

Docket : A.10-12-005/006  
Exhibit Number : DRA-7  
Commissioner : Ferron  
ALJ : Wong  
Witness : Godson Ezekwo



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

**Report on the Results of Operations**  
**for**  
**San Diego Gas & Electric Company**  
**Southern California Gas Company**  
**General Rate Case**  
**Test Year 2012**

**SDG&E Gas Distribution**  
**Operation & Maintenance Expenses**  
**Capital Expenditures**

San Francisco, California  
September 1, 2011

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## GAS DISTRIBUTION OPERATION AND MAINTENANCE EXPENSES AND CAPITAL EXPENDITURES

4 **I. INTRODUCTION**

5 This exhibit presents the analyses and recommendations of the Division of  
6 Ratepayer Advocates (DRA) regarding San Diego Gas & Electric Company's  
7 (SDG&E) forecasts of shared and non-shared gas distribution operation and  
8 maintenance (O&M) expenses and capital expenditures for Test Year (TY) 2012.

9 Operation and maintenance expenses include other services, leak survey,  
10 locate and mark, main maintenance, service maintenance, supervision and training,  
11 tools, electric support, measurement and regulation, pipeline O&M planning, cathodic  
12 protection, and operation management and training.<sup>1</sup>

13 Capital expenditures include new customers, add/relocate, meters and  
14 regulators, system reinforcement, easements, street and highway relocation, tools  
15 and equipment, code compliance, main and service replacement, cathodic  
16 protection, system reliability and safety improvement, local engineering, San Onofre  
17 1, and Smart Meters.<sup>2</sup>

18 The tables at the end of this exhibit compare DRA's estimate to SDG&E's  
19 requests for O&M expenses in TY 2012 and capital expenditures from 2010 – 2012,  
20 by account and broken down into labor, non-labor, and other dollars.

21 **II. SUMMARY OF RECOMMENDATIONS**

22 Table 7-1A compares DRA's recommended gas distribution expenses and  
23 capital expenditures with SDG&E's proposed estimates for TY 2012. Tables 7-1B  
24 and 7-1C compare DRA's recommended capital expenditures with SDG&E's  
25 proposed estimates for 2011 and 2010, respectively. DRA recommends the  
26 Commission adopt \$14,840,000 for gas distribution O&M expense for the TY 2012,

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<sup>1</sup> Exh. SDG&E-2, p. GOM-14.

<sup>2</sup> Exh. SDG&E-2, p. GOM-10.

1 rather than SDG&E's request for \$19,812,000.<sup>3</sup> DRA also recommends the  
 2 Commission adopt its estimates for Gas Distribution capital expenditures for 2010 –  
 3 2012, in contrast to SDG&E's request.

4  
 5 **Table 7-1A**  
 6 **Gas Distribution O&M Expenses and Capital Expenditures**  
 7 **TY 2012 DRA/SDG&E Comparison**  
 8 **(Thousands of 2009 Dollars)**

Description (a)	DRA Recommended (b)	SDG&E Proposed (c)	Amount SDG&E>DRA (d=c-b)	Percentage SDG&E>DRA (e=d/b)
Operation & Maintenance Expenses	\$14,840	\$19,812	\$4,972	33.5%
Capital Expenditures	\$19,982	\$30,659	\$10,677	53.4%

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 10 **Table 7-1B**  
 11 **Gas Distribution Capital Expenditures**  
 12 **2011 DRA/SDG&E Comparison**  
 13 **(Thousands of 2009 Dollars)**

Description (a)	DRA Recommended (b)	SDG&E Proposed (c)	Amount SDG&E>DRA (d=c-b)	Percentage SDG&E>DRA (e=d/b)
Capital Expenditures	\$34,136	\$42,176	\$8,040	23.6%

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 15 **Table 7-1C**  
 16 **Gas Distribution Capital Expenditures**  
 17 **2010 DRA/SDG&E Comparison**  
 18 **(Thousands of 2009 Dollars)**

Description (a)	DRA Recommended (b)	SDG&E Proposed (c)	Amount SDG&E>DRA (d=c-b)	Percentage SDG&E>DRA (e=d/b)
Capital Expenditures	\$64,976	\$75,072	\$10,096	15.5%

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 20 **III. DISCUSSION / ANALYSIS OF O&M EXPENSES**

21 Gas distribution O&M expenses consist of twelve accounts. SDG&E is  
 22 requesting a total of \$19,812,000<sup>4</sup> for TY 2012. DRA is recommending a total of  
 23 \$14,840,000 for TY 2012. Table 7-18, beginning on page 30, set forth a comparison  
 24 of DRA's and SDG&E's TY 2012 forecasts for each account.

<sup>3</sup> Exh. SDG&E-2, p. GOM-13.

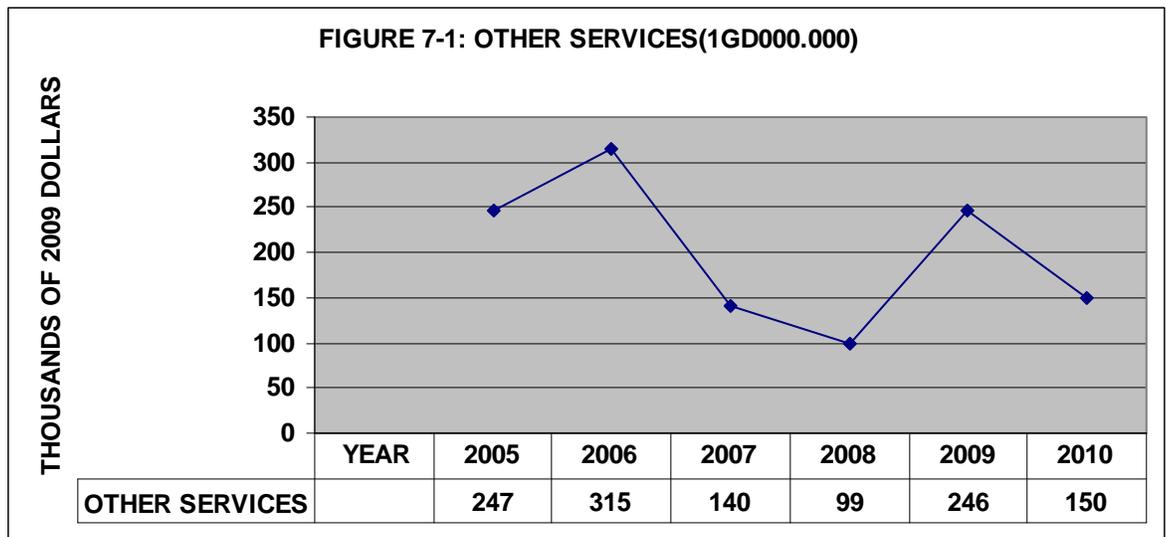
<sup>4</sup> Exh. SDG&E-2, p. GOM-13.

1           **A. Account 1GD000.000 – Other Services**

2           This group includes labor and non-labor expenses associated with surveying  
3 and reporting of green house emissions and with support activities not captured in  
4 other major groups. Other activities include inspection of customer’s house lines,  
5 patrolling of transmission mains, providing paving and street repair and supporting  
6 Transmission Pipeline Integrity.

7           For this account, SDG&E shows a recorded base year figure of \$246,000 and  
8 a forecasted incremental increase of \$2,098,000 resulting in a TY expense of  
9 \$2,344,000 (in 2009 dollars).

10          SDG&E provided historical (2005 through 2009) O&M expenses for this  
11 account. In an April 11, 2011 email, SDG&E provided the 2010 recorded amount of  
12 \$150,000 for this account. Figure 7-1 shows the historical trend of this account from  
13 2005-2010.



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15          DRA recommends \$190,000 for TY 2012, based on the most recent recorded  
16 five-year (2006 through 2010) average as shown on Table 7-2 below, which is  
17 \$2,154,000 less than SDG&E’s forecasted expenses of \$2,344,000. DRA’s use of a  
18 five-year average provides a more reliable TY forecast due to its reliance on  
19 historical data.

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**Table 7-2**  
**Derivation of DRA's TY 2012 O&M Expense Forecast for Account 1GD000.000**  
**(In Thousands of 2009 Dollars)**

2006 Adjusted Recorded	2007 Adjusted Recorded	2008 Adjusted Recorded	2009 Adjusted Recorded	2010 Adjusted Recorded	2006-2010 Average
315	140	99	246	150	190

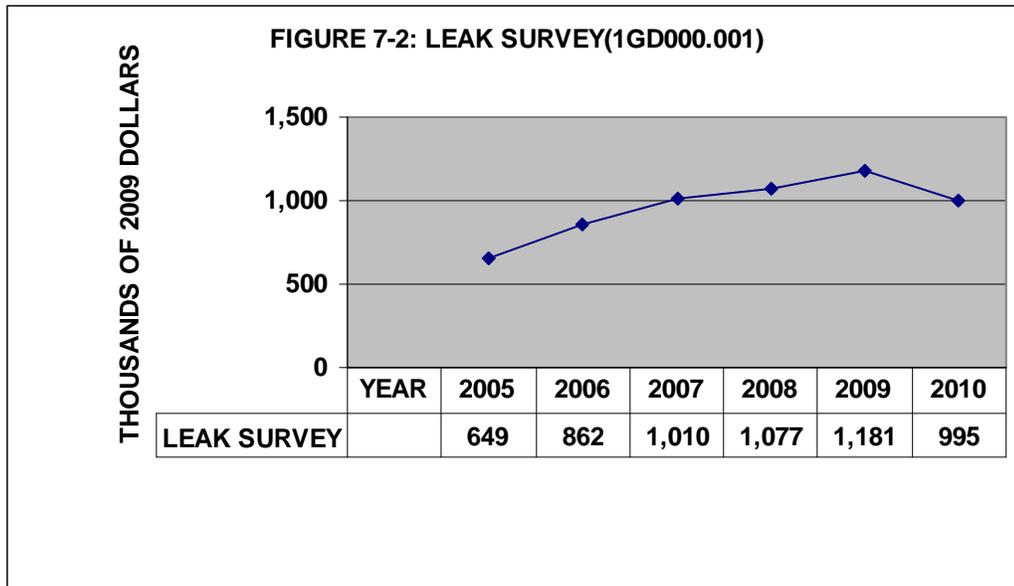
4

5 **B. Account 1GD000.001 – Leak Survey**

6 This account includes labor and non-labor expenses associated with  
7 surveying SDG&E gas distribution system for leaks.

8 For this account, SDG&E shows a recorded base year figure of \$1,181,000  
9 and a forecasted incremental increase of \$78,000 resulting in a TY 2012 expense of  
10 \$1,259,000 (in 2009 dollars).

11 SDG&E provided historical (2005 through 2009) O&M expenses for this  
12 account. In an April 11, 2011 email, SDG&E provided the 2010 recorded amount of  
13 \$995,000 for this account. Figure 7-2 shows the historical trend of this account from  
14 2005-2010.



15

16 DRA recommends \$1,025,000 for TY 2012, based on the most recent  
17 recorded five-year (2006 through 2010) average as shown on Table 7-3 below,  
18 which is \$234,000 less than SDG&E's forecasted expenses of \$2,259,000. DRA's

1 use of a five-year average provides a more reliable TY forecast due to its reliance on  
 2 historical data.

3 **Table 7-3**  
 4 **Derivation of DRA's TY 2012 O&M Expense Forecast for Account 1GD000.001**  
 5 **(In Thousands of 2009 Dollars)**

2006 Adjusted Recorded	2007 Adjusted Recorded	2008 Adjusted Recorded	2009 Adjusted Recorded	2010 Adjusted Recorded	2006-2010 Average
862	1,010	1,077	1,181	995	1,025

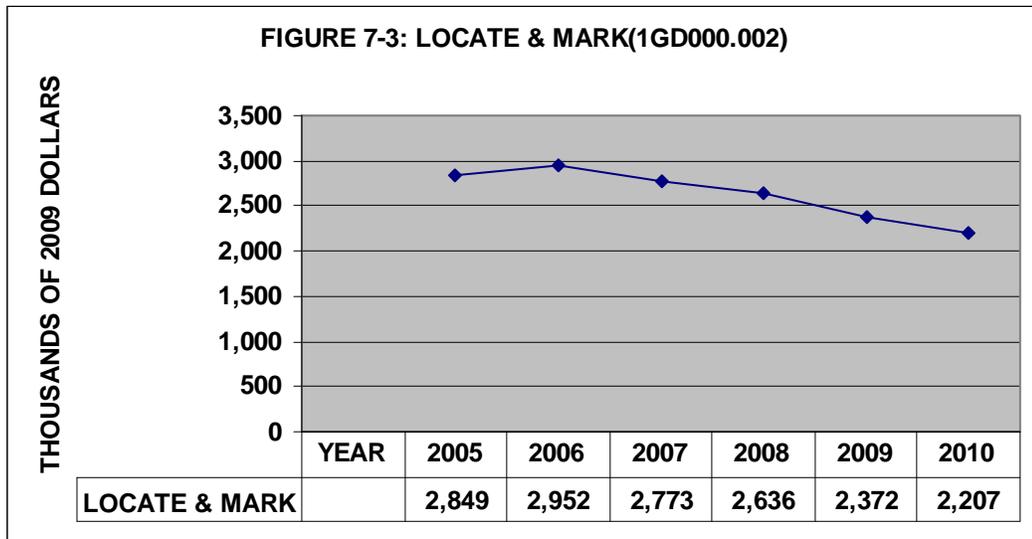
6

7 **C. Account 1GD000.002 – Locate & Mark**

8 This account includes labor and non-labor expenses to locate and mark out  
 9 multiple SDG&E underground systems which include distribution and transmission  
 10 facilities.

11 For this account, SDG&E shows a recorded 2009 base year figure of  
 12 \$2,372,000 and a forecasted incremental increase of \$403,000 resulting in a TY  
 13 2012 expense of \$2,775,000 (in 2009 dollars).

14 SDG&E provided historical (2005 through 2009) O&M expenses for this  
 15 account. In an April 11, 2011 email, SDG&E provided the 2010 recorded amount of  
 16 \$2,207,000 for this account. Figure 7-3 shows the historical trend of this account  
 17 from 2005-2010.



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19 DRA recommends \$2,290,000 for TY 2012, based on the most recent  
 20 recorded two-year (2009 and 2010) average as shown on Table 7-4 below, which is

1 \$485,000 less than SDG&E's forecasted expenses of \$2,775,000. DRA's use of a  
2 two-year average provides a more reliable TY forecast due to the decreasing trend  
3 in recent historical expenses.

4 **Table 7-4**  
5 **Derivation of DRA's TY 2012 O&M Expense Forecast for Account 1GD000.002**  
6 **(In Thousands of 2009 Dollars)**

2009 Adjusted Recorded	2010 Adjusted Recorded	2009 -2010 Average
2,372	2,207	2,290

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8 **D. Account 1GD000.003 – Main Maintenance**

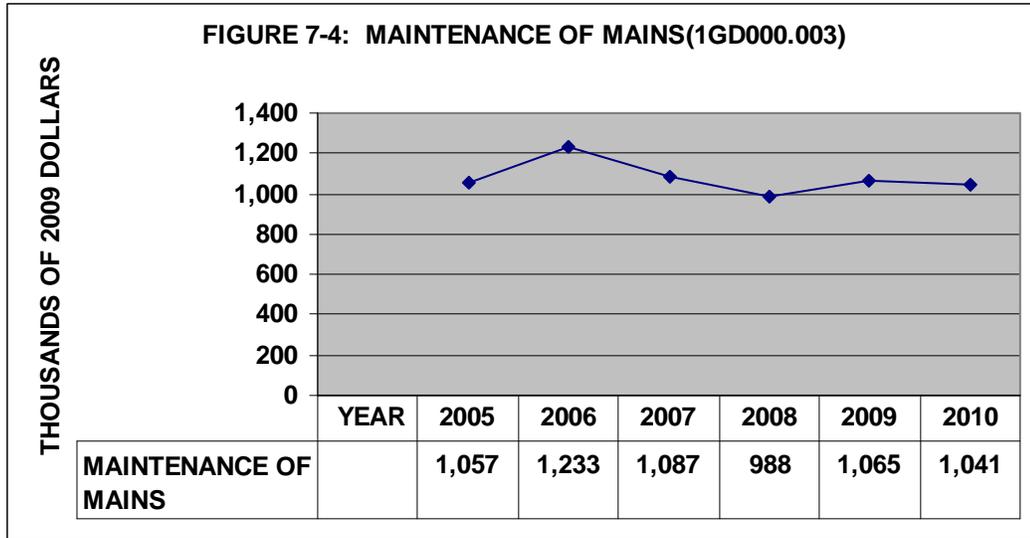
9 This account includes labor and non-labor costs associated with investigating  
10 and repairing leaks in distribution mains, maintaining cathodic protection on the gas  
11 distribution system, moving, lowering, and raising short sections of gas distribution  
12 mains, vaults, and related structures.

13 For this account, SDG&E shows a recorded 2009 base year figure of  
14 \$1,065,000 and a forecasted incremental increase of \$110,000 resulting in a TY  
15 expense of \$1,175,000 (in 2009 dollars).

16 SDG&E provided historical (2005 through 2009)<sup>5</sup> O&M expenses for this  
17 account. In an April 11, 2011 email, SDG&E provided the 2010 recorded amount of  
18 \$1,041,000 for this account. Figure 7-4 shows the historical trend of this account  
19 from 2005-2010.

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<sup>5</sup> Exh. SDG&E-2 workpapers, p. 22.



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DRA recommends \$1,083,000 for TY 2012, based on the most recent recorded five-year (2006 through 2010) average as shown on Table 7-5 below, which is \$92,000 less than SDG&E’s forecasted expenses of \$1,175,000. DRA’s use of a five-year average provides a more reliable TY forecast due to its reliance on historical data.

**Table 7-5  
Derivation of DRA’s TY 2012 O&M Expense Forecast for Account 1GD000.003  
(In Thousands of 2009 Dollars)**

2006 Adjusted Recorded	2007 Adjusted Recorded	2008 Adjusted Recorded	2009 Adjusted Recorded	2010 Adjusted Recorded	2006-2010 Average
1,233	1,087	988	1,065	1,041	1,083

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**E. Account 1GD000.004 – Service Maintenance**

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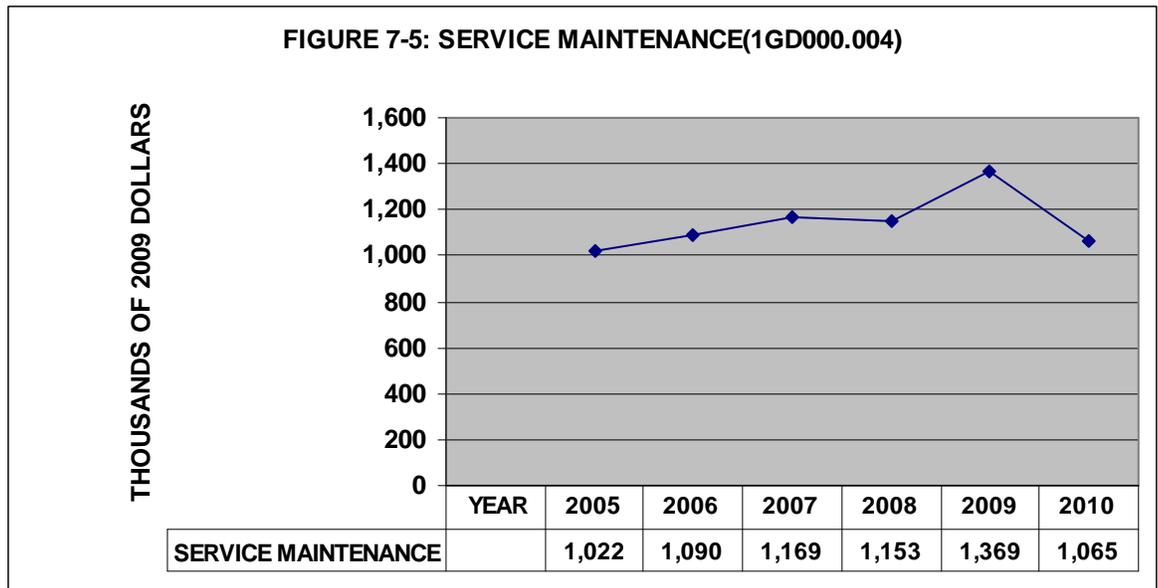
This account includes labor and non-labor costs associated with investigating and repairing leaks in distribution services. This includes costs for excavating to determine the source, changing service valves, testing service pipes for leaks, inspecting and testing service pipe after repairs have been made, and installing, maintaining and removing temporary feed.

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For this account, SDG&E shows a recorded 2009 base year figure of \$1,369,000 and a forecasted TY expense of \$1,399,000 (in 2009 dollars).

1 SDG&E provided historical (2005 through 2009)<sup>6</sup> O&M expenses for this  
 2 account. In an April 11, 2011 email, SDG&E provided the 2010 recorded amount of  
 3 \$1,065,000 for this account. Figure 7-5 shows that the historical trend of this account  
 4 from 2005-2010, except for 2009 expense, is relatively flat.



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 6 DRA accepts SDG&E's forecasted expense of \$1,399,000 because the  
 7 expense is close to the base year expense of \$1,369,000.

8 **F. Account 1GD000.007 – Supervision & Training**

9 This account includes labor and non-labor expenses for construction  
 10 managers, construction supervisors, operations assistants and other clerical  
 11 employees for Construction and Operation cost centers.

12 For this account, SDG&E shows a recorded 2009 base year figure of  
 13 \$2,262,000 and a forecasted TY expense of \$2,632,000 (in 2009 dollars).

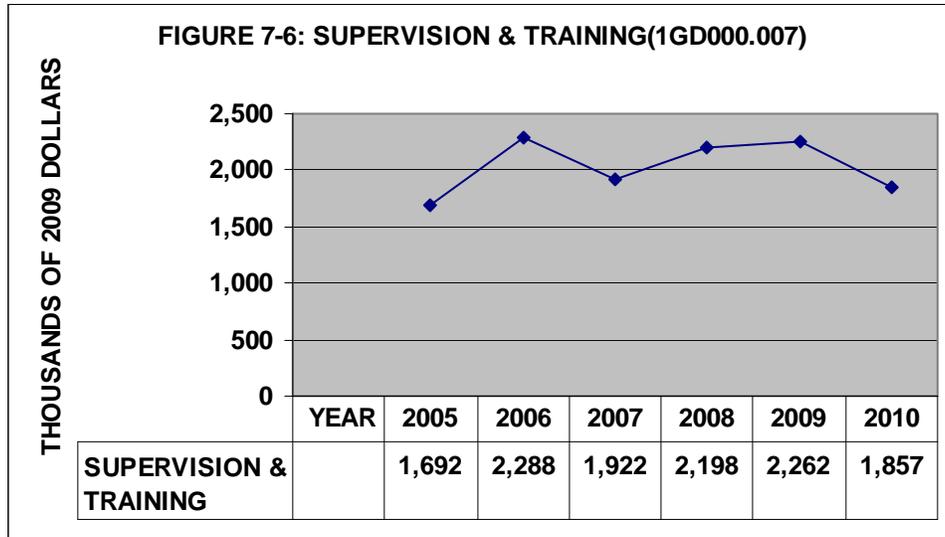
14 SDG&E provided historical (2005 through 2009)<sup>7</sup> O&M expenses for this  
 15 account. In an April 11, 2011 email, SDG&E provided the 2010 recorded amount of

<sup>6</sup> Exh. SDG&E-2 workpapers, p. 28.

<sup>7</sup> Exh. SDG&E-2 workpapers, p. 37.

1 \$1,857,000 for this account. Figure 7-6 shows that the historical trend of this account  
 2 from 2005-2010, except for 2005 expense, is relatively flat.

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DRA recommends \$2,105,000 for TY 2012, based on the most recent recorded five-year (2006 through 2010) average as shown on Table 7-6 below, which is \$527,000 less than SDG&E's forecasted expenses of \$2,632,000. DRA's use of a five-year average provides a more reliable TY forecast due to its reliance on historical data.

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**Table 7-6  
 Derivation of DRA's TY 2012 O&M Expense Forecast for Account 1GD000.007  
 (In Thousands of 2009 Dollars)**

<b>2006 Adjusted Recorded</b>	<b>2007 Adjusted Recorded</b>	<b>2008 Adjusted Recorded</b>	<b>2009 Adjusted Recorded</b>	<b>2010 Adjusted Recorded</b>	<b>2006-2010 Average</b>
2,288	1,922	2,198	2,262	1,857	2,105

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**G. Account 1GD000.005 – Tools**

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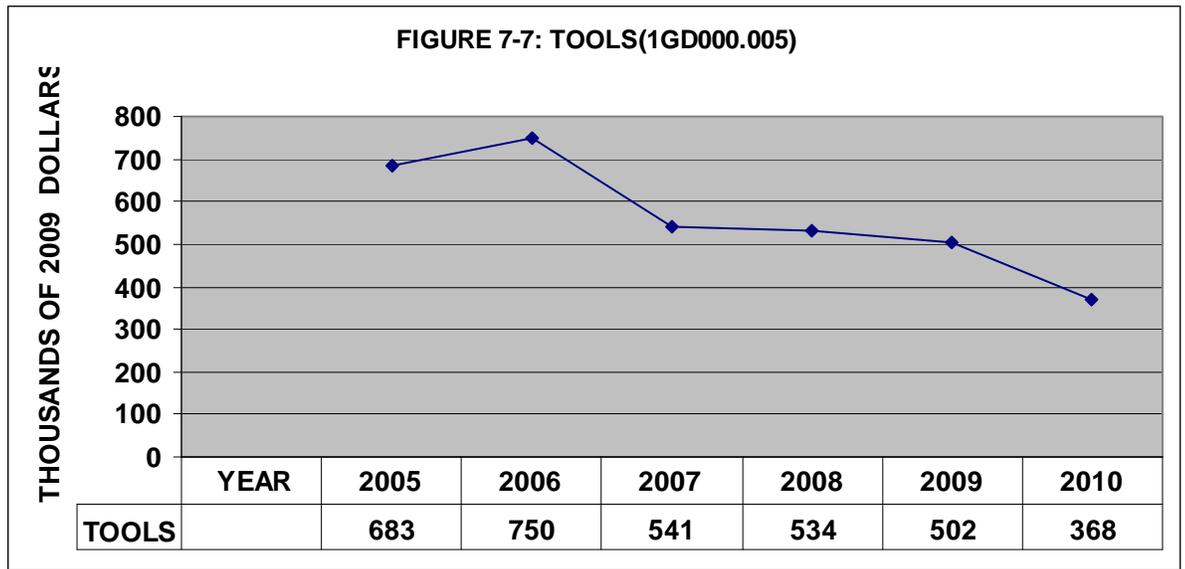
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This account includes labor and non-labor necessary for small tools, equipment, and supplies in support of pipeline Operation cost centers. For this account, SDG&E shows a recorded base year figure of \$502,000 and a forecasted TY expense of \$502,000 (in 2009 dollars).

1           SDG&E provided historical (2005 through 2009)<sup>8</sup> O&M expenses for this  
 2 account. In an April 11, 2011 email, SDG&E provided the 2010 recorded amount of  
 3 \$368,000 for this account. Figure 7-7 shows that the historical trend of this account  
 4 from 2005-2010.



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 6           DRA accepts SDG&E’s forecasted expense of \$502,000 because the  
 7 expense is the same as the base year expense of \$502,000.

8           **H. Account 1GD000.006 – Electric Support**

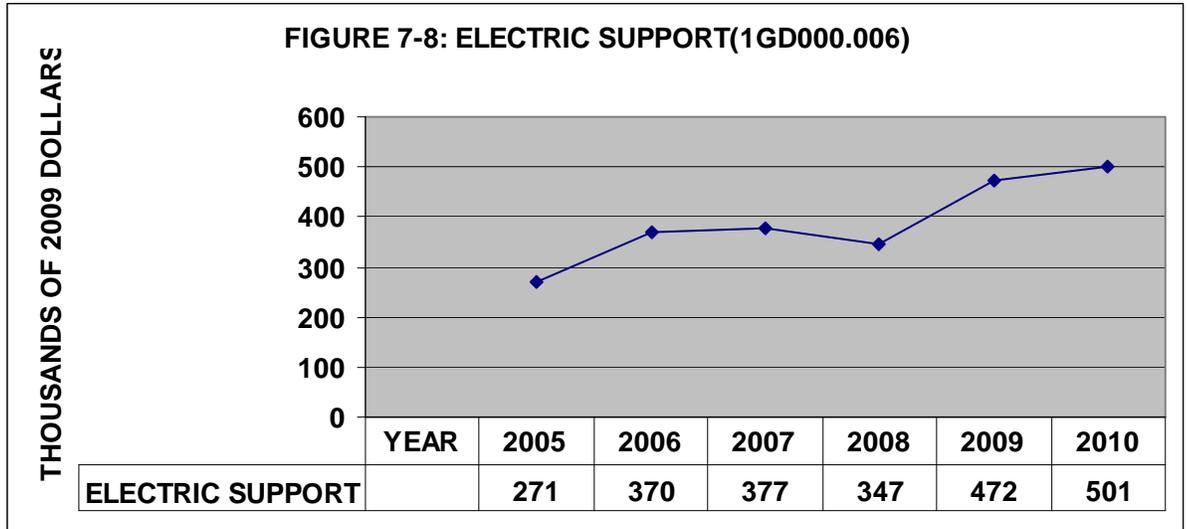
9           This account includes labor and non-labor expenditures for corrective  
 10 maintenance for electric distribution, traffic control and street repair.

11           For this account, SDG&E shows a recorded base year figure of \$472,000 and  
 12 a forecasted TY expense of \$588,000 (in 2009 dollars).

13           SDG&E provided historical (2005 through 2009)<sup>9</sup> O&M expenses for this  
 14 account. In an April 11, 2011 email, SDG&E provided the 2010 recorded amount of  
 15 \$501,000 for this account. Figure 7-8 shows that the historical trend of this account  
 16 from 2005-2010.

<sup>8</sup> Exh. SDG&E-2 workpapers, p. 48.

<sup>9</sup> Exh. SDG&E-2 workpapers, p. 48.



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DRA accepts SDG&E’s forecasted expense of \$588,000 because the expense has been increasing over the last five years as exemplified by Figure 7-8 above.

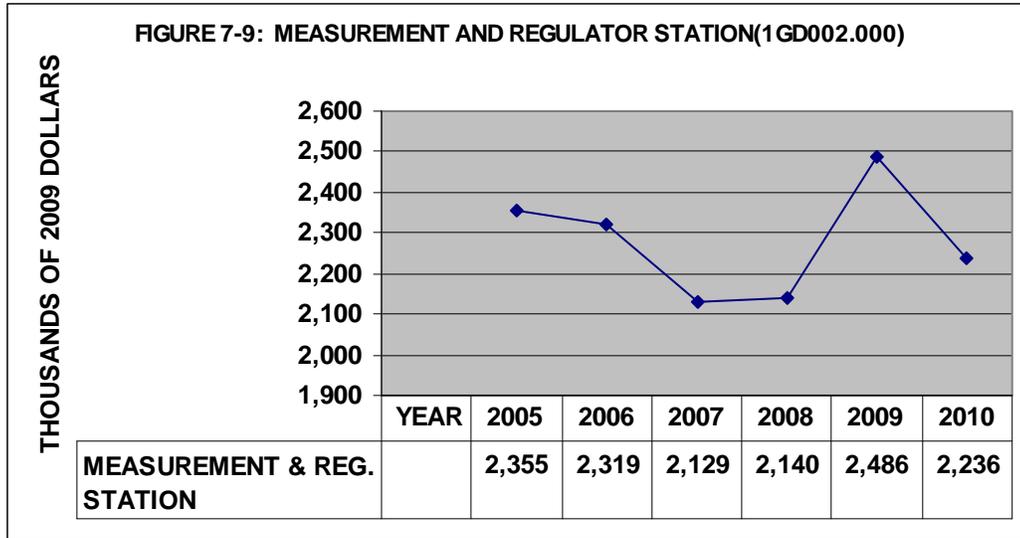
**I. Account 1GD002.000 – Measurement & Regulation**

This account includes labor, materials used and expenses incurred in maintaining meters, gauges, and other equipment used in measuring and regulating gas in connection with distribution system operations other than the measurement of gas deliveries to customers.

For this account, SDG&E shows a recorded 2009 base year figure of \$2,486,000 and a forecasted TY expense of \$2,898,000 (in 2009 dollars).

SDG&E provided historical (2005 through 2009)<sup>10</sup> O&M expenses for this account. In an April 11, 2011 email, SDG&E provided the 2010 recorded amount of \$2,236,000 for this account. Figure 7-9 shows that the historical data of this account from 2005-2010.

<sup>10</sup> Exh. SDG&E-2 workpapers, p. 72.



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DRA recommends \$2,262,000 for TY 2012, based on the most recent recorded five-year (2006 through 2010) average as shown on Table 7-7 below, which is \$636,000 less than SDG&E's forecasted expenses of \$2,898,000. DRA's use of a five-year average provides a more reliable TY forecast due to its reliance on historical data.

**Table 7-7  
Derivation of DRA's TY 2012 O&M Expense Forecast for Account 1GD002.000  
(In Thousands of 2009 Dollars)**

2006 Adjusted Recorded	2007 Adjusted Recorded	2008 Adjusted Recorded	2009 Adjusted Recorded	2010 Adjusted Recorded	2006-2010 Average
2,319	2,129	2,140	2,486	2,236	2,262

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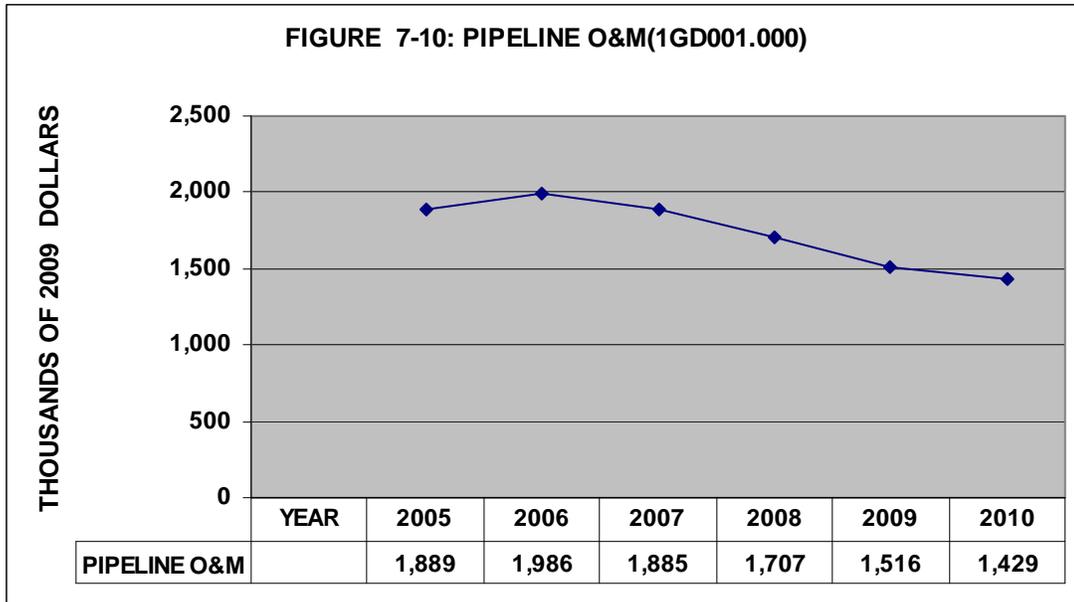
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**J. Account 1GD001.000 – Pipeline O&M and Planning**

This account includes labor and non-labor associated with preparing a documented record of the installed gas pipeline system; processing as-built drawings from the field to create a final record of pipeline system additions and changes; designing and installing gas distribution system upgrade and repairs; forecasting system growth and planning improvements to ensure adequate gas pressure for SDG&E's service territory.

For this account, SDG&E shows a recorded 2009 base year figure of \$1,516,000 and a forecasted TY expense of \$1,828,000 (in 2009 dollars).

1           SDG&E provided historical (2005 through 2009)<sup>11</sup> O&M expenses for this  
 2 account. In an April 11, 2011 email, SDG&E provided the 2010 recorded amount of  
 3 \$1,429,000 for this account. Figure 7-10 shows that the historical trend of this  
 4 account from 2005-2010. From 2006, the expense for this account has been  
 5 decreasing as exemplified in Figure 7-10.  
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 9           DRA recommends \$1,473,000 for TY 2012, based on the most recent  
 10 recorded two-year (2009 and 2010) average as shown on Table 7-8 below, which is  
 11 \$355,000 less than SDG&E's forecasted expenses of \$1,828,000. DRA's use of a  
 12 two-year average provides a more reliable TY forecast due to the decreasing trend  
 13 in recent historical expenses.

**Table 7-8  
 Derivation of DRA's TY 2012 O&M Expense Forecast for Account 1GD001.000  
 (In Thousands of 2009 Dollars)**

2009 Adjusted Recorded	2010 Adjusted Recorded	2009 -2010 Average
1,516	1,429	1,473

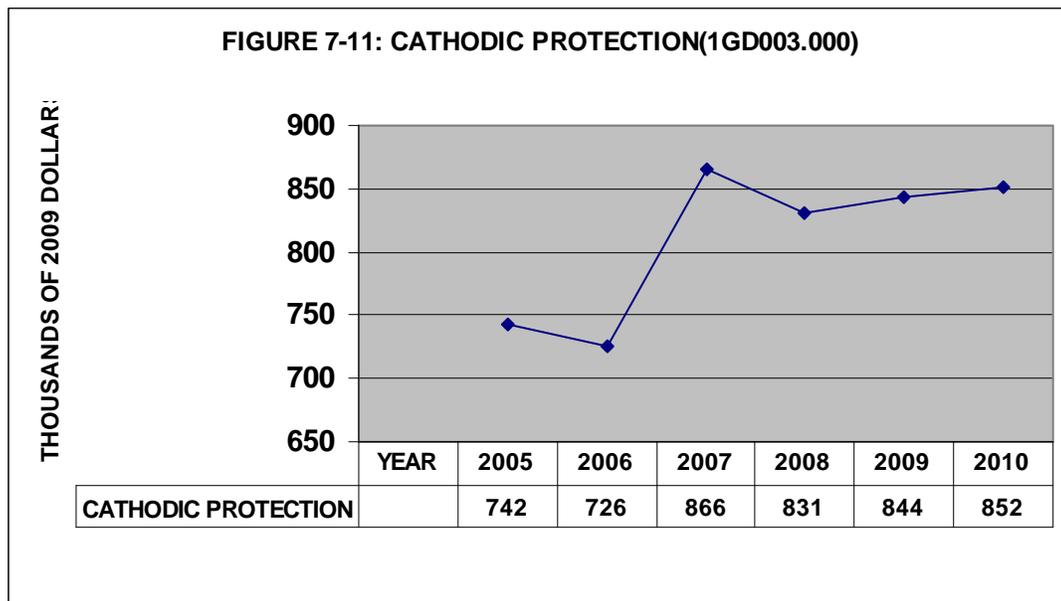
<sup>11</sup> Exh. SDG&E-2 workpapers, p. 87.

1 **K. Account 1GD003.000 – Cathodic Protection**

2 This account includes labor and non-labor costs for cathodic protection (CP)  
 3 maintenance including monitoring the CP system, troubleshooting for system shorts  
 4 and interference, CP rectifier inspections, and other code required inspections.

5 For this account, SDG&E shows a recorded 2009 base year figure of  
 6 \$844,000 and a forecasted TY expense of \$898,000 (in 2009 dollars).

7 SDG&E provided historical (2005 through 2009)<sup>12</sup> O&M expenses for this  
 8 account. In an April 11, 2011 email, SDG&E provided the 2010 recorded amount of  
 9 \$852,000 for this account. Figure 7-11 shows that the historical trend of this account  
 10 from 2005-2010.



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 12 DRA recommends \$824,000 for TY 2012, based on the most recent recorded  
 13 five-year (2006 through 2010) average as shown on Table 7-9 below, which is  
 14 \$74,000 less than SDG&E’s forecasted expenses of \$898,000. DRA’s use of a five-  
 15 year average provides a more reliable TY forecast due to its reliance on historical  
 16 data.

<sup>12</sup> Exh. SDG&E-2 workpapers, p. 87.

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**Table 7-9**  
**Derivation of DRA's TY 2012 O&M Expense Forecast for Account 1GD003.000**  
**(In Thousands of 2009 Dollars)**

<b>2006 Adjusted Recorded</b>	<b>2007Adjusted Recorded</b>	<b>2008Adjusted Recorded</b>	<b>2009Adjusted Recorded</b>	<b>2010 Adjusted Recorded</b>	<b>2006-2010 Average</b>
726	866	831	844	852	824

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**L. Account 1GD004.000 – Operation Management & Training**

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This account includes labor and non-labor costs for Technical Services supervision, management and staff support; developing and maintaining distribution construction standards; evaluating new field technologies and assisting with field training; providing code required welder testing, training and welding inspection.

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For this account, SDG&E shows a recorded 2009 base year figure of \$1,193,000 and a forecasted TY expense of \$1,514,000 (in 2009 dollars).

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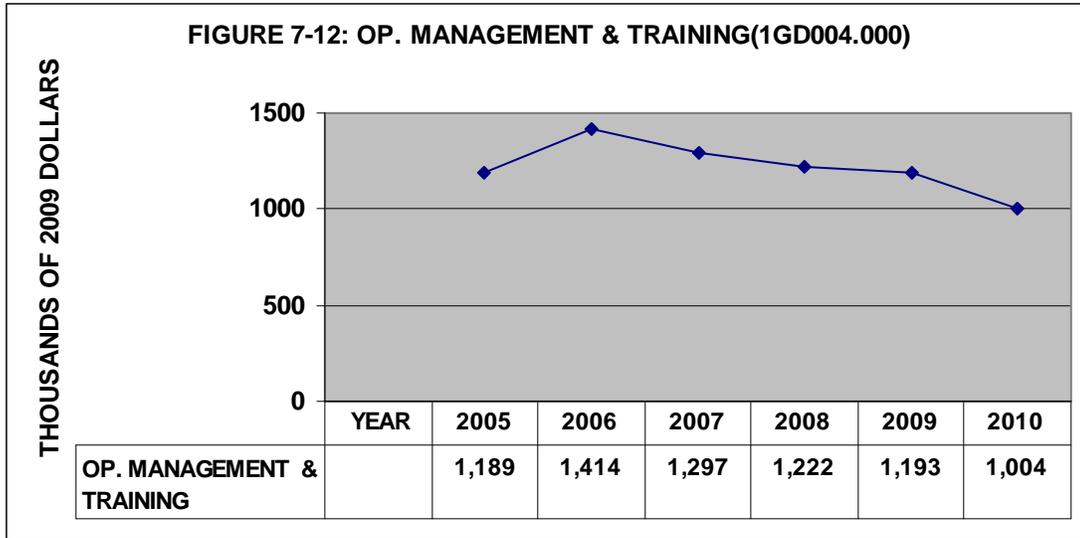
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SDG&E provided historical (2005 through 2009)<sup>13</sup> O&M expenses for this account. In an April 11, 2011 email, SDG&E provided the 2010 recorded amount of \$1,004,000 for this account. Figure 7-12 shows that the historical data for this account from 2005-2010. Since 2006, the expense for this account has been decreasing as exemplified in Figure 7-12.

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<sup>13</sup> Exh. SDG&E-2 workpapers, p. 106.



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DRA recommends \$1,099,000 for TY 2012, based on the most recent recorded two-year (2009 and 2010) average as shown on Table 7-9 below, which is \$415,000 less than SDG&E's forecasted expenses of \$1,514,000. DRA's use of a five-year average provides a more reliable TY forecast due to its reliance on historical data.

**Table 7-10  
Derivation of DRA's TY 2012 O&M Expense Forecast for Account 1GD004.000  
(In Thousands of 2009 Dollars)**

2009 Adjusted Recorded	2010 Adjusted Recorded	2009 -2010 Average
1,193	1,004	1,099

**11 IV. DISCUSSION/ANALYSIS OF CAPITAL EXPENDITURES**

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Gas distribution capital expenditures consist of fourteen accounts, accounts 500 through 510, accounts 902, 08544 (San Onofre 1) and 5542 (Smart Meter). SDG&E is requesting total capital expenditures of \$75,072,000 for 2010; \$42,176,000 for 2011 and \$30,659,000 for 2012. The company requested increases in capital expenditures in seven of the fourteen accounts; that is Accounts 500, 502, 503, 505, 508, 902 and 5542 (Smart Meter). The requested TY 2012 capital expenditures for these seven accounts are \$27,556,000; and this translates to 90

1 percent of the total capital expenditures of \$30,659,000 for TY 2012.<sup>14</sup> Tables 7-19,  
2 7-20, and 7-21 at the end of this exhibit provide a comparison of DRA's and  
3 SDG&E's capital expenditure forecasts for 2010, 2011 and 2012, respectively.

4 **A. Account 500 – New Customers**

5 This account provides for changes and additions to the existing distribution  
6 system to connect new residential, commercial and industrial customers.

7 For this account, SDG&E shows a recorded 2009 base year of \$2,818,000  
8 and a forecasted incremental increase of \$733,000 (a 35% increase) for an  
9 increased number of new connections, resulting in a 2012 capital expense of  
10 \$4,898,000 (in 2009 dollars).<sup>15</sup>

11 SDG&E provided historical (2005 through 2009)<sup>16</sup> capital expenditures for  
12 this account. In an April 11, 2011 email, SDG&E provided the 2010 recorded  
13 amount of \$2,011,000 for this account. Figure 7-13 shows that the historical trend of  
14 this account from 2005-2010.

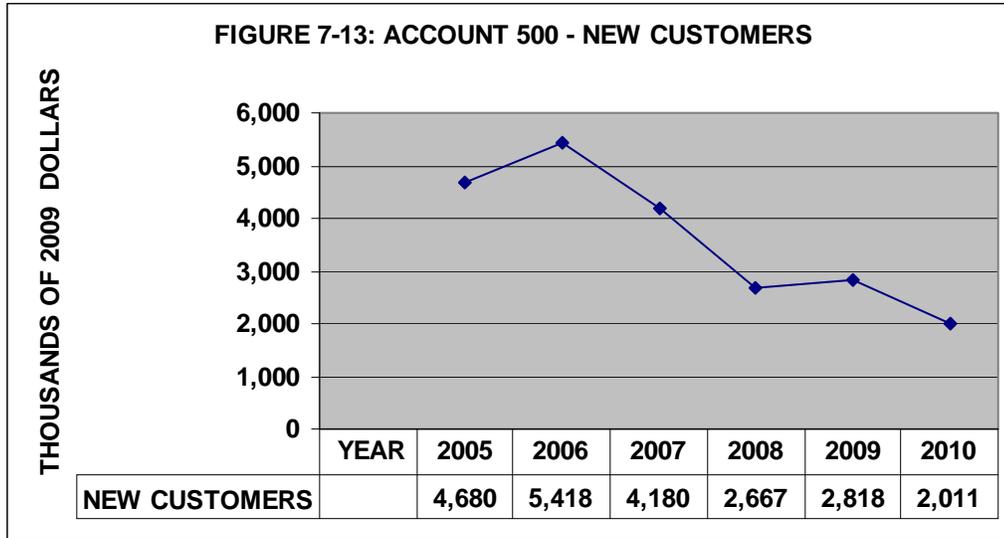
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<sup>14</sup> Exh. SDG&E-2, p. GOM-56.

<sup>15</sup> Exh. SDG&E-2, p. GOM-56.

<sup>16</sup> Exh. SDG&E-2 capital workpapers, p. GOM-CWP-4.



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3 Figure 7-13 shows that expenditures for this account have drastically declined  
 4 from \$4.68 million in 2005 to \$2.8 million in 2009 (40 percent decrease). SDG&E  
 5 asserts that the proposed increase in expenditures for 2010, 2011 and 2012 is a  
 6 result of an increase in new construction. DRA recommends \$2,011,000 recorded  
 7 expenditure for 2010; and also recommends \$2,499,000 for 2011; \$2,499,000 for  
 8 2012 based on three-year (2008-2010) average.

9 **B. Account 501 – Add/Reloc/Retire**

10 This account captures expenditures not covered in other work categories that  
 11 are required to maintain the continued integrity of SDG&E’s gas distribution system.  
 12 Examples of expenditures include main and service abandonment and service  
 13 relocations due to customer requests.

14 SDG&E provided historical (2005 through 2009)<sup>17</sup> capital expenditures for  
 15 this account. In an April 11, 2011 email, SDG&E provided the 2010 recorded  
 16 amount of \$313,000 for this account. Table 7-11 shows that the historical trend and  
 17 five-year average of this account from 2005-2009. SDG&E chose a five-year

<sup>17</sup> Exh. SDG&E-02-CWP, p. GOM-CWP-4.

1 average as forecasting methodology in determining spending level anticipated to be  
2 seen through 2012.<sup>18</sup>

3 **Table 7-11**  
4 **2005-2009 Recorded / TY 2012 Forecast**  
5 **(in Thousands of 2009 Dollars)**

Description	2005	2006	2007	2008	2009	AVG
Account 501	\$526	\$746	\$1,004	\$732	\$756	\$754

6  
7 DRA accepts the recorded 2010 capital expenditures of \$313,000, and  
8 recommends no adjustments to SDG&E's forecasted expenditures of \$754,000 for  
9 2011 and \$754,000 for 2012.

10 **C. Account 502 – Meters and Regulators**

11 This account provides for the capital expenditures for purchasing new  
12 residential, commercial and industrial gas meters and regulators.

13 For this account, SDG&E shows a recorded 2009 base year of \$4,480,000  
14 and a forecasted incremental increase of \$7,528,000 (a 68% increase) for an  
15 increased number of new connections, resulting in a 2012 capital expense of  
16 \$7,528,000 (in 2009 dollars).<sup>19</sup>

17 SDG&E provided historical (2005 through 2009)<sup>20</sup> capital expenditures for  
18 this account. In an April 11, 2011 email, SDG&E provided the 2010 recorded  
19 amount of \$6,083,000 for this account. Figure 7-14 shows that the historical trend of  
20 this account from 2005-2010.

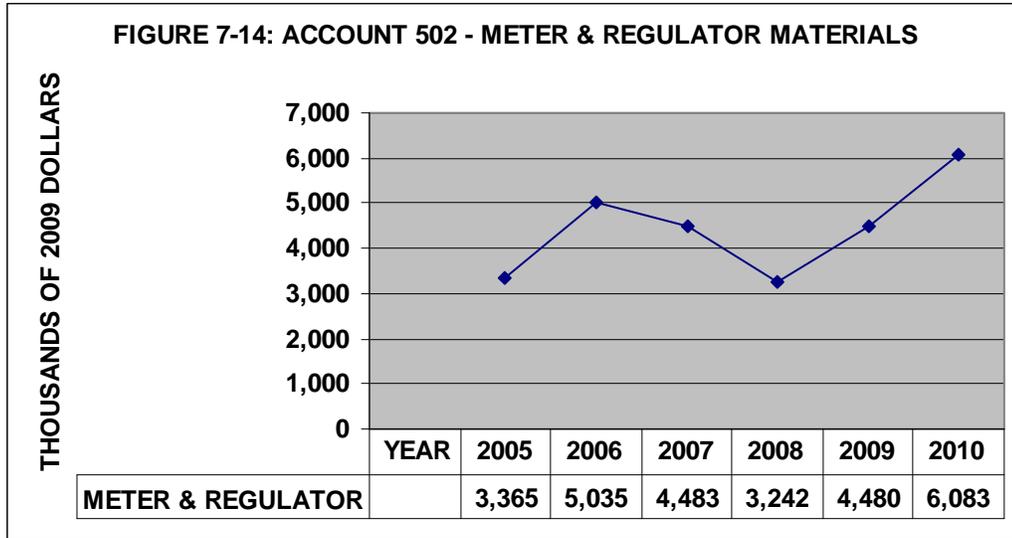
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<sup>18</sup> Exh SDG&E-2, p. GOM-58.

<sup>19</sup> Exh.SDG&E-2, p. GOM 59.

<sup>20</sup> Exh. SDG&E-2 capital workpapers, p. GOM-CWP-6.



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2 Figure 7-14 shows the historical trend of this account. DRA recommends  
 3 \$6,083,000 recorded expenditure for 2010; and also recommends \$4,665,000 for  
 4 2011; \$4,665,000 for 2012 based on five-year (2006-2010) average.

5 **D. Account 503 – System Reinforcement**

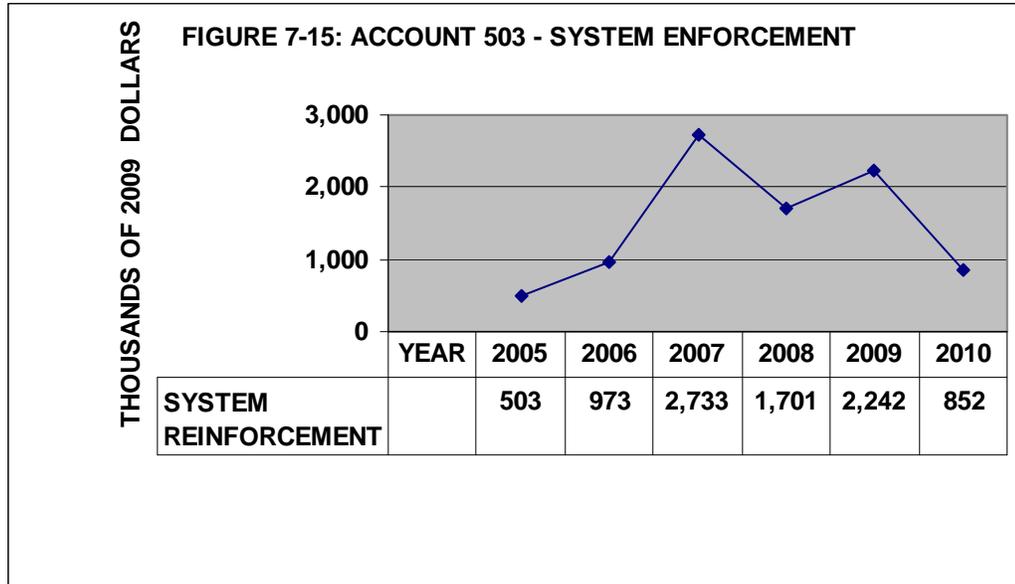
6 This account provides for the capital expenditures for purchasing new  
 7 residential, commercial and industrial gas meters and regulators.

8 For this account, SDG&E shows a recorded 2009 base year of \$2,242,000  
 9 and a forecasted incremental increase of \$7,526,000 (a 65% increase) for an  
 10 increased number of new connections, resulting in a 2012 capital expense of  
 11 \$3,704,000 (in 2009 dollars).<sup>21</sup>

12 SDG&E provided historical (2005 through 2009)<sup>22</sup> capital expenditures for  
 13 this account. In an April 11, 2011 email, SDG&E provided the 2010 recorded  
 14 amount of \$852,000 for this account. Figure 7-15 shows that the historical trend of  
 15 this account from 2005-2010.

<sup>21</sup> Exh. SDG&E-2, p. GOM-61.

<sup>22</sup> Exh. SDG&E-2 capital workpapers, p. GOM-CWP-10.



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Figure 7-15 shows the historical trend of this account. DRA recommends \$852,000 recorded expenditure for 2010; and also recommends \$1,700,000 for 2011; and \$1,700,000 for 2012 based on a five-year (2006-2010) average.

**E. Account 504 – Easement**

This account captures expenditures not covered in other work categories that required to maintain the continued integrity of SDG&E’s gas distribution system. Examples of expenditures include main and service abandonment and service relocations due to customer requests.

SDG&E provided historical (2005 through 2009)<sup>23</sup> capital expenditures for this account. In an April 11, 2011 email, SDG&E provided the 2010 recorded amount of \$11,000 for this account. Table 7-12 shows that the historical trend and five-year average of this account from 2005-2009. SDG&E chose a five-year average as forecasting methodology in determining spending level anticipated to be seen through 2012.<sup>24</sup>

<sup>23</sup> Exh. SDG&E-2 capital workpapers, p. GOM-CWP-11.

<sup>24</sup> Exh. SDG&E-2 capital workpapers, p. GOM-CWP-11.

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**Table 7-12**  
**2005-2009 Recorded / TY 2012 Forecast**  
**(in Thousands of 2009 Dollars)**

Description	2005	2006	2007	2008	2009	AVG
Account 504	\$29	\$22	\$42	\$41	\$17	\$30

4

5 DRA accepts the recorded 2010 capital expenditures of \$11,000, and  
6 recommends no adjustments to SDG&E's forecasted expenditures of \$30,000 for  
7 2011 and \$30,000 for 2012.

8 **F. Account 505 – STR & Highway Relocation**

9 This account provides funding for the required relocation of existing gas  
10 facilities when necessitated by conflict with the installation of public improvements.

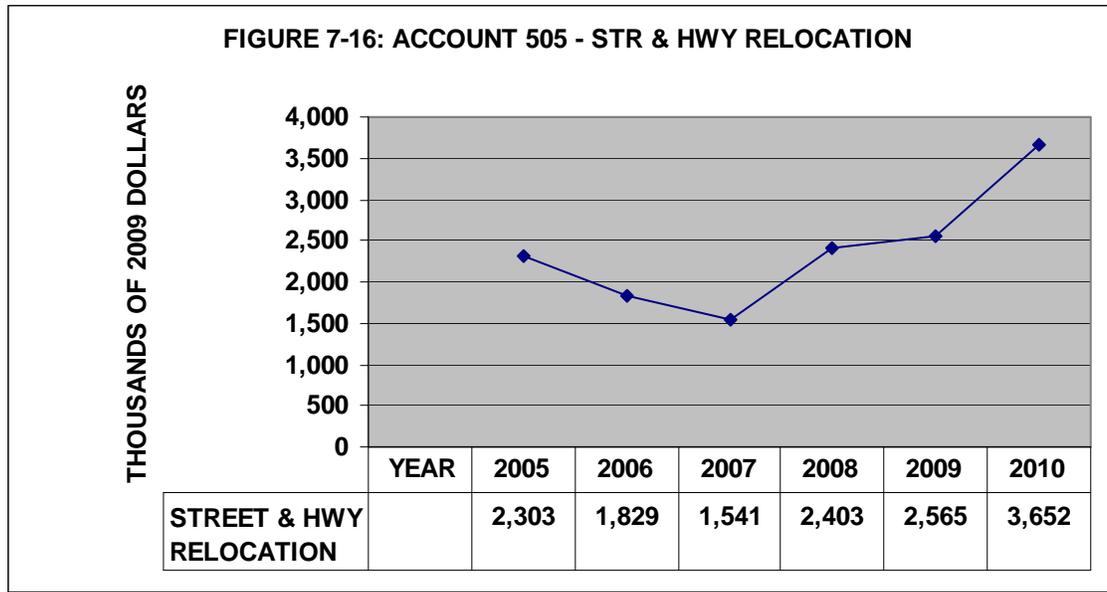
11 For this account, SDG&E shows a recorded 2009 base year of \$2,565,000  
12 and a forecasted incremental increase of \$1,260,000 (a 49% increase) for an  
13 increased number of new connections, resulting in a 2012 capital expense of  
14 \$3,825,000 (in 2009 dollars).<sup>25</sup>

15 SDG&E provided historical (2005 through 2009)<sup>26</sup> capital expenditures for  
16 this account. In an April 11, 2011 email, SDG&E provided the 2010 recorded  
17 amount of \$3,652,000 for this account. Figure 7-16 shows that the historical trend of  
18 this account from 2005-2010.

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<sup>25</sup> Exh. SDG&E-2, p. GOM-63.

<sup>26</sup> Exh. SDG&E-2 capital workpapers, p. GOM-CWP-13.



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Figure 7-16 shows the historical trend of this account. DRA recommends \$3,652,000 recorded expenditure for 2010; and also recommends \$2,398,000 for 2011; \$2,398,000 for 2012 based on a five-year (2006-2010) average.

**G. Account 506 – Tools & Equipment**

This account captures expenditures not covered in other work categories that required to maintain the continued integrity of SDG&E’s gas distribution system. Examples of expenditures include main and service abandonment and service relocations due to customer requests.

SDG&E provided historical (2005 through 2009)<sup>27</sup> capital expenditures for this account. In an April 11, 2011 email, SDG&E provided the 2010 recorded amount of \$143,000 for this account. Table 2-13 shows that the historical trend and five-year average of this account from 2006-2010. DRA chose a five-year average as forecasting methodology in determining spending level anticipated to be seen through 2012.<sup>28</sup>

<sup>27</sup> Exh. SDG&E-2 capital workpapers, p. GOM-CWP-15.  
<sup>28</sup> Exh. SDG&E-2 capital workpapers, p. GOM-CWP-11.

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**Table 7-13**  
**2006-2010 Recorded / TY 2012 Forecast**  
**(in Thousands of 2009 Dollars)**

Description	2006	2007	2008	2009	2010	AVG
Account 506	\$526	\$778	\$76	\$466	\$143	\$398

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DRA accepts the recorded 2010 capital expenditures of \$143,000, and recommends no adjustments to SDG&E’s forecasted expenditures of \$1,798,000 (5 year average of \$398,000 plus \$1,400,000 for new tools) for 2011 and \$398,000 for 2012.

**H. Account 507 – Code Compliance**

This account captures expenditures not covered in other work categories that are required to maintain the continued integrity of SDG&E’s gas distribution system. Examples of expenditures include main and service abandonment and service relocations due to customer requests.

SDG&E provided historical (2005 through 2009)<sup>29</sup> capital expenditures for this account. In an April 11, 2011 email, SDG&E provided the 2010 recorded amount of \$441,000 for this account. Table 7-14 shows that the historical trend and five-year average of this account from 2006-2010. DRA chose a five-year average as forecasting methodology in determining spending level anticipated to be seen through 2012.

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**Table 7-14**  
**2006-2010 Recorded / TY 2012 Forecast**  
**(in Thousands of 2009 Dollars)**

Description	2006	2007	2008	2009	2010	AVG
Account 507	\$179	\$190	\$161	\$309	\$441	\$256

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DRA recommends \$441,000 recorded expenditure for 2010; and also recommends \$256,000 for 2011; \$256,000 for 2012 based on five-year (2006-2010) average.

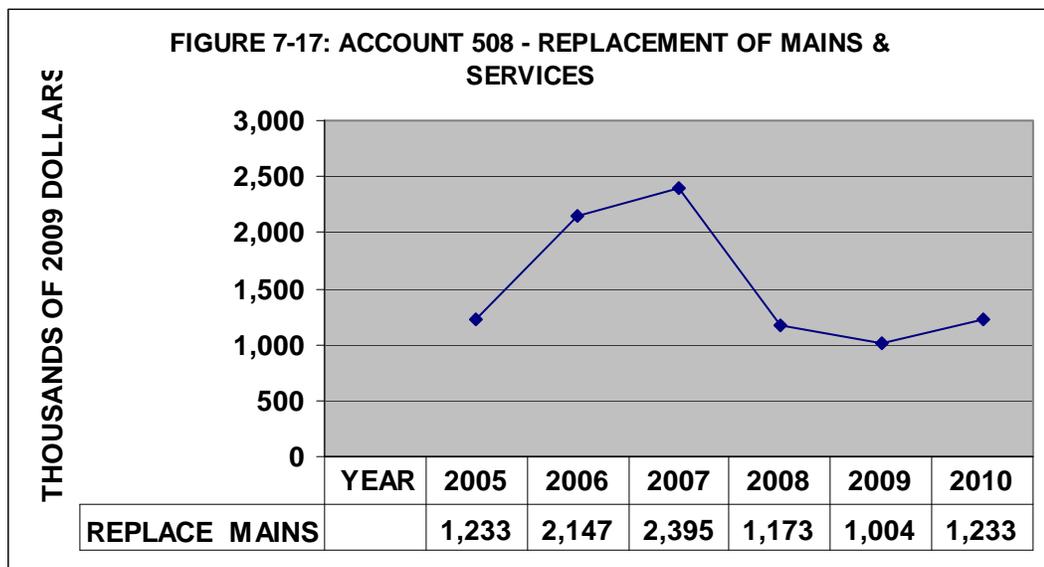
<sup>29</sup> Exh. SDG&E-2 capital workpapers, p. GOM-CWP-18.

1 **I. Account 508 – Mains & Service Replacement**

2 This account captures expenditures for replacement of mains and services  
 3 which are in potentially hazardous conditions due to leaking or deteriorated gas  
 4 system piping.

5 For this account, SDG&E shows a recorded 2009 base year of \$1,004,000  
 6 and a forecasted incremental increase of \$483,000 (a 48% increase) for an  
 7 increased number of new connections, resulting in a 2012 capital expense of  
 8 \$1,487,000 (in 2009 dollars).<sup>30</sup>

9 SDG&E provided historical (2005 through 2009)<sup>31</sup> capital expenditures for  
 10 this account. In an April 11, 2011 email, SDG&E provided the 2010 recorded  
 11 amount of \$1,233,000 for this account. Figure 7-17 shows the historical trend of this  
 12 account from 2005-2010.



13  
 14 DRA recommends \$1,233,000 recorded expenditure for 2010; and  
 15 recommends no adjustments to SDG&E’s forecasted expenditures of \$1,528,000 for  
 16 2011 and \$1,487,000 for 2012.

<sup>30</sup> Exh. SDG&E-2, p. GOM-68.

<sup>31</sup> Exh. SDG&E-2 capital workpapers, p. GOM-CWP-20.



1 amount of \$461,000 for this account. Table 7-16 shows that the historical trend and  
 2 five-year average of this account from 2006-2010. DRA chose a five-year average  
 3 as forecasting methodology in determining spending level anticipated to be seen  
 4 through 2012.

5 **Table 7-16**  
 6 **2006-2010 Recorded / TY 2012 Forecast**  
 7 **(in Thousands of 2009 Dollars)**

Description	2006	2007	2008	2009	2010	AVG
Account 510	\$675	\$731	\$345	\$208	\$461	\$484

8  
 9 DRA recommends \$461,000 recorded expenditure for 2010; and also  
 10 recommends \$484,000 for 2011; \$484,000 for 2012 based on five-year (2006-2010)  
 11 average.

12 **L. Account 902 – Local Engineering**

13 This work category provides the labor and non-labor funding for a broad  
 14 range of services to support Gas Distribution field capital construction.  
 15 SDG&E provided historical (2005 through 2009)<sup>34</sup> capital expenditures for this  
 16 account. Table 7-17 shows that the historical trend and five-year average of this  
 17 account from 2005-2009. DRA chose a five-year average as forecasting  
 18 methodology in determining spending level anticipated to be seen through 2012.

19 **Table 7-17**  
 20 **2005-2009 Recorded / TY 2012 Forecast**  
 21 **(in Thousands of 2009 Dollars)**

Description	2005	2006	2007	2008	2009	AVG
Account 902	\$5,507	\$5,033	\$4,640	\$4,787	\$4,542	\$4,902

22  
 23 DRA accepts SDG&E's 2010 forecast of \$5,083,000; and recommends  
 24 \$4,902,000 for 2011; \$4,902,000 for 2012 based on a five-year (2005-2009)  
 25 average.

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<sup>34</sup> Exh. SDG&E-2 capital workpapers, p. GOM-CWP-18.

1           **M. Account 08544 – San Onofre 1**

2           This account is for installation of an underground gas distribution system,  
3 replacing the existing system at Marine Corps Base Camp Pendleton. The existing  
4 infrastructure located within the area is identified as San Onofre 1.

5           SDG&E asserts that the expenditures incurred in completing the San Onofre  
6 1 project in years 2010, 2011, and 2012 are \$439,000, \$0 and \$0, respectively.<sup>35</sup>  
7 DRA does not take issue with SDG&E’s proposed expenditures.

8           **N. Account 05542 – Smart Meter**

9           This account provides funding for mass deployment of gas modules and  
10 incompatible replacement meters as part of CPUC approved Smart Meter project in  
11 D.07-04-043.

12           SDG&E’s forecasted expenditures for the Smart Meter Gas Modules and  
13 Installation Project in years 2010, 2011, and 2012 are \$50,472,00, \$12,713,300, and  
14 \$0, respectively.<sup>36</sup>

15           In an April 11, 2011 email to DRA, SDG&E shows a recorded 2010  
16 expenditures of \$43,890,000 which is 15 percent lower than 2010 forecasted  
17 expenditures of \$50,472,000.

18           DRA recommends the \$43,890,000 recorded expenditures for 2010; and  
19 DRA does not take any issue with SDG&E’s proposed expenditures of \$12,713,300  
20 for 2011 and \$0 for 2012.

21           **V. DISCUSSION/ANALYSIS OF SHARED SERVICES**

22           The majority of expense requirements in direct support of SDG&E’s gas  
23 distribution operations are discussed within the non-shared portion (see sections I,  
24 II, III, and IV) of this exhibit. However, there are few activities for which expenditures  
25 are incurred on behalf of both Southern California Gas Company (SCG) and

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<sup>35</sup> Exh. SDG&E-2 capital workpapers, p. GOM-CWP-18.

<sup>36</sup> Exh. SDG&E-2 capital workpapers, p. GOM-CWP-28.

1 SDG&E, and are therefore considered “Shared Services”. The shared activities  
2 consist of two categories: Operation Leadership and Operation Technical support.

3 For the shared activities, SDG&E shows a recorded 2010 base year booked  
4 costs of \$79,000 and a forecasted incremental increase of \$9,000 resulting in TY  
5 2012 booked costs of \$88,000 (in 2009 dollars).<sup>37</sup> See the table below.

Gas Distribution Shared Services Book Expense (In Thousands of 2009 Dollars)				
Description	2009	2010	2011	2012
Operations Leadership	19	20	20	20
Op. Technical Support	0	0	0	0
USS Billed-in- from SCG	60	68	68	68
Total	79	88	88	88

6

7 DRA accepts SDG&E’s TY 2012 booked costs of \$88,000 because it is in line  
8 with recorded base year booked costs of \$79,000.

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<sup>37</sup> Exh. SDG&E-4 workpapers, p. 112.

**Exhibit DRA-7  
TABLE 7-18  
SAN DIEGO GAS & ELECTRIC COMPANY  
2012 GAS DISTRIBUTION  
OPERATION & MAINTENANCE EXPENSES  
(THOUSANDS OF 2009 DOLLARS)**

Description	DRA (A)	SDG&E (B)	SDG&E Exceeds DRA (C=B-A)	SDG&E Exceeds DRA (D=C/A)
Other Services (1GD000.000)				
Labor	8	96	88	1100.00%
Non-Labor	182	2,248	2,066	1135.16%
Other	0	0	0	
<b>Total</b>	<b>190</b>	<b>2,344</b>	<b>2,154</b>	1133.68%
Leak Survey(1GD000.001)				
Labor	872	1,071	199	22.82%
Non-Labor	153	188	35	22.88%
Other	0	0	0	
<b>Total</b>	<b>1,025</b>	<b>1,259</b>	<b>234</b>	22.83%
Locate & Mark(1GD000.002)				
Labor	1,867	2,262	395	21.16%
Non-Labor	423	513	90	21.28%
Other	0	0	0	
<b>Total</b>	<b>2,290</b>	<b>2,775</b>	<b>485</b>	21.18%
Main Maintenance(1GD000.003)				
Labor	665	722	57	8.57%
Non-Labor	418	453	35	8.37%
Other	0	0	0	
<b>Total</b>	<b>1,083</b>	<b>1,175</b>	<b>92</b>	8.49%
Service Maintenance (1GD000.004)				
Labor	1,264	1,264	0	0.00%
Non-Labor	135	135	0	0.00%
Other	0	0	0	
<b>Total</b>	<b>1,399</b>	<b>1,399</b>	<b>0</b>	0.00%
Supervision & Training(1GD000.007)				
Labor	1,820	2,276	456	25.05%
Non-Labor	285	356	71	24.91%
Other	0	0	0	
<b>Total</b>	<b>2,105</b>	<b>2,632</b>	<b>527</b>	25.04%
Tools(1GD000.005)				
Labor	12	12	0	0.00%
Non-Labor	490	490	0	0.00%
Other	0	0	0	
<b>Total</b>	<b>502</b>	<b>502</b>	<b>0</b>	0.00%
Electric Support(1GD000.006)				
Labor	588	588	0	0.00%
Non-Labor	0	0	0	
Other	0	0	0	
<b>Total</b>	<b>588</b>	<b>588</b>	<b>0</b>	0.00%

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**Exhibit DRA-7**  
**TABLE 7-18 (Continued)**  
**SAN DIEGO GAS & ELECTRIC COMPANY**  
**2012 GAS DISTRIBUTION**  
**OPERATION & MAINTENANCE EXPENSES**  
**(THOUSANDS OF 2009 DOLLARS)**

Description	DRA (A)	SDG&E (B)	SDG&E Exceeds DRA (C=B-A)	SDG&E Exceeds DRA (D=C/A)
Measurement & Regulation(1GD0002.000)				
Labor	1,652	2,117	465	28.15%
Non-Labor	610	781	171	28.03%
Other	0	0	0	
<b>Total</b>	<b>2,262</b>	<b>2,898</b>	<b>636</b>	28.12%
Pipeline O&M Planning(1GD001.000)				
Labor	1,170	1,452	282	24.10%
Non-Labor	303	376	73	24.09%
Other	0	0	0	
<b>Total</b>	<b>1,473</b>	<b>1,828</b>	<b>355</b>	24.10%
Cathodic Protection(1GD003.000)				
Labor	759	827	68	8.96%
Non-Labor	65	71	6	9.23%
Other	0	0	0	
<b>Total</b>	<b>824</b>	<b>898</b>	<b>74</b>	8.98%
Op. Management & Training(1GD004.000)				
Labor	957	1,319	362	37.83%
Non-Labor	142	195	53	37.32%
Other	0	0	0	
<b>Total</b>	<b>1,099</b>	<b>1,514</b>	<b>415</b>	37.76%
Total Labor	11,634	14,006	2,372	20.39%
Total Non-Labor	3,206	5,806	2,600	81.10%
Total Other	0	0	0	
<b>Total O&amp;M</b>	<b>14,840</b>	<b>19,812</b>	<b>4,972</b>	<b>33.50%</b>

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**Exhibit DRA-7  
TABLE 7-19  
SAN DIEGO GAS & ELECTRIC COMPANY  
2010 GAS DISTRIBUTION  
CAPITAL EXPENDITURES  
(THOUSANDS OF 2009 DOLLARS)**

Account No.	Description	DRA (A)	SDG&E (B)	SDG&E Exceeds DRA (C=B-A)	SDG&E SDG&E DRA (D=C/A)
500	New Customers				
	Labor	794	823	29	3.65%
	Non-Labor	1,217	1,262	45	3.70%
	Other	0	0	0	
	<b>Total</b>	<b>2,011</b>	<b>2,085</b>	<b>74</b>	<b>3.68%</b>
501	Add/Reloc/Retire				
	Labor	285	687	402	141.05%
	Non-Labor	28	67	39	139.29%
	Other	0	0	0	
	<b>Total</b>	<b>313</b>	<b>754</b>	<b>441</b>	<b>140.89%</b>
502	Meters & Regulators				
	Labor	0	0	0	N/A
	Non-Labor	6,083	6,349	266	4.37%
	Other	0	0	0	
	<b>Total</b>	<b>6,083</b>	<b>6,349</b>	<b>266</b>	<b>4.37%</b>
503	System Reinforcement				
	Labor	157	408	251	159.87%
	Non-Labor	695	1,801	1,106	159.14%
	Other	0	0	0	
	<b>Total</b>	<b>852</b>	<b>2,209</b>	<b>1,357</b>	<b>159.27%</b>
504	Easements				
	Labor	7	19	12	171.43%
	Non-Labor	4	11	7	175.00%
	Other	0	0	0	
	<b>Total</b>	<b>11</b>	<b>30</b>	<b>19</b>	<b>172.73%</b>
505	STR & Highway Relocation				
	Labor	1,149	1,273	124	10.79%
	Non-Labor	2,503	2,774	271	10.83%
	Other	0	0	0	
	<b>Total</b>	<b>3,652</b>	<b>4,047</b>	<b>395</b>	<b>10.82%</b>
506	Tools & Equipment				
	Labor	2	5	3	150.00%
	Non-Labor	141	308	167	118.44%
	Other	0	0	0	
	<b>Total</b>	<b>143</b>	<b>313</b>	<b>170</b>	<b>118.88%</b>
507	Code Compliance				
	Labor	252	312	60	23.81%
	Non-Labor	189	235	46	
	Other	0	0	0	
	<b>Total</b>	<b>441</b>	<b>547</b>	<b>106</b>	<b>24.04%</b>

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**Exhibit DRA-7**  
**TABLE 7-19 (Continued)**  
**SAN DIEGO GAS & ELECTRIC COMPANY**  
**2010 GAS DISTRIBUTION**  
**CAPITAL EXPENDITURES**  
**(THOUSANDS OF 2009 DOLLARS)**

Account No.	Description	DRA (A)	SDG&E (B)	SDG&E Exceeds DRA (C=B-A)	SDG&E SDG&E DRA (D=C/A)
508	Mains & Serv Replacement				
	Labor	383	481	98	25.59%
	Non-Labor	850	1,068	218	
	Other	0	0	0	
	<b>Total</b>	<b>1,233</b>	<b>1,549</b>	<b>316</b>	25.63%
509	Cathodic Protection				
	Labor	38	61	23	60.53%
	Non-Labor	326	520	194	
	Other	0	0	0	
	<b>Total</b>	<b>364</b>	<b>581</b>	<b>217</b>	59.62%
510	SYS Reliab & Safety Improvement				
	Labor	82	109	27	32.93%
	Non-Labor	379	505	126	
	Other	0	0	0	
	<b>Total</b>	<b>461</b>	<b>614</b>	<b>153</b>	33.19%
902	Local Engineering				
	Labor	4,401	4,401	0	0.00%
	Non-Labor	682	682	0	
	Other	0	0	0	
	<b>Total</b>	<b>5,083</b>	<b>5,083</b>	<b>0</b>	0.00%
8544	San Onofre 1				
	Labor	551	551	0	0.00%
	Non-Labor	-112	-112	0	
	Other	0	0	0	
	<b>Total</b>	<b>439</b>	<b>439</b>	<b>0</b>	0.00%
	Sub Total Labor	8,101	9,130	1,029	12.70%
	Sub Total Non-Labor	12,985	15,470	2,485	19.14%
	Sub Total Other	0	0	0	
	<b>Sub Total</b>	<b>21,086</b>	<b>24,600</b>	<b>3,514</b>	<b>16.67%</b>
5542	Smart Meter				
	Labor	290	334	44	15.17%
	Non-Labor	43,600	50,138	6,538	15.00%
	Other	0	0	0	N/A
	<b>Total</b>	<b>43,890</b>	<b>50,472</b>	<b>6,582</b>	<b>15.00%</b>
	Total Labor	8,391	9,464	1,073	12.79%
	Total Non-Labor	56,585	65,608	9,023	15.95%
	Total Other	0	0	0	
	<b>Total Capital</b>	<b>64,976</b>	<b>75,072</b>	<b>10,096</b>	<b>15.54%</b>

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**Exhibit DRA-7  
TABLE 7-20  
SAN DIEGO GAS & ELECTRIC COMPANY  
2011 GAS DISTRIBUTION  
CAPITAL EXPENDITURES  
(THOUSANDS OF 2009 DOLLARS)**

Account No.	Description	DRA (A)	SDG&E (B)	SDG&E Exceeds DRA (C=B-A)	SDG&E Exceeds DRA (D=C/A)
500	New Customers				
	Labor	996	1,401	405	40.66%
	Non-Labor	1,503	2,113	610	40.59%
	Other	0	0	0	
	<b>Total</b>	<b>2,499</b>	<b>3,514</b>	<b>1,015</b>	40.62%
501	Add/Reloc/Retire				
	Labor	687	687	0	0.00%
	Non-Labor	67	67	0	0.00%
	Other	0	0	0	
	<b>Total</b>	<b>754</b>	<b>754</b>	<b>0</b>	0.00%
502	Meters & Regulators				
	Labor	0	0	0	N/A
	Non-Labor	4,665	6,631	1,966	42.14%
	Other	0	0	0	
	<b>Total</b>	<b>4,665</b>	<b>6,631</b>	<b>1,966</b>	42.14%
503	System Reinforcement				
	Labor	310	570	260	83.87%
	Non-Labor	1,390	2,551	1,161	83.53%
	Other	0	0	0	
	<b>Total</b>	<b>1,700</b>	<b>3,121</b>	<b>1,421</b>	83.59%
504	Easements				
	Labor	17	19	2	11.76%
	Non-Labor	10	11	1	10.00%
	Other	0	0	0	
	<b>Total</b>	<b>30</b>	<b>30</b>	<b>0</b>	0.00%
505	STR & Highway Relocation				
	Labor	727	1,203	476	65.47%
	Non-Labor	1,671	2,767	1,096	65.59%
	Other	0	0	0	
	<b>Total</b>	<b>2,398</b>	<b>3,970</b>	<b>1,572</b>	65.55%
506	Tools & Equipment				
	Labor	25	28	3	12.00%
	Non-Labor	373	418	45	12.06%
	Other(Balancing Acct for new Tools)	1,400	1,400	0	
	<b>Total</b>	<b>1,798</b>	<b>1,846</b>	<b>48</b>	2.67%
507	Code Compliance				
	Labor	146	199	53	36.30%
	Non-Labor	110	150	40	36.36%
	Other	0	0	0	N/A
	<b>Total</b>	<b>256</b>	<b>349</b>	<b>93</b>	36.33%

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**Exhibit DRA-7**  
**TABLE 7-20 (Continued)**  
**SAN DIEGO GAS & ELECTRIC COMPANY**  
**2011 GAS DISTRIBUTION**  
**CAPITAL EXPENDITURES**  
**(THOUSANDS OF 2009 DOLLARS)**

Account No.	Description	DRA (A)	SDG&E (B)	SDG&E Exceeds DRA (C=B-A)	SDG&E Exceeds DRA (D=C/A)
508	Mains & Serv Replacement				
	Labor	462	462	0	0.00%
	Non-Labor	1,066	1,066	0	
	Other	0	0	0	
	<b>Total</b>	<b>1,528</b>	<b>1,528</b>	<b>0</b>	<b>0.00%</b>
509	Cathodic Protection				
	Labor	43	68	25	58.14%
	Non-Labor	369	578	209	
	Other	0	0	0	
	<b>Total</b>	<b>412</b>	<b>646</b>	<b>234</b>	<b>56.80%</b>
510	SYS Reliab & Safety Improvement				
	Labor	86	237	151	175.58%
	Non-Labor	398	1,095	697	
	Other	0	0	0	
	<b>Total</b>	<b>484</b>	<b>1,332</b>	<b>848</b>	<b>175.21%</b>
902	Local Engineering				
	Labor	4,245	4,972	727	17.13%
	Non-Labor	657	770	113	
	Other	0	0	0	
	<b>Total</b>	<b>4,902</b>	<b>5,742</b>	<b>840</b>	<b>17.14%</b>
8544	San Onofre 1				
	Labor	0	0	0	N/A
	Non-Labor	0	0	0	
	Other	0	0	0	
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
	Sub Total Labor	7,744	9,846	2,102	27.14%
	Sub Total Non-Labor	12,279	18,217	5,938	48.36%
	Sub Total Other	1,400	1,400	0	
	<b>Sub Total</b>	<b>21,423</b>	<b>29,463</b>	<b>8,040</b>	<b>37.53%</b>
5542	Smart Meter				
	Labor	150	150	0	0.00%
	Non-Labor	12,563	12,563	0	0.00%
	Other	0	0	0	N/A
	<b>Total</b>	<b>12,713</b>	<b>12,713</b>	<b>0</b>	<b>0.00%</b>
	Total Labor	7,894	9,996	2,102	26.63%
	Total Non-Labor	24,842	30,780	5,938	23.90%
	Total Other	1,400	1,400	0	
	<b>Total Capital</b>	<b>34,136</b>	<b>42,176</b>	<b>8,040</b>	<b>23.55%</b>

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**Exhibit DRA-7  
TABLE 7-21  
SAN DIEGO GAS & ELECTRIC COMPANY  
2012 GAS DISTRIBUTION  
CAPITAL EXPENDITURES**

Account No.	Description	DRA (A)	SDG&E (B)	SDG&E Exceeds DRA (C=B-A)	SDG&E Exceeds DRA (D=C/A)
500	New Customers				
	Labor	996	1,918	922	92.57%
	Non-Labor	1,503	2,980	1,477	98.27%
	Other	0	0	0	
	<b>Total</b>	<b>2,499</b>	<b>4,898</b>	<b>2,399</b>	96.00%
501	Add/Reloc/Retire				
	Labor	687	687	0	0.00%
	Non-Labor	67	67	0	0.00%
	Other	0	0	0	
	<b>Total</b>	<b>754</b>	<b>754</b>	<b>0</b>	0.00%
502	Meters & Regulators				
	Labor	0	0	0	N/A
	Non-Labor	4,665	7,528	2,863	61.37%
	Other	0	0	0	
	<b>Total</b>	<b>4,665</b>	<b>7,528</b>	<b>2,863</b>	61.37%
503	System Reinforcement				
	Labor	310	631	321	103.55%
	Non-Labor	1,390	3,073	1,683	121.08%
	Other	0	0	0	
	<b>Total</b>	<b>1,700</b>	<b>3,704</b>	<b>2,004</b>	117.88%
504	Easements				
	Labor	17	19	2	11.76%
	Non-Labor	10	11	1	10.00%
	Other	0	0	0	
	<b>Total</b>	<b>30</b>	<b>30</b>	<b>0</b>	0.00%
505	STR & Highway Relocation				
	Labor	727	1,063	336	46.22%
	Non-Labor	1,671	2,762	1,091	65.29%
	Other	0	0	0	
	<b>Total</b>	<b>2,398</b>	<b>3,825</b>	<b>1,427</b>	59.51%
506	Tools & Equipment				
	Labor	25	28	3	12.00%
	Non-Labor	373	418	45	12.06%
	Other	0	0	0	
	<b>Total</b>	<b>398</b>	<b>446</b>	<b>48</b>	12.06%
507	Code Compliance				
	Labor	146	252	106	72.60%
	Non-Labor	110	189	79	
	Other	0	0	0	
	<b>Total</b>	<b>256</b>	<b>441</b>	<b>185</b>	72.27%

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**Exhibit DRA-7**  
**TABLE 7-21 (Continued)**  
**SAN DIEGO GAS & ELECTRIC COMPANY**  
**2012 GAS DISTRIBUTION**  
**CAPITAL EXPENDITURES**

Account No.	Description	DRA (A)	SDG&E (B)	SDG&E Exceeds DRA (C=B-A)	SDG&E Exceeds DRA (D=C/A)
508	Mains & Serv Replacement				
	Labor	422	422	0	0.00%
	Non-Labor	1,065	1,065	0	
	Other	0	0	0	
	<b>Total</b>	<b>1,487</b>	<b>1,487</b>	<b>0</b>	<b>0.00%</b>
509	Cathodic Protection				
	Labor	43	75	32	74.42%
	Non-Labor	369	636	267	
	Other	0	0	0	
	<b>Total</b>	<b>412</b>	<b>711</b>	<b>299</b>	<b>72.57%</b>
510	SYS Reliab & Safety Improvement				
	Labor	86	128	42	48.84%
	Non-Labor	398	593	195	
	Other	0	0	0	
	<b>Total</b>	<b>484</b>	<b>721</b>	<b>237</b>	<b>48.97%</b>
902	Local Engineering				
	Labor	4,245	5,294	1,049	24.71%
	Non-Labor	657	820	163	
	Other	0	0	0	
	<b>Total</b>	<b>4,902</b>	<b>6,114</b>	<b>1,212</b>	<b>24.72%</b>
8544	San Onofre 1				
	Labor	0	0	0	N/A
	Non-Labor	0	0	0	N/A
	Other	0	0	0	N/A
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
	Sub Total Labor	7,704	10,517	2,813	36.51%
	Sub Total Non-Labor	12,278	20,142	7,864	64.05%
	Sub Total Other	0	0	0	
	<b>Sub Total</b>	<b>19,982</b>	<b>30,659</b>	<b>10,677</b>	<b>53.43%</b>
5542	Smart Meter				
	Labor	0	0	0	N/A
	Non-Labor	0	0	0	N/A
	Other	0	0	0	N/A
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
	Total Labor	7,704	10,517	2,813	36.51%
	Total Non-Labor	12,278	20,142	7,864	64.05%
	Total Other	0	0	0	
	<b>Total Capital</b>	<b>19,982</b>	<b>30,659</b>	<b>10,677</b>	<b>53.43%</b>

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