

Application of SAN DIEGO GAS & ELECTRIC	)	
COMPANY for authority to update its gas and electric	)	A-10-12-005
revenue requirement and base rates	)	
<u>effective January 1, 2012 (U 902-M)</u>	)	
Application of SOUTHERN CALIFORNIA GAS	)	
COMPANY for authority to update its gas revenue	)	A-10-12-006
requirement and base rates	)	
<u>effective January 1, 2012 (U 904-G)</u>	)	

Exhibit No.: (SCG-20-WP-R)

REVISED WORKPAPERS TO  
PREPARED DIRECT TESTIMONY  
OF DAVID I. SARKARIA  
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

JULY 2011



2012 General Rate Case - REVISED  
INDEX OF WORKPAPERS

Exhibit SCG-20-WP-R - PENSION & PBOPS

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**Overall Summary For Exhibit No. SCG-20-WP-R**

**Area: PENSION & PBOPs**

**Witness: Sarkaria, David I**

Description	In 2009 \$ (000)			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
<i>Non-Shared Services</i>	101,047	101,047	101,047	101,047
<i>Shared Services</i>	0	0	0	0
<b>Total</b>	101,047	101,047	101,047	101,047

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

Area: PENSION & PBOPs  
 Witness: Sarkaria, David I

**Summary of Non-Shared Services Workpapers:**

In 2009 \$ (000)			
Adjusted-Recorded	Adjusted-Forecast		
2009	2010	2011	2012
<b>Description</b>			
<i>A. Retirement Plans</i>	101,047	101,047	101,047
<i>Total</i>	101,047	101,047	101,047

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

Area: PENSION & PBOPs  
 Witness: Sarkaria, David I  
 Category: A. Retirement Plans  
 Workpaper: VARIOUS

**Summary for Category: A. Retirement Plans**

	In 2009\$ (000)			
	Adjusted-Recorded	Adjusted-Forecast		
	2009	2010	2011	2012
Labor	0	0	0	0
Non-Labor	101,047	0	0	0
NSE	0	101,047	101,047	101,047
Total	101,047	101,047	101,047	101,047
FTE	0.0	0.0	0.0	0.0

**Workpapers belonging to this Category:**

**2PN000.000 Pension**

Labor	0	0	0	0
Non-Labor	75,105	0	0	0
NSE	0	75,105	75,105	75,105
Total	75,105	75,105	75,105	75,105
FTE	0.0	0.0	0.0	0.0

**2PN000.001 PBOP**

Labor	0	0	0	0
Non-Labor	25,942	0	0	0
NSE	0	25,942	25,942	25,942
Total	25,942	25,942	25,942	25,942
FTE	0.0	0.0	0.0	0.0

**Beginning of Workpaper**  
**2PN000.000 - Pension**

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

Area: PENSION & PBOPs  
 Witness: Sarkaria, David I  
 Category: A. Retirement Plans  
 Category-Sub: 1. Pension  
 Workpaper: 2PN000.000 - Pension

**Activity Description:**

This is SCG's qualified retirement benefits plan, also known as the Southern California Gas Company Pension Plan. Represented and non-represented employees participate in the plan.

**Forecast Methodology:**

**Labor - Zero-Based**

Please see NSE - Zero Based method for more information.

**Non-Labor - Zero-Based**

Please see NSE - Zero Based method for more information.

**NSE - Zero-Based**

Zero Based method chosen as pension contributions are provided by the Company's certified actuary Towers Watson. Current projections are based on 2009 pension contributions.

**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	75,105	0	0	0	
NSE	0	0	0	0	0	75,105	75,105	75,105	
Total	0	0	0	0	75,105	75,105	75,105	75,105	
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 - REVISED  
Non-Shared Service Workpapers

Area: PENSION & PBOPs  
Witness: Sarkaria, David I  
Category: A. Retirement Plans  
Category-Sub: 1. Pension  
Workpaper: 2PN000.000 - Pension

**Forecast Summary:**

Forecast Method		In 2009 \$(000)								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		2010	2011	2012	2010	2011	2012	2010	2011	2012
Labor	Zero-Based	0	0	0	0	0	0	0	0	0
Non-Labor	Zero-Based	0	0	0	0	0	0	0	0	0
NSE	Zero-Based	0	0	0	75,105	75,105	75,105	75,105	75,105	75,105
Total		0	0	0	75,105	75,105	75,105	75,105	75,105	75,105
FTE	Zero-Based	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Forecast Adjustment Details:**

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010	0	0	75,105	75,105	0.0	1-Sided Adj
2010 Pension Projection						
<b>2010 Total</b>	<b>0</b>	<b>0</b>	<b>75,105</b>	<b>75,105</b>	<b>0.0</b>	
2011	0	0	75,105	75,105	0.0	1-Sided Adj
2011 Pension Projection						
<b>2011 Total</b>	<b>0</b>	<b>0</b>	<b>75,105</b>	<b>75,105</b>	<b>0.0</b>	
2012	0	0	75,105	75,105	0.0	1-Sided Adj
2012 Pension Projection						
<b>2012 Total</b>	<b>0</b>	<b>0</b>	<b>75,105</b>	<b>75,105</b>	<b>0.0</b>	



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

Area: PENSION & PBOPs  
Witness: Sarkaria, David I  
Category: A. Retirement Plans  
Category-Sub: 1. Pension  
Workpaper: 2PN000.000 - Pension

**Determination of Adjusted-Recorded:**

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
<b>Recorded (Nominal \$)*</b>					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	75,105
NSE	0	0	0	0	0
Total	0	0	0	0	75,105
FTE	0.0	0.0	0.0	0.0	0.0
<b>Adjustments (Nominal \$) **</b>					
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
<b>Recorded-Adjusted (Nominal \$)</b>					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	75,105
NSE	0	0	0	0	0
Total	0	0	0	0	75,105
FTE	0.0	0.0	0.0	0.0	0.0
<b>Vacation &amp; Sick (Nominal \$)</b>					
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
<b>Escalation to 2009\$</b>					
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
<b>Recorded-Adjusted (Constant 2009\$)</b>					
Labor	0	0	0	0	0
Non-Labor	0	0	0	0	75,105
NSE	0	0	0	0	0
Total	0	0	0	0	75,105
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 - REVISED  
 Non-Shared Service Workpapers

Area: PENSION & PBOPs  
 Witness: Sarkaria, David I  
 Category: A. Retirement Plans  
 Category-Sub: 1. Pension  
 Workpaper: 2PN000.000 - Pension

**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			

**Supplemental Workpapers for Workpaper 2PN000.000**

Southern California Gas Company  
Pension Contribution Projection  
For Years 2009-2012

**ASSUMPTIONS**

1. Pension contribution amounts based on estimates provided by the Company's certified actuary, Towers Watson.  
Current projection is based on 2009 contributions.
2. Surety Bonds/Letters of Credit are based on internal estimates provided by the Pension & Trust Investments group at Sempra Energy.

	Actual	Projected		
	2009	2010	2011	2012
Estimated Contribution	\$ 75,105,147	\$ 75,105,147	\$ 75,105,147	\$ 75,105,147
Surety Bonds/Letters of Credit	-	-	-	-
<b>Total Projection</b>	<b>\$ 75,105,147</b>	<b>\$ 75,105,147</b>	<b>\$ 75,105,147</b>	<b>\$ 75,105,147</b>

**Southern California Gas Company Qualified Pension Plan  
General Rate Case Forecast  
Minimum Required Contributions & Maximum Allowable Deductions**

**Assumptions and Notes:**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
• <b>Effective interest rate (PPA - contributions)</b>	6.38%	5.73%	5.37%	5.36%	5.36%	5.36%	5.36%	5.36%	5.36%	5.36%
• <b>Cash balance crediting rate</b>	4.31%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%
• <b>Annual compensation rate of increase</b>	Age-graded	Age-graded	Age-graded	Age-graded	Age-graded	Age-graded	Age-graded	Age-graded	Age-graded	Age-graded
• <b>Expected return on assets (FAS costs)</b>	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
• <b>Assumed investment return</b>	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
• <b>Lump sum rate</b>	See notes									
• <b>Lump Sum Take Rate for All Years</b>	90%									

**Notes**

- January 1, 2010 participant census
- December 31, 2009 value of assets
- Plan provisions as of January 1, 2010
- Balance of assumptions same as December 31, 2009 financial reporting, however, all plans reflect annual mortality improvements
- Sempra contributes minimum required contribution
- Forecasted counts reflect anticipated future headcount increases, known participant transfers between plans during 2010, and expected El Dorado transfers into SDG&E during 2011
- For retirements expected to occur in 2010 and 2011, lump sum interest rate is blend of discount rate and cash balance crediting rate, blend is 60% discount/40% cash balance crediting rate for retirements expected in 2010, 80% discount/20% cash balance crediting rate for retirements expected in 2011. For 2012 and beyond, lump sum interest rate is the same as the discount rate.

**Southern California Gas Company Qualified Pension Plan  
 General Rate Case Forecast  
 Minimum Required Contribution & Maximum Allowable Deduction  
 (\$ in millions)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
• Minimum Required Contribution	\$ 69.31	\$ 106.98	\$ 110.06	\$ 110.73	\$ 108.79	\$ 106.92	\$ 41.94	\$ 56.35	\$ 60.26	\$ 62.65
• Maximum Deductible Amount	\$ 934.34	\$ 1,192.08	\$ 1,169.91	\$ 1,106.45	\$ 1,035.34	\$ 965.75	\$ 899.26	\$ 896.54	\$ 887.67	\$ 883.81
• Active Participant Headcount	7,248	7,251	7,579	7,844	7,849	7,849	7,849	7,849	7,849	7,849
• PPA Funded Percentage (AVA ÷ FT)	97%	84%	88%	91%	95%	99%	103%	102%	102%	102%
• Surety Bond To Avoid Benefit Restrictions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**Beginning of Workpaper**  
**2PN000.001 - PBOP**

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

Area: PENSION & PBOPs  
 Witness: Sarkaria, David I  
 Category: A. Retirement Plans  
 Category-Sub: 2. PBOP  
 Workpaper: 2PN000.001 - PBOP

**Activity Description:**

SCG provides post-retirement benefits other than pensions (PBOP) such as health and life insurance benefits, also known as the Southern California Gas Company Postretirement Welfare Plan. Represented and non-represented employees participate in the plan.

**Forecast Methodology:**

**Labor - Zero-Based**

Please see NSE - Zero Based method for more information.

**Non-Labor - Zero-Based**

Please see NSE - Zero Based method for more information.

**NSE - Zero-Based**

Zero Based method chosen as PBOP contributions are provided by the Company's certified actuary Towers Watson. Current projections are based on 2009 PBOP contributions.

**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	40,421	19,800	29,199	16,544	25,942	0	0	0	
NSE	0	0	0	0	0	25,942	25,942	25,942	
Total	40,421	19,800	29,199	16,544	25,942	25,942	25,942	25,942	
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 - REVISED  
 Non-Shared Service Workpapers

Area: PENSION & PBOPs  
 Witness: Sarkaria, David I  
 Category: A. Retirement Plans  
 Category-Sub: 2. PBOP  
 Workpaper: 2PN000.001 - PBOP

**Forecast Summary:**

Forecast Method		In 2009 \$(000)								
		Base Forecast			Forecast Adjustments			Adjusted-Forecast		
		2010	2011	2012	2010	2011	2012	2010	2011	2012
Labor	Zero-Based	0	0	0	0	0	0	0	0	0
Non-Labor	Zero-Based	0	0	0	0	0	0	0	0	0
NSE	Zero-Based	0	0	0	25,942	25,942	25,942	25,942	25,942	25,942
Total		0	0	0	25,942	25,942	25,942	25,942	25,942	25,942
FTE	Zero-Based	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Forecast Adjustment Details:**

<u>Year/Expl.</u>	<u>Labor</u>	<u>NLbr</u>	<u>NSE</u>	<u>Total</u>	<u>FTE</u>	<u>Adj_Type</u>
2010	0	0	25,942	25,942	0.0	1-Sided Adj
2010 PBOP Projection						
<b>2010 Total</b>	<b>0</b>	<b>0</b>	<b>25,942</b>	<b>25,942</b>	<b>0.0</b>	
2011	0	0	25,942	25,942	0.0	1-Sided Adj
2011 PBOP Projection						
<b>2011 Total</b>	<b>0</b>	<b>0</b>	<b>25,942</b>	<b>25,942</b>	<b>0.0</b>	
2012	0	0	25,942	25,942	0.0	1-Sided Adj
2012 PBOP Projection						
<b>2012 Total</b>	<b>0</b>	<b>0</b>	<b>25,942</b>	<b>25,942</b>	<b>0.0</b>	

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

Area: PENSION & PBOPs  
Witness: Sarkaria, David I  
Category: A. Retirement Plans  
Category-Sub: 2. PBOP  
Workpaper: 2PN000.001 - PBOP

**Determination of Adjusted-Recorded:**

	2005 (\$000)	2006 (\$000)	2007 (\$000)	2008 (\$000)	2009 (\$000)
<b>Recorded (Nominal \$)*</b>					
Labor	0	0	0	0	0
Non-Labor	36,003	18,280	27,859	16,586	25,942
NSE	0	0	0	0	0
Total	36,003	18,280	27,859	16,586	25,942
FTE	0.0	0.0	0.0	0.0	0.0
<b>Adjustments (Nominal \$) **</b>					
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
<b>Recorded-Adjusted (Nominal \$)</b>					
Labor	0	0	0	0	0
Non-Labor	36,003	18,280	27,859	16,586	25,942
NSE	0	0	0	0	0
Total	36,003	18,280	27,859	16,586	25,942
FTE	0.0	0.0	0.0	0.0	0.0
<b>Vacation &amp; Sick (Nominal \$)</b>					
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
<b>Escalation to 2009\$</b>					
Labor	0	0	0	0	0
Non-Labor	4,418	1,521	1,340	-41	0
NSE	0	0	0	0	0
Total	4,418	1,521	1,340	-41	0
FTE	0.0	0.0	0.0	0.0	0.0
<b>Recorded-Adjusted (Constant 2009\$)</b>					
Labor	0	0	0	0	0
Non-Labor	40,421	19,800	29,199	16,544	25,942
NSE	0	0	0	0	0
Total	40,421	19,800	29,199	16,544	25,942
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 - REVISED  
 Non-Shared Service Workpapers

Area: PENSION & PBOPs  
 Witness: Sarkaria, David I  
 Category: A. Retirement Plans  
 Category-Sub: 2. PBOP  
 Workpaper: 2PN000.001 - PBOP

**Summary of Adjustments to Recorded:**

In Nominal \$ (000)						
Year	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>Adi Type</u>	<u>From CCtr</u>	<u>RefID</u>
2005	0	36,258	0	0.0	CCTR Transf	From 2200-0005.000	DSREED2009110 4113733470
							Transfer PBOP costs to correct workgroup
2005	0	-36,258	0	0.0	CCTR Transf	To 2200-0005.000	DSREED2010050 4191925583
							Delete - to reverse cct-trsfr from 2200-0005.000
<b>2005 Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>			
2006	0	18,590	0	0.0	CCTR Transf	From 2200-0005.000	DSREED2009110 3131245760
							Transfer PBOP costs to correct workgroup
2006	0	-18,590	0	0.0	CCTR Transf	To 2200-0005.000	DSREED2010050 4191844067
							Delete - to reverse cct-trsfr from 2200-0005.000
<b>2006 Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>			
2007	0	26,667	0	0.0	CCTR Transf	To 2200-8000.001	DSREED2009110 2170029833
							Transfer PBOP costs to correct workgroup
2007	0	-26,667	0	0.0	CCTR Transf	To 2200-0005.000	DSREED2010050 4191753350
							Delete - to reverse cct-trsfr from 2200-0005.000
<b>2007 Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>			

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

Area: PENSION & PBOPs  
 Witness: Sarkaria, David I  
 Category: A. Retirement Plans  
 Category-Sub: 2. PBOP  
 Workpaper: 2PN000.001 - PBOP

<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	16,256	0	0.0	CCTR Transf	From 2200-0005.000	DSREED2009102 9093619707
Transfer PBOP costs to correct cost center							
2008	0	-16,256	0	0.0	CCTR Transf	To 2200-0005.000	DSREED2010050 4191641160
Delete - to reverse cct-trsfr from 2200-0005.000							
<b>2008 Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>			
<b>2009 Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>			

**Supplemental Workpapers for Workpaper 2PN000.001**

Southern California Gas Company  
 PBOP Contribution Projection  
 For Years 2009-2012

**ASSUMPTIONS**

1. PBOP contribution amounts based on estimates provided by the Company's certified actuary, Towers Watson. Current projection based on 2009 contributions.

	<u>Actual</u>	<u>Projected</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Funding/FAS 106 Expense	<u>\$ 25,941,798</u>	<u>\$ 25,941,798</u>	<u>\$ 25,941,798</u>	<u>\$ 25,941,798</u>

**Southern California Gas Company PBOPs  
General Rate Case Forecast  
FAS Regulatory Costs**

**Assumptions and Notes**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
• Discount rate (FAS costs)	5.90%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%
• HRA crediting rate	4.31%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%
• Annual compensation rate of increase (SCG PBOP only)	Age-graded	Age-graded	Age-graded	Age-graded	Age-graded	Age-graded	Age-graded	Age-graded	Age-graded	Age-graded	Age-graded
• Expected return on assets (FAS costs)	7%/4%	7%/4%	7%/4%	7%/4%	7%/4%	7%/4%	7%/4%	7%/4%	7%/4%	7%/4%	7%/4%
• Assumed investment return	7%/4%	7%/4%	7%/4%	7%/4%	7%/4%	7%/4%	7%/4%	7%/4%	7%/4%	7%/4%	7%/4%
• Healthcare Trend (change during year affects following year's results)	13.00%	12.00%	8.00%	7.50%	7.50%	7.00%	7.00%	6.00%	6.00%	5.50%	5.00%

*Notes*

- January 1, 2010 participant census
- December 31, 2009 value of assets
- Plan provisions as of January 1, 2010
- Balance of assumptions same as December 31, 2009 financial reporting, however, all plans reflect annual mortality improvements
- SoCal Gas PBOP: Company contributes the lesser of FAS cost or maximum tax deductible contributions
- Forecasted counts reflect anticipated future headcount increases, known participant transfers between plans during 2010, and expected El Dorado transfers into SDG&E during 2011
- Healthcare trend reflects impact of Health Care Reform and final 2011 composite renewal premiums rates which includes experience losses greater than expected, primarily for Anthem medical plans.
- The 2010 trend rate is applied to 2010 premiums to project the 2011 premiums. For example, if the 2010 premium is \$100, the projected 2011 premium would be \$113, i.e., an increase of 13%.
- Near-term trend rates are influenced by current market forces. Ultimate trend rate is influenced by anticipated GDP growth and is now 5.0% starting in 2020 and beyond, instead of 5.5%.

Southern California Gas Company  
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**Southern California Gas Company PBOPs**  
**General Rate Case Forecast**  
**FAS Regulatory Costs**  
(in millions)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
• FAS Cost	\$ 32.67	\$ 47.65	\$ 41.93	\$ 41.14	\$ 40.70	\$ 40.70	\$ 41.20	\$ 41.94	\$ 42.93	\$ 44.17
• Active Participant Headcount	7,155	7,483	7,748	7,753	7,753	7,753	7,753	7,753	7,753	7,753
• Fair Value of Assets	\$ 561.68	\$ 596.75	\$ 642.38	\$ 681.23	\$ 718.73	\$ 755.07	\$ 790.12	\$ 824.07	\$ 856.83	\$ 889.67
• APBO	\$ 775.17	\$ 901.04	\$ 933.33	\$ 965.41	\$ 997.60	\$ 1,029.95	\$ 1,062.09	\$ 1,093.96	\$ 1,125.57	\$ 1,158.18
• Funded Percentage (FV ÷ APBO)	72%	66%	69%	71%	72%	73%	74%	75%	76%	77%

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Area: AGPN - PENSION & PBOPs  
Witness: Sarkaria, David I

**Appendix A: List of Non-Shared Cost Centers**

<u>Cost Center</u>	<u>Sub</u>	<u>Description</u>
2200-8001	000	EMPLOYEE PENSION
	001	EMPLOYEE PENSION - PBOP