 2009 at 1 FTE in O&M for this cost center in 2012.

2012	0	0	0	0	1.0	1-Sided Adj
------	---	---	---	---	-----	-------------

Adjustment to show O&M labor for 1 current employee who worked on projects outside of this cost center in 2009 at 1 FTE in O&M for this cost center in 2012.

2012 Total	136	0	0	136	1.4	
-------------------	------------	----------	----------	------------	------------	--

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: F. Market Services
Category-Sub: 1. Market Services
Cost Center: 2200-2201.000 - MARKET SERVICES

Determination of Adjusted-Recorded (Incurred Costs):

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
Recorded (Nominal \$)*					
Labor	0	0	119	193	262
Non-Labor	0	150	11	63	9
NSE	0	0	0	0	0
Total	0	150	130	255	270
FTE	0.0	0.0	1.3	2.0	2.8
Adjustments (Nominal \$) **					
Labor	87	260	202	-2	0
Non-Labor	2	9	1	0	0
NSE	0	0	0	0	0
Total	88	269	204	-2	0
FTE	1.0	3.1	2.1	0.0	0.0
Recorded-Adjusted (Nominal \$)					
Labor	87	260	321	191	262
Non-Labor	2	159	12	63	9
NSE	0	0	0	0	0
Total	88	419	334	253	270
FTE	1.0	3.1	3.4	1.9	2.8
Vacation & Sick (Nominal \$)					
Labor	15	47	56	37	47
Non-Labor	0	0	0	0	0
NSE	0	0	0	0	0
Total	15	47	56	37	47
FTE	0.2	0.5	0.6	0.4	0.6
Escalation to 2009\$					
Labor	13	27	21	3	0
Non-Labor	0	14	1	1	0
NSE	0	0	0	0	0
Total	13	41	22	4	0
FTE	0.0	0.0	0.0	0.0	0.0
Recorded-Adjusted (Constant 2009\$)					
Labor	114	334	399	231	309
Non-Labor	2	173	13	64	9
NSE	0	0	0	0	0
Total	116	507	412	294	317
FTE	1.2	3.6	4.0	2.3	3.4

* After company-wide exclusions of Non-GRC costs

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: F. Market Services
 Category-Sub: 1. Market Services
 Cost Center: 2200-2201.000 - MARKET SERVICES

Summary of Adjustments to Recorded:

Year	In Nominal \$ (000) "Incurred Costs"				
	2005	2006	2007	2008	2009
Labor	87	260	202	-2	0
Non-Labor	2	9	1	0	0
NSE	0	0	0	0	0
Total	88	269	204	-2	0
FTE	1.0	3.1	2.1	0.0	0.0

Detail of Adjustments to Recorded:

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005	35	0	0	0.0	CCTR Transf	From 2200-0342.000	KHART20090914 081212927
Residential Services Organization has been restructured. CS Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2201 CS Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2005	0	2	0	0.0	CCTR Transf	From 2200-0342.000	KHART20090914 081253913
Residential Services Organization has been restructured. CS Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2201 CS Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2005	0	0	0	0.4	CCTR Transf	From 2200-0342.000	KHART20090914 081329210
Residential Services Organization has been restructured. CS Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2201 CS Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2005	51	0	0	0.0	SSD_Type Transf	From CC_Subj	SDALEY2009091 4142930663
Secondary transfer for Customer Service Strategies labor, changing the SSD type from 'Subject to Allocation' to 'Directly Retained'. In 2005, the former CCTR 2200-0422 was not a shared service, and these specific costs were directly retained.							
2005	-51	0	0	0.0	SSD_Type Transf	To IO_Ret	SDALEY2009091 4142930663
Secondary transfer for Customer Service Strategies labor, changing the SSD type from 'Subject to Allocation' to 'Directly Retained'. In 2005, the former CCTR 2200-0422 was not a shared service, and these specific costs were directly retained.							

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: F. Market Services
 Category-Sub: 1. Market Services
 Cost Center: 2200-2201.000 - MARKET SERVICES

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005	0	0	0	-0.6	SSD_Type Transf	To IO_Ret	SDALEY2009091 4143637407
Secondary transfer for Customer Service Strategies FTE, changing the SSD type from 'Subject to Allocation' to 'Directly Retained'. In 2005, the former CCTR 2200-0422 was not a shared service.							
2005	0	0	0	0.6	SSD_Type Transf	From CC_Subj	SDALEY2009091 4143637407
Secondary transfer for Customer Service Strategies FTE, changing the SSD type from 'Subject to Allocation' to 'Directly Retained'. In 2005, the former CCTR 2200-0422 was not a shared service.							
2005	0	0.369	0	0.0	SSD_Type Transf	From CC_Subj	SDALEY2009091 4145117050
Secondary transfer for Customer Service Strategies non labor expenses - changing the SSD type from 'Subject to Allocation' to 'Directly Retained'. In 2005, the former CCTR 2200-0422 was not a shared service.							
2005	0	-0.369	0	0.0	SSD_Type Transf	To IO_Ret	SDALEY2009091 4145117050
Secondary transfer for Customer Service Strategies non labor expenses - changing the SSD type from 'Subject to Allocation' to 'Directly Retained'. In 2005, the former CCTR 2200-0422 was not a shared service.							
2005	51	0	0	0.0	CCTR Transf	From 2200-0422.000	TTRAN20100419 074215050
Cost alignment adjustment - Transfer Customer Service Strategies labor from CC 2200-0422 to CC 2200-2201 due to reorganization.							
2005	0	0	0	0.6	CCTR Transf	From 2200-0422.000	TTRAN20100419 074443597
Cost alignment adjustment - Transfer Customer Service Strategies labor from CC 2200-0422 to CC 2200-2201 due to reorganization.							
2005 Total	87	2	0	1.0			
2006	104	0	0	0.0	CCTR Transf	From 2200-0342.000	KHART20090914 082259550
Residential Services Organization has been restructured. CS Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2201 CS Strategies. 2200-0342 was a shared service prior to 2009, but no longer is considered shared.							
2006	0	9	0	0.0	CCTR Transf	From 2200-0342.000	KHART20090914 082340487
Residential Services Organization has been restructured. CS Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2201 CS Strategies. 2200-0342 was a shared service prior to 2009, but no longer is considered shared.							

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: F. Market Services
 Category-Sub: 1. Market Services
 Cost Center: 2200-2201.000 - MARKET SERVICES

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2006	0	0	0	1.3	CCTR Transf	From 2200-0342.000	KHART20090914 082419957
Residential Services Organization has been restructured. CS Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2201 CS Strategies. 2200-0342 was a shared service prior to 2009, but no longer is considered shared.							
2006	156	0	0	0.0	SSD_Type Transf	From CC_Subj	SDALEY2009091 4145448333
Secondary transfer for Customer Service Strategies labor, changing the SSD type from 'Subject to Allocation' to 'Directly Retained'. In 2006, the former CCTR 2200-0422 was not a shared service.							
2006	-156	0	0	0.0	SSD_Type Transf	To IO_Ret	SDALEY2009091 4145448333
Secondary transfer for Customer Service Strategies labor, changing the SSD type from 'Subject to Allocation' to 'Directly Retained'. In 2006, the former CCTR 2200-0422 was not a shared service.							
2006	0	0	0	-1.8	SSD_Type Transf	To IO_Ret	SDALEY2009091 4145912120
Secondary transfer for Customer Service Strategies FTE, changing the SSD type from 'Subject to Allocation' to 'Directly Retained'. In 2006, the former CCTR 2200-0422 was not a shared service cost center.							
2006	0	0	0	1.8	SSD_Type Transf	From CC_Subj	SDALEY2009091 4145912120
Secondary transfer for Customer Service Strategies FTE, changing the SSD type from 'Subject to Allocation' to 'Directly Retained'. In 2006, the former CCTR 2200-0422 was not a shared service cost center.							
2006	0	3	0	0.0	SSD_Type Transf	From CC_Subj	SDALEY2009091 4150222733
Secondary transfer for Customer Service Strategies non-labor employee expenses - changing the SSD type from 'Subject to Allocation' to 'Directly Retained'. In 2006, the former CCTR 2200-0422 was not a shared service cost center.							
2006	0	-3	0	0.0	SSD_Type Transf	To IO_Ret	SDALEY2009091 4150222733
Secondary transfer for Customer Service Strategies non-labor employee expenses - changing the SSD type from 'Subject to Allocation' to 'Directly Retained'. In 2006, the former CCTR 2200-0422 was not a shared service cost center.							
2006	156	0	0	0.0	CCTR Transf	From 2200-0422.000	TTRAN20100419 074647567
Cost alignment adjustment - Transfer Customer Service Strategies labor from CC 2200-0422 to CC 2200-2201 due to reorganization.							

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: F. Market Services
 Category-Sub: 1. Market Services
 Cost Center: 2200-2201.000 - MARKET SERVICES

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From Cctr</u>	<u>RefID</u>
2006	0	0	0	1.8	CCTR Transf	From 2200-0422.000	TTRAN20100419 074741330

Cost alignment adjustment - Transfer Customer Service Strategies labor from CC 2200-0422 to CC 2200-2201 due to reorganization.

2006 Total	260	9	0	3.1			
-------------------	------------	----------	----------	------------	--	--	--

2007	0	1	0	0.0	CCTR Transf	From 2200-0342.000	KHART20090914 085743073
------	---	---	---	-----	-------------	--------------------	----------------------------

Residential Services Organization has been restructured. CS Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2201 CS Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.

2007	81	0	0	0.0	CCTR Transf	From 2200-0342.000	KHART20090914 085904247
------	----	---	---	-----	-------------	--------------------	----------------------------

Residential Services Organization has been restructured. CS Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2201 CS Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.

2007	0	0	0	0.8	CCTR Transf	From 2200-0342.000	KHART20090914 090004747
------	---	---	---	-----	-------------	--------------------	----------------------------

Residential Services Organization has been restructured. CS Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2201 CS Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.

2007	121	0	0	0.0	SSD_Type Transf	From CC_Subj	SDALEY2009091 4150523550
------	-----	---	---	-----	--------------------	--------------	-----------------------------

Secondary transfer for Customer Service Strategies labor, changing the SSD type from 'Subject to Allocation' to 'Directly retained'. In 2007, the former CCTR 2200-0422 was not a shared service cost center.

2007	-121	0	0	0.0	SSD_Type Transf	To IO_Ret	SDALEY2009091 4150523550
------	------	---	---	-----	--------------------	-----------	-----------------------------

Secondary transfer for Customer Service Strategies labor, changing the SSD type from 'Subject to Allocation' to 'Directly retained'. In 2007, the former CCTR 2200-0422 was not a shared service cost center.

2007	0	0	0	-1.3	SSD_Type Transf	To IO_Ret	SDALEY2009091 4150717160
------	---	---	---	------	--------------------	-----------	-----------------------------

Secondary transfer for Customer Service Strategies FTE, changing the SSD type from 'Subject to Allocation' to 'Directly Retained'. In 2007, the former CCTR 2200-0422 was not a shared service cost center.

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: F. Market Services
 Category-Sub: 1. Market Services
 Cost Center: 2200-2201.000 - MARKET SERVICES

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>FTE</u>	<u>Adj Type</u>	<u>From CCtr</u>	<u>RefID</u>
2007	0	0	0	1.3	SSD_Type Transf	From CC_Subj	SDALEY2009091 4150717160
Secondary transfer for Customer Service Strategies FTE, changing the SSD type from 'Subject to Allocation' to 'Directly Retained'. In 2007, the former CCTR 2200-0422 was not a shared service cost center.							
2007	121	0	0	0.0	CCTR Transf	From 2200-0422.000	TTRAN20100419 074929050
Cost alignment adjustment - Transfer Customer Service Strategies labor from CC 2200-0422 to CC 2200-2201 due to reorganization.							
2007	0	0	0	1.3	CCTR Transf	From 2200-0422.000	TTRAN20100419 075018440
Cost alignment adjustment - Transfer Customer Service Strategies labor from CC 2200-0422 to CC 2200-2201 due to reorganization.							
2007 Total	202	1	0	2.1			
2008	-2	0	0	0.0	CCTR Transf	From 2200-0342.000	KHART20090914 090427360
Residential Services Organization has been restructured. CS Strategies employees labor and non-labor should be moved from NSS cost center 2200-0342 into USS cost center 2200-2201 CS Strategies. 2200-0342 was a shared service prior to 2009, but is no longer considered shared.							
2008 Total	-2	0	0	0.0			
2009 Total	0	0	0	0.0			

Supplemental Workpapers for Workpaper 2200-2201.000

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

SOUTHERN CALIFORNIA GAS COMPANY Revised CAL. P.U.C. SHEET NO. 42086-G
 LOS ANGELES, CALIFORNIA CANCELING Revised CAL. P.U.C. SHEET NO. 39474-G*
 39814-G

Rule No. 12	Sheet 1
<u>RENDERING AND PAYMENT OF BILLS</u>	
A. <u>Rendering of Bills</u>	T
1. <u>Regular Bills.</u> Bills for gas service will be rendered monthly, or as may otherwise be provided under applicable tariff schedules, and will be based on the measured quantity of gas delivered to the customer, except as provided in Section C below and as noted in Rule No. 14, Meter Reading, Section C.	T T
2. <u>Electronic Bills.</u> At the mutual option of the customer and the Utility, the customer may elect to receive, view and pay regular bills for service electronically and no longer receive the paper bills. All legal and mandated notices and all charges that would have appeared on the paper bill will be provided with the electronic bill transmittal. Even if the Utility allows bill payment using a bill aggregator or by credit/debit card, responsibility for handling complaints about the bill still resides with the Utility. All notices for termination of service for non-payment will be delivered by a Utility visit or by U.S. Mail. Either party may discontinue electronic billing upon 30 days' notice. The Utility will not release confidential information, including financial information, to a third party without the customer's consent. The customer's consent shall be provided to the Utility either in writing or electronically.	T,L L L
3. <u>Summary Billing.</u> Summary Billing presents bills for customers with multiple accounts in a summarized bill. A customer will receive one bill each month for such a group of accounts. This option is available to both Residential and Non-residential customers.	N N
Customers requesting Summary Billing must have a minimum of ten accounts. In addition, customers must have demonstrated an acceptable payment record (no more than two late payments in the past 12 months on any account), their accounts must be current at the time they begin Summary Billing, and they must not have been involuntarily terminated from Summary Billing within the past 12 months.	N N
Once a customer has been placed on Summary Billing, the customer must maintain the minimum number of accounts required and an acceptable payment record as described above in order to remain eligible for Summary Billing.	N N
B. <u>Payment of Bills</u>	T
1. <u>Bills Due On Presentation.</u> Bills are due and payable upon presentation. Such bills are the first notice to the customer that the amount shown is due and payable and when not timely paid, will become past due as provided for in Rule No. 9, Discontinuance of Service. Payment must be received at the office of the Utility or, at the Utility's option, by duly authorized collectors of the Utility.	T N N T
2. <u>Closing Bills Payable on Presentation.</u> Special bills, bills rendered on vacation of premises, or bills rendered to persons discontinuing the service shall be paid on presentation.	T
(Continued)	

(TO BE INSERTED BY UTILITY)
 ADVISE LETTER NO. 3762
 DECISION NO.
 1C33

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jul 25, 2007
 EFFECTIVE Aug 24, 2007
 RESOLUTION NO. _____

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

SOUTHERN CALIFORNIA GAS COMPANY Revised CAL. P.U.C. SHEET NO. 42087-G
 LOS ANGELES, CALIFORNIA CANCELING Revised CAL. P.U.C. SHEET NO. 39474-G*
 39814-G

Rule No. 12	Sheet 2
<u>RENDERING AND PAYMENT OF BILLS</u>	T
(Continued)	
B. <u>Payment of Bills</u> (Continued)	T
3. <u>Bills for Connection or Reconnection of Service and Deposits.</u> Bills for connection or reconnection of service and payments of deposits or for reinstatement of deposits as required under the rules of the Utility must be paid before service will be connected or reconnected.	L,T L L
4. <u>Payment Options.</u> Payments for gas service may be made using the following options: cash, check, money order, auto debit, debit card, credit card, pay-by-phone, or electronically, as defined in Rule No. 1.	L,T L,T L
The Utility is not responsible for any transfer or transaction fee by a third party vendor for their services over and above the Utility bill charged to the customer. Customers choosing to use an alternative payment method, such as a bill aggregator or financial institution, may be charged a fee by the third party.	N L L
5. <u>Dishonored Payment.</u> If all or any portion of the amount to be paid is not honored, the Utility may bill the unpaid amount to the applicant's subsequent service or to the customer's present service. Such applicant or customer shall be deemed to have consented to such billing. Nonpayment of the amount so billed shall constitute nonpayment of the service or billing and will be subject to the provision for discontinuance of service as set forth in Rule No. 9.	N N
A bill paid with a check that is subsequently dishonored will be subject to a \$7.50 Returned Check Service Charge. This charge will be added to the customer's bill for each occurrence. However, if a customer's check covers payment for other utility services in addition to payment for gas service, only one Returned Check Service Charge will be added to the customer's bill for each occurrence.	T N N
The Returned Check Service Charge shall also apply to all other forms of payment that are subsequently dishonored. This charge will be added to the customer's bill for each occurrence.	N N
6. <u>Refunds.</u> If all or any portion of an amount paid must be refunded by the Utility, such refund may be made at the Utility's option by check or draft, or as credit on the customer's monthly Utility bill. The Utility will not refund electronic check, debit card, or credit card, payments made through a third party.	N N
C. <u>Level Pay Plan</u>	T
Individually metered residential customers, residential master-metered customers, and core commercial and industrial customers using less than 3,000 therms per year who wish to minimize seasonal variations in monthly bills may elect to participate in the Level Pay Plan (LPP) under the following conditions:	T T
(Continued)	

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3762
 DECISION NO.
 2C38

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jul 25, 2007
 EFFECTIVE Aug 24, 2007
 RESOLUTION NO. _____

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

SOUTHERN CALIFORNIA GAS COMPANY Original CAL. P.U.C. SHEET NO. 42088-G
 LOS ANGELES, CALIFORNIA CANCELING Revised CAL. P.U.C. SHEET NO. 39474-G*
 39814-G

<p>Rule No. 12 <u>RENDERING AND PAYMENT OF BILLS</u> (Continued)</p> <p>C. <u>Level Pay Plan</u> (Continued)</p> <ol style="list-style-type: none"> 1. Participation is subject to approval by the Utility. 2. The LPP year begins when the first LPP billing is rendered and extends for 11 subsequent months. Eligible customers may join the LPP in any month. 3. Participants must have maintained a satisfactory payment record or shall have otherwise qualified for credit to the satisfaction of the Utility. 4. Participants must have no outstanding arrears on their account at the time their LPP starts, or agree to amortize their arrears amount. 5. Participants may voluntarily withdraw from the LPP at any time upon notice to the Utility. However, any amounts due for usage over and above the LPP amounts already paid are then due and payable in accordance with the Utility's approved tariffs. Any credit for the LPP amounts paid in excess of actual charges will be applied to the customer's next regular monthly bill or will be refunded by check if so requested by the customer. 6. Participants are expected to pay the LPP amount shown due each month. Participants may be removed from the LPP if a bill containing a prior unpaid amount becomes past due as defined in Rule No. 9, Discontinuance of Service. Re-entry into the LPP will be contingent upon all past due amounts being paid. 7. The LPP amount will be one-twelfth of the annual bill, as estimated by the Utility, based on the customer's most recent 12 months billing history, or, if such billing information is not available, the available billing information for the premises will be used. 8. Participants' accounts are periodically reviewed and adjusted in order to reduce the likelihood of a large imbalance between actual charges and LPP charges. <p style="text-align: center;">(Continued)</p>	<p>Sheet 3</p> <p>T</p> <p>T</p> <p>T</p> <p>T</p> <p>T</p> <p>N</p> <p>N</p> <p>T</p> <p>T</p> <p>T</p> <p>N</p> <p> </p> <p> </p> <p>N</p> <p>T</p> <p> </p> <p> </p> <p>T</p> <p>T</p> <p> </p> <p>T</p> <p>T</p> <p>T</p> <p>T</p>
---	--

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3762
 DECISION NO.
 3C34

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jul 25, 2007
 EFFECTIVE Aug 24, 2007
 RESOLUTION NO. _____

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

SOUTHERN CALIFORNIA GAS COMPANY Original CAL. P.U.C. SHEET NO. 42089-G
LOS ANGELES, CALIFORNIA CANCELING Revised CAL. P.U.C. SHEET NO. 39474-G
36921-G

Rule No. 12
RENDERING AND PAYMENT OF BILLS

Sheet 4

(Continued)

D. Late Payment Charges

A monthly late payment charge, equal to SoCalGas' authorized return on rate base divided by 12 and rounded to the nearest one-tenth of one percent, may be assessed on non-residential accounts with billing in arrears if not received by the Utility, or by a duly authorized agent of the Utility, by the "late charge date" as shown on the bill. The "late charge date" will be at least 19 days from the date mailed as indicated on the bill.

Effective January 1, 2006, the Late Payment Charge is 0.7% (seven-tenths of one percent).

If an account is served by or serves a State Agency and payment is not received within the time limits specified pursuant to the California Prompt Payment Act, Government Code Section 927 et seq., then a penalty for late payment shall be imposed upon the State in accordance with the provisions of the California Prompt Payment Act. For purposes of determining the applicability of this section, the phrase "is served by or serves a State Agency", shall include governmental entities where a portion of utility service is provided or arranged for by a State Agency and collection and payment of the particular utility bills is handled by that State Agency. It is the intent of this section not to exceed the requirements and limitations specified by the California Prompt Payment Act.

(TO BE INSERTED BY UTILITY)
ADVISE LETTER NO. 3762
DECISION NO.
4C25

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jul 25, 2007
EFFECTIVE Aug 24, 2007
RESOLUTION NO. _____

PUC Account: 488
Account Name: Misc. Service Revenues

Witness: Todd Cahill

A. Account Description: # 8 Late Payment Charges

In D.04-12-015, the Commission adopted a Settlement Agreement in the revenue requirement phase of SoCalGas' 2004 Cost of Service. The Settlement Agreement adopted SoCalGas' proposal for a late payment charge for non-residential customers. The monthly charge is equal to 1/12 of SoCalGas' authorized rate of return on rate base applied to the unpaid balance.

B. Forecast Methodology

The 2012 forecast reflects the four year average booked revenue (2006-2009), as this activity didn't start until 2006 based on D.04-12-015 in the 2004 COS.

Account 4330004

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>5 YR AVG</u>
0	597	647	761	523	632

(Activity effective as of 01/01/2006)

Forecast Growth Rate

<u>2010</u>	<u>2011</u>	<u>2012</u>
0.00%	0.00%	0.00%

FORECAST = 5 Year Avg x Growth Rate

632	632	632
-----	-----	-----

C. Summary of Results

Line	Miscellaneous Revenues	Total (\$000)
1.	2009 Recorded	523
2.	2010 Estimated	632
3.	2011 Estimated	632
4.	2012 Test Year	632

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

SOUTHERN CALIFORNIA GAS COMPANY Revised CAL. P.U.C. SHEET NO. 42086-G
 LOS ANGELES, CALIFORNIA CANCELING Revised CAL. P.U.C. SHEET NO. 39474-G*
 39814-G

Rule No. 12	Sheet 1
<u>RENDERING AND PAYMENT OF BILLS</u>	T
A. <u>Rendering of Bills</u>	T
1. <u>Regular Bills.</u> Bills for gas service will be rendered monthly, or as may otherwise be provided under applicable tariff schedules, and will be based on the measured quantity of gas delivered to the customer, except as provided in Section C below and as noted in Rule No. 14, Meter Reading, Section C.	T T
2. <u>Electronic Bills.</u> At the mutual option of the customer and the Utility, the customer may elect to receive, view and pay regular bills for service electronically and no longer receive the paper bills. All legal and mandated notices and all charges that would have appeared on the paper bill will be provided with the electronic bill transmittal. Even if the Utility allows bill payment using a bill aggregator or by credit/debit card, responsibility for handling complaints about the bill still resides with the Utility. All notices for termination of service for non-payment will be delivered by a Utility visit or by U.S. Mail. Either party may discontinue electronic billing upon 30 days' notice. The Utility will not release confidential information, including financial information, to a third party without the customer's consent. The customer's consent shall be provided to the Utility either in writing or electronically.	T,L L L
3. <u>Summary Billing.</u> Summary Billing presents bills for customers with multiple accounts in a summarized bill. A customer will receive one bill each month for such a group of accounts. This option is available to both Residential and Non-residential customers.	N N
Customers requesting Summary Billing must have a minimum of ten accounts. In addition, customers must have demonstrated an acceptable payment record (no more than two late payments in the past 12 months on any account), their accounts must be current at the time they begin Summary Billing, and they must not have been involuntarily terminated from Summary Billing within the past 12 months.	N N
Once a customer has been placed on Summary Billing, the customer must maintain the minimum number of accounts required and an acceptable payment record as described above in order to remain eligible for Summary Billing.	N N
B. <u>Payment of Bills</u>	T
1. <u>Bills Due On Presentation.</u> Bills are due and payable upon presentation. Such bills are the first notice to the customer that the amount shown is due and payable and when not timely paid, will become past due as provided for in Rule No. 9, Discontinuance of Service. Payment must be received at the office of the Utility or, at the Utility's option, by duly authorized collectors of the Utility.	T N N T
2. <u>Closing Bills Payable on Presentation.</u> Special bills, bills rendered on vacation of premises, or bills rendered to persons discontinuing the service shall be paid on presentation.	T
(Continued)	

(TO BE INSERTED BY UTILITY)
 ADVISE LETTER NO. 3762
 DECISION NO.
 1C33

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jul 25, 2007
 EFFECTIVE Aug 24, 2007
 RESOLUTION NO. _____

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

SOUTHERN CALIFORNIA GAS COMPANY Revised CAL. P.U.C. SHEET NO. 42087-G
 LOS ANGELES, CALIFORNIA CANCELING Revised CAL. P.U.C. SHEET NO. 39474-G*
 39814-G

Rule No. 12	Sheet 2
<u>RENDERING AND PAYMENT OF BILLS</u>	T
(Continued)	
B. <u>Payment of Bills</u> (Continued)	T
3. <u>Bills for Connection or Reconnection of Service and Deposits.</u> Bills for connection or reconnection of service and payments of deposits or for reinstatement of deposits as required under the rules of the Utility must be paid before service will be connected or reconnected.	L,T L L
4. <u>Payment Options.</u> Payments for gas service may be made using the following options: cash, check, money order, auto debit, debit card, credit card, pay-by-phone, or electronically, as defined in Rule No. 1.	L,T L,T L
The Utility is not responsible for any transfer or transaction fee by a third party vendor for their services over and above the Utility bill charged to the customer. Customers choosing to use an alternative payment method, such as a bill aggregator or financial institution, may be charged a fee by the third party.	N L L
5. <u>Dishonored Payment.</u> If all or any portion of the amount to be paid is not honored, the Utility may bill the unpaid amount to the applicant's subsequent service or to the customer's present service. Such applicant or customer shall be deemed to have consented to such billing. Nonpayment of the amount so billed shall constitute nonpayment of the service or billing and will be subject to the provision for discontinuance of service as set forth in Rule No. 9.	N N
A bill paid with a check that is subsequently dishonored will be subject to a \$7.50 Returned Check Service Charge. This charge will be added to the customer's bill for each occurrence. However, if a customer's check covers payment for other utility services in addition to payment for gas service, only one Returned Check Service Charge will be added to the customer's bill for each occurrence.	T N N
The Returned Check Service Charge shall also apply to all other forms of payment that are subsequently dishonored. This charge will be added to the customer's bill for each occurrence.	N N
6. <u>Refunds.</u> If all or any portion of an amount paid must be refunded by the Utility, such refund may be made at the Utility's option by check or draft, or as credit on the customer's monthly Utility bill. The Utility will not refund electronic check, debit card, or credit card, payments made through a third party.	N N
C. <u>Level Pay Plan</u>	T
Individually metered residential customers, residential master-metered customers, and core commercial and industrial customers using less than 3,000 therms per year who wish to minimize seasonal variations in monthly bills may elect to participate in the Level Pay Plan (LPP) under the following conditions:	T T
(Continued)	

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3762
 DECISION NO.
 2C38

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jul 25, 2007
 EFFECTIVE Aug 24, 2007
 RESOLUTION NO. _____

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

SOUTHERN CALIFORNIA GAS COMPANY Original CAL. P.U.C. SHEET NO. 42088-G
 LOS ANGELES, CALIFORNIA CANCELING Revised CAL. P.U.C. SHEET NO. 39474-G*
 39814-G

<p>Rule No. 12 <u>RENDERING AND PAYMENT OF BILLS</u> (Continued)</p> <p>C. <u>Level Pay Plan</u> (Continued)</p> <ol style="list-style-type: none"> 1. Participation is subject to approval by the Utility. 2. The LPP year begins when the first LPP billing is rendered and extends for 11 subsequent months. Eligible customers may join the LPP in any month. 3. Participants must have maintained a satisfactory payment record or shall have otherwise qualified for credit to the satisfaction of the Utility. 4. Participants must have no outstanding arrears on their account at the time their LPP starts, or agree to amortize their arrears amount. 5. Participants may voluntarily withdraw from the LPP at any time upon notice to the Utility. However, any amounts due for usage over and above the LPP amounts already paid are then due and payable in accordance with the Utility's approved tariffs. Any credit for the LPP amounts paid in excess of actual charges will be applied to the customer's next regular monthly bill or will be refunded by check if so requested by the customer. 6. Participants are expected to pay the LPP amount shown due each month. Participants may be removed from the LPP if a bill containing a prior unpaid amount becomes past due as defined in Rule No. 9, Discontinuance of Service. Re-entry into the LPP will be contingent upon all past due amounts being paid. 7. The LPP amount will be one-twelfth of the annual bill, as estimated by the Utility, based on the customer's most recent 12 months billing history, or, if such billing information is not available, the available billing information for the premises will be used. 8. Participants' accounts are periodically reviewed and adjusted in order to reduce the likelihood of a large imbalance between actual charges and LPP charges. <p style="text-align: center;">(Continued)</p>	<p>Sheet 3</p> <p>T</p> <p>T</p> <p>T</p> <p>T</p> <p>T</p> <p>N</p> <p>N</p> <p>T</p> <p>T</p> <p>T</p> <p>N</p> <p> </p> <p> </p> <p>N</p> <p>T</p> <p> </p> <p> </p> <p>T</p> <p>T</p> <p> </p> <p>T</p> <p>T</p> <p>T</p> <p>T</p>
---	--

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3762
 DECISION NO.
 3C34

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jul 25, 2007
 EFFECTIVE Aug 24, 2007
 RESOLUTION NO. _____

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

SOUTHERN CALIFORNIA GAS COMPANY	Original	CAL. P.U.C. SHEET NO.	42089-G
LOS ANGELES, CALIFORNIA	CANCELING	Revised	CAL. P.U.C. SHEET NO.
			39474-G
			36921-G

Rule No. 12	Sheet 4
<u>RENDERING AND PAYMENT OF BILLS</u>	
(Continued)	
<u>D. Late Payment Charges</u>	
<p>A monthly late payment charge, equal to SoCalGas' authorized return on rate base divided by 12 and rounded to the nearest one-tenth of one percent, may be assessed on non-residential accounts with billing in arrears if not received by the Utility, or by a duly authorized agent of the Utility, by the "late charge date" as shown on the bill. The "late charge date" will be at least 19 days from the date mailed as indicated on the bill.</p>	
<p>Effective January 1, 2006, the Late Payment Charge is 0.7% (seven-tenths of one percent).</p>	
<p>If an account is served by or serves a State Agency and payment is not received within the time limits specified pursuant to the California Prompt Payment Act, Government Code Section 927 et seq., then a penalty for late payment shall be imposed upon the State in accordance with the provisions of the California Prompt Payment Act. For purposes of determining the applicability of this section, the phrase "is served by or serves a State Agency", shall include governmental entities where a portion of utility service is provided or arranged for by a State Agency and collection and payment of the particular utility bills is handled by that State Agency. It is the intent of this section not to exceed the requirements and limitations specified by the California Prompt Payment Act.</p>	

(TO BE INSERTED BY UTILITY)
ADVISE LETTER NO. 3762
DECISION NO.
4C25

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jul 25, 2007
EFFECTIVE Aug 24, 2007
RESOLUTION NO. _____

PUC Account: 495
Account Name: Other Gas Revenues

Witness: Todd Cahill

A. Account Description: # 14 Returned Check Charge

The returned check charge is \$7.50, which is assessed to customers whose checks are returned from the bank for insufficient funds pursuant to SoCalGas Tariff Schedule/Rule 12.

B. Forecast Methodology

The 2012 estimate is based on a five year historical average (2005-2009).

<i>Account 4370006</i> Recorded (\$000)	2005	2006	2007	2008	2009	5 YR AVG
	619	615	610	611	563	604
 Forecast Growth Rate	2010	2011	2012			
	0.00%	0.00%	0.00%			
FORECAST = 5 Year Avg x Growth Rate	604	604	604			

C. Summary of Results

Line	Miscellaneous Revenues	Total (\$000)
1.	2009 Recorded	563
2.	2010 Estimated	604
3.	2011 Estimated	604
4.	2012 Test Year	604

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: G. Billed-in from SDG&E
 Cost Center: 2200-8911.000

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

	In 2009\$ (000) "Book Expense"			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	687	687	677	800
Non-Labor	34	28	29	27
NSE	0	0	0	0
Total	721	715	706	827
FTE	0.0	0.0	0.0	0.0

Cost Centers belonging to this Category:

2200-8911.000 Billed-in Cost Center for CS - OFFICE OPERATIONS

Labor	687	687	677	800
Non-Labor	34	28	29	27
NSE	0	0	0	0
Total	721	715	706	827
FTE	0.0	0.0	0.0	0.0

Beginning of Workpaper
2200-8911.000 - Billed-in Cost Center for CS - OFFICE OPERATIONS

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: G. Billed-in from SDG&E
Category-Sub 1. USS Billed_to_CCTR for CS - Office Operations
Cost Center: 2200-8911.000 - Billed-in Cost Center for CS - OFFICE OPERATIONS

Activity Description:

This cost center was created for GRC to receive the billed-in costs for functional area - CS Office Operations

Forecast Methodology:

N/A

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: G. Billed-in from SDG&E
Category-Sub: 1. USS Billed_to_CCTR for CS - Office Operations
Cost Center: 2200-8911.000 - Billed-in Cost Center for CS - OFFICE OPERATIONS

Summary of Results:

		In 2009\$ (000)							
		Adjusted-Recorded					Adjusted-Forecast		
Years		2005	2006	2007	2008	2009	2010	2011	2012
		Total Incurred (100% Level)							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Allocations Out							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Retained							
Labor		0	0	0	0	0	0	0	0
Non-Labor		0	0	0	0	0	0	0	0
NSE		0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Allocations In							
Labor		358	585	645	684	687	687	677	800
Non-Labor		16	24	33	48	34	28	29	27
NSE		0	0	0	0	0	0	0	0
Total		374	609	678	732	721	715	706	827
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		Book Expense							
Labor		358	585	645	684	687	687	677	800
Non-Labor		16	24	33	48	34	28	29	27
NSE		0	0	0	0	0	0	0	0
Total		374	609	678	732	721	715	706	827
FTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: G. Billed-in from SDG&E
 Category-Sub: 1. USS Billed_to_CCTR for CS - Office Operations
 Cost Center: 2200-8911.000 - Billed-in Cost Center for CS - OFFICE OPERATIONS

Calculation of Book Expense:

	2009 Adjusted-Recorded					2010 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
Subj. To % Alloc.	0	0	0	0	0.00	0	0	0	0	0.00
\$ Allocation										
Retained	0	0	0	0		0	0	0	0	
SEU	0	0	0	0		0	0	0	0	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Total Incurred	0	0	0	0	0.00	0	0	0	0	0.00
Total Retained	0	0	0	0		0	0	0	0	
Allocations In	687	34	0	721		687	28	0	715	
Book Expense	687	34	0	721		687	28	0	715	

	2011 Adjusted-Forecast					2012 Adjusted-Forecast				
	Labor	Non-Labor	NSE	Total	FTE	Labor	Non-Labor	NSE	Total	FTE
Directly Allocated	0	0	0	0	0.00	0	0	0	0	0.00
\$ Allocation										
Retained	0	0	0	0		0	0	0	0	
SEU	0	0	0	0		0	0	0	0	
CORP	0	0	0	0		0	0	0	0	
Unreg	0	0	0	0		0	0	0	0	
Allocations In	677	29	0	706		800	27	0	827	
Book Expense	677	29	0	706		800	27	0	827	

Cost Center Allocation Percentage Drivers/Methodology:

Cost Center Allocation Percentage for 2009
 N/A

Cost Center Allocation Percentage for 2010
 N/A

Cost Center Allocation Percentage for 2011
 N/A

Cost Center Allocation Percentage for 2012
 N/A

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: G. Billed-in from SDG&E
 Category-Sub: 1. USS Billed_to_CCTR for CS - Office Operations
 Cost Center: 2200-8911.000 - Billed-in Cost Center for CS - OFFICE OPERATIONS

Forecast Summary:

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

Forecast Adjustment Details:

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

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

Area: CS - OFFICE OPERATIONS
Witness: Baldwin, Michael H
Category: G. Billed-in from SDG&E
Category-Sub: 1. USS Billed to CCTR for CS - Office Operations
Cost Center: 2200-8911.000 - Billed-in Cost Center for CS - OFFICE OPERATIONS

Determination of Adjusted-Recorded (Incurred Costs):

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

* After company-wide exclusions of Non-GRC costs

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

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

Area: CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H
 Category: G. Billed-in from SDG&E
 Category-Sub: 1. USS Billed_to_CCTR for CS - Office Operations
 Cost Center: 2200-8911.000 - Billed-in Cost Center for CS - OFFICE OPERATIONS

Summary of Adjustments to Recorded:

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

Detail of Adjustments to Recorded:

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

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

Area: CSOO - CS - OFFICE OPERATIONS
 Witness: Baldwin, Michael H

Appendix A: List of Non-Shared Cost Centers

Cost Center	Sub	Description
2200-0018	000	CS-CUST OPS LVC for Budget Use Only
2200-0226	000	SOCAL GAS CUSTOMER OPERATIONS DIRECTOR
2200-0227	000	MAJOR MARKETS BILLING-NORTH
2200-0228	000	SCG MEASUREMENT DATA OPERATIONS MANAGER
	001	SCG MEASUREMENT DATA OPERATIONS MANAGER-TELEMETRY
2200-0331	000	BUSINESS PLANNING MGR -NON-REFUND
2200-0340	000	CUSTOMER SERVICE-MASS MARKETS VP
2200-0341	000	CUSTOMER SERVICE STAFF DIRECTOR
2200-0342	000	CS SOLUTIONS MANAGER
2200-0343	000	CST - PACER
2200-0348	000	CUSTOMER BILLING SERVICES
2200-0349	000	SPECIAL BILLING C&I
2200-0350	000	SOCALGAS CREDIT & COLLECTIONS MGR
2200-0351	000	MASS MARKET CREDIT & COLLECTION SERVICES
2200-0352	000	MASS MARKET CREDIT & COLLECTION PROJECTS
	001	MASS MARKET CREDIT & COLLECTION POSTAGE
2200-0353	000	COLLECTIONS REVENUE PROTECTION
2200-0413	000	CS CHANNEL STRATEGIES
2200-0678	000	DATA DISTRIBUTION
	001	DATA DISTRIBUTION-POSTAGE
2200-2027	000	CUSTOMER OPERATIONS TECHNOLOGY MANAGER
2200-2028	000	MGR CUSTOMER OPERATIONS SUPPORT
2200-2045	000	ADVANCED METERING OPERATIONS MANAGER
2200-2057	000	REF - VP CUSTOMER SERVICE MAJOR MARKET
2200-2094	000	CUSTOMER OPERATIONS VP
2200-2183	000	CUSTOMER SERVICE-MASS MARKETS VP - NSS
2200-2199	000	REMITTANCE PROCESSING SUPPORT
2200-2239	000	DATA DISTRIBUTION SHARED SERVICES
	001	DATA DISTRIBUTION SHARED SERVICES - POSTAGE
2200-2255	000	CS TECHNOLOGY - ART
2200-2314	000	SOCALGAS AMI DIRECTOR