

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

Application No. 10-12-____
Exhibit No.: (SCG-16-CWP)

CAPITAL WORKPAPERS TO
PREPARED DIRECT TESTIMONY
OF SCOTT D. DRURY
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

DECEMBER 2010



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PROJECT COST (\$000 in 2009\$)	PRIOR YEARS	2009	2010	2011	2012	REMAINING YEARS	TOTAL
DIRECT LABOR	9	1	75	75	75		
DIRECT NONLABOR	76	222	575	775	775		
TOTAL DIRECT CAPITAL	85	223	650	850	850		
COLLECTIBLE							
NET CAPITAL							
FTE	0	0	1	1	1		

Business Purpose

The Safety and Emergency Services capital request provides for more flexible and up-to-date equipment and systems which will replace older and less-efficient technology. These projects include the replacement of obsolete audio visual equipment and supporting infrastructure. These costs will also provide for system upgrades and construction of new systems. The SoCalGas capital expenditures also provide for the acquisition of long lead specialized tools equipment and infrastructure upgrades needed to meet the increased capacity and usage of the back-up data center.

Physical Description

The Emergency Services Capital projects provide for the necessary upgrades of outdated audio visual technology, network infrastructure and facility upgrades for the Emergency Operations Center and Gas Emergency Center located in the Los Angeles area. These expenses also provide for the necessary upgrades to the Safety Information Management System and the construction of an Emergency Incident Management System and Business Resumption Management system. The capital costs also provide for the necessary supporting infrastructure and systems for the back-up data center as well as the acquisition and staging of specialized tools and equipment.

Project Justification

The Emergency Services technology upgrades provide for the replacement of obsolete technology. This funding also provides for the expanded functional usage of the Emergency Operations Center, Gas Emergency Centers and back-up data center. Expenses also provide for the acquisition and staging of specialize tools and equipment.

Forecast Methodology

Estimated costs are based on historic project cost estimates for similar type projects and actual vendor services and equipment price estimates.

Schedule

This is a blanket budget consisting primarily of technology based projects that will be constructed from 2009 to 2012.