

Application of SOUTHERN CALIFORNIA GAS)
COMPANY for authority to update its gas revenue)
requirement and base rates)
effective January 2008 (U 904 G).)

Application No. 06-12-____
Exhibit No.: (SCG-10-CWP)_____

WORKPAPERS TO
PREPARED DIRECT TESTIMONY
OF RICHARD A. KRUMVIEDA
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY

CAPITAL SPENDING

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

DECEMBER, 2006

CAPITAL PROJECT WORKPAPER

BUDGET TITLE Infrastructure Improvements SCG							BUDGET NO. 653	
WITNESS Dick Krumvieda								
PROJECT COST (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL	
DIRECT LABOR	0	0	12	17	16	0	45	
DIRECT NONLABOR	0	7572	10346	9783	9784	0	37485	
TOTAL CAPITAL	0	7572	10358	9800	9800	0	37530	
FTE	0	0	.17	.23	.21	0	.61	

PROJECT NARRATIVE

Business Purpose

This budget funds numerous building modifications, upgrades, and facility improvements to adequately support corporate business initiatives, to extend the life of the asset, or increase the functionality of a building or site. Small projects under \$1M are bundled when possible for economies of scale in sourcing. These projects vary year to year based on need, but address replacement of basic building systems and infrastructure. Each year requirements are prioritized to manage the facility assets, keep the employees safe and optimize real estate value. Scopes of work may include modernization projects, improvements to implement best practices, and/or offer best alternatives for cost avoidance compared to other scenarios.

Physical Description

Types of work included in this blanket are boilers, water heaters, carpet, chillers, cooling towers, doors, energy management systems, energy conservation projects, fences, flooring, gates, generators, hoists, HVAC, lighting, roofs, awnings, security systems, stormwater mitigation and other general tenant improvements.

Project Justification

Facilities Operations and the business units identify requirements based on criticality of the facility, the age of the asset, and the implications for failure to complete the replacement or modification. Failure to implement these projects could translate into reduced safety, disruption to the business unit, inability to meet business unit operational needs, higher costs to maintain and repair, and asset devaluation.

Projects are planned according to the availability of resources, in some cases weather, lead times and priorities. Like projects are bundled for economies of scale for better pricing in sourcing. Construction calculations are supported by industry professionals, including licensed architects and designers, construction industry professionals, and IT domain experts using standard construction estimation practices. Project managers are evaluated on adherence to budget and schedule. Individual work orders and project plans are developed for execution of individual projects.

The 2004 - 2006 average level of expenditure is approximately \$9,800M and was used to forecast the 2007 – 2008 expenditures.

CAPITAL PROJECT SUMMARY

For Electric Distribution Projects Only							
SUB BUDGETS (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL
ELECTRIC UNDERGROUND	0	0	0	0	0	0	0
ELECTRIC OVERHEAD	0	0	0	0	0	0	0
ELECTRIC SUBSATION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
ELECTRIC TRANSMISSION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
LAND	0	0	0	0	0	0	0
TOTAL CAPITAL	0	0	0	0	0	0	0

Schedule

This is a blanket budget. Schedules for each project are set based on resources and independent project schedules constraints, with schedules designed to complete or have a phase completed, generally within (6) months.

CAPITAL PROJECT WORKPAPER

BUDGET TITLE Safety / Environmental						BUDGET NO. 654	
WITNESS Dick Krumvieda							
PROJECT COST (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL
DIRECT LABOR	0	0	12	17	16	0	45
DIRECT NONLABOR	0	710	1034	983	984	0	3711
TOTAL CAPITAL	0	710	1046	1000	1000	0	3756
FTE	0	0	.17	.23	.21	0	.61

PROJECT NARRATIVE

Business Purpose

This budget funds building and system modifications, site upgrades, and other facility improvements directed to safeguard SCG occupied facilities and sites, protect employees and company property, adhere to codes and regulations, and reduce corporate liability in the safety and environmental areas. Small projects under \$1M are bundled when possible for economies of scale in sourcing. These projects vary year to year based on changes to existing or proposed regulations.

Physical Description

Common project types covered in this budget code are improvements to meet stormwater management regulations. Stormwater compliance includes physical changes to the site including drainage control, curbs and berms, canopies and coverings to manage the flow of stormwater and other best management practices. Concrete pads, hazardous waste storage and other requirements to mitigate environmental risk are covered in this blanket. Safety projects vary in nature, but can include communication systems, fall protection, or other improvements to reduce employee risk. Underground storage tank compliance issues and enhanced vapor recover system upgrades to the fueling systems are included. Improvements to air quality and air compression systems, heat shields, isolation valves, and roof access ladders are included into this blanket.

Project Justification

Facilities Operations and the business units identify requirements based on codes, regulations, and best management practices for environmental and safety. Failure to complete can result in increased risk, NOV's and fines.

The 2004 - 2006 average level of expenditure is approximately \$1M and was to forecast 2007- 2008.

CAPITAL PROJECT SUMMARY

For Electric Distribution Projects Only							
SUB BUDGETS (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL
ELECTRIC UNDERGROUND	0	0	0	0	0	0	0
ELECTRIC OVERHEAD	0	0	0	0	0	0	0
ELECTRIC SUBSATION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
ELECTRIC TRANSMISSION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
LAND	0	0	0	0	0	0	0
TOTAL CAPITAL	0	0	0	0	0	0	0

Schedule

This is a blanket budget. Schedules for each project are set based on resources and independent project schedules constraints, with schedules designed to complete or have a phase completed, generally within (6) months.

CAPITAL PROJECT WORKPAPER

BUDGET TITLE Miscellaneous Equipment						BUDGET NO. 664	
WITNESS Dick Krumvieda							
PROJECT COST (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL
DIRECT LABOR	0	0	0	0	0	0	0
DIRECT NONLABOR	0	0	389	400	400	0	1189
TOTAL CAPITAL	0	0	389	400	400	0	1189
FTE	0	0	0	0	0	0	0

PROJECT NARRATIVE

Business Purpose

This budget funds the purchase and installation of miscellaneous equipment, which does not fall under the scope of any other capital project. This equipment supports the effective operations of the requesting department and its operations. The blanket benefits numerous departments throughout the company by funding equipment purchases, both planned and unplanned due to breakdowns, which enable employees to work efficiently and effectively.

Physical Description

Small project types covered in this budget code are replacements of small equipment in the food preparation and kitchen services areas, machines (jacks or hoists) or other specialized mechanical equipment used in the fleet garages (attached to the building), lab equipment for sampling of soils and wastewater, and the like.

Project Justification

Facilities Operations and the business units identify requirements based on criticality of the facility, the age of the equipment and life cycle, and the implications for failure to complete the replacement or modification. Equipment is replaced at the end of the life cycle, if system failure occurs, for accuracy or reliability of operations, or if excessive maintenance and repair costs point to replacement, and to address technology obsolescence. Equipments keep day to day operations functional. Failure to implement these projects could translate into reduced safety, disruption to the business unit, inability to meet business unit operational needs, higher costs to maintain and repair, and asset devaluation.

Industry professionals, proposals and similar projects provide support for estimates. Project managers, if required to manage scope, are evaluated on adherence to budget and schedule. Standard procurement practices and procedures are used for acquisition of equipment and installation services. This budget code was not utilized until 2006.

CAPITAL PROJECT SUMMARY

For Electric Distribution Projects Only							
SUB BUDGETS (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL
ELECTRIC UNDERGROUND	0	0	0	0	0	0	0
ELECTRIC OVERHEAD	0	0	0	0	0	0	0
ELECTRIC SUBSATION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
ELECTRIC TRANSMISSION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
LAND	0	0	0	0	0	0	0
TOTAL CAPITAL	0	0	0	0	0	0	0

Schedule

This is a blanket budget. Schedules for individual equipment replacement are usually of short duration and designed to minimally disrupt business operations.

CAPITAL PROJECT WORKPAPER

BUDGET TITLE Bakersfield Base Expansion						BUDGET NO. 671	
WITNESS Dick Krumvieda							
PROJECT COST (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL
DIRECT LABOR	0	0	0	0	40	0	40
DIRECT NONLABOR	844	113	0	0	6560	0	7517
TOTAL CAPITAL	844	113	0	0	6600	0	7557
FTE	0	0	0	0	.53	0	.53

PROJECT NARRATIVE

Business Purpose

Drivers for new base:

- Projected strong new business and customer growth
 - US Census projections of 21.7 percent is actually trending at 36.7% for Kern County
 - CSO volumes at 6 to 9% increase over last 3 years
- Major Development Projects
 - McAllister Ranch to add 9000 homes
 - Tejon Ranch is 1000 homes/year over 20 years beginning in 2006.
- Pipeline infrastructure work
- Facility Capacity Constraints (Existing 2.66 acre site)
 - Workforce of 87 has outgrown building office and parking areas
 - Yard space inadequate for basic daily material requirements
 - Yard and traffic congestion cause increased safety risks
 - 2.5 acre shortfall for existing operations of administration, warehouse, and Fleet buildings, circulation, storage, and employee and Fleet parking.
 - Parking area reduction from possible meter reading workforce reduction still nets out over a 2-acre shortfall
 - Workplace is an opportunity to enhance an organization's success

Physical Description

The new base will contain the following: 1) Approx. 14,000 square foot General Administration building, 2) approx 4000 square foot 2 to 3 bay garage building.3) Approx 3000 square foot warehouse for logistics. Exterior Covered storage area for EDS. UST/AST tank(s), a Micro-wave tower, Haz-mat storage area, Lay down area for Logistics, adequate parking company and employee vehicles. Site improvements and off site improvements are part of the intent of this project. The total developed site acreage will be approx 7 acres.

Project Justification

The existing Bakersfield base is located at the edge of its service areas. By relocating the base to a central location within its service areas an improved response time to regular and emergency requests can be achieved. This project provides an opportunity to a small marketing group that occupies leased space in the vicinity. There will be avoided costs of replacing failing infrastructure in the older facility.

- Termination of Public Affairs and Marketing lease @ \$26,500 per year.
- \$800K potential cost avoidance in capital improvements to aged infrastructure
- More efficient operating maintenance expense on a per square foot basis in a new facility

CAPITAL PROJECT SUMMARY

For Electric Distribution Projects Only							
SUB BUDGETS (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL
ELECTRIC UNDERGROUND	0	0	0	0	0	0	0
ELECTRIC OVERHEAD	0	0	0	0	0	0	0
ELECTRIC SUBSATION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
ELECTRIC TRANSMISSION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
LAND	0	0	0	0	0	0	0
TOTAL CAPITAL	0	0	0	0	0	0	0

Schedule

2004- Land Purchase

2005- Conditional Use Permit (CUP) process complete

2nd Q 2007 Pre-design, planning and programming to commence.

Construction to commence by 4th Q 2007 with construction completing and move in by 3rd Q 2008.

In-Service Date: 10/2008

Detail Estimated List of Cost

Cost Category	Prior Years	2005	2006	2007	2008	Total	Source of Data
Building & Site Construction					6,600	6,600	Contract proposal
Design & Permit						0	
Systems Furniture						0	
IT/Telco/Security						0	
Scoping & Architecture		113				113	Actual invoice paym't
Land Purchase	844					844	Actual land purchase
Total	844	113	0	0	6,600	7,557	

CAPITAL PROJECT WORKPAPER

BUDGET TITLE MPK Building Tenant Improvement							BUDGET NO. 681	
WITNESS Dick Krumvieda								
PROJECT COST (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL	
DIRECT LABOR	0	25	31	0	0	0	56	
DIRECT NONLABOR	44	1228	3803	0	0	0	5075	
TOTAL CAPITAL	44	1253	3834	0	0	0	5131	
FTE	0	.33	.42	0	0	0	.75	

PROJECT NARRATIVE

Business Purpose

- The renovation of the 2nd Floor of the MPK Building A Office.

Physical Description

- 29,000 SF demolition of Monterey Park Headquarters Facility, Building A 2nd Floor office space. During the demolition phase all exposed hazardous materials will be abated.
- Provide Tenant Improvements that include: carpeting, ceilings and paint, interior lighting, and mechanical systems. Upgrade the space to conform to the latest Fire/Life-Safety and Accessibility codes. New finishes and engineered systems will improve indoor air quality for employees.
- Telecom and Data network will be modernized to include Wireless and VOIP technologies.
- Provide more efficient office workstations, files, storage, and conference room furniture.

Project Justification

- This concept provides for a higher occupancy levels, greater flexibility of Real Estate assets, and indoor environmental improvements all of which increase employee productivity. Improvement in these areas will provide opportunities for cost avoidance within Facility Management and other specific Business Units.

CAPITAL PROJECT SUMMARY

For Electric Distribution Projects Only							
SUB BUDGETS (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL
ELECTRIC UNDERGROUND	0	0	0	0	0	0	0
ELECTRIC OVERHEAD	0	0	0	0	0	0	0
ELECTRIC SUBSATION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
ELECTRIC TRANSMISSION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
LAND	0	0	0	0	0	0	0
TOTAL CAPITAL	0	0	0	0	0	0	0

Schedule

Q3-Q4 2004

Pre-design planning and programming costs.

Q1-Q4 2005

Tenant improvements to Building D Mezzanine; upgrade existing conditions acceptable for short term occupancy during construction within Building A. Design costs for the tenant improvements of both Building A 2nd floor and Building D Mezzanine. Employee relocation from Building A to Building D. Demolition and abatement of Building A 2nd floor.

Q1-Q3 2006

Tenant Improvements to Building A 2nd floor. Furniture purchase and installation for renovated quarters. Relocation of employees back to Building A 2nd floor. Commissioning costs for USGBC submittal of requested Silver LEEDs CI Certification.

In-Service Date: 088/2006

Detail Estimated List of Cost

Cost Category	Prior Years	2005	2006	Total	Source of Data
Building & Site Construction		500	2,779	3,279	Contract proposal
Design & Permit	44			44	Actual invoice payment
Systems Furniture		534		534	Contract proposal
IT/Telco/Security			575	575	Standard
Scoping & Architecture		217	270	487	Contract proposal
Misc Others (Demolition; Room racks)			210	210	Contract proposal
Total	44	1,251	3,834	5,129	

CAPITAL PROJECT WORKPAPER

BUDGET TITLE Call Center / Dispatch Upgrades							BUDGET NO. 682	
WITNESS Dick Krumvieda								
PROJECT COST (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL	
DIRECT LABOR	0	0	31	43	0	0	74	
DIRECT NONLABOR	0	5267	3031	3057	0	0	11355	
TOTAL CAPITAL	0	5267	3062	3100	0	0	11429	
FTE	0	0	.41	.57	0	0	.98	

PROJECT NARRATIVE

Business Purpose

An ergonomic evaluation was conducted to review the concerns of the work environment at the Customer Contact Centers located at San Dimas, Redlands and the dispatch locations based at Chatsworth, Compton, Anaheim and Redlands. The multi-shift environment at these locations presents operational and safety issues concerning the employee work area. Due to the 7/24 hour schedule at these locations and the diverse staff, the work areas require constant modifications to provide a comfortable work atmosphere. The solution is to provide new ergonomic work stations that can adjust to the clients needs with a push of a button. This will reduce safety and ergonomic issues and free up site mechanics from making constant adjustments and let be more efficient with their time.

Physical Description

Provide and install all new ergonomic sit/stand (motorized) work stations with body pocket work surface at the San Dimas Customer Contact Center (CCC), Redlands Base (All Clients) and the Dispatch Groups located at Chatsworth, Redlands, Anaheim and Compton. As these improvements take place in a multi-phased schedule other improvements will include, new flooring, new paint, new ceiling tile, new I T standard CAD 6 wiring and electrical upgrades. Restroom improvement will take place at the Redlands facility as part of its renovation.

Project Justification

The ergonomic complaints that take place every day at the San Dimas and Redlands Customer Contact Centers are becoming greater every year. With a multiple shift workforce sitting at fixed height workstations the concern has elevated. Implementing the new ergonomic sit/stand (motorized) work stations will not only provide a safer and more positive work environment, along with the other building infrastructure improvements at the call centers and dispatch centers.

CAPITAL PROJECT SUMMARY

For Electric Distribution Projects Only							
SUB BUDGETS (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL
ELECTRIC UNDERGROUND	0	0	0	0	0	0	0
ELECTRIC OVERHEAD	0	0	0	0	0	0	0
ELECTRIC SUBSATION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
ELECTRIC TRANSMISSION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
LAND	0	0	0	0	0	0	0
TOTAL CAPITAL	0	0	0	0	0	0	0

Schedule

SAN DIMAS

Q-4 2005- Purchase approx. 1100 sit/stand work stations.

Q-1 2006- Begin implementation (installation) of sit/stand work stations at San Dimas Customer Contact Center

Q-4 2006 Complete implementation (installation) of sit/stand work stations at San Dimas CCC.

In-Service Date: 09/2006

DISPATCH LOCATIONS

Q-3 & Q-4 2006 Implementation & Completion of Dispatch locations located at Redlands, Chatsworth, Compton and Anaheim.

In-Service Date: 09/2006

REDLANDS

Q-3 & Q-4 2006 Programming and Design for Redlands Base.

Q-2 & Q-3 2007 implementation and completion of sit/stand work station installation along with cosmetic improvements and Restroom renovations.

In-Service Date: 10/2007

Detail Estimated List of Cost

Cost Category	San Dimas	Redlands	Chatsworth	Compton	Anaheim	Total	Source of Data
Building & Site Construction	2,350	2,690	55	45	44	5,184	Contract proposal
Design & Permit						0	
Systems Furniture	2,476	2,541	135	77	71	5,300	Actual invoice payment
IT/Telco/Security		200				200	Contract proposal
Scoping & Architecture	75	175				250	Contract proposal
Misc. Others	275	235				510	Contract proposal
Total	5,176	5,841	190	122	115	11,444	

CAPITAL PROJECT WORKPAPER

BUDGET TITLE El Centro Base Relocation							BUDGET NO. 684	
WITNESS Dick Krumvieda								
PROJECT COST (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL	
DIRECT LABOR	0	0	31	43	40	0	114	
DIRECT NONLABOR	0	0	819	4957	960	0	6736	
TOTAL CAPITAL	0	0	850	5000	1000	0	6850	
FTE	0	0	.41	.57	.53	0	1.51	

PROJECT NARRATIVE

Business Purpose

The existing El Centro site, purchased in 1948 with existing structures built in 1926, contains facilities that are in need of significant improvements to aged infrastructure and are no longer reliable or capable of supporting the staff and crews necessary to maintain an expanding service territory. There is insufficient building space, parking and yard storage, which will be magnified with anticipated customer growth in the area. Neighboring conditions at the site boundaries are also restrictive to ingress/egress and hours of operation. The existing base is bounded on the west & south sides by a railroad switching yard, which can block access to the base. Adjacency to a residential zone also impacts site work hours.

Physical Description

Procure a new site in El Centro or vicinity (est. 2 to 3 acres). Design and construct a new operating base, including an administrative office building (3600 sf), 2-bay maintenance garage (2600 sf), material warehouse (4300 sf), fuel island and miscellaneous site improvements.

Project Justification

- Avoids costs of repairing / replacing failing systems at the current site.
- Provides amenity for the workforce in the form of new Operations Base.
- Provide for existing site, building, parking and storage requirements. Accommodates projected future growth within the service territory.
- Relocates the Operations Base to a site with better access to transportation facilities. Removes railroad and residential use conflicts.

CAPITAL PROJECT SUMMARY

For Electric Distribution Projects Only							
SUB BUDGETS (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL
ELECTRIC UNDERGROUND	0	0	0	0	0	0	0
ELECTRIC OVERHEAD	0	0	0	0	0	0	0
ELECTRIC SUBSATION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
ELECTRIC TRANSMISSION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
LAND	0	0	0	0	0	0	0
TOTAL CAPITAL	0	0	0	0	0	0	0

Schedule

Phase	Estimated Completion
Site Acquisition	12/31/06
New Base Construction	6/30/08

In-Service Date: 6/2008

Detail Estimated List of Cost

Cost Category	Prior Years	2005	2006	2007	2008	Total	Source of Data
Building & Site Construction				3,794	800	4,594	Contract proposal
Design & Permit						0	
Systems Furniture				158		158	Contract proposal
IT/Telco/Security				106		106	Standard
Scoping & Architecture				164		164	Contract proposal
Fleet Equipment				478		478	Contract proposal
Land Purchase			850			850	RE market estimate
Misc. Others				300	200	500	Standard
Total	0	0	850	5,000	1,000	6,850	

CAPITAL PROJECT WORKPAPER

BUDGET TITLE Various Sites UST EVR Upgrades SCG							BUDGET NO. 686	
WITNESS Dick Krumvieda								
PROJECT COST (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL	
DIRECT LABOR	0	0	31	43	40	0	114	
DIRECT NONLABOR	0	0	269	1357	760	500	3293	
TOTAL CAPITAL	0	0	300	1400	800	500	3407	
FTE	0	0	.41	.57	.53	0	1.51	

PROJECT NARRATIVE

Business Purpose

Constant changes in the regulations for Underground Storage Tanks (UST's) are the driver for the phase 2 vapor recovery. SCG/SDGE have a combined inventory UST's of approx 90 tanks. The regulation becomes effective in January of 2009.

Physical Description

- * Purchase and Install a new state approved EVR system at all SCG UST locations. Test and put all equipment into service.
- * Insure that all required documents including test results are filed with responsible agencies.
- * Have all required documents posted on site (including accurate as-built drawings) Have drawings and documents lodged with the responsible Facility Manager, Environmental Compliance Specialist and Capital Projects Group.

Project Justification

- Company will be in compliance with State Executive Order.
- SCG will have complete and accurate filings with the responsible agencies
- Copies of all required documents will be lodged at three places within the company.

We will complete 20 to 25 tanks per year, starting in 2007, 20 to 25 in 2008 and 15 to 20 in 2009. Implement to approximately 5 locations at a time with duration of 30 days to complete each group of 5 locations.

For Electric Distribution Projects Only							
SUB BUDGETS (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL
ELECTRIC UNDERGROUND	0	0	0	0	0	0	0
ELECTRIC OVERHEAD	0	0	0	0	0	0	0
ELECTRIC SUBSATION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
ELECTRIC TRANSMISSION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
LAND	0	0	0	0	0	0	0
TOTAL CAPITAL	0	0	0	0	0	0	0

Schedule

Q-3 & Q-4 2006 programming and suite evaluation will commence.

Q1- to Q-4 2007 Phase 2 EVR system installation begins at designated SCG locations.

Q-1 to Q4- 2008 Phase 2 EVR system installation continues and completes at designated locations.

In Service Dates: 20-25 tanks – 12/2007
20-25 tanks – 12/2008
15-20 tanks - 08/2009

Detail Estimated List of Cost

Cost Category	Prior Years	2005	2006	2007	2008	Remaining Years	Total	Source of Data
Building & Site Construction	386	21	300	1,400	800	500	3,407	Contract proposal
Design & Permit							0	
Systems Furniture							0	
IT/Telco/Security							0	
Scoping & Architecture							0	
Misc Others (Removal, etc)							0	
Total	386	21	300	1,400	800	500	3,407	

CAPITAL PROJECT WORKPAPER

BUDGET TITLE Pico Site HVAC Upgrades						BUDGET NO. 687	
WITNESS Dick Krumvieda							
PROJECT COST (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL
DIRECT LABOR	0	0	31	0	0	0	31
DIRECT NONLABOR	0	0	1469	0	0	0	1469
TOTAL CAPITAL	0	0	1500	0	0	0	1500
FTE	0	0	.41	0	0	0	.41

PROJECT NARRATIVE

Business Purpose

Pico Rivera base is a strategic location for the SCG territory. The mechanical equipment at certain building locations at the base has surpassed its useful life and is in need of replacement. The purpose of this project is to replace the chiller in building "H" & add a small package unit to support a lab with unique consistent controlled environment, 7/24. Also replace the air handlers & improve the air distribution at building "A" while also install the necessary piping (Underground) to connect building "H" with the Central Energy Plant (CEP). This will help provide a larger load on the existing CEP which will assist in the efficiency of its operation.

Physical Description

Building "H" contains two chiller units; we will replace one of the chiller units with a new like for like model. The removed unit will be disassembled and the parts will be saved as replacement parts for the existing chiller. At the same time we will install a small independent package unit to provide 7/24 support to a lab within the building.

Building "A" air handlers will be removed and replaced and the buildings existing air distribution (Duct Work) will be reworked as well. Providing a more comfortable work environment and reducing work orders from the building occupants.

Chilled water piping installation (All Underground) will connect building "H" with the Central Energy Plant (CEP). This work will require trenching from the CEP, across the parking lot and connecting building "H" with the CEP.

Project Justification

The efficiency gained by replacing old equipment, connecting the CEP with another source of load will improve the environments within two very populated building at Pico Rivera. It will also satisfy a request by the local AQMD by adding more load to the CEP which is underutilized at this time.

CAPITAL PROJECT SUMMARY

For Electric Distribution Projects Only							
SUB BUDGETS (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL
ELECTRIC UNDERGROUND	0	0	0	0	0	0	0
ELECTRIC OVERHEAD	0	0	0	0	0	0	0
ELECTRIC SUBSATION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
ELECTRIC TRANSMISSION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
LAND	0	0	0	0	0	0	0
TOTAL CAPITAL	0	0	0	0	0	0	0

Schedule

Q-2 2006 Design begins and bid proposals from contractors.

Q-3 2006 implementation of project begins.

Q-4 2006 project completes and close out.

In-Service Date: 12/2006

Detail Estimated List of Cost

Cost Category	2006	Source of Data
Building & Site Construction	1,290	Contract proposal
Design & Permit	35	
Systems Furniture		
IT/Telco/Security		
Scoping & Architecture		Contract proposal
Misc. Others (Removal, etc)	175	Contract proposal
Total	1,500	

CAPITAL PROJECT WORKPAPER

BUDGET TITLE MPK Building A Server Room Floor						BUDGET NO. 688	
WITNESS Dick Krumvieda							
PROJECT COST (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL
DIRECT LABOR	0	0	31	0	0	0	31
DIRECT NONLABOR	0	0	969	0	0	0	969
TOTAL CAPITAL	0	0	1000	0	0	0	1000
FTE	0	0	.41	0	0	0	.41

PROJECT NARRATIVE

Business Purpose

The Raised Floor replacement will resolve existing safety issues caused by numerous generations of non-matching floor systems. The connection zones differ in height and present a constant risk to employee safety. In addition, a new raised floor will advance the structural integrity of the Data Center at Monterey Park and eliminate unnecessary risks to operations.

Physical Description

Replacement of the existing raised floor with a new, complete, Tate Concore 1250 HPL Access Floor System. The MPK Data Center will remain powered and in service at all times. Minor shutdowns of individual racks or specific equipment will be required within this scope of work. Asbestos abatement will be scheduled to coordinate within a phased scheduled provided by the Contractor.

The new Access Floor System will be comprised of approximately 13,000 combined square footage of new Tate solid and standard perforated HPL panels, Heavy Duty understructure and Ramp tiles, hand rails and transitions, anchors and adhesive.

The access floor replacement will require multiple-phase equipment lifts. Equipment is will be powered and operational at all times. Equipment lifting will be limited to the greatest extent possible. Required equipment will be lifted no higher than 3 vertical inches, and will only occur when paired with other materials and or services as identified above.

Project Justification

The elimination of hazards to employees and Data Center operations provide potentially large cost avoidance totals. The project will minimize risks associated with emergency shutdowns and loss time injuries.

CAPITAL PROJECT SUMMARY

For Electric Distribution Projects Only							
SUB BUDGETS (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL
ELECTRIC UNDERGROUND	0	0	0	0	0	0	0
ELECTRIC OVERHEAD	0	0	0	0	0	0	0
ELECTRIC SUBSATION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
ELECTRIC TRANSMISSION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
LAND	0	0	0	0	0	0	0
TOTAL CAPITAL	0	0	0	0	0	0	0

Schedule

In-Service Date: 11/2006

Detail Estimated List of Cost

Cost Category	2006	Source of Data
Building & Site Construction	870	Contract proposal
Design & Permit	40	
Systems Furniture		
IT/Telco/Security		
Scoping & Architecture		Contract proposal
Misc. Others (Removal, etc)	90	Contract proposal
Total	1,000	

CAPITAL PROJECT WORKPAPER

BUDGET TITLE Downey Base Tenant Improvement						BUDGET NO. 691	
WITNESS Dick Krumvieda							
PROJECT COST (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL
DIRECT LABOR	0	0	0	0	40	0	40
DIRECT NONLABOR	0	0	0	0	1760	0	1760
TOTAL CAPITAL	0	0	0	0	1800	0	1800
FTE	0	0	0	0	.53	0	.53

PROJECT NARRATIVE

Business Purpose

The Downey Base constructed in the early 1950's is in need of renovation. Similar to its counterparts, Branford & Alhambra bases which underwent recent remodels, Downey's physical environments are outdated and have surpassed the ability to spatially support the present day base operations. The base is encountering overcrowding in the meeting facilities, inadequate administrative office space and limited restroom and locker facilities.

A crew room has been co-located within the administrative offices causing operational conflicts. Additionally, Downey has a large female population which overwhelms the one water closet and sink during female field staff arrivals and departs.

The existing site has adequate parking, yard and existing logistics space to accommodate any proposed remodel or expansion.

Physical Description

New women's room & men's room Renovation to comply with Uniform Building Code (UBC) requirements.
New ready room, conference-training room, Administrative offices-Systems furniture re-organization & re-location of existing logistics Warehouse to existing covered storage.

Project Justification

The existing base which was built in the early 1950's is outdated and antiquated to our present base standards. This renovation will modify approx 7700 total square feet of existing building providing adequate work space for all groups located at this facility. The proposed modifications will provide greater flexibility of the space, improve the overall employee productivity by making a more modern and less compromised work space.

CAPITAL PROJECT SUMMARY

For Electric Distribution Projects Only							
SUB BUDGETS (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL
ELECTRIC UNDERGROUND	0	0	0	0	0	0	0
ELECTRIC OVERHEAD	0	0	0	0	0	0	0
ELECTRIC SUBSATION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
ELECTRIC TRANSMISSION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
LAND	0	0	0	0	0	0	0
TOTAL CAPITAL	0	0	0	0	0	0	0

Schedule

Q-3, 2007 - begin design and programming.

Q-4, 2007- Submit approved plan to local building department for approval.

Q-1, 2008- Deliver temporary Facilities to base.

Q-1, 2008-Construction Starts

Q-3, 2008-Construction Complete

Q-4, 2008-Client Move in & Close out of project.

In-Service Date: 10/2008

Detail Estimated List of Cost

Cost Category	2008	Source of Data
Building & Site Construction	1,665	Contract proposal
Design & Permit	20	Contract proposal
Systems Furniture		
IT/Telco/Security	20	Standard
Scoping & Architecture	95	Contract proposal
Misc. Others (Removal, etc)		
Total	1,800	

CAPITAL PROJECT WORKPAPER

BUDGET TITLE Pico Classroom Training Tenant Improvement						BUDGET NO. 693	
WITNESS Dick Krumvieda							
PROJECT COST (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL
DIRECT LABOR	0	0	0	43	0	0	43
DIRECT NONLABOR	0	0	0	1357	0	0	1357
TOTAL CAPITAL	0	0	0	1400	0	0	1400
FTE	0	0	0	.57	0	0	.57

PROJECT NARRATIVE

Business Purpose

Increase capacity of training for operations in Customer Service, Meter and Regulator, Distribution and Transmission the Pico Rivera site.

Physical Description

Refurbishing rooms within the facility to add capacity and functionality, increase the number of training sessions for the expanded curriculum. General tenant improvements and refurbishments to ceilings, walls and floors, abatement, infrastructure improvements for cooling, furniture, storage systems, cabling, connectivity, expanded classrooms are included in the scope.

Project Justification

Existing conditions limit the functionality and capacity for training. Cable management, tripping hazards, and ergonomic issues need to be addressed. Unreliable furniture and availability of audio visual equipment affect productivity of training and learning retention. Current configurations limit capacity and ability to meet schedule and curriculum. Union labor agreements provide for training within 90 days of job acceptance. Aging workforce and increased training requirements necessitate an increase to the safety, functionality and capacity of the training rooms.

The training activity supports the delivery of safe and reliable energy services.

Construction calculations are supported by industry professionals, including licensed architects and designers, construction industry professionals, and IT domain experts using standard construction estimation practices. Project managers are evaluated on adherence to budget and schedule. Individual work orders and project plans are developed for execution of individual projects.

CAPITAL PROJECT SUMMARY

For Electric Distribution Projects Only							
SUB BUDGETS (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL
ELECTRIC UNDERGROUND	0	0	0	0	0	0	0
ELECTRIC OVERHEAD	0	0	0	0	0	0	0
ELECTRIC SUBSATION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
ELECTRIC TRANSMISSION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
LAND	0	0	0	0	0	0	0
TOTAL CAPITAL	0	0	0	0	0	0	0

Schedule

This is a project that would be completed in phases to accommodate the ongoing training classes.

In-Service Date: 8/2007

CAPITAL PROJECT WORKPAPER

BUDGET TITLE Fleet Equipment SCG						BUDGET NO. 716	
WITNESS Dick Krumvieda							
PROJECT COST (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL
DIRECT LABOR	0	0	0	0	0	0	0
DIRECT NONLABOR	0	778	100	460	424	0	1684
TOTAL CAPITAL	0	778	100	460	424	0	1684
FTE	0	0	0	0	0	0	0

PROJECT NARRATIVE

Business Purpose

This blanket budget is for the purchase of mobile equipment for the SoCal Gas garages.

Physical Description

The equipment is for mobile diagnostic machines for fleet vehicle maintenance as well as related equipment such as mobile garage hoists.

Project Justification

As newer vehicles are added to the fleet, technology upgrades for diagnostic equipment are required for maintenance. In addition, normal wear and tear on older equipment requires replacement.

The blanket budget includes Airborne Toxic Control Measure (compliance) capital tools for diesel vehicle maintenance as follows: Additional \$360K in 2007 and \$324K in 2008.

CAPITAL PROJECT SUMMARY

For Electric Distribution Projects Only							
SUB BUDGETS (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL
ELECTRIC UNDERGROUND	0	0	0	0	0	0	0
ELECTRIC OVERHEAD	0	0	0	0	0	0	0
ELECTRIC SUBSATION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
ELECTRIC TRANSMISSION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
LAND	0	0	0	0	0	0	0
TOTAL CAPITAL	0	0	0	0	0	0	0

Schedule

This is a blanket budget. Schedules for each project are set based on resources and independent project schedules constraints, with schedules designed to complete or have a phase completed, generally within (4) months.

CAPITAL PROJECT WORKPAPER

BUDGET TITLE NGV Fueling Stations						BUDGET NO. 734	
WITNESS Dick Krumvieda							
PROJECT COST (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL
DIRECT LABOR	0	0	0	0	0	0	0
DIRECT NONLABOR	0	346	180	325	100	0	951
TOTAL CAPITAL	0	346	180	325	100	0	951
FTE	0	0	0	0	0	0	0

PROJECT NARRATIVE

Business Purpose

These projects include equipment upgrades at NGV refueling stations for SoCal Gas.

Physical Description

The 2006 project reflects costs for installing remote monitoring equipment at 12 public access stations. The 2007 equipment is to replace the compressor and auxiliary equipment at the Van Nuys station. The 2008 project is to install a new gas dryer at the Oxnard NGV station.

Project Justification

2006 Remote Monitoring equipment – unmanned NGV stations have operational problems not addressed until reported by customers. These stations need to ensure that they are operational to meet the customer needs and remote monitoring will reduce the response time and allow for quicker repairs to reduce station down time.

2007 Compressor Equipment – the existing compressor is at the end of its useful life and is not adequate to meet current and projected pressure requirements and throughput.

2008- Oxnard Gas Dryer – the existing dryer is insufficient to properly dry the gas at the station. As the dryer deteriorates further it will result in wetter gas which could damage the compressor and impact customer vehicle operation.

CAPITAL PROJECT SUMMARY

For Electric Distribution Projects Only							
SUB BUDGETS (\$000 in 2005\$)	PRIOR YEARS	2005	2006	2007	2008	REMAINING YEARS	TOTAL
ELECTRIC UNDERGROUND	0	0	0	0	0	0	0
ELECTRIC OVERHEAD	0	0	0	0	0	0	0
ELECTRIC SUBSATION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
ELECTRIC TRANSMISSION	0	0	0	0	0	0	0
Trans. FERC	0	0	0	0	0	0	0
Distr. FERC	0	0	0	0	0	0	0
LAND	0	0	0	0	0	0	0
TOTAL CAPITAL	0	0	0	0	0	0	0

Schedule

This is a blanket budget. Schedules for each project are set based on resources and independent project schedules constraints, with schedules designed to complete or have a phase completed, generally within (4) months.