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Exhibit Number : DRA-8
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 Transmission
Operation & Maintenance Expenses
Capital Expenditures**

San Francisco, California
September 1, 2011

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1 **GAS TRANSMISSION**
2 **OPERATION AND MAINTENANCE EXPENSES**
3 **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 transmission operation and
8 maintenance (O&M) expenses and capital expenditures for Test Year (TY) 2012.

9 Operation and maintenance expenses include pipeline O&M, compressor
10 station and technical services.¹

11 Capital expenditures include new construction, pipeline replacement, pipeline
12 relocation, compressor station addition/replacement, cathodic protection, meters and
13 regulation add/replace, pipeline integrity – distribution, capital tools, direct S&E
14 overhead and distribution integrity.²

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

18 **II. SUMMARY OF RECOMMENDATIONS**

19 Table 8-1A compares DRA's recommended gas transmission O&M expenses
20 and capital expenditures with SDG&E's proposed estimates for TY 2012. Tables 8-
21 1B and 8-1C compare DRA's recommended capital expenditures with SDG&E's
22 proposed estimates for 2011 and 2010, respectively. DRA recommends the
23 Commission adopt \$3,197,000 for gas transmission O&M expense for TY 2012,
24 rather than SDG&E's request for \$3,379,000.³ DRA also recommends the

¹ Exh. SDG&E-3.

² Exh. SDG&E-4.

³ Exh. SDG&E-3, p. JLD-7.

1 Commission adopt its estimates for gas transmission capital expenditures for 2010–
 2 2012, in contrast to SDG&E’s request.

3 **Table 8-1A**
 4 **Gas Transmission O&M Expenses and Capital Expenditures**
 5 **2012 DRA/SDG&E Comparison**
 6 **(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	\$3,197	\$3,379	\$182	5.7%
Capital Expenditures	\$11,071	\$12,407	\$1,336	12.07%

7
 8 **Table 8-1B**
 9 **Gas Transmission Capital Expenditures**
 10 **2011 DRA/SDG&E Comparison**
 11 **(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	\$10,943	\$12,279	\$1,336	12.2%

12
 13 **Table 8-1C**
 14 **Gas Transmission Capital Expenditures**
 15 **2010 DRA/SDG&E Comparison**
 16 **(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	\$6,400	\$10,215	\$3,815	59.6%

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

19 Gas transmission O&M expenses consist of three accounts, pipeline O&M,
 20 compressor station and technical services. SDG&E is requesting total O&M
 21 expenses of \$3,379,000 for TY 2012. The requested O&M expenses are mostly in
 22 one of the accounts, compressor station. The requested TY 2012 O&M expense for
 23 the compressor station is \$2,302,000, representing 68% of the total O&M expenses
 24 of \$3,379,000 for TY 2012.

25 **A. Account 1GT000.000 – Pipeline O&M**

26 This account captures expenditures incurred in operating and maintaining gas
 27 transmission pipeline and associated metering, pressure control, gas measurement

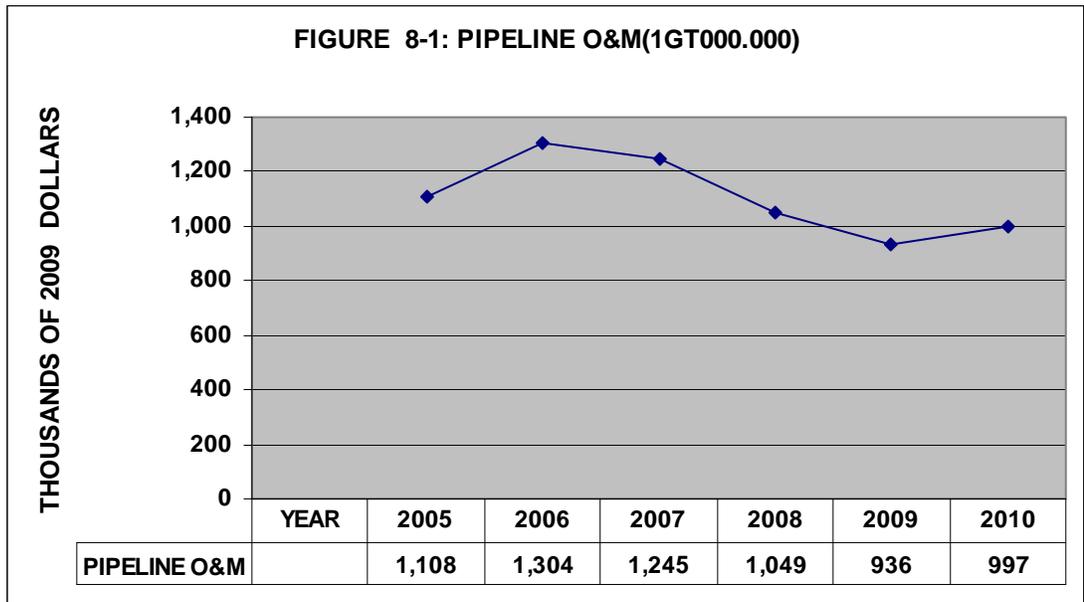
1 and odorization, leakage survey, cathodic protection, and subsurface facility
2 locating, marking and protection activities.

3 For this account, SDG&E shows a recorded 2009 base year cost of
4 \$936,000⁴ and a forecast incremental increase of \$33,000 (a 3.5% increase)
5 resulting in a TY 2012 expense of \$969,000.

6 SDG&E provided historical (2005 through 2009)⁵ O&M expenses for this
7 account. In an April 11, 2011 email, SDG&E provided a 2010 recorded amount of
8 \$997,000 for this account. Figure 8-1 shows the historical trend for this account.

9 DRA accepts the proposed SDG&E's TY 2012 expense of \$969,000 because it is in
10 line with the five-year historical expense.

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13 **B. Account 1GT001.000 – Compressor Station**

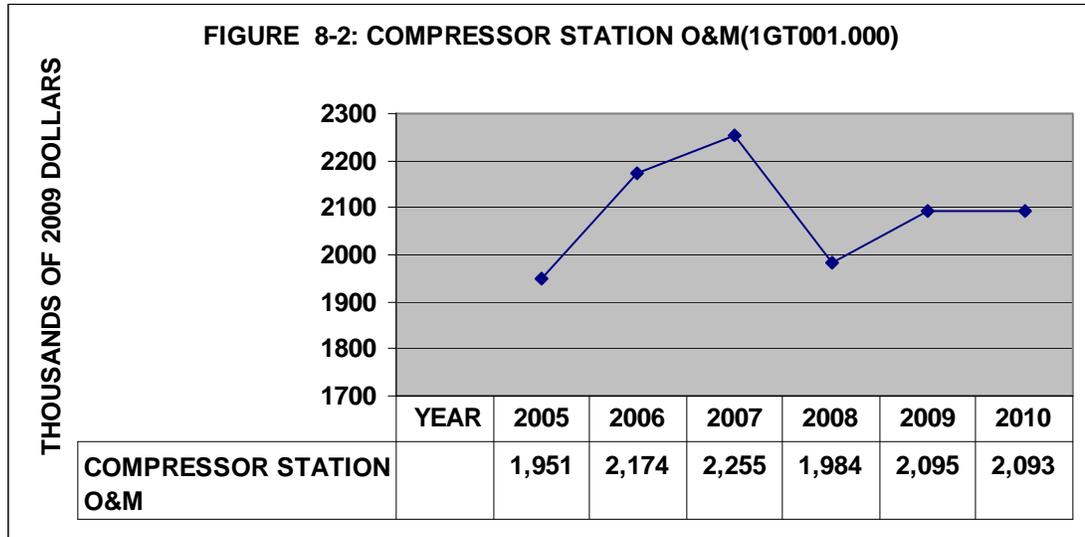
14 This account includes salaries and expenses for compressor station
15 operations. For this account, SDG&E shows a recorded 2009 base year cost of

⁴ Exh. SDG&E-3 workpapers, p. 5.

⁵ Exh. SDG&E-3 workpapers, p. 5.

1 \$2,095,000⁶ and a forecast incremental increase of \$207,000 (a 9.9% increase)
 2 resulting in a TY 2012 expense of \$2,302,000.

3 SDG&E provided historical (2005 through 2009)⁷ O&M expenses of this
 4 account. In an April 11, 2011 email, SDG&E provided a 2010 recorded amount of
 5 \$2,093,000 for this account. Figure 8-2 shows the historical trend for this account
 6 from 2005-2010.



7
 8 DRA recommends \$2,120,000 for TY 2012, based on the most recent
 9 recorded five-year (2006 through 2010) average as shown on Table 8-2 below,
 10 which is \$182,000 less than SDG&E's forecasted expenses of \$2,302,000.

Table 8-2
Derivation of DRA's TY 2012 O&M Expense Forecast for Account 1GT001.000
(In Thousands of 2009 Dollars)

2006 Adjusted Recorded	2007 Adjusted Recorded	2008 Adjusted Recorded	2009 Adjusted Recorded	2010 Adjusted Recorded	2006-2010 Average
2,174	2,255	1,984	2,095	2,093	2,120

⁶ Exh. SDG&E-3 workpapers, p. 20.

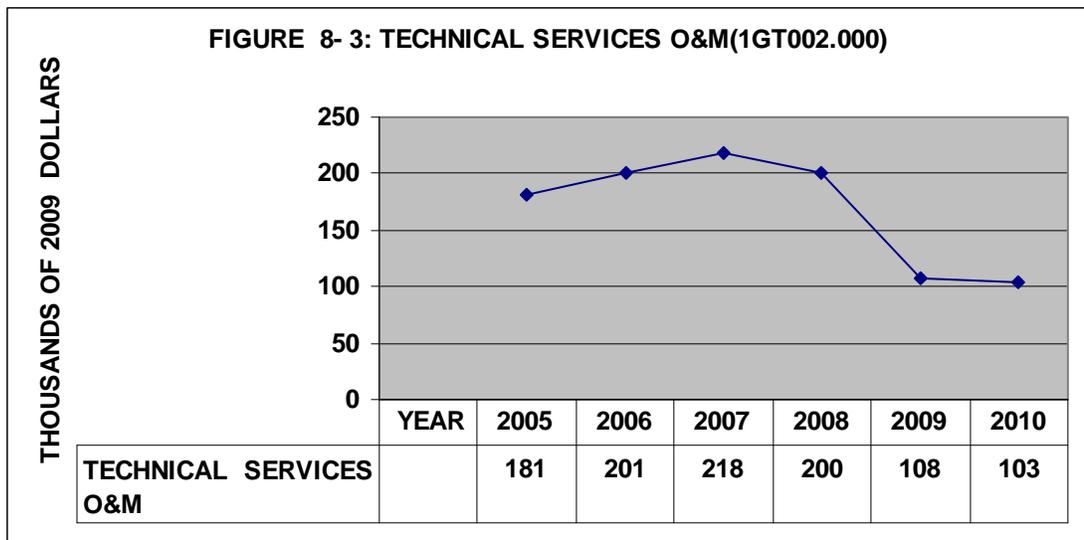
⁷ Exh. SDG&E-3 workpapers, p. 20.

1 **C. Account 1GT002.000 – Technical Services**

2 This account includes labor and non-labor expenses associated with design
3 engineering analysis, i.e., development and oversight of engineered corrective
4 action recommendations and standards, and providing support for day-to-day O&M
5 of the gas transmission pipeline and compression systems.

6 For this account, SDG&E shows a recorded 2009 base year cost of
7 \$108,000⁸ and a forecasted TY 2012 expense of \$108,000.

8 SDG&E provided historical (2005 through 2009)⁹ O&M expenses for this
9 account. In an April 11, 2011 email, SDG&E provided a 2010 recorded amount of
10 \$103,000 for this account. Figure 8-3 shows the historical trend of this account.
11 Figure 8-3 shows that the expenses of this account have drastically declined from
12 \$218,000 in 2007 to \$103,000 in 2010. DRA accepts SDG&E's proposed TY 2012
13 expense of \$108,000; the expense is the same as the base year expense of
14 \$108,000.



16 ⁸ Exh. SDG&E-3 workpapers, p. 36.

17 ⁹ Exh. SDG&E-3 workpapers, p. 37

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

2 Gas transmission capital expenditures consist of ten accounts, accounts 411
3 through 418, 534, 436, 903 and 9546. SDG&E is requesting total capital
4 expenditures of \$12,407,000¹⁰ for TY 2012. The requested capital expenditures are
5 primarily in three accounts, 411, 415 and 9546. The requested 2012 capital
6 expenditures for these three accounts are \$9,880,000, representing 77% of the total
7 requested capital expenditures of \$12,407,000 for 2012.

8 **A. Account 411 – New Construction**

9 This account includes costs associated with the design and installation of new
10 transmission pipelines to serve new customer loads and/or improve the ability to
11 move gas to points of critical need at adequate pressure.

12 For this account, SDG&E shows a recorded base year cost of \$111,000 and
13 forecast expenditures of \$190,000 for 2010, \$190,000 for 2011 and \$190,000 for
14 2012.¹¹

15 In an April 11, 2011 email, SDG&E provided a 2010 recorded amount of
16 \$56,000 for this account. Based on recorded data, DRA recommends that the
17 Commission adopt expenditures of \$56,000 for 2010, \$56,000 for 2011 and \$56,000
18 for 2012.

19 **B. Account 412 – Pipeline Replacements**

20 This account includes costs associated with the design and installation of
21 transmission pipeline replacements. Also included in this account are costs
22 associated with replacement of pipeline sections to mitigate potential hazards from
23 earthquakes and landslides.

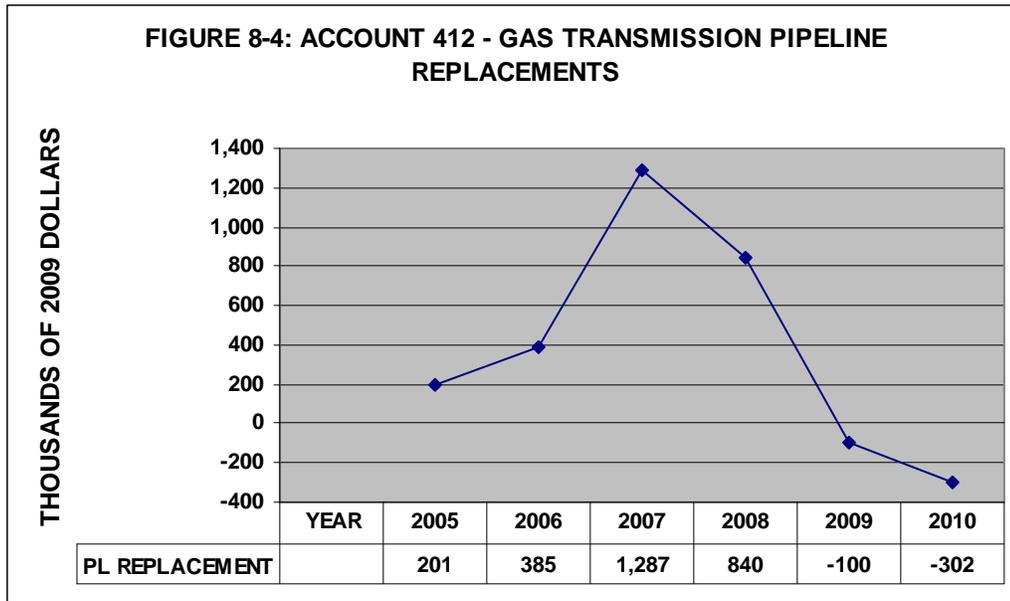
24 For this account, SDG&E shows a recorded 2009 base year cost of
25 (\$100,000),¹² a forecast 2012 cost of \$617,000 and a forecast 2011 cost of
26 \$2,011,000.

¹⁰ Exh. SDG&E-4, p. RKS-2.

¹¹ Exh. SDG&E-4 capital workpapers, p. RKS-CWP-1.

¹² Exh. SDG&E-4 capital workpapers, p. RSK-CWP-2.

1 In an April 11, 2011 email, SDG&E provided historical (2005 through 2010)
 2 capital expenditures for this account. Figure 8-4 shows the historical trend of this
 3 account. Figure 8-4 shows that the expenses of this account have drastically
 4 declined from 2007 to 2010.
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 7 Figure 8-4 shows that there were no costs associated with pipeline
 8 replacement in 2009 and 2010. DRA recommends expenditures of \$0 for 2010.
 9 DRA does not oppose SDG&E's requested expenditures for 2011 and 2012.

10 **C. Account 413 – Pipeline Relocation**

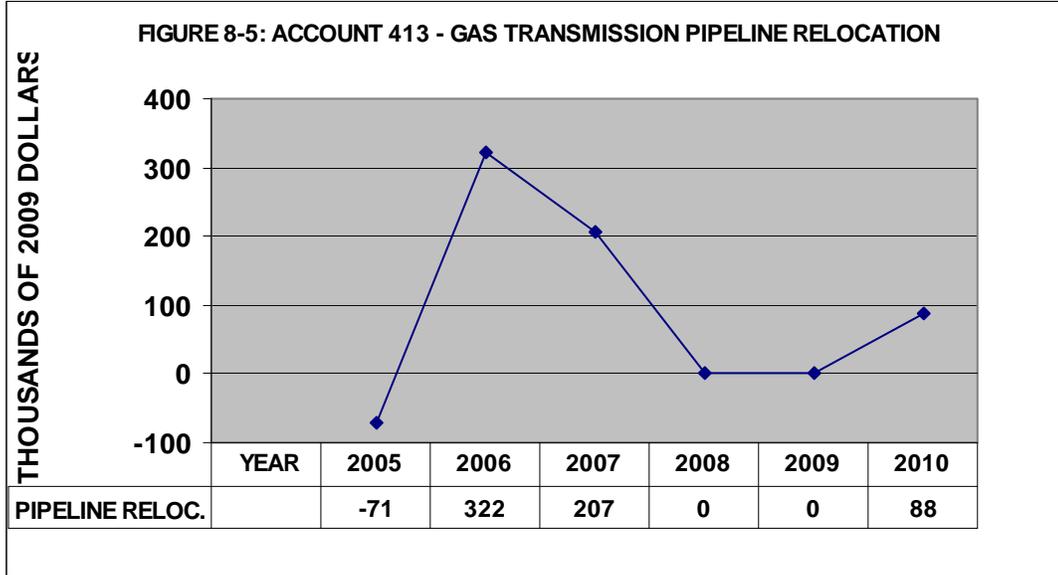
11 This account includes costs related to the relocation of transmission pipelines
 12 to accommodate freeway construction.

13 For this account, SDG&E shows a recorded 2009 base year of (\$0)¹³, a
 14 forecast 2012 cost of \$213,000 and a forecast 2011 cost of \$213,000.

15 In an April 11, 2011 email, SDG&E provided historical (2005 through 2010)
 16 capital expenditures of this account. Figure 8-5 shows the historical trend of this
 17 account. Figure 8-5 shows that there were no costs associated with this account in
 18 2008 and 2009.

¹³ Exh. SDG&E-4 capital workpapers, p. RSK-CWP-2.

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6 DRA recommends recorded expenditures of \$88,000 for 2010. DRA does
7 not oppose SDG&E's requested expenditures for 2011 and 2012.

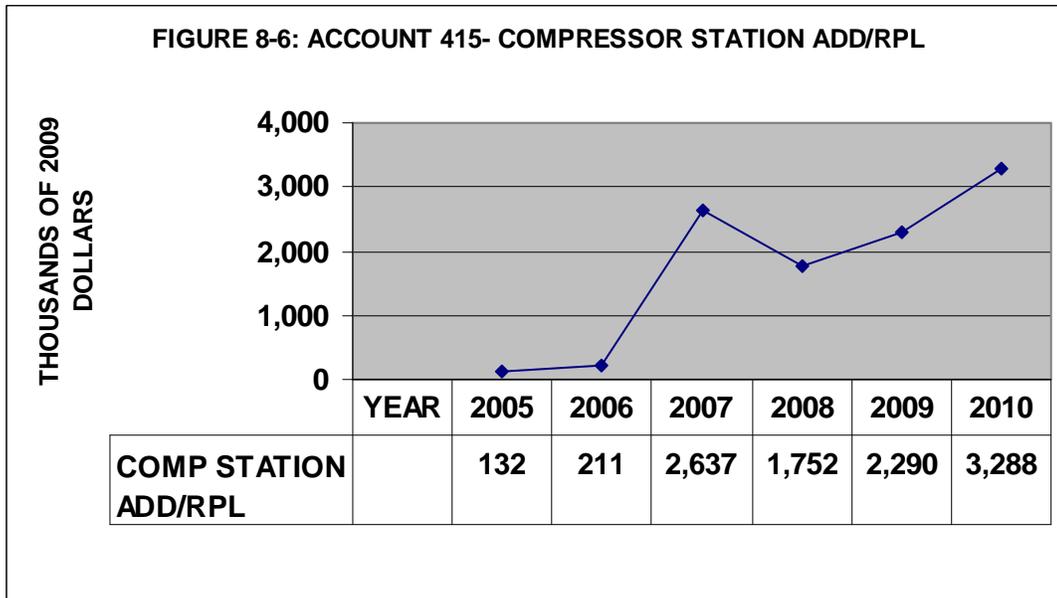
8 **D. Account 415 – Compressor Station Addition/Replacement**

9 This account includes costs associated with the installation of compressor
10 station equipment used in connection with transmission system operations.

11 For this account, SDG&E shows a recorded 2009 base year cost of
12 \$2,290,000 and a forecast 2012 cost of \$2,611,000.

13 In an April 11, 2011 email, SDG&E provided historical (2005 through 2010)
14 capital expenditures of this account. Figure 8-6 shows the historical trend of this
15 account. Figure 8-6 shows a drastic increase in costs from 2008 to 2010.

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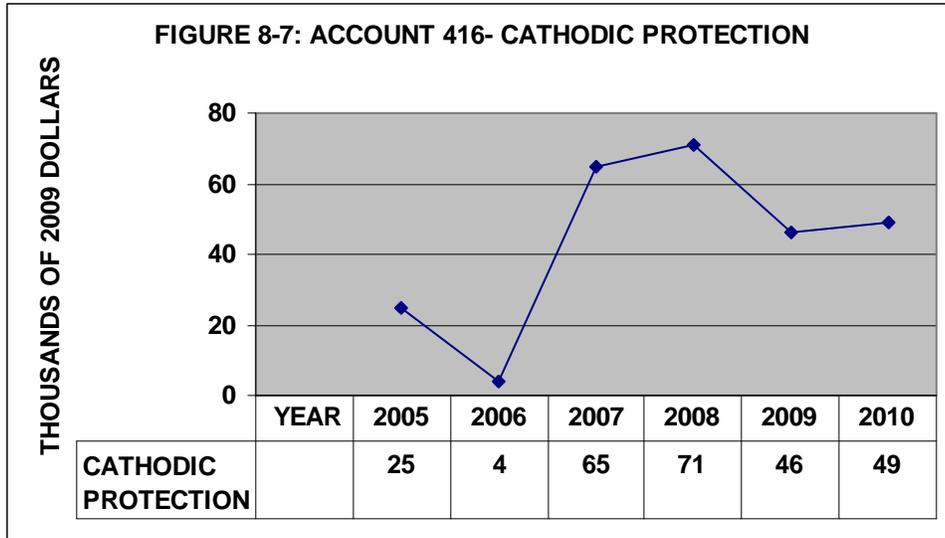
1
2 DRA recommends recorded expenditures of \$3,288,000 for 2010. DRA does
3 not oppose SDG&E's requested expenditures for 2011 and 2012.

4 **E. Account 416 – Cathodic Protection**

5 This account includes costs associated with the installation of cathodic
6 protection equipment used to preserve the integrity of transmission pipelines by
7 protecting them from external corrosion.

8 For this account, SDG&E shows a recorded 2009 base year of \$46,000 and a
9 forecast 2012 expense of \$94,000.

10 In an April 11, 2011 email, SDG&E provided historical (2005 through 2010)
11 capital expenditures of this account. Figure 8-7 shows the historical trend of this
12 account.



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2 DRA recommends recorded expenditures of \$49,000 for 2010. DRA does
3 not oppose SDG&E’s requested expenditures for 2011 and 2012.

4 **F. Account 418 – Meter & Regulator Station**
5 **Additions/Replacements**

6 This account includes costs of installing and rebuilding large meter set
7 assemblies for transmission-service customers and pressure limiting stations on the
8 gas transmission system.

9 For this account, SDG&E shows a recorded base year cost of \$60,000 and
10 forecast expenditures of \$60,000 for 2010, \$444,000 for 2011 and \$444,000 for
11 2012.¹⁴

12 DRA does not oppose SDG&E’s forecast expenditures of \$60,000 for 2010,
13 \$444,000 for 2011 and \$444,000 for 2012.

14 **G. Account 534 – Pipeline Integrity - Distribution**

15 This account includes costs of complying with a portion of the new pipeline
16 integrity requirements. Under this rule, operators of gas transmission pipelines are
17 required to identify the threats to their pipelines, analyze the risks posed by these
18 threats, assess the physical condition of their pipelines, and also take actions to
19 address applicable threats and integrity concerns before pipelines incidents occur.

¹⁴ Exh. SDG&E-4 capital workpapers, p. RKS-CWP-11.

1 For this account, SDG&E shows a recorded base year cost of \$0 and forecast
2 expenditures of \$2,626,000 for 2010, \$2,698,000 for 2011 and \$920,000 for 2012.¹⁵

3 DRA does not oppose SDG&E's forecast expenditures of \$2,626,000 for
4 2010, \$2,698,000 for 2011 and \$920,000 for 2012.

5 **H. Account 436 – Capital Tools**

6 This account includes costs associated with the purchase and replacement of
7 capital tools used by the Gas Transmission operating and engineering departments.
8 Such tools include specialized welding equipment, leakage detection, and GPS
9 receivers used for land surveys.

10 This account is very negligible because the costs represent less than 0.2% of
11 the total capital costs. Therefore, DRA does not oppose SDG&E's requested
12 expenditures of \$14,000 for 2010, \$20,000 for 2011 and \$20,000 for 2012.

13 **I. Account 903 – Direct S&E Overhead**

14 This budget code provides funding for Supervision and Engineering
15 overheads that are spread over various budget categories.

16 For this account, SDG&E shows a recorded base year cost of \$252,000 and
17 forecast expenditures of \$220,000 for 2010, \$220,000 for 2011 and \$220,000 for
18 2012.¹⁶

19 This account is very negligible because the costs represent less than 0.2% of
20 the total capital costs. SDG&E's forecasts for the years 2010-2012, are lower than
21 the recorded base year expenditures of \$252,000. Based on this, DRA does not
22 oppose SDG&E's forecast expenditures of \$220,000 for 2010, \$220,000 for 2011
23 and \$220,000 for 2012.

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¹⁵ Exh. SDG&E-4, p. RKS-40.

¹⁶ Exh. SDG&E-4, p. RKS-42.

1 **J. Account 9546– Distribution Integrity Management Program**
2 **(DIMP)**

3 This account includes costs associated with DIMP–driven activities for
4 accelerated replacement or new installations of identified and targeted components
5 of the system. One targeted activity is the service-line replacement and elimination
6 of more than 60,000 isolated steel services and associated risers.

7 For this account, SDG&E shows a recorded base year cost of \$0 and forecast
8 expenditures of \$0 for 2010, \$2,829,000 for 2011 and \$6,002,000 for 2012.¹⁷

9 DRA does not oppose SDG&E’s forecast expenditures of \$0 for 2010,
10 \$2,829,000 for 2011 and \$6,002,000 for 2012.

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

12 SoCalGas’ Gas Transmission shared services are provided by six separate
13 cost center organizations. These organizations are: Transmission, Field Operations
14 Manager (FOM)-Victorville, FOM-Olympic, Technical Services Manager, Gas
15 System Operation and Planning, and Gas Scheduling.¹⁸

16 SDG&E is requesting total O&M shared services expenses (six cost centers)
17 of \$613,000 for TY 2012.¹⁹ See Table 8-3. The amount of incurred cost that is
18 allocated by SoCalGas to SDG&E varies by cost center, as the allocations are
19 based on applicable cost center specific cost allocation methodologies. Allocation
20 cost center factor details of each specific cost center are provided below.

21 **A. Direct Transmission: Cost Center (2200-0253)**

22 This cost center organization is responsible for Gas Transmission and
23 System Operations, overall operational and directional leadership, operation and
24 maintenance performance, regulatory compliance, financial performance and work
25 measurement reporting.

¹⁷ Exh. SDG&E-4, p. RKS-42.

¹⁸ Exh. SDG&E-3, p. JLD-13.

¹⁹ Exh. SDG&E-3, p. JLD-13.

1 Expenses are allocated to SDG&E based on the number of SDG&E Gas
2 Transmission employees (31) divided by the total number of Gas Transmission
3 employees (SoCalGas and SDG&E) (251). This produces an allocation percentage
4 to SDG&E of 12%. SoCalGas' recorded base year cost for this cost center is
5 \$288,000 and forecasted cost for TY 2012 is \$333,000.²⁰

6 Based on an allocation percentage to SDG&E of 12%, SDG&E shows a
7 recorded base year of \$34,000 and forecasted expenditures of \$40,000 for TY 2012.
8 See Table 8-3. DRA accepts SDG&E's TY 2012 expenditures of \$40,000 for this
9 cost center.

10 **B. FOM – Victorville: Cost Center (2200-0265)**

11 This cost center organization is responsible for departmental operational
12 leadership, staffing management, operation and maintenance performance,
13 regulatory compliance, financial and work measurement performance and reporting
14 for gas compression operations within both utilities.

15 Expenses are allocated to SDG&E based on the number of SDG&E Gas
16 Transmission employees (29) divided by the total number of Gas Transmission
17 employees (SoCalGas and SDG&E) (103) assigned under the Field Operations
18 Manager's integrated utility organization. This produces an allocation percentage to
19 SDG&E of 28.2%. SoCalGas' recorded base year cost for this cost center is
20 \$315,000 and forecasted cost for TY 2012 is \$323,000.²¹

21 Based on an allocation percentage to SDG&E of 28.2%, SDG&E shows a
22 recorded base year of \$46,000 and forecasted expenditures of \$91,000 for 2012.²²
23 See Table 8-3. DRA accepts SDG&E's TY 2012 expenditures of \$91,000 for this
24 cost center.

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²⁰ Exh. SDG&E-3, p. JLD-14.

²¹ Exh. SDG&E-3, p. JLD-15.

²² Exh. SDG&E-3, p. JLD-13.

1 **C. FOM – Olympic: Cost Center (2200-0275)**

2 This cost center organization is responsible for departmental operational
3 leadership, staffing management, operation and maintenance performance,
4 regulatory compliance, financial and work measurement performance and reporting
5 for gas compression operations within both utilities.

6 Expenses are allocated to SDG&E based on the number of SDG&E Gas
7 Transmission employees (14) divided by the total number of Gas Transmission
8 employees (SoCalGas and SDG&E) (102) assigned under the Field Operations
9 Manager’s integrated utility organization. This produces an allocation percentage to
10 SDG&E of 13.7%. SoCalGas’ recorded base year cost for this cost center is
11 \$187,000 and forecasted cost for TY 2012 is \$50,000.²³

12 Based on an allocation percentage to SDG&E of 13.7%, SDG&E shows a
13 recorded base year of \$25,000 and forecasted expenditures of \$0.00 for TY 2012.
14 See Table 8-3. DRA accepts SDG&E’s TY 2012 expenditures of \$0.00 for this cost
15 center.

16 **D. Technical Services: Cost Center (2200-2172)**

17 This cost center organization is responsible for departmental operational
18 leadership, and technical support services of the combined utilities Technical
19 Services departments.

20 Expenses are allocated to SDG&E based on the number of SDG&E Gas
21 Transmission employees (2) divided by the total number of Gas Transmission
22 employees (SoCalGas and SDG&E) (25) assigned under the Technical Services
23 Manager’s integrated utility organization. This produces an allocation percentage to
24 SDG&E of 8%. SoCalGas recorded base year cost for this cost center is \$546,000
25 and forecasted cost for TY 2012 is \$529,000.²⁴

26 Based on an allocation percentage to SDG&E of 8%, SDG&E shows a
27 recorded base year of \$44,000 and forecasted expenditures of \$43,000 for TY 2012.

²³ Exh. SDG&E-3, p. JLD-16.

²⁴ Exh. SDG&E-3, p. JLD-17.

1 See Table 8-3. DRA accepts SDG&E's TY 2012 expenditures of \$43,000 for this
2 cost center.

3 **E. Gas System Operations and Planning, Gas Scheduling: Cost**
4 **Centers (2200-0329 and 2200-0258)**

5 Gas System Operations and Planning (Cost Center 2200-0329) is responsible
6 for real-time operation and control of gas through the pipeline system, and long-term
7 planning and design of SoCalGas' and SDG&E's gas transmission system.

8 Expenses are allocated to SDG&E based on the number of total SDG&E
9 customer meters (846,945) divided by the sum of total SoCalGas and SDG&E
10 customer meters (6,638,877). This produces an allocation percentage to SDG&E of
11 12.76%.

12 Gas System Scheduling (Cost Center 2200-0258) is responsible for
13 managing day-to-day system and operations for nominations, allocations and
14 scheduling volumes for approximately 955 SoCalGas' non-core customers and 125
15 of SDG&E's non-core meter customers. Expenses are allocated to SDG&E based
16 on the number of total SDG&E non-core customer meters (125) divided by the sum
17 of total SoCalGas and SDG&E non-core customer meters (1080). This produces an
18 allocation percentage to SDG&E of 11.57%.

19 SoCalGas recorded base year cost for the two cost centers is \$3,202,000 and
20 forecasted cost for TY 2012 is \$3,530,000.²⁵

21 Based on an allocation percentage to SDG&E of 12.76% for System
22 Operation and Planning and allocation percentage to SDG&E of 11.57% for Gas
23 System Scheduling, SDG&E shows a recorded base year of \$406,000 and
24 forecasted expenditures of \$439,000 for TY 2012. See Table 8-3. DRA accepts
25 SDG&E's TY2012 expenditures of \$439,000 for this cost center.

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²⁵ Exh. SDG&E-3, p. JLD-20.

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**Table 8-3
O&M Shared Services
(Thousands of 2009 dollars)**

Description	Base Year 2009	Test Year 2012	Change Incr. (Decr.)
Gas Transmission(Cost Center 2200-0253)	34	40	6
FOM-Victorville(Cost Center 2200-1265)	46	91	45
FOM-Olympic(Cost Center 2200-0275)	25	0	(25)
Technical Services(Cost Center 2200-2172)	44	43	(1)
System Op. & Planning, Gas Scheduling (Cost Centers 2200-0329 & 2200-0258)	406	439	33
Total	555	613	58

4

Exhibit DRA-8

**TABLE 8-4
SAN DIEGO GAS & ELECTRIC COMPANY
2012 GAS TRANSMISSION
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)
Pipeline (1GT000.000)				
Labor	705	705	0	0.00%
Non-Labor	181	181	0	0.00%
Other	83	83	0	
Total	969	969	0	0.00%
Compressor Station(1GT001.000)				
Labor	1,262	1,370	108	8.56%
Non-Labor	858	932	74	8.62%
Other	0	0	0	
Total	2,120	2,302	182	8.58%
Technical Services(1GT002.000)				
Labor	88	88	0	0.00%
Non-Labor	20	20	0	0.00%
Other	0	0	0	
Total	108	108	0	0.00%
Total Labor	2,055	2,163	108	5.26%
Total Non-Labor	1,059	1,133	74	6.99%
Total Other	83	83	0	
Total O&M	3,197	3,379	182	5.69%

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Exhibit DRA-8

TABLE 8-5
SAN DIEGO GAS & ELECTRIC COMPANY
2010 GAS TRANSMISSION
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)
411	New Construction				
	Labor	2	38	36	1800.00%
	Non-Labor	54	1,229	1,175	2175.93%
	Other	0	0	0	
	Total	56	1,267	1,211	2162.50%
412	Pipeline Replacements				
	Labor	0	146	146	N/A
	Non-Labor	0	428	428	N/A
	Other	0	0	0	N/A
	Total	0	574	574	N/A
413	Pipeline Relocation				
	Labor	4	9	5	N/A
	Non-Labor	84	204	120	142.86%
	Other	0	0	0	
	Total	88	213	125	142.05%
415	Compressor Statn Addition/Replacemnt				
	Labor	139	210	71	51.08%
	Non-Labor	3,149	4,751	1,602	50.87%
	Other	0	0	0	
	Total	3,288	4,961	1,673	50.88%
416	Cathodic Protection				
	Labor	8	48	40	500.00%
	Non-Labor	41	233	192	468.29%
	Other	0	0	0	
	Total	49	281	232	473.47%
418	Meter & Regulator Station Add/Repl				
	Labor	3	3	0	0.00%
	Non-Labor	57	57	0	0.00%
	Other	0	0	0	
	Total	60	60	0	0.00%
534	Pipeline Integrity-Distribution				
	Labor	135	135	0	0.00%
	Non-Labor	2,490	2,490	0	0.00%
	Other	0	0	0	
	Total	2,625	2,625	0	0.00%

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Exhibit DRA-8

TABLE 8-5 (Continued)
SAN DIEGO GAS & ELECTRIC COMPANY
2010 GAS TRANSMISSION
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)
436	Capital Tools				
	Labor	0	0	0	N/A
	Non-Labor	14	14	0	
	Other	0	0	0	
	Total	14	14	0	0.00%
903	Direct S&E Overhead				
	Labor	147	147	0	0.00%
	Non-Labor	73	73	0	
	Other	0	0	0	
	Total	220	220	0	0.00%
9546	Distribution Integrity Managmt Program				
	Labor	0	0	0	N/A
	Non-Labor	0	0	0	
	Other	0	0	0	
	Total	0	0	0	N/A
	Total Labor	438	736	298	68.04%
	Total Non-Labor	5,962	9,479	3,517	58.99%
	Total Other	0	0	0	
	Total Capital	6,400	10,215	3,815	59.61%

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Exhibit DRA-8

TABLE 8-6
SAN DIEGO GAS & ELECTRIC COMPANY
2011 GAS TRANSMISSION
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)
411	New Construction				
	Labor	2	38	36	1800.00%
	Non-Labor	54	1,229	1,175	2175.93%
	Other	0	0	0	
	Total	56	1,267	1,211	2162.50%
412	Pipeline Replacements				
	Labor	279	279	0	0.00%
	Non-Labor	1,732	1,732	0	0.00%
	Other	0	0	0	
	Total	2,011	2,011	0	0.00%
413	Pipeline Relocation				
	Labor	4	9	5	N/A
	Non-Labor	84	204	120	142.86%
	Other	0	0	0	
	Total	88	213	125	142.05%
415	Compressor Station Addition/Replacement				
	Labor	186	186	0	0.00%
	Non-Labor	2,298	2,298	0	0.00%
	Other	0	0	0	
	Total	2,484	2,484	0	0.00%
416	Cathodic Protection				
	Labor	16	16	0	0.00%
	Non-Labor	78	78	0	0.00%
	Other	0	0	0	
	Total	94	94	0	0.00%
418	Meter & Regulator Station Add/Repl				
	Labor	22	22	0	0.00%
	Non-Labor	421	421	0	0.00%
	Other	0	0	0	
	Total	443	443	0	0.00%
534	Pipeline Integrity-Distribution				
	Labor	267	267	0	0.00%
	Non-Labor	2,431	2,431	0	0.00%
	Other	0	0	0	
	Total	2,698	2,698	0	0.00%

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Exhibit DRA-8

TABLE 8-6 Continued)
 SAN DIEGO GAS & ELECTRIC COMPANY
 2011 GAS TRANSMISSION
 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)
436	Capital Tools				
	Labor	0	0	0	N/A
	Non-Labor	20	20	0	
	Other	0	0	0	
	Total	20	20	0	0.00%
903	Direct S&E Overhead				
	Labor	147	147	0	0.00%
	Non-Labor	73	73	0	
	Other	0	0	0	
	Total	220	220	0	0.00%
9546	Distribution Integrity Managmt Program				
	Labor	283	283	0	0.00%
	Non-Labor	2,546	2,546	0	
	Other	0	0	0	
	Total	2,829	2,829	0	0.00%
	Total Labor	1,206	1,247	41	3.40%
	Total Non-Labor	9,737	11,032	1,295	13.30%
	Total Other	0	0	0	
	Total Capital	10,943	12,279	1,336	12.21%

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Exhibit DRA-8

**TABLE 8-7
SAN DIEGO GAS & ELECTRIC COMPANY
2012 GAS TRANSMISSION
CAPITAL EXPENDITURES**

Account No.	Description	DRA (A)	SDG&E (B)	SDG&E Exceeds DRA (C=B-A)	SDG&E Exceeds DRA (D=C/A)
411	New Construction				
	Labor	2	38	36	1800.00%
	Non-Labor	54	1,229	1,175	2175.93%
	Other	0	0	0	
	Total	56	1,267	1,211	2162.50%
412	Pipeline Replacements				
	Labor	134	134	0	0.00%
	Non-Labor	483	483	0	0.00%
	Other	0	0	0	
	Total	617	617	0	0.00%
413	Pipeline Relocation				
	Labor	4	9	5	N/A
	Non-Labor	84	204	120	142.86%
	Other	0	0	0	
	Total	88	213	125	142.05%
415	Compressor Statn Addition/Replacemnt				
	Labor	214	214	0	0.00%
	Non-Labor	2,397	2,397	0	0.00%
	Other	0	0	0	
	Total	2,611	2,611	0	0.00%
416	Cathodic Protection				
	Labor	16	16	0	0.00%
	Non-Labor	78	78	0	0.00%
	Other	0	0	0	
	Total	94	94	0	0.00%
418	Meter & Regulator Station Add/Repl				
	Labor	22	22	0	0.00%
	Non-Labor	421	421	0	0.00%
	Other	0	0	0	
	Total	443	443	0	0.00%
534	Pipeline Integrity-Distribution				
	Labor	87	87	0	0.00%
	Non-Labor	833	833	0	0.00%
	Other	0	0	0	
	Total	920	920	0	0.00%

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Exhibit DRA-8

TABLE 8-7 (Continued)
SAN DIEGO GAS & ELECTRIC COMPANY
2012 GAS TRANSMISSION
CAPITAL EXPENDITURES

Account No.	Description	DRA (A)	SDG&E (B)	SDG&E Exceeds DRA (C=B-A)	SDG&E Exceeds DRA (D=C/A)
436	Capital Tools				
	Labor	0	0	0	N/A
	Non-Labor	20	20	0	
	Other	0	0	0	
	Total	20	20	0	0.00%
903	Direct S&E Overhead				
	Labor	147	147	0	0.00%
	Non-Labor	73	73	0	
	Other	0	0	0	
	Total	220	220	0	0.00%
9546	Distribution Integrity Managmt Program				
	Labor	600	600	0	0.00%
	Non-Labor	5,402	5,402	0	
	Other	0	0	0	
	Total	6,002	6,002	0	0.00%
	Total Labor	1,226	1,267	41	3.34%
	Total Non-Labor	9,845	11,140	1,295	13.15%
	Total Other	0	0	0	
	Total Capital	11,071	12,407	1,336	12.07%

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