

Docket : A.14-11-003, -004
Exhibit Number : ORA-2-A
Commissioner : M. Picker
ALJ : J. Wong, R. Lirag
Witness : J. Oh



**OFFICE OF RATEPAYER ADVOCATES
CALIFORNIA PUBLIC UTILITIES COMMISSION**

**Report on the Results of Operations
for
San Diego Gas & Electric Company
Southern California Gas Company
Test Year 2016
General Rate Case**

Summary of Earnings
Segmentation and Reassignment Rates

San Francisco, California
May 11, 2015

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Note: This May 11, 2015 updated exhibit reflects ORA forecasts that were not properly captured in the Results of Operations model when ORA served its testimony on April 24, 2015.

1 **SUMMARY OF EARNINGS**
2 **SEGMENTATION AND REASSIGNMENT RATES**

3 **I. INTRODUCTION**

4 This exhibit presents the analyses and recommendations of the Office of
5 Ratepayer Advocates (ORA) regarding the Summary of Earnings of San Diego Gas
6 & Electric Company (SDG&E) and Southern California Gas Company (SCG or
7 SoCalGas) for Test Year (TY) 2016.

8 The revenue requirements are calculated by a computer model developed for
9 SDG&E and SoCalGas, which is referred to as the Results of Operation (RO) model.
10 Data is provided by the various witnesses and is entered in the RO model to
11 determine the revenue requirements.

12 This exhibit also addresses Segmentation and Reassignment Rates.
13 Segmentation is the process of allocating SDG&E's common costs¹ to SDG&E's
14 Electric, Electric Generation, and Gas Service Departments (collectively Business
15 Segments) for rate recovery.² Reassignment is the process of reassigning certain
16 costs to capital to recognize that those costs are incurred in support of construction
17 efforts.³

¹ Ex. SDG&E-41-R, p. JS-1 defines "Common costs" as those costs that have not been directly assigned to a particular Business Segment, but instead have been charged to a common account of the Federal Regulatory Commission (FERC) Uniform System of Accounts, pending an allocation to the various Business Segments. The range of common accounts expenses includes Customer Accounts, Customer Service & Information, Administrative & General (A&G) expenses, and Clearing Accounts.

² Ex. SDG&E-41-R, p. JS-1.

³ Ex. SDG&E-41-R or Ex. SCG-38-R, p. JS-1.

1 **II. SUMMARY OF RECOMMENDATIONS – SUMMARY OF**
2 **EARNINGS**

3 **A. SDG&E Summary of Earnings**

4 The SDG&E Results of Operation are summarized in twelve tables shown at
5 the end of this exhibit. For the total combined gas and electric operation:

- 6 • Table 2-1 contains ORA’s summary of earnings and recommended
7 revenue requirements at present and proposed rates;
- 8 • Table 2-2 displays SDG&E’s summary of earnings and requested
9 revenue requirements at present and proposed rates;
- 10 • Table 2-3 compares ORA’s and SDG&E’s summary of earnings
11 and revenue requirements at proposed rates; and
- 12 • Table 2-4 compares ORA’s and SDG&E’s summary of earnings
13 and revenue requirements at present rates.

14 For the gas section:

- 15 • Table 2-5 contains ORA’s summary of earnings and recommended
16 revenue requirements at present and proposed rates;
- 17 • Table 2-6 displays SDG&E’s summary of earnings and requested
18 revenue requirements at present and proposed rates;
- 19 • Table 2-7 compares ORA’s and SDG&E’s summary of earnings
20 and revenue requirements at proposed rates; and
- 21 • Table 2-8 compares ORA’s and SDG&E’s summary of earnings
22 and revenue requirements at present rates.

23 For the combined electric⁴ section:

- 24 • Table 2-9 contains ORA’s summary of earnings and recommended
25 revenue requirements at present and proposed rates;
- 26 • Table 2-10 displays SDG&E’s summary of earnings and requested
27 revenue requirements at present and proposed rates;
- 28 • Table 2-11 compares ORA’s and SDGE’s summary of earnings and
29 revenue requirements at proposed rates; and
- 30 • Table 2-12 compares ORA’s and SDG&E’s summary of earnings
31 and revenue requirements at present rates.

⁴ Comprising electric distribution, electric generation, and the San Onofre Nuclear Generating Station (SONGS).

1 **B. SoCalGas Summary of Earnings**

2 The SoCalGas Results of Operation are summarized in four tables shown at
3 the end of this exhibit:

- 4 • Table 2-13 contains ORA’s summary of earnings and
5 recommended revenue requirements at present and proposed
6 rates;
- 7 • Table 2-14 displays SoCalGas’ summary of earnings and
8 requested revenue requirements at present and proposed rates;
- 9 • Table 2-15 compares ORA’s and SoCalGas’ summary of earnings
10 and revenue requirements at proposed rates; and
- 11 • Table 2-16 compares ORA’s and SoCalGas’ summary of earnings
12 and revenue requirements at present rates.

13 **C. SDG&E and SoCalGas Rate Base**

14 SDG&E’s and SoCalGas’ Weighted-Average Depreciated Rate Base are
15 summarized in four tables shown at the end of this exhibit:

- 16 • Table 2-17 compares ORA’s and SDG&E’s combined gas and
17 electric rate base at proposed rates;
- 18 • Table 2-18 compares ORA’s and SDG&E’s gas section rate base at
19 proposed rates;
- 20 • Table 2-19 compares ORA’s and SDG&E’s electric section rate
21 base at proposed rates;
- 22 • Table 2-20 compares ORA’s and SoCalGas rate base at proposed
23 rates.

24 **III. SUMMARY OF RECOMMENDATIONS – SEGMENTATION AND**
25 **REASSIGNMENT RATES**

26 The following summarizes ORA’s major recommendations regarding
27 SDG&E’s and SoCalGas’ Segmentation and Reassignment Rates:

- 28 • ORA does not oppose SDG&E’s Segmentation and Reassignment
29 Rates process and resulting rates.
- 30 • ORA does not oppose SoCalGas’ Reassignment Rates process
31 and resulting rates.

- 1 • Differences between SDG&E's and ORA's Reassignment amounts,
2 and SoCalGas' and ORA's Reassignment amounts, are due to the
3 summation of ORA's different expense and capital
4 recommendations made by ORA's various witnesses.

5 **IV. SDG&E SEGMENTATION & REASSIGNMENT RATES**

6 **A. Overview of SDG&E's Request**

7 SDG&E states that in this General Rate Case (GRC), the TY 2016 operations
8 and maintenance (O&M) costs are forecast by cost center as ordered in the 2008
9 GRC Decision (D.) 08-07-046 at Ordering Paragraph 22.⁵ SDG&E further states
10 that in order to segment the costs and utilize the reassignment rates, which are
11 prepared by FERC accounts, the 2013 recorded O&M cost center data was
12 mapped⁶ to FERC accounts and that the RO model applies the segmentation rates
13 proposed in SDG&E's testimony to the costs associated with the FERC accounts,
14 and also applies the reassignment rates to the costs associated with the FERC
15 accounts.⁷

16 SDG&E states that it engages in four steps to categorize its common costs for
17 rate setting purposes.

- 18 1. The first step in allocating costs to the Business Segments is to
19 determine the segmentation percentages for each FERC account for
20 the Electric, Electric Generation, and Gas Departments.
- 21 2. The second step is to determine the reassignment to capital
22 percentages for certain O&M, A&G and clearing expenses (e.g.,
23 warehousing, purchasing, fleet costs) to recognize they are incurred
24 in support of construction efforts.
- 25 3. The third step is to determine the allocation percentages for the
26 Electric Department costs further between the Electric Distribution

⁵ Ex. SDG&E-41-R, p. JS-1.

⁶ Ex. SDG&E-36-R, p. KN-5 refers the reader to Appendix B (of Ex. SDG&E-36-R) for a Cost Center to FERC mapping which provides the ratio of each cost centers O&M forecast allocation to a FERC account.

⁷ Ex. SDG&E-41-R, p. JS-1.

1 and Electric Transmission service functions for both O&M and
2 capital.

3 4. Finally, in the RO model, the above factors are applied to the
4 forecasted costs that are mapped from the cost centers to the O&M,
5 A&G and clearing FERC accounts to determine the segmentation
6 and reassignment amounts.⁸

7 SDG&E states that the Electric Transmission Department costs are subject to
8 FERC jurisdiction, and are identified separately because such charges are removed
9 from SDG&E's revenue requirement proposal for consideration in this proceeding.⁹

10 SDG&E states that all calculations and studies were performed using 2013
11 actual data, except where noted.¹⁰

12 SDG&E states that for TY 2016, the Electric Distribution O&M reassignment
13 is a credit of approximately \$94.497 million, the Electric Generation Department
14 O&M reassignment is a credit of approximately \$3.354 million, and the Gas
15 Department O&M reassignment is a credit of approximately \$30.107 million, all three
16 consisting of expenses that are being transferred to construction projects.¹¹

17 **B. ORA's Analysis**

18 ORA reviewed the testimony and workpapers of SDG&E's Segmentation and
19 Reassignment Rates and does not oppose the allocation of common costs to the
20 Business Segments and the reassignment of certain costs to capital.

21 Table 2-21 of this exhibit is from SDG&E's testimony¹² and shows SDG&E's
22 common expense segmentation rates between the Electric, Electric Generation, and
23 Gas Departments, which ORA does not oppose.

⁸ Ex. SDG&E-41-R, p. JS-2.

⁹ Ex. SDG&E-41-R, p. JS-2.

¹⁰ Ex. SDG&E-41-R, p. JS-2.

¹¹ Ex. SDG&E-41-R, p. JS-6.

¹² Ex. SDG&E-41-R, Appendix II, Table SDGE-JS-5

1 Table 2-22 of this exhibit is from SDG&E's testimony and shows categories of
2 costs that are subject to capitalization via a reassignment from Labor Overhead,
3 O&M or the Clearing Accounts,¹³ which ORA does not oppose.

4 Table 2-23 of this exhibit compares ORA's recommendation with SDG&E's
5 request. The difference is attributable to the summation of the different expense
6 and capital recommendation made by ORA's various witnesses.

7 **V. SoCalGas REASSIGNMENT RATES**

8 **A. Overview of SCG's Request**

9 SoCalGas states that it charges most of its operating costs directly to either
10 O&M or capital, but that some of the A&G costs, labor overhead, and non-labor
11 clearing costs (e.g., A&G salaries, office supplies, pension and benefits, injuries and
12 damages) support construction efforts, but that since these costs are not charged
13 directly to capital, reassignment to capital rates has been developed based on 2013
14 base year data, and that these reassigned costs become part of SoCalGas' rate
15 base.¹⁴

16 SoCalGas states that in this GRC, the TY 2016 O&M costs are forecast by
17 cost centers as ordered by D. 08-07-046, and that in order to utilize the
18 reassignment rates, which are prepared by FERC accounts, the 2013 recorded O&M
19 cost center data was mapped to FERC accounts, and that the RO model applies the
20 reassignment factors proposed by SoCalGas to the costs associated with the FERC
21 accounts.¹⁵

22 SoCalGas states that for TY 2016, the O&M reassignment for non-labor
23 overheads, labor overheads and A&G costs to capital for expenses that are being
24 transferred to construction projects is approximately \$98.362 million.¹⁶

¹³ Ex. SDG&E-41-R, p. JS-7

¹⁴ Ex. SCG-38-R, pp. JS-1 to JS-2.

¹⁵ Ex. SCG-38-R, p. JS-2.

¹⁶ Ex. SCG-38-R, p. JS-2.

1 **B. ORA's Analysis**

2 ORA reviewed the testimony and workpapers of SoCalGas' Reassignment
3 Rates and do not oppose the reassignment of certain costs to capital.

4 Table 2-24 of this exhibit is from SoCalGas' testimony and shows categories
5 of costs that are subject to capitalization via a reassignment from Labor Overhead,
6 O&M or the Clearing Accounts,¹⁷ which ORA does not oppose.

7 Table 2-25 of this exhibit compares ORA's recommendation with SoCalGas'
8 request. The difference is attributable to the summation of the different expense
9 and capital recommendation made by ORA's various witnesses.

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¹⁷ Ex. SCG-38-R, p. JS-2

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TABLES

TABLE 2-1
SAN DIEGO GAS & ELECTRIC COMPANY
TEST YEAR 2016
COMBINED SUMMARY OF EARNINGS
(Thousands of Dollars)

Line No.	Description	ORA 2016 Present Rates (2016\$)	ORA 2016 Proposed Rates (2016\$)
1	Base Margin	\$ 1,770,616	\$ 1,690,214
2	Miscellaneous Revenues	19,986	19,986
3	Revenue Requirement	\$ 1,790,602	\$ 1,710,201
<u>OPERATING & MAINTENANCE EXPENSES</u>			
4	Distribution	136,915	136,915
5	Gas Transmission	4,172	4,172
6	PSEP	-	-
7	Generation	48,040	48,040
8	Nuclear Generation (SONGS)	1,293	1,293
9	Engineering	9,603	9,603
10	Procurement	8,757	8,757
11	Customer Services	78,528	78,528
12	Information Technology	99,327	99,327
13	Support Services	96,596	96,596
14	Administrative and General	354,865	354,865
15	Subtotal (2013\$)	\$ 838,095	\$ 838,095
16	Shared Services Adjustments	(90,728)	(90,728)
17	Reassignments	(99,507)	(99,507)
18	FERC Transmission Costs	(51,245)	(51,245)
19	Escalation	19,114	19,114
20	Uncollectibles	3,081	2,940
21	Franchise Fees	56,533	53,985
22	Total O&M (2016\$)	\$ 675,343	\$ 672,654
23	Depreciation & Amortization	423,822	423,822
24	Taxes on Income	186,269	144,279
25	Taxes Other Than on Income	86,587	86,587
26	Total Operating Expenses	\$ 1,372,021	\$ 1,327,342
27	Return	418,581	382,859
28	Rate Base	4,916,128	4,914,746
29	Rate of Return	8.51%	7.79%

TABLE 2-2
SAN DIEGO GAS & ELECTRIC COMPANY
TEST YEAR 2016
COMBINED SUMMARY OF EARNINGS
(Thousands of Dollars)

Line No.	<u>Description</u>	SDG&E 2016 Present Rates <u>(2016\$)</u>	SDG&E 2016 Proposed Rates <u>(2016\$)</u>
1	Base Margin	\$ 1,770,616	\$ 1,886,184
2	Miscellaneous Revenues	<u>19,225</u>	<u>19,225</u>
3	Revenue Requirement	\$ 1,789,841	\$ 1,905,409
<u>OPERATING & MAINTENANCE EXPENSES</u>			
4	Distribution	161,812	161,812
5	Gas Transmission	4,663	4,663
6	PSEP	-	-
7	Generation	54,415	54,415
8	Nuclear Generation (SONGS)	1,293	1,293
9	Engineering	12,294	12,294
10	Procurement	8,757	8,757
11	Customer Services	89,719	89,719
12	Information Technology	109,704	109,704
13	Support Services	106,244	106,244
14	Administrative and General	<u>432,806</u>	<u>432,806</u>
15	Subtotal (2013\$)	\$ 981,707	\$ 981,707
16	Shared Services Adjustments	(91,092)	(91,092)
17	Reassignments	(127,958)	(127,958)
18	FERC Transmission Costs	(60,695)	(60,695)
19	Escalation	29,106	29,106
20	Uncollectibles	3,081	3,281
21	Franchise Fees	56,533	60,287
22	Total O&M (2016\$)	\$ 790,682	\$ 794,636
23	Depreciation & Amortization	439,002	439,002
24	Taxes on Income	122,619	163,595
25	Taxes Other Than on Income	<u>94,701</u>	<u>94,701</u>
26	Total Operating Expenses	\$ 1,447,004	\$ 1,491,934
27	Return	342,837	413,475
28	Rate Base	5,305,693	5,307,766
29	Rate of Return	6.46%	7.79%

TABLE 2-3
SAN DIEGO GAS & ELECTRIC COMPANY
TEST YEAR 2016
COMBINED SUMMARY OF EARNINGS
(Thousands of Dollars)

Line No.	Description	ORA	SDG&E	SDG&E Exceeds ORA	
		2016	2016	\$	%
		Proposed Rates	Proposed Rates	Variance	Variance
		(2016\$)	(2016\$)		
1	Base Margin	\$ 1,690,214	\$ 1,886,184	\$ 195,970	11.6%
2	Miscellaneous Revenues	19,986	19,225	(760.93)	-3.8%
3	Revenue Requirement	\$ 1,710,201	\$ 1,905,409	\$ 195,209	11.4%
<u>OPERATING & MAINTENANCE EXPENSES</u>					
4	Distribution	136,915	161,812	24,897.00	18.2%
5	Gas Transmission	4,172	4,663	491.00	11.8%
6	PSEP	-	-	-	0.0%
7	Generation	48,040	54,415	6,375.20	13.3%
8	Nuclear Generation (SONGS)	1,293	1,293	-	0.0%
9	Engineering	9,603	12,294	2,691.10	28.0%
10	Procurement	8,757	8,757	-	0.0%
11	Customer Services	78,528	89,719	11,191.00	14.3%
12	Information Technology	99,327	109,704	10,377.20	10.4%
13	Support Services	96,596	106,244	9,648.00	10.0%
14	Administrative and General	354,865	432,806	77,940.80	22.0%
15	Subtotal (2013\$)	\$ 838,095	\$ 981,707	\$ 143,611	17.1%
16	Shared Services Adjustments	(90,728)	(91,092)	(363.79)	0.4%
17	Reassignments	(99,507)	(127,958)	(28,450.87)	28.6%
18	FERC Transmission Costs	(51,245)	(60,695)	(9,450.25)	18.4%
19	Escalation	19,114	29,106	9,992.48	52.3%
20	Uncollectibles	2,940	3,281	340.99	11.6%
21	Franchise Fees	53,985	60,287	6,302.03	11.7%
22	Total O&M (2016\$)	\$ 672,654	\$ 794,636	\$ 121,982	18.1%
23	Depreciation & Amortization	423,822	439,002	15,179.85	3.6%
24	Taxes on Income	144,279	163,595	19,316.54	13.4%
25	Taxes Other Than on Income	86,587	94,701	8,114.12	9.4%
26	Total Operating Expenses	\$ 1,327,342	\$ 1,491,934	\$ 164,592	12.4%
27	Return	382,859	413,475	30,616.32	8.0%
28	Rate Base	4,914,746	5,307,766	393,020.85	8.0%
29	Rate of Return	7.79%	7.79%	0.00%	0.0%

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TABLE 2-4
SAN DIEGO GAS & ELECTRIC COMPANY
TEST YEAR 2016
COMBINED SUMMARY OF EARNINGS
(Thousands of Dollars)

Line No.	Description	ORA	SDG&E	SDG&E Exceeds ORA	
		2016 Present Rates (2016\$)	2016 Present Rates (2016\$)	\$ Variance	% Variance
1	Base Margin	\$ 1,770,616	\$ 1,770,616	\$ -	0.0%
2	Miscellaneous Revenues	19,986	19,225	(761)	-3.8%
3	Revenue Requirement	\$ 1,790,602	\$ 1,789,841	\$ (761)	0.0%
<u>OPERATING & MAINTENANCE EXPENSES</u>					
4	Distribution	136,915	161,812	24,897	18.2%
5	Gas Transmission	4,172	4,663	491	11.8%
6	PSEP	-	-	-	0.0%
7	Generation	48,040	54,415	6,375	13.3%
8	Nuclear Generation (SONGS)	1,293	1,293	-	0.0%
9	Engineering	9,603	12,294	2,691	28.0%
10	Procurement	8,757	8,757	-	0.0%
11	Customer Services	78,528	89,719	11,191	14.3%
12	Information Technology	99,327	109,704	10,377	10.4%
13	Support Services	96,596	106,244	9,648	10.0%
14	Administrative and General	354,865	432,806	77,941	22.0%
15	Subtotal (2013\$)	\$ 838,095	\$ 981,707	\$ 143,611	17.1%
16	Shared Services Adjustments	(90,728)	(91,092)	(364)	0.4%
17	Reassignments	(99,507)	(127,958)	(28,451)	28.6%
18	FERC Transmission Costs	(51,245)	(60,695)	(9,450)	18.4%
19	Escalation	19,114	29,106	9,992	52.3%
20	Uncollectibles	3,081	3,081	-	0.0%
21	Franchise Fees	56,533	56,533	-	0.0%
22	Total O&M (2016\$)	\$ 675,343	\$ 790,682	\$ 115,339	17.1%
23	Depreciation & Amortization	423,822	439,002	15,180	3.6%
24	Taxes on Income	186,269	122,619	(63,650)	-34.2%
25	Taxes Other Than on Income	86,587	94,701	8,114	9.4%
26	Total Operating Expenses	\$ 1,372,021	\$ 1,447,004	\$ 74,983	5.5%
27	Return	418,581	342,837	(75,744)	-18.1%
28	Rate Base	4,916,128	5,305,693	389,565	7.9%
29	Rate of Return	8.51%	6.46%	-2.05%	-24.1%

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TABLE 2-5
SAN DIEGO GAS & ELECTRIC COMPANY
TEST YEAR 2016
GAS SUMMARY OF EARNINGS
(Thousands of Dollars)

Line No.	Description	ORA 2016 Present Rates (2016\$)	ORA 2016 Proposed Rates (2016\$)
1	Base Margin	\$ 306,444	\$ 291,031
2	Miscellaneous Revenues	4,185	4,185
3	Revenue Requirement	\$ 310,629	\$ 295,216
<u>OPERATING & MAINTENANCE EXPENSES</u>			
4	Distribution	22,408	22,408
5	Gas Transmission	4,172	4,172
6	PSEP	-	-
7	Generation	429	429
8	Nuclear Generation (SONGS)	-	-
9	Engineering	9,379	9,379
10	Procurement	110	110
11	Customer Services	29,436	29,436
12	Information Technology	25,775	25,775
13	Support Services	21,344	21,344
14	Administrative and General	67,565	67,565
15	Subtotal (2013\$)	\$ 180,618	\$ 180,618
16	Shared Services Adjustments	(18,839)	(18,839)
17	Reassignments	(23,239)	(23,239)
18	FERC Transmission Costs		
19	Escalation	5,572	5,572
20	Uncollectibles (0.174%)	533	506
21	Franchise Fees (2.0727%)	6,352	6,032
22	Total O&M (2016\$)	\$ 150,996	\$ 150,649
23	Depreciation & Amortization	56,951	56,951
24	Taxes on Income	25,741	19,136
25	Taxes Other Than on Income	14,112	14,112
26	Total Operating Expenses	\$ 247,800	\$ 240,849
27	Return	62,829	54,366
28	Rate Base	697,996	697,900
29	Rate of Return	9.00%	7.79%

TABLE 2-6
SAN DIEGO GAS & ELECTRIC COMPANY
TEST YEAR 2016
GAS SUMMARY OF EARNINGS
(Thousands of Dollars)

Line No.	<u>Description</u>	SDG&E 2016 Present Rates <u>(2016\$)</u>	SDG&E 2016 Proposed Rates <u>(2016\$)</u>
1	Base Margin	\$ 306,444	\$ 321,626
2	Miscellaneous Revenues	<u>4,005</u>	<u>4,005</u>
3	Revenue Requirement	\$ 310,449	\$ 325,631
<u>OPERATING & MAINTENANCE EXPENSES</u>			
4	Distribution	25,284	25,284
5	Gas Transmission	4,663	4,663
6	PSEP	-	-
7	Generation	552	552
8	Nuclear Generation (SONGS)	-	-
9	Engineering	11,710	11,710
10	Procurement	110	110
11	Customer Services	32,274	32,274
12	Information Technology	28,560	28,560
13	Support Services	23,392	23,392
14	Administrative and General	<u>85,337</u>	<u>85,337</u>
15	Subtotal (2013\$)	\$ 211,882	\$ 211,882
16	Shared Services Adjustments	(18,465)	(18,465)
17	Reassignments	(30,107)	(30,107)
18	FERC Transmission Costs		
19	Escalation	7,541	7,541
20	Uncollectibles (0.174%)	533	560
21	Franchise Fees (2.0727%)	6,352	6,666
22	Total O&M (2016\$)	<u>\$ 177,736</u>	<u>\$ 178,077</u>
23	Depreciation & Amortization	57,571	57,571
24	Taxes on Income	12,954	19,458
25	Taxes Other Than on Income	<u>14,963</u>	<u>14,963</u>
26	Total Operating Expenses	\$ 263,225	\$ 270,070
27	Return	47,225	55,561
28	Rate Base	713,010	713,240
29	Rate of Return	6.62%	7.79%

TABLE 2-7
SAN DIEGO GAS & ELECTRIC COMPANY
TEST YEAR 2016
GAS SUMMARY OF EARNINGS
(Thousands of Dollars)

Line No.	Description	ORA	SDG&E	SDG&E Exceeds ORA	
		2016	2016	\$	%
		Proposed Rates	Proposed Rates	Variance	Variance
		(2016\$)	(2016\$)		
1	Base Margin	\$ 291,031	\$ 321,626	\$ 30,595	10.5%
2	Miscellaneous Revenues	4,185	4,005	(180)	-4.3%
3	Revenue Requirement	\$ 295,216	\$ 325,631	\$ 30,415	10.3%
<u>OPERATING & MAINTENANCE EXPENSES</u>					
4	Distribution	22,408	25,284	2,876	12.8%
5	Gas Transmission	4,172	4,663	491	11.8%
6	PSEP	-	-	-	0.0%
7	Generation	429	552	123	28.7%
8	Nuclear Generation (SONGS)	-	-	-	0.0%
9	Engineering	9,379	11,710	2,331	24.9%
10	Procurement	110	110	-	0.0%
11	Customer Services	29,436	32,274	2,838	9.6%
12	Information Technology	25,775	28,560	2,785	10.8%
13	Support Services	21,344	23,392	2,048	9.6%
14	Administrative and General	67,565	85,337	17,772	26.3%
15	Subtotal (2013\$)	\$ 180,618	\$ 211,882	\$ 31,264	17.3%
16	Shared Services Adjustments	(18,839)	(18,465)	374	-2.0%
17	Reassignments	(23,239)	(30,107)	(6,868)	29.6%
18	FERC Transmission Costs				
19	Escalation	5,572	7,541	1,970	35.4%
20	Uncollectibles (0.174%)	506	560	53	10.5%
21	Franchise Fees (2.0727%)	6,032	6,666	634	10.5%
22	Total O&M (2016\$)	\$ 150,649	\$ 178,077	\$ 27,428	18.2%
23	Depreciation & Amortization	56,951	57,571	620	1.1%
24	Taxes on Income	19,136	19,458	322	1.7%
25	Taxes Other Than on Income	14,112	14,963	851	6.0%
26	Total Operating Expenses	\$ 240,849	\$ 270,070	\$ 29,220	12.1%
27	Return	54,366	55,561	1,195	2.2%
28	Rate Base	697,900	713,240	15,340	2.2%
29	Rate of Return	7.79%	7.79%	0.00	0.0%

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TABLE 2-8
SAN DIEGO GAS & ELECTRIC COMPANY
TEST YEAR 2016
GAS SUMMARY OF EARNINGS
(Thousands of Dollars)

Line No.	Description	ORA	SDG&E	SDG&E Exceeds ORA	
		2016	2016	\$	%
		Present Rates	Present Rates	Variance	Variance
		(2016\$)	(2016\$)		
1	Base Margin	\$ 306,444	\$ 306,444	\$ -	0.0%
2	Miscellaneous Revenues	4,185	4,005	(180)	-4.3%
3	Revenue Requirement	\$ 310,629	\$ 310,449	\$ (180)	-0.1%
<u>OPERATING & MAINTENANCE EXPENSES</u>					
4	Distribution	22,408	25,284	2,876	12.8%
5	Gas Transmission	4,172	4,663	491	11.8%
6	PSEP	-	-	-	0.0%
7	Generation	429	552	123	28.7%
8	Nuclear Generation (SONGS)	-	-	-	0.0%
9	Engineering	9,379	11,710	2,331	24.9%
10	Procurement	110	110	-	0.0%
11	Customer Services	29,436	32,274	2,838	9.6%
12	Information Technology	25,775	28,560	2,785	10.8%
13	Support Services	21,344	23,392	2,048	9.6%
14	Administrative and General	67,565	85,337	17,772	26.3%
15	Subtotal (2013\$)	\$ 180,618	\$ 211,882	\$ 31,264	17.3%
16	Shared Services Adjustments	(18,839)	(18,465)	374	-2.0%
17	Reassignments	(23,239)	(30,107)	(6,868)	29.6%
18	FERC Transmission Costs				
19	Escalation	5,572	7,541	1,970	35.4%
20	Uncollectibles (0.174%)	533	533	-	0.0%
21	Franchise Fees (2.0727%)	6,352	6,352	-	0.0%
22	Total O&M (2016\$)	\$ 150,996	\$ 177,736	\$ 26,740	17.7%
23	Depreciation & Amortization	56,951	57,571	620	1.1%
24	Taxes on Income	25,741	12,954	(12,787)	-49.7%
25	Taxes Other Than on Income	14,112	14,963	851	6.0%
26	Total Operating Expenses	\$ 247,800	\$ 263,225	\$ 15,425	6.2%
27	Return	62,829	47,225	(15,604)	-24.8%
28	Rate Base	697,996	713,010	15,014	2.2%
29	Rate of Return	9.00%	6.62%	(0)	-26.4%

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TABLE 2-9
SAN DIEGO GAS & ELECTRIC COMPANY
TEST YEAR 2016
ELECTRIC SUMMARY OF EARNINGS
(Thousands of Dollars)

Line No.	Description	ORA 2016 Present Rates (2016\$)	ORA 2016 Proposed Rates (2016\$)
1	Base Margin	\$ 1,464,172	\$ 1,399,184
2	Miscellaneous Revenues	15,801	15,801
3	Revenue Requirement	\$ 1,479,973	\$ 1,414,985
<u>OPERATING & MAINTENANCE EXPENSES</u>			
4	Distribution	114,507	114,507
5	Gas Transmission	-	-
6	PSEP	-	-
7	Generation	47,611	47,611
8	Nuclear Generation (SONGS)	1,293	1,293
9	Engineering	224	224
10	Procurement	8,647	8,647
11	Customer Services	49,092	49,092
12	Information Technology	73,552	73,552
13	Support Services	75,251	75,251
14	Administrative and General	287,300	287,300
15	Subtotal (2013\$)	\$ 657,478	\$ 657,478
16	Shared Services Adjustments	(71,889)	(71,889)
17	Reassignments	(76,268)	(76,268)
18	FERC Transmission Costs	(51,245)	(51,245)
19	Escalation	13,542	13,542
20	Uncollectibles (0.174%)	2,548	2,433
21	Franchise Fees (3.4273%)	50,182	47,953
22	Total O&M (2016\$)	\$ 524,347	\$ 522,005
23	Depreciation & Amortization	366,871	366,871
24	Taxes on Income	160,528	125,142
25	Taxes Other Than on Income	72,474	72,474
26	Total Operating Expenses	\$ 1,124,221	\$ 1,086,493
27	Return	355,752	328,492
28	Rate Base	4,218,132	4,216,846
29	Rate of Return	8.43%	7.79%

TABLE 2-10
SAN DIEGO GAS & ELECTRIC COMPANY
TEST YEAR 2016
ELECTRIC SUMMARY OF EARNINGS
(Thousands of Dollars)

Line No.	<u>Description</u>	SDG&E 2016 Present Rates <u>(2016\$)</u>	SDG&E 2016 Proposed Rates <u>(2016\$)</u>
1	Base Margin	\$ 1,464,172	\$ 1,564,558
2	Miscellaneous Revenues	<u>15,220</u>	<u>15,220</u>
3	Revenue Requirement	\$ 1,479,392	\$ 1,579,778
<u>OPERATING & MAINTENANCE EXPENSES</u>			
4	Distribution	136,528	136,528
5	Gas Transmission	-	-
6	PSEP	-	-
7	Generation	53,864	53,864
8	Nuclear Generation (SONGS)	1,293	1,293
9	Engineering	584	584
10	Procurement	8,647	8,647
11	Customer Services	57,445	57,445
12	Information Technology	81,144	81,144
13	Support Services	82,851	82,851
14	Administrative and General	<u>347,469</u>	<u>347,469</u>
15	Subtotal (2013\$)	\$ 769,825	\$ 769,825
16	Shared Services Adjustments	(72,627)	(72,627)
17	Reassignments	(97,851)	(97,851)
18	FERC Transmission Costs	(60,695)	(60,695)
19	Escalation	21,565	21,565
20	Uncollectibles (0.174%)	2,548	2,721
21	Franchise Fees (3.4273%)	50,182	53,621
22	Total O&M (2016\$)	\$ 612,946	\$ 616,559
23	Depreciation & Amortization	381,431	381,431
24	Taxes on Income	109,665	144,137
25	Taxes Other Than on Income	<u>79,738</u>	<u>79,738</u>
26	Total Operating Expenses	\$ 1,183,780	\$ 1,221,865
27	Return	295,612	357,914
28	Rate Base	4,592,683	4,594,527
29	Rate of Return	6.44%	7.79%

TABLE 2-11
SAN DIEGO GAS & ELECTRIC COMPANY
TEST YEAR 2016
ELECTRIC SUMMARY OF EARNINGS
(Thousands of Dollars)

Line No.	Description	ORA	SDG&E	SDG&E Exceeds ORA	
		2016	2016	\$	%
		Proposed Rates	Proposed Rates	Variance	Variance
		(2016\$)	(2016\$)		
1	Base Margin	\$ 1,399,184	\$ 1,564,558	\$ 165,375	11.8%
2	Miscellaneous Revenues	15,801	15,220	(581)	-3.7%
3	Revenue Requirement	\$ 1,414,985	\$ 1,579,778	\$ 164,793	11.6%
<u>OPERATING & MAINTENANCE EXPENSES</u>					
4	Distribution	114,507	136,528	22,021	19.2%
5	Gas Transmission	-	-	-	0.0%
6	PSEP	-	-	-	0.0%
7	Generation	47,611	53,864	6,252	13.1%
8	Nuclear Generation (SONGS)	1,293	1,293	-	0.0%
9	Engineering	224	584	360	160.6%
10	Procurement	8,647	8,647	-	0.0%
11	Customer Services	49,092	57,445	8,353	17.0%
12	Information Technology	73,552	81,144	7,592	10.3%
13	Support Services	75,251	82,851	7,600	10.1%
14	Administrative and General	287,300	347,469	60,169	20.9%
15	Subtotal (2013\$)	\$ 657,478	\$ 769,825	\$ 112,347	17.1%
16	Shared Services Adjustments	(71,889)	(72,627)	(738)	1.0%
17	Reassignments	(76,268)	(97,851)	(21,583)	28.3%
18	FERC Transmission Costs	(51,245)	(60,695)	(9,450)	18.4%
19	Escalation	13,542	21,565	8,023	59.2%
20	Uncollectibles (0.174%)	2,433	2,721	288	11.8%
21	Franchise Fees (3.4273%)	47,953	53,621	5,668	11.8%
22	Total O&M (2016\$)	\$ 522,005	\$ 616,559	\$ 94,554	18.1%
23	Depreciation & Amortization	366,871	381,431	14,560	4.0%
24	Taxes on Income	125,142	144,137	18,995	15.2%
25	Taxes Other Than on Income	72,474	79,738	7,263	10.0%
26	Total Operating Expenses	\$ 1,086,493	\$ 1,221,865	\$ 135,372	12.5%
27	Return	328,492	357,914	29,421	9.0%
28	Rate Base	4,216,846	4,594,527	377,681	9.0%
29	Rate of Return	7.79%	7.79%	0.00%	0.0%

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TABLE 2-12
SAN DIEGO GAS & ELECTRIC COMPANY
TEST YEAR 2016
ELECTRIC SUMMARY OF EARNINGS
(Thousands of Dollars)

Line No.	Description	ORA	SDG&E	SDG&E Exceeds ORA	
		2016	2016	\$	%
		Present Rates	Present Rates	Variance	Variance
		(2016\$)	(2016\$)		
1	Base Margin	\$ 1,464,172	\$ 1,464,172	\$ -	0.0%
2	Miscellaneous Revenues	15,801	15,220	(581)	-3.7%
3	Revenue Requirement	\$ 1,479,973	\$ 1,479,392	\$ (581)	0.0%
	<u>OPERATING & MAINTENANCE EXPENSES</u>				
4	Distribution	114,507	136,528	22,021	19.2%
5	Gas Transmission	-	-	-	0.0%
6	PSEP	-	-	-	0.0%
7	Generation	47,611	53,864	6,252	13.1%
8	Nuclear Generation (SONGS)	1,293	1,293	-	0.0%
9	Engineering	224	584	360	160.6%
10	Procurement	8,647	8,647	-	0.0%
11	Customer Services	49,092	57,445	8,353	17.0%
12	Information Technology	73,552	81,144	7,592	10.3%
13	Support Services	75,251	82,851	7,600	10.1%
14	Administrative and General	287,300	347,469	60,169	20.9%
15	Subtotal (2013\$)	\$ 657,478	\$ 769,825	\$ 112,347	17.1%
16	Shared Services Adjustments	(71,889)	(72,627)	(738)	1.0%
17	Reassignments	(76,268)	(97,851)	(21,583)	28.3%
18	FERC Transmission Costs	(51,245)	(60,695)	(9,450)	18.4%
19	Escalation	13,542	21,565	8,023	59.2%
20	Uncollectibles (0.174%)	2,548	2,548	-	0.0%
21	Franchise Fees (3.4273%)	50,182	50,182	-	0.0%
22	Total O&M (2016\$)	\$ 524,347	\$ 612,946	\$ 88,598	16.9%
23	Depreciation & Amortization	366,871	381,431	14,560	4.0%
24	Taxes on Income	160,528	109,665	(50,863)	-31.7%
25	Taxes Other Than on Income	72,474	79,738	7,263	10.0%
26	Total Operating Expenses	\$ 1,124,221	\$ 1,183,780	\$ 59,558	5.3%
27	Return	355,752	295,612	(60,139)	-16.9%
28	Rate Base	4,218,132	4,592,683	374,551	8.9%
29	Rate of Return	8.43%	6.44%	-2.00%	-23.7%

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Table 2-13
SOUTHERN CALIFORNIA GAS COMPANY
TEST YEAR 2016
SUMMARY OF EARNINGS
(Thousands of Dollars)

Line No.	Description	ORA	ORA
		2016	2016
		Present Rates	Proposed Rates
		(2016\$)	(2016\$)
1	Base Margin	\$ 1,996,480	\$ 2,046,953
2	Miscellaneous Revenues	98,332	98,332
3	Revenue Requirement	\$ 2,094,812	\$ 2,145,285
<u>Operating and Maintenance Expenses</u>			
4	Gas Distribution	126,701	126,701
5	Transmission	39,568	39,568
6	Underground Storage	36,375	36,375
7	Engineering	126,198	126,198
8	PSEP	-	-
9	Procurement	3,993	3,993
10	Customer Services	319,330	319,330
11	Information Technology	20,440	20,440
12	Support Services	125,607	125,607
13	Administrative and General	356,930	356,930
14	Subtotal (2013\$)	\$ 1,155,142	\$ 1,155,142
15	Shared Services Adjustments	59,709	59,709
16	Reassignments	(82,035)	(82,035)
17	Escalation	51,549	51,549
18	Uncollectibles (0.298%)	5,834	5,981
19	Franchise Fees (1.4136%)	28,604	29,317
20	Total O&M (2016\$)	\$ 1,218,802	\$ 1,219,663
21	Depreciation	401,670	401,670
22	Taxes on Income	81,815	103,560
23	Taxes Other Than on Income	92,562	92,562
24	Total Operating Expenses	1,794,849	1,817,455
25	Return	299,963	327,830
26	Rate Base	4,087,246	4,087,654
27	Rate of Return	7.34%	8.02%

Table 2-14
SOUTHERN CALIFORNIA GAS COMPANY
TEST YEAR 2016
SUMMARY OF EARNINGS
(Thousands of Dollars)

Line No.	Description	SoCalGas	SoCalGas
		2016 Present Rates (2016\$)	2016 Proposed Rates (2016\$)
1	Base Margin	\$ 1,996,480	\$ 2,241,088
2	Miscellaneous Revenues	100,513	100,513
3	Revenue Requirement	\$ 2,096,993	\$ 2,341,601
<u>Operating and Maintenance Expenses</u>			
4	Gas Distribution	144,989	144,989
5	Transmission	41,049	41,049
6	Underground Storage	40,182	40,182
7	Engineering	131,284	131,284
8	PSEP	-	-
9	Procurement	3,993	3,993
10	Customer Services	356,208	356,208
11	Information Technology	23,624	23,624
12	Support Services	140,854	140,854
13	Administrative and General	432,423	432,423
14	Subtotal (2013\$)	\$ 1,314,605	\$ 1,314,605
15	Shared Services Adjustments	59,853	59,853
16	Reassignments	(98,362)	(98,362)
17	Escalation	65,357	65,357
18	Uncollectibles (0.312%)	6,108	6,856
19	Franchise Fees (1.4136%)	28,595	32,053
20	Total O&M (2016\$)	\$ 1,376,157	\$ 1,380,363
21	Depreciation	409,501	409,501
22	Taxes on Income	4,607	109,945
23	Taxes Other Than on Income	99,672	99,672
24	Total Operating Expenses	\$ 1,889,937	\$ 1,999,481
25	Return	207,056	342,120
26	Rate Base	4,261,150	4,265,837
27	Rate of Return	4.86%	8.02%

Table 2-15
SOUTHERN CALIFORNIA GAS COMPANY
TEST YEAR 2016
SUMMARY OF EARNINGS
(Thousands of Dollars)

Line No.	Description	ORA	SoCalGas	SoCalGas Exceeds ORA	
		2016 Proposed Rates (2016\$)	2016 Proposed Rates (2016\$)	\$ Variance	% Variance
1	Base Margin	\$ 2,046,953	\$ 2,241,088	\$ 194,136	9.5%
2	Miscellaneous Revenues	98,332	100,513	2,181	2.2%
3	Revenue Requirement	\$ 2,145,285	\$ 2,341,601	\$ 196,317	9.2%
<u>Operating and Maintenance Expenses</u>					
4	Gas Distribution	126,701	144,989	18,288	14.4%
5	Transmission	39,568	41,049	1,481	3.7%
6	Underground Storage	36,375	40,182	3,807	10.5%
7	Engineering	126,198	131,284	5,086	4.0%
8	PSEP	-	-	-	0.0%
9	Procurement	3,993	3,993	-	0.0%
10	Customer Services	319,330	356,208	36,878	11.5%
11	Information Technology	20,440	23,624	3,184	15.6%
12	Support Services	125,607	140,854	15,247	12.1%
13	Administrative and General	356,930	432,423	75,493	21.2%
14	Subtotal (2013\$)	\$ 1,155,142	\$ 1,314,605	\$ 159,464	13.8%
15	Shared Services Adjustments	59,709	59,853	144	0.2%
16	Reassignments	(82,035)	(98,362)	(16,327)	19.9%
17	Escalation	51,549	65,357	13,808	26.8%
18	Uncollectibles	5,981	6,856	875	14.6%
19	Franchise Fees (1.4136%)	29,317	32,053	2,735	9.3%
20	Total O&M (2016\$)	\$ 1,219,663	\$ 1,380,363	\$ 160,700	13.2%
21	Depreciation	401,670	409,501	7,831	1.9%
22	Taxes on Income	103,560	109,945	6,385	6.2%
23	Taxes Other Than on Income	92,562	99,672	7,110	7.7%
24	Total Operating Expenses	\$ 1,817,455	\$ 1,999,481	\$ 182,026	10.0%
25	Return	327,830	342,120	14,290	4.4%
26	Rate Base	4,087,654	4,265,837	178,183	4.4%
27	Rate of Return	8.02%	8.02%	0.00%	0.0%

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Table 2-16
SOUTHERN CALIFORNIA GAS COMPANY
TEST YEAR 2016
SUMMARY OF EARNINGS
(Thousands of Dollars)

Line No.	Description	ORA	SoCalGas	SoCalGas Exceeds ORA	
		2016 Present Rates (2016\$)	2016 Present Rates (2016\$)	\$ Variance	% Variance
1	Base Margin	\$ 1,996,480	\$ 1,996,480	\$ -	0.0%
2	Miscellaneous Revenues	98,332	100,513	2,181	2.2%
3	Revenue Requirement	\$ 2,094,812	\$ 2,096,993	\$ 2,181	0.1%
<u>Operating and Maintenance Expenses</u>					
4	Gas Distribution	126,701	144,989	18,288	14.4%
5	Transmission	39,568	41,049	1,481	3.7%
6	Underground Storage	36,375	40,182	3,807	10.5%
7	Engineering	126,198	131,284	5,086	4.0%
8	PSEP	-	-	-	0.0%
9	Procurement	3,993	3,993	-	0.0%
10	Customer Services	319,330	356,208	36,878	11.5%
11	Information Technology	20,440	23,624	3,184	15.6%
12	Support Services	125,607	140,854	15,247	12.1%
13	Administrative and General	356,930	432,423	75,493	21.2%
14	Subtotal (2013\$)	\$ 1,155,142	\$ 1,314,605	\$ 159,464	13.8%
15	Shared Services Adjustments	59,709	59,853	144	0.2%
16	Reassignments	(82,035)	(98,362)	(16,327)	19.9%
17	Escalation	51,549	65,357	13,808	26.8%
18	Uncollectibles	5,834	6,108	274	4.7%
19	Franchise Fees (1.4136%)	28,604	28,595	(9)	0.0%
20	Total O&M (2016\$)	\$ 1,218,802	\$ 1,376,157	\$ 157,355	12.9%
21	Depreciation	401,670	409,501	7,831	1.9%
22	Taxes on Income	81,815	4,607	(77,208)	-94.4%
23	Taxes Other Than on Income	92,562	99,672	7,110	7.7%
24	Total Operating Expenses	\$ 1,794,849	\$ 1,889,937	\$ 95,088	5.3%
25	Return	299,963	207,056	(92,907)	-31.0%
26	Rate Base	4,087,246	4,261,150	173,905	4.3%
27	Rate of Return	7.34%	4.86%	-2.48%	-33.8%

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Table 2-17
San Diego Gas and Electric Company
WEIGHTED AVERAGE DEPRECIATED RATE BASE
Summary Total CPUC
(Thousands of Dollars)

Line No.	Account Description	2013 Recorded (2013\$)	ORA Test Year 2016 (2016\$)	SDG&E Test Year 2016 (2016\$)	SDG&E Exceeds ORA \$ Variance	SDG&E Exceeds ORA % Variance
	Fixed Capital					
1	Plant In Service	8,340,969	9,780,356	10,147,728	367,372	3.76%
2	<u>Total Fixed Capital</u>	<u>8,340,969</u>	<u>9,780,356</u>	<u>10,147,728</u>	<u>367,372</u>	<u>3.76%</u>
	Working Capital					
3	Fuel in Storage	282	282	282	-	0.00%
4	Materials & Supplies	62,775	109,320	109,320	-	0.00%
5	Working Cash	-	92,226	136,056	43,830	47.52%
6	<u>Total Working Capital</u>	<u>63,057</u>	<u>201,827</u>	<u>245,657</u>	<u>43,830</u>	<u>21.72%</u>
	Other					
7	Customer Advances For Construction	(16,425)	(28,375)	(28,375)	-	0.00%
8	<u>Total Other</u>	<u>(16,425)</u>	<u>(28,375)</u>	<u>(28,375)</u>	<u>-</u>	<u>0.00%</u>
	Deductions For Reserves					
9	Accumulated Depreciation Reserve	3,558,116	4,200,336	4,191,344	(8,992)	-0.21%
10	Accumulated Amortization Reserve	166,919	334,526	335,532	1,006	0.30%
11	Accumulated Deferred Taxes	526,059	504,201	530,367	26,167	5.19%
12	<u>Total Deductions For Reserves</u>	<u>4,251,094</u>	<u>5,039,063</u>	<u>5,057,243</u>	<u>18,181</u>	<u>0.36%</u>
13	<u>Weighted Average Depreciated Rate Base</u>	<u>4,136,507</u>	<u>4,914,746</u>	<u>5,307,766</u>	<u>393,021</u>	<u>8.00%</u>

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TABLE 2-18
SAN DIEGO GAS & ELECTRIC COMPANY
TEST YEAR 2016
SUMMARY OF GAS RATE BASE
(Thousands of Dollars)

Line No.	Description	2013 Recorded (2013\$)	ORA Test Year 2016 (2016\$)	SDG&E Test Year 2016 (2016\$)	SDG&E Exceeds ORA	
					\$ Variance	% Variance
<u>FIXED CAPITAL</u>						
1	Plant in Service	1,552,171	1,816,895	1,823,904	7,009	0.39%
2	Total Fixed Capital	1,552,171	1,816,895	1,823,904	7,009	0.39%
<u>WORKING CAPITAL</u>						
3	Fuel in Storage	282	282	282	-	0.00%
4	Materials & Supplies	3,536	3,728	3,728	-	0.00%
5	Working Cash	0	7,289	16,243	8,954	122.84%
6	Total Working Capital	3,818	11,298	20,252	8,954	79.26%
<u>OTHER</u>						
7	Customer Advances for Construction	(1,706)	(1,216)	(1,216)	-	0.00%
8	Total Other	(1,706)	(1,216)	(1,216)	-	0.00%
<u>DEDUCTIONS FOR RESERVES</u>						
9	Accumulated Depreciation Reserve	900,989	994,136	994,323	187	0.02%
10	Accumulated Amortization	41,490	68,296	68,621	325	0.48%
11	Accum. Deferred Taxes	80,394	66,646	66,757	111	0.17%
12	Total Deductions for Reserves	1,022,872	1,129,077	1,129,701	624	0.06%
13	Weighted Average Depreciated Rate Base	531,411	697,900	713,240	15,340	2.20%

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TABLE 2-19
SAN DIEGO GAS & ELECTRIC COMPANY
TEST YEAR 2016
SUMMARY OF ELECTRIC RATE BASE
(Thousands of Dollars)

Line No.	Description	2013 Recorded (2013\$)	ORA Test Year 2016 (2016\$)	SDG&E Test Year 2016 (2016\$)	SDG&E Exceeds ORA \$ Variance	% Variance
	<u>FIXED CAPITAL</u>					
1	Plant in Service	6,788,798	7,963,461	8,323,824	360,363	4.53%
2	Total Fixed Capital	6,788,798	7,963,461	8,323,824	360,363	4.53%
	<u>WORKING CAPITAL</u>					
3	Materials & Supplies	59,239	105,592	105,592	(0)	0.00%
4	Working Cash	0	84,938	119,813	34,875	41.06%
5	Total Working Capital	59,239	190,529	225,405	34,876	18.30%
	<u>OTHER</u>					
6	Customer Advances for Construction	(14,720)	(27,159)	(27,159)	-	0.00%
7	Total Other	(14,720)	(27,159)	(27,159)	-	0.00%
	<u>DEDUCTIONS FOR RESERVES</u>					
8	Accumulated Depreciation Reserve	2,657,127	3,206,200	3,197,021	(9,179)	-0.29%
9	Accumulated Amortization	125,429	266,230	266,911	681	0.26%
10	Accum. Deferred Taxes	445,665	437,555	463,611	26,056	5.95%
11	Total Deductions for Reserves	3,228,222	3,909,985	3,927,543	17,558	0.45%
12	Weighted Average Depreciated Rate Base	<u>3,605,096</u>	<u>4,216,846</u>	<u>4,594,527</u>	<u>377,681</u>	<u>8.96%</u>

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Table 2-20
SOUTHERN CALIFORNIA GAS COMPANY
 Weighted Average Depreciated Rate Base
 (Thousands of Dollars)

Line No.	Account Description	2013 Recorded (2013\$)	ORA Test Year 2016 (2016\$)	SoCalGas Test Year 2016 (2016\$)	SoCalGas \$ Variance	Exceed ORA % Variance
	Fixed Capital					
1	Plant In Service	10,199,383	11,881,739	11,984,893	103,154	0.87%
2	Work-In-Progress (non-interest bearing)	4,728	12,119	13,186	1,068	8.81%
3	<u>Total Fixed Capital</u>	<u>10,204,111</u>	<u>11,893,857</u>	<u>11,998,079</u>	<u>104,222</u>	<u>0.88%</u>
	Working Capital					
4	Materials & Supplies	25,585	25,141	25,141	-	0.00%
5	Working Cash	0	(3,563)	79,879	83,441	-2342.11%
6	<u>Total Working Capital</u>	<u>25,585</u>	<u>21,579</u>	<u>105,020</u>	<u>83,441</u>	<u>386.68%</u>
	Other					
7	Customer Advances For Construction	(101,316)	(102,345)	(102,345)	-	0.00%
8	Deferred Revenue - ITCC	(33,179)	(33,093)	(35,600)	(2,507)	7.58%
9	<u>Total Other</u>	<u>(134,496)</u>	<u>(135,438)</u>	<u>(137,945)</u>	<u>(2,507)</u>	<u>1.85%</u>
	Deductions For Reserves					
10	Accumulated Depreciation Reserve	5,889,706	6,728,519	6,731,432	2,913	0.04%
11	Accumulated Deferred Taxes - Plant	974,483	1,089,217	1,097,785	8,568	0.79%
12	Accumulated Deferred Taxes - CIAC	(112,055)	(125,392)	(129,900)	(4,507)	3.59%
13	Accumulated Deferred Investment Tax Credits	0	0	0	-	0.00%
14	<u>Total Deductions For Reserves</u>	<u>6,752,133</u>	<u>7,692,344</u>	<u>7,699,317</u>	<u>6,974</u>	<u>0.09%</u>
15	<u>Weighted Average Depreciated Rate Base</u>	<u>3,343,068</u>	<u>4,087,654</u>	<u>4,265,837</u>	<u>178,183</u>	<u>4.36%</u>

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**Table 2-21
Summary of SDG&E's Segmentation Rates**

FERC Account	Account Description	Segmentation		
		Electric	Electric Generation	Gas
Clearing				
163.1	Warehousing	80.2%	4.7%	15.1%
163.2	Purchasing	81.2%	6.1%	12.7%
184.2	Fllet	78.2%	0.3%	21.5%
184.3	Shop Order	76.5%	0.1%	23.4%
184.6	Exempt Materials	75.5%	2.0%	22.5%
184.7	Small Tools	76.7%	0.1%	23.2%
Wildfire Insurance				
184.8	Wildfire Insurance	100.0%	0.0%	0.0%
Customer Accounts and Collections				
901.0	Supervision	64.8%	0.0%	35.2%
902.0	MRDG - General Exp	64.8%	0.0%	35.2%
902.1	MRDG - Training & Other Exp	64.8%	0.0%	35.2%
902.2	MRDG - Gmeas Data Ops Exp	64.8%	0.0%	35.2%
902.5	Meter Reading Exp	64.8%	0.0%	35.2%
903.0	Customer Records & Collection Exp	64.8%	0.0%	35.2%
903.1	Customer Records & Collection Exp - Customer Contac	64.8%	0.0%	35.2%
903.3	Customer Records & Collection Exp - Collections	64.8%	0.0%	35.2%
903.4	Customer Records & Collection Exp - Pymt Processing	64.8%	0.0%	35.2%
903.5	Customer Records & Collection Exp - Cust Billing	64.8%	0.0%	35.2%
903.7	Customer Records & Collection Exp - Postage	64.8%	0.0%	35.2%
903.8	Customer Records & Collection Exp - Energy Theft	64.8%	0.0%	35.2%
905.0	Miscellaneous Customer Accounts Expense	64.8%	0.0%	35.2%
907.0	Supervision	85.0%	0.0%	15.0%
908.0	Customer Assistance Exp	85.0%	0.0%	15.0%
909.0	Informational & Instructional Exp	85.0%	0.0%	15.0%
910.0	Misc Customer Svc & Info Exp	85.0%	0.0%	15.0%
A&G				
920.0	Admin & General Salaries - Non Sr. Management	71.7%	3.1%	25.2%
920.1	Admin & General Salaries - Sr. Management	71.7%	3.1%	25.2%
920.2	Administrative & General - HR	71.7%	3.1%	25.2%
920.4	Administrative & General -ICP	71.7%	3.1%	25.2%
920.5	Administrative & General -RPA	71.7%	3.1%	25.2%
921.0	Office Supplies & Exp - Non-Sr. Management	71.7%	3.1%	25.2%
921.2	Administrative & General - HR	71.7%	3.1%	25.2%
921.5	Admin Expenses Transferred - Credit	71.7%	3.1%	25.2%
923.0	Outside Service Empooyed - Outside Vendors	71.7%	3.1%	25.2%
923.1	Outside Services Employed - SECC	71.7%	3.1%	25.2%
923.2	Outside Services Employed -BUCU's	71.7%	3.1%	25.2%
923.3	Outside Services Employed -Shared Assets	71.7%	3.1%	25.2%
923.4	Outside Services Employed -Depreciation/ROR	71.7%	3.1%	25.2%
924.0	Property Insurance	78.8%	8.5%	12.7%
925.0	Injuries & Damages PLPD Claims	71.7%	3.1%	25.2%
925.1	Injuries & Damages- Workers Comp	71.7%	3.1%	25.2%
925.2	Safety & Emergency Services & EMF	71.7%	3.1%	25.2%
925.3	Injuries & Damages- Liability Insurance	71.7%	3.1%	25.2%
926.0	Employee Pensions & Benefits - Other	71.7%	3.1%	25.2%
926.1	Employee Pensions & Benefits - Pension	71.7%	3.1%	25.2%
926.2	Employee Pensions & Benefits -PBOPs	71.7%	3.1%	25.2%
926.3	Employee Pensions & Benefits - Medical	71.7%	3.1%	25.2%
926.4	Employee Pensions & Benefits - Retirement Savings	71.7%	3.1%	25.2%
926.5	Employee Pensions & Benefits - Benefit Fees, Educ, Transport, Etc	71.7%	3.1%	25.2%
928.0	Regulatory Commission Exp	71.7%	3.1%	25.2%
930.1	General Advertising Expenses	71.7%	3.1%	25.2%
930.2	Miscellaneous General Expenses	71.7%	3.1%	25.2%
931.0	Rents	74.8%	0.0%	25.2%
931.6	Rents	74.8%	0.0%	25.2%
935.0	Maintenance of General Plant	71.7%	3.1%	25.2%
935.1	Maintenance of General Plant	71.7%	3.1%	25.2%
935.6	Maintenance of General Plant	71.7%	3.1%	25.2%

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Table 2-22
SDG&E Reassignment Rates

Category	Reassignment %
Labor Overheads	38.0%
A&G Costs	10.6%
Warehousing	89.8%
Purchasing	66.1%
Fleet	48.9%
Shop	42.2%
Exempt Material	89.1%
Small Tools	41.8%

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Table 2-23
Summary of SDG&E's Reassignment to Capital
Test year 2016
(in Thousands of 2016 Dollars)

Description (a)	ORA Recommended (b)	SDG&E Requested (c)	Amount SDG&E > ORA (d=c-b)	Percentage SDG&E > ORA (e=d/b)
Electric Distribution O&M	72,914	94,497	21,583	29.60%
Electric Generation Department O&M	3,354	3,354	-	0.00%
Gas Department O&M	23,239	30,107	6,868	29.55%
Total	99,507	127,958	28,451	28.59%

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**Table 2-24
SoCalGas Reassignment Rates**

Category	Reassignment %
Labor Overheads	20.2%
A&G Costs	5.5%
Warehousing	82.9%
Purchasing	51.5%
Fleet	17.2%
Shop	12.0%
Exempt Material	86.3%
Small Tools	12.1%
Pipe Fittings	49.6%

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**Table 2-25
Summary of SoCalGas' Reassignment to Capital
Test year 2016
(in Thousands of 2016 Dollars)**

Description (a)	ORA Recommended (b)	SCG Requested (c)	Amount SCG > ORA (d=c-b)	Percentage SCG > ORA (e=d/b)
O&M	82,035	98,362	16,327	19.90%

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