

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/SDGE-14-WP)_____

WORKPAPERS TO
PREPARED DIRECT TESTIMONY
OF JAMES J. BOLAND
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

DECEMBER, 2006

**SDG&E - USS Cross Reference
EMERGENCY PREPAREDNESS
WITNESS: JAMES J. BOLAND**

SDG&E Incurred Cost	100% Level		
	Base Year 2005	Forecast 2008	2005-2008 Incr(Decr)
Emergency Preparedness	236	1,607	1,371
Witness: James J. Boland Total	236	1,607	1,371

**SDG&E - USS Cross Reference
EMERGENCY PREPAREDNESS
WITNESS: JAMES J. BOLAND**

Organization	Department	Cost Center	Cost Center Name	100% Level		
				Base Year 2005	Forecast 2008	2005-2008 Incr(Decr)
Emergency Preparedness	Emergency Preparedness	2100-0739	EMERGENCY SVCS MGMT	236	1,607	1,371
Witness: James J. Boland Total				236	1,607	1,371

Shared Services Workpapers

SDGE

San Diego Gas & Electric Company
 Test Year 2008 General Rate Case
 Shared Service Cost Center Workpapers

Area: EMERGENCY SERVICES
 Witness: Jim Boland
 Cost Center: 2100-0739
 Cost Center Name: EMERGENCY SVCS MGMT

A. Adjustments to Base Year 2005

Line	Description	O&M ¹			FTE
		Labor (\$000)	Non-Labor (\$000)	Total (\$000)	
1.	2005 Recorded (100% Level)	\$ 171	\$ 65	\$ 236	2.30
	Adjustment Details				
	<u>Description Type</u> <u>Adjustment Type and Explanation</u>				
2.	(no adjustments)	\$ -	\$ -	\$ -	0.00
3.		\$ -	\$ -	\$ -	0.00
4.		\$ -	\$ -	\$ -	0.00
5.	Total 2005 Adjustments	\$ -	\$ -	\$ -	0.00
6.	2005 Base Year Adjusted-Recorded	\$ 171	\$ 65	\$ 236	2.30

1. Amounts are in constant 2005 dollars

B. Calculation of Retained and Allocated-Out From Adjusted-Recorded 2005 to Test Year 2008

Ref.	Description	2005			2006				2007				TY 2008			
		Adj.-Rec.			Estimated				Estimated				Estimated			
		Labor	Non Labor	FTE	Labor	Non Labor	NSE	FTE	Labor	Non Labor	NSE	FTE	Labor	Non Labor	NSE	FTE
		(\$000)			(\$000)				(\$000)				(\$000)			
B-1	100% Level Forecast	171	65	2.30	119	257	0	1.00	319	839	0	4.00	319	1,288	0	4.00
B-2	Directly Retained	0	0		0	0	0		0	0	0		0	0	0	
	Direct Allocated															
B-3	SCG	0	0		0	0	0		0	0	0		0	0	0	
B-4	Corporate Center	0	0		0	0	0		0	0	0		0	0	0	
B-5	Unregulated	0	0		0	0	0		0	0	0		0	0	0	
	Balance: (100% - Direct)	171	65		119	257	0		319	839	0		319	1,288	0	
	Allocation Percentage (%)															
B-6	SCG	39.77%	40.00%		60.00%	60.00%	60.00%		60.00%	60.00%	60.00%		60.00%	60.00%	60.00%	
B-7	Corporate Center	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	
B-8	Unregulated	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	
	Percentage Allocated (\$)															
B-9	SCG	68	26		71	154	0		191	503	0		191	773	0	
B-10	Corporate Center	0	0		0	0	0		0	0	0		0	0	0	
B-11	Unregulated	0	0		0	0	0		0	0	0		0	0	0	
	Direct + Percentage Allocated															
B-12	SCG	68	26		71	154	0		191	503	0		191	773	0	
B-13	Corporate Center	0	0		0	0	0		0	0	0		0	0	0	
B-14	Unregulated	0	0		0	0	0		0	0	0		0	0	0	
B-15	Total Allocated:	68	26		71	154	0		191	503	0		191	773	0	
B-16	Total Retained:	103	39		48	103	0		128	336	0		128	515	0	

**B-1 Evaluation of Change From Adjusted-Recorded Base 2005 to Test Year 2008
100% Level Forecast**

Line	Description	O&M ¹			
		Labor (\$000)	Non-Labor (\$000)	NSE (\$000)	FTE
1.	2005 Adjusted-Recorded	\$ 171	\$ 65	\$ -	2.30
2.	100% Level - INCREMENTAL: Transfer of one ST FTE and .3 OT FTE to NSS FERC 925.2 (cost center 2100-0216) due to reorganization of the Emergency Services department	\$ (52)	\$ -	\$ -	-1.30
3.	100% Level - INCREMENTAL: Transfer of nonlabor expenses to this shared cost center from NSS cost center 2100-0216 due to reorganization of the Emergency Services department	\$ -	\$ 21	\$ -	0.00
4.	100% Level - INCREMENTAL: Transfer the responsibility for payment of CUE dues from Safety & Emergency Services Director SS cost center 2100-3572	\$ -	\$ 27	\$ -	0.00
5.	100% Level - INCREMENTAL: Monterey Park to Rancho Bernardo OC-48 Optical annual lease line costs to support the Mainframe In-House Project. Estimated on-going annual broadband lease costs to increase bandwidth between Rancho Bernardo and Monterey Park. Annual Cost: \$576 (\$48K monthly costs begin October 2006)	\$ -	\$ 144	\$ -	0.00
6.	Sub-Total: 2005 - 2006 Changes	\$ (52)	\$ 192	\$ -	-1.30
7.	2006 Estimated (2005 Adj + 2006 Changes)	\$ 119	\$ 257	\$ -	1.00
8.	100% Level - INCREMENTAL: Monterey Park to Rancho Bernardo OC-48 Optical annual lease line costs to support the Mainframe In-House Project. Estimated on-going annual broadband lease costs to increase bandwidth between Rancho Bernardo and Monterey Park. Annual Cost: \$576 (\$48K monthly costs begin October 2006)	\$ -	\$ 432	\$ -	0.00
9.	100% Level - INCREMENTAL: Email Infrastructure Redundancy Project will result in increased annual recurring software and hardware costs. Hardware annual maintenance - \$15K, Software annual maintenance - \$31k, NetApp Support annual maintenance - \$75K. All costs begin in 2007.	\$ -	\$ 121	\$ -	0.00
10.	100% Level - INCREMENTAL: Emergency Preparedness & Response Staffing. Increased awareness and preparedness activities at both a national and local level has resulted in an increase of Emergency Services internal and external activities. As a result, three additional Service Coordinators will be needed to support Business Resumption and Continuity, Employee Preparedness, Regional Operations, and Corporate Strategy and compliance programs. Annual Salaries for the 3 Service Coordinators beginning in 2007.	\$ 200	\$ -	\$ -	3.00
11.	100% Level - INCREMENTAL: Emergency Preparedness & Response Staffing Expenses. With the incremental increases of Emergency Services staffing, additional annual funding for employee expenses will be needed. Estimated forecasted annual expenses 3 FTEs equate to \$29K first year less initial computer equipment 1st year costs (Cost begins 2007)	\$ -	\$ 29	\$ -	0.00
12.	Sub-Total: 2006 - 2007 Changes	\$ 200	\$ 582	\$ -	3.00
13.	2007 Estimated (2006 Adj + 2007 Changes)	\$ 319	\$ 839	\$ -	4.00
14.	100% Level - INCREMENTAL: EOC Software (Maintenance / License Fees). The replacement of existing EOC software applications will result in increased software and hardware annual maintenance costs. Estimated annual software and hardware maintenance Fees - \$120K (Cost begins Jan 2008)	\$ -	\$ 120	\$ -	0.00
15.	100% Level - INCREMENTAL: Emergency Preparedness & Response Staffing Expenses. With the incremental increases of Emergency Services staffing, additional annual funding for employee expenses will be needed. Estimated forecasted annual expenses 3 FTEs equate to \$29K first year less initial computer equipment 1st year costs (Cost begins 2007)	\$ -	\$ (7)	\$ -	0.00
16.	100% Level - INCREMENTAL: GPS Project, incremental O&M annual maintenance fees and one-time costs.	\$ -	\$ 175	\$ -	0.00
17.	100% Level - INCREMENTAL: Mobile Command Center. The mobile command center will be equipped with state of the art emergency management technology. The mobile command center will provide a safe environment for emergency response personnel from which to evaluate, implement, and coordinate gas / electric response and recovery operations. The mobile command center will be designed to allow the selection of standardized, modular components to create a customized solution in addition to features such as Network Operations, redundant power and cooling, all within a fully mobile package. Features will also incorporate Sempra Energy Utilities specific operational requirements. The following annual expenses represent both the leased vehicle costs, initial equipment costs and recurring annual costs. Annual lease cost to replace the existing SEU mobile command center 85k. Acquisition and installation of Mobile Command Center equipment (Laptops, monitors, radios, printers, satellite phones, DirecTV's) 65k, Recurring Annual Equipment Costs- (DirecTV, Satellite Phones, Computer and Printer Maintenance) 11k	\$ -	\$ 161	\$ -	0.00
18.	Sub-Total: 2007 - 2008 Changes	\$ -	\$ 449	\$ -	0.00
19.	2008 Estimated (2007 Adj + 2008 Changes)	\$ 319	\$ 1,288	\$ -	4.00

B-2 Directly Retained

Line	Description	O&M ¹		
		Labor (\$000)	Non-Labor (\$000)	NSE (\$000)
1.	<u>2005 Adjusted-Recorded</u> See table A for any adjustments	\$ -	\$ -	
2.	<u>2006 Estimated</u>	\$ -	\$ -	\$ -
3.	<u>2007 Estimated</u>	\$ -	\$ -	\$ -
4.	<u>Test Year 2008</u>	\$ -	\$ -	\$ -

B-3 Direct Allocated For SCG

Line	Description	O&M ¹		
		Labor (\$000)	Non-Labor (\$000)	NSE (\$000)
1.	<u>2005 Adjusted-Recorded</u> See table A for any adjustments	\$ -	\$ -	
2.	<u>2006 Estimated</u>	\$ -	\$ -	\$ -
3.	<u>2007 Estimated</u>	\$ -	\$ -	\$ -
4.	<u>Test Year 2008</u>	\$ -	\$ -	\$ -

B-4 Direct Allocated For Corporate Center

Line	Description	O&M ¹		
		Labor (\$000)	Non-Labor (\$000)	NSE (\$000)
1.	<u>2005 Adjusted-Recorded</u> See table A for any adjustments	\$ -	\$ -	
2.	<u>2006 Estimated</u>	\$ -	\$ -	\$ -
3.	<u>2007 Estimated</u>	\$ -	\$ -	\$ -
4.	<u>Test Year 2008</u>	\$ -	\$ -	\$ -

B-5 Direct Allocated For Unregulated

Line	Description	O&M ¹		
		Labor (\$000)	Non-Labor (\$000)	NSE (\$000)
1.	2005 Adjusted-Recorded See table A for any adjustments	\$ -	\$ -	
2.	2006 Estimated	\$ -	\$ -	\$ -
3.	2007 Estimated	\$ -	\$ -	\$ -
4.	Test Year 2008	\$ -	\$ -	\$ -

B-6 Allocation Percentage For SCG

Line	Description	O&M ¹	
		Labor %	Non-Labor %
1.	2005 Adjusted-Recorded Allocation Percentage are based on 2005 Adjusted-Recorded amount. See table A for any adjustments	39.77%	40.00%
2.	2006 Estimated Allocation based on FTE study. See attached SS Template titled "2100-0739 SS Template"	60.00%	60.00%
3.	2007 Estimated Allocation based on FTE study	60.00%	60.00%
4.	Test Year 2008 Allocation based on FTE study	60.00%	60.00%

B-7 Allocation Percentage For Corporate Center

Line	Description	O&M ¹	
		Labor %	Non-Labor %
1.	<u>2005 Adjusted-Recorded</u> Allocation Percentage are based on 2005 Adjusted-Recorded amount. See table A for any adjustments	0.00%	0.00%
2.	<u>2006 Estimated</u>	0.00%	0.00%
3.	<u>2007 Estimated</u>	0.00%	0.00%
4.	<u>Test Year 2008</u>	0.00%	0.00%

B-8 Allocation Percentage For Unregulated

Line	Description	O&M ¹	
		Labor %	Non-Labor %
1.	<u>2005 Adjusted-Recorded</u> Allocation Percentage are based on 2005 Adjusted-Recorded amount. See table A for any adjustments	0.00%	0.00%
2.	<u>2006 Estimated</u>	0.00%	0.00%
3.	<u>2007 Estimated</u>	0.00%	0.00%
4.	<u>Test Year 2008</u>	0.00%	0.00%

Titles	Hrly Rate		2007 Hrs	2008 hrs
			2080	2080
Service Coordinator - Regional Operations	\$32.00		\$66,560	\$66,560
Service Coordinator - Business Continuity & Resumption	\$32.00		\$66,560	\$66,560
Service Coordinator - Strategy & Technology	\$32.00		\$66,560	\$66,560
Total Labor			\$199,680	\$199,680
Computer Equipment	2007 Initial Costs			
<i>Acquisition and Installation</i>	Cost	Qty	2007 Cost	
Laptop Computer, Flat Panel Screen (\$226+2026= 2252)	\$ 2,252	3	\$6,756	
IT Labor (3 hrs X \$84.00 = \$252 per install)	\$252	3	\$756	
	\$ 2,504		\$7,512	
<i>Ongoing Maintenance</i>			2007 Cost	2008 Cost
Monthly Maintenance (\$96.98 X 12 mos = \$1163.76)	\$1,163.76	3	\$3,491	\$3,491
<u>Annual Expenses</u>			2007 Cost	2008 Cost
Monthly Estimated Expenses (Travel Expenses, Miscellaneous Expenses) (\$500 X 12 mos = \$6000)	\$ 6,000.0	3	\$ 18,000	\$ 18,000
			2007 Cost	2008 Cost
Total Expenses			\$29,003	\$21,491
Grand Total			\$228,683	\$221,171

Emergency Services

2008 General Rate Case Technology Cost Estimates

Name	Description	Quantity	Cost Each	Total
Mobile Command Center (one time costs)				
Laptops	Configuration: - MS Office Professional - Wireless LAN connectivity - Option: Wireless connectivity (Verizon)	10	\$2,025.00	\$20,250.00
Flat Panel Monitors	- 17 inch	10	\$226.00	\$2,260.00
	DirecTV installations (3)	1	\$500.00	\$500.00
	SDGE 800 Mhz	2	\$2,000.00	\$4,000.00
	SDGE 900 Mhz	2	\$5,000.00	\$10,000.00
	Ham Radio	1	\$1,200.00	\$1,200.00
	Amateur Radio	1	\$1,200.00	\$1,200.00
	High Band ???	1	\$1,200.00	\$1,200.00
	SCG Radio 1	2	\$2,500.00	\$5,000.00
	SCG Radio 2	2	\$2,500.00	\$5,000.00
	SCG Radio 3	2	\$2,500.00	\$5,000.00
	SCG Radio 4	2	\$2,500.00	\$5,000.00
Laser Printers		2	\$2,400.00	\$4,800.00
Total Mobile Command Center				\$65,410.00
Mobile Command Center (Reoccurring Costs)				
Situation Room Technology	Monthly DirecTV Costs (reoccurring)	1	\$1,000.00	\$1,000.00
	Monthly Computer Maintenance	10	\$1,163.76	\$11,637.60
	Printer Maintenance	2	\$96.36	\$192.72
	Satellite phones (\$26.95 X 12 mos = \$323.40)	3	\$323.40	\$970.20
	Satellite Phone Minimum Usage (4 X 15 = 60 mins 60 mins X \$1.20 = \$72)	3	\$864.00	\$2,592.00
Total Mobile Command Center Back-up				\$16,392.52

MOBILE COMMAND CENTER VEHICLE

AMORTIZATION BALANCE

4/01/08 730,000 2008 Amortization = \$18,250 x 3 qtrs. = \$54,750
7/1/08 711,750
10/01/08 693,500
1/01/09 675,250

INTEREST EXPENSE

2008 Interest Rates (annual rates)

2nd Qtr. 5.69
3rd Qtr 5.82
4th Qtr. 5.94

Average Outstanding Balance

2nd Qtr \$720,875 @ 5.69 = \$10,254
3rd Qtr 702,625 @5.82 = 10,223
4th Qtr 684,375 @5.94 = 10,163,
Total interest Expense = \$30,640

Total 2008 Cost = \$85,390