

Applications : A.06-12-009 / 010
Exhibit Number : DRA-8-R
Commissioner : Bohn
ALJ : Long
Witness : 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 2008**

**SDG&E Gas Transmission
Operation & Maintenance Expenses
and Capital Expenditures**

San Francisco, California
August 9, 2007

1 **SAN DIEGO GAS & ELECTRIC COMPANY**
2 **GAS TRANSMISSION**
3 **OPERATION AND MAINTENANCE EXPENSES**
4 **AND CAPITAL EXPENDITURES**
5

6 **I. INTRODUCTION**

7 This exhibit presents DRA's analysis and recommendations regarding San
8 Diego Gas & Electric Company's (SDG&E) Non-Shared gas transmission operation
9 and maintenance (O&M) expenses and capital expenditures.

10 These expenses include FERC Accounts 850 through 871 for O&M
11 expenses and Accounts 411 through 418 for capital expenditures. These accounts
12 are evaluated on an account-by-account basis.

13 Operation and maintenance expenses include operation supervision and
14 engineering, main expenses, measurement and regulator station expenses, other
15 gas transmission expenses, maintenance supervision and engineering, maintenance
16 of mains, measurement and regulator station expenses, compressor station labor
17 and expense, and distribution load dispatching. These are contained in Accounts
18 850 through 871.¹

19 Capital expenditures include gas transmission pipeline additions, gas
20 transmission pipeline replacement, gas transmission pipeline relocations, gas
21 transmission compressor station additions/replacements, gas transmission
22 measurement and regulation stations. These are contained in Accounts 411 through
23 418.

24 The tables at the end of this exhibit compare DRA's estimates to SDG&E's
25 requests for O&M expenses in 2008 and capital expenditures from 2006-2008, by
26 FERC account, and broken down into labor, non-labor, and other dollars.

¹ Exhibit No.: (SDG&E-5), page DGT-3

Exhibit DRA-8-R (Revised August 9, 2007)

1 II. SUMMARY OF RECOMMENDATIONS

2 Table 8-1A compares DRA's recommended gas distribution expenses and
 3 capital expenditures with SDG&E's proposed estimates for 2008. Tables 8-1B and
 4 8-1C compare DRA's recommended capital expenditures with SDG&E's proposed
 5 estimates for 2007 and 2006, respectively. DRA recommends the Commission
 6 adopt \$3,312,000 for gas transmission O&M expenses for test year 2008, rather
 7 than SDG&E's request for \$3,630,000.² DRA also recommends the Commission
 8 adopt its gas transmission capital expenditures for 2006-2008, rather than SDG&E's
 9 request.³

10 Table 8-1A
11 Gas Transmission O&M Expenses and Capital Expenditures for 2008
12 DRA/SDG&E Comparison
13 (Thousands of 2005 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 and Maintenance Expenses	\$3,312	\$3,630	\$318	9.6%
Capital Expenditures	\$3,982	\$5,004	\$1,022	25.7%

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16 Table 8-1B
17 2007 Capital Expenditures
18 DRA/SDG&E Comparison
19 (Thousands of 2005 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	\$4,632	\$5,654	\$1,022	22.1%

² Exhibit SDG&E-5, page DGT-3

³ Exhibit SDG&E-6, page JMR-3

Exhibit DRA-8-R (Revised August 9, 2007)

Table 8-1C
2006 Capital Expenditures
DRA/SDG&E Comparison
(Thousands of 2005 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	\$4,295	\$5,320	\$1,025	23.9%

III. DISCUSSION / ANALYSIS of O&M EXPENSES

Gas transmission O&M expenses consist of eleven accounts, account 850 through 871. SDG&E is requesting total O&M expenses of \$3,630,000 for TY2008. The requested increase in O&M expenses is mostly in three of the eleven accounts: FERC Accounts 853, 863, and 865. The requested TY2008 O&M expense for these three accounts is \$1,782,000, representing 49 percent of the total requested O&M expenses of \$3,630,000 for TY2008. DRA focuses on these three accounts because they show substantial increases from base year 2005.

A. FERC Account 853: Compressor Station Labor and Expenses

This account, "Compressor Station Operations Labor and Expense", includes salaries and expenses for compressor station operations.

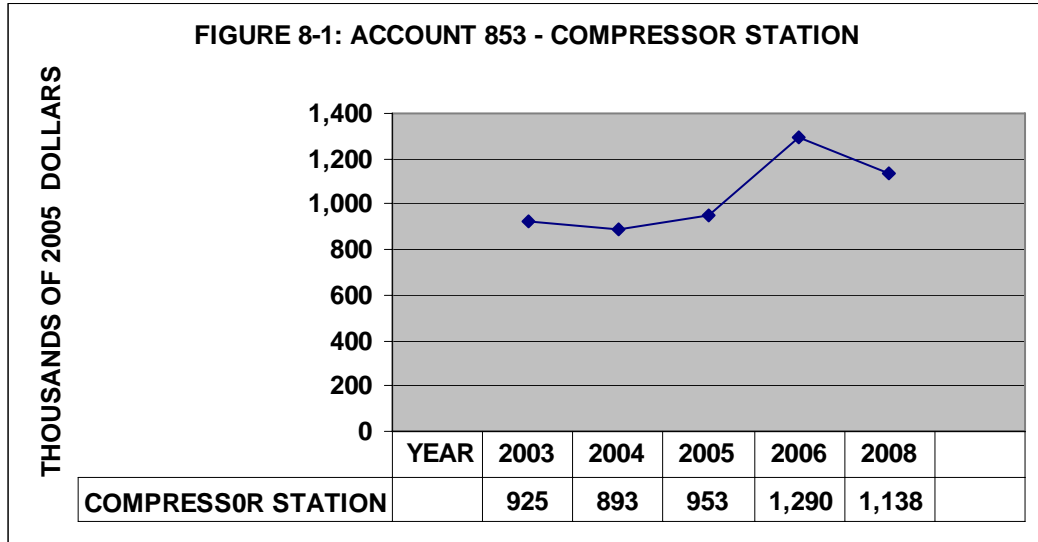
For this account, SDG&E shows a recorded base year expense of \$953,000 and a forecasted incremental increase of \$185,000, resulting in a test year expense of \$1,138,000 (in 2005 dollars).⁴

In response to DRA data requests (DRA-SDG&E-25-GIE and DRA-SDG&E-102-GIE), SDG&E provided historical (2003 through 2005) O&M expenses for this account. Figure 8-1 shows the historical trend of this account for 2003-2005 and SDG&E's forecast for 2006 and 2008.

⁴ Exhibit SDG&E-5, page DGT-6.

Exhibit DRA-8-R (Revised August 9, 2007)

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SDG&E states that the \$185,000 increase is attributable to two key factors: an increase in Moreno Station runtime Operation and Maintenance (\$36,000) and an increase in Moreno Station runtime (Environmental) at a cost of \$149,000.⁵

According to SDG&E, the increased runtime will result in increased air emissions, and, hence, the South Coast Air Quality Management District (SCAQMD) will require SDG&E to obtain an estimated 37,199 additional air emission credits (Regional Clear Air Market [RECLAIM] Trading Credits or RTC) in order for the station to meet the new operating demand forecast. SDG&E further states that the forecast cost of obtaining the 37,199 additional RTCs is \$149,000 (based on estimated purchase rate of \$4.00 per pound).⁶

SDG&E's response to DRA data request (DRA-SDG&E-025-GIE) shows that the utility estimated its 2008 level of emissions taking the 2004/5 recorded emissions

⁵ Exhibit No.: (SDG&E-5), page DGT-7

⁶ Exhibit No.: (SDG&E-5), page DGT-7

Exhibit DRA-8-R (Revised August 9, 2007)

1 of 116,992 pounds and then increasing it by 25 percent.⁷ According to SDG&E's
2 testimony, the 2008 estimated amount requires them to obtain 37,199 additional air
3 emission credits beyond the 110,092 pounds allocated to them for 2008.⁸ (See
4 Table 8-2.)

5 Table 8-2 shows five years (2001/2 through 2005/6) of historical emissions
6 from the Moreno Station.⁹ Due to the variability in actual emissions during that time
7 period, DRA believes that relying on the 5-year average to estimate 2008 emissions
8 is more reasonable than SDG&E's method of relying only on the 2004/5 level of
9 emissions. DRA calculates that the five-year (2001/2 through 2005/6) average
10 emissions is 81,000 pounds, which is 44 percent lower than the base year emissions
11 of 116,992 pounds that SDG&E used to estimate the 2008 emissions and additional
12 emission credits of 147,291(see Table 8-2). Since the 81,000 pounds of estimated
13 emissions is even lower than the 110,092 pounds of emissions allocated to SDG&E
14 for 2008,¹⁰ SDG&E should not need to purchase additional RTCs if it stays below
15 the allocated amount. Therefore, the additional \$149,000 requested for additional
16 RTCs is unnecessary.

17 Based on this, DRA recommends that SDG&E's increase over the 2005 base
18 year for this account should be limited to only \$36,000, instead of the \$185,000
19 requested by SDG&E, which is the cost attributed to increased Moreno Station
20 runtime operating and maintenance expenses. Therefore, DRA recommends a
21 TY2008 expense level of \$989,000 for Account 853.

⁷ The data request response shows that SDG&E is forecasting 146,240 pounds of emissions in 2008, which is 25% higher than the 2004/5 recorded emissions of 116,992 pounds. However, SDG&E's testimony indicates that it will need to obtain 37,199 additional emissions credits beyond the 110,092 allocated to them in 2008, or a total of 147,291 pounds. The inconsistency in SDG&E's forecasts do not impact DRA's emissions estimate for 2008.

⁸ Response to data request DRA-SDG&E-025-GIE.

⁹ Response to data request DRA-SDG&E-025-GIE

¹⁰ Response to data request DRA-SDG&E-025-GIE

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**TABLE 8-2
COMPARISON OF SDG&E AND DRA ESTIMATE OF
MORENO FACILITY EMISSIONS
(POUNDS OF EMISSIONS)**

YEAR	DRA	SDG&E	ALLOCATION
2001/2	100,325	100,325	156,812
2002/3	43,308	43,308	140,745
2003/4	66,617	66,617	124,679
2004/5	116,992	116,992	124,679
2005/6	77,500(recorded)		124,679
5-YEAR AVG.	80,948		
2008 FORECAST	80,948	147,291	110,092
2008 ADDITIONAL RTCs (2008 forecast minus 2008 allocation)	-28,144 (additional RTCs do not need to be purchased)	37,199	

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B. FERC Account 863: Maintenance of Mains

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This account, "Maintenance of Mains", includes salaries and expenses for maintenance work performed on transmission lines, cost of locating and repairing leaks, reconditioning pipe, performing leakage surveys, and maintenance of cathodic protection facilities, rights-of-ways, roads, bridges and fences.

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For this account, SDG&E shows a recorded base year of \$277,000 and a forecasted incremental increase of \$120,000, resulting in a test year expense of \$397,000 (in 2005 dollars). SDG&E stated, in its testimony, that the \$120,000 increase is attributable to increased cathodic protection maintenance and

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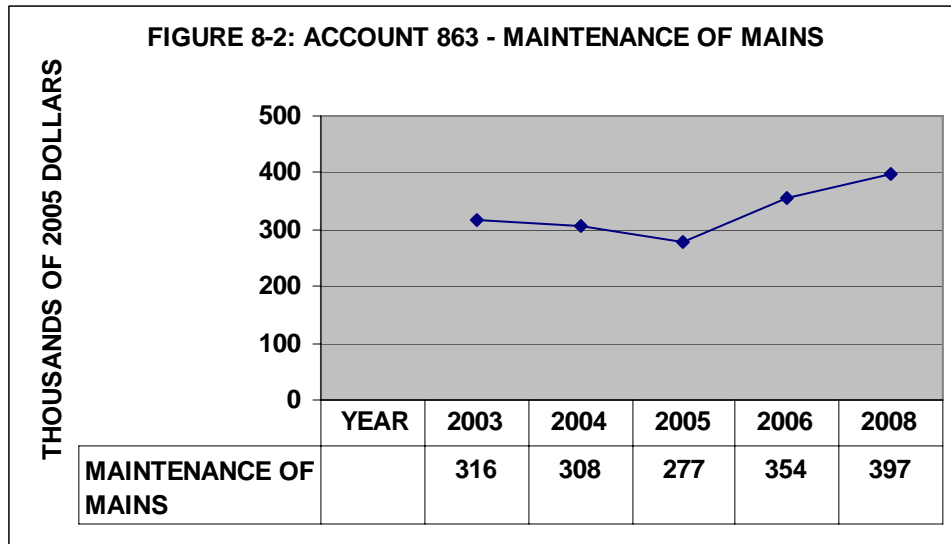
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Exhibit DRA-8-R (Revised August 9, 2007)

1 inspections in support of ensuring the integrity and safety of buried pipeline
2 facilities.¹¹

3 In response to DRA data requests (DRA-SDG&E-25-GIE and DRA-SDG&E-
4 102-GIE), SDG&E provided historical (2003 through 2005) O&M expenses for this
5 account. SDG&E data response shows that the recorded expenditure for 2006 is
6 \$414,000 which is above SDG&E's forecasted expense of \$354,000. Figure 8-2
7 shows the historical trend of this account for 2003-2005 and SDG&E's forecast for
8 2006 and 2008.

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12 DRA recommends that SDG&E's 2008 forecast of \$397,000 for this account
13 be reduced to \$329,000 which is the four year (2003 through 2006) average of this
14 account (see Table 8-3). Averaging smooths the variability of costs that are evident
15 for this account in recent years.

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¹¹ Exhibit No.: (SDG&E-5), page DGT-9

Exhibit DRA-8-R (Revised August 9, 2007)

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**TABLE 8-3
CALCULATION OF
AVERAGE EXPENSE OF ACCOUNT 863**

YEAR	O&M Recorded Expense
2003	\$316,000
2004	\$308,000
2005	\$277,000
2006 (Recorded)	\$414,000
4-YEAR AVERAGE	\$329,000

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**C. FERC Account 865: Maintenance of Measurement &
Regulator Station**

8 This account records costs applicable to maintenance work on equipment at
9 transmission measurement and pressure regulation control stations.

10 For this account, SDG&E shows a recorded base year of \$138,000 and a
11 forecasted incremental increase of \$109,000, resulting in a test year expense of
12 \$247,000 (in 2005 dollars).¹²

13 In its testimony, SDG&E stated that the \$109,000 increase is attributable to
14 additional flow control and pressure regulation maintenance attributable to system
15 and facility modifications to support the projected receipt of LNG deliveries and
16 resulting increase in throughput.¹³

17 In response to DRA data requests (DRA-SDG&E-35-GIE and DRA-SDG&E-
18 102-GIE), SDG&E provided historical (2003 through 2005) O&M expenses for this
19 account. SDG&E data response shows that the recorded expenditure for 2006 is
20 \$87,000, compared to SDG&E's forecasted expenditure of \$91,000. Figure 8-3

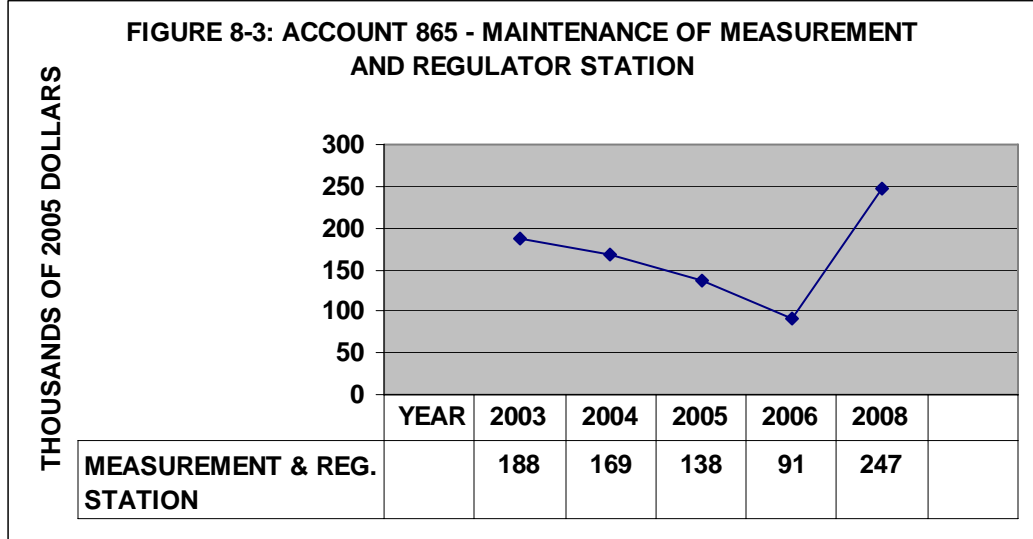
¹² Exhibit No.: (SDG&E-5), page DGT-10

¹³ Exhibit No.: (SDG&E-5), page DGT-10

Exhibit DRA-8-R (Revised August 9, 2007)

1 shows the historical expenses of this account from 2003-2005, and SDG&E's
 2 forecast for 2006 and 2008.

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6 DRA recommends a TY2008 expense level of \$145,500 for Account 865,
 7 based on a four-year (2003-2006) average of recorded costs, which is \$145,500 less
 8 than SDG&E's proposed \$247,000 expense level. While SDG&E vaguely claims
 9 that there will be additional expenses for this account, it has not justified a test year
 10 forecast much larger than the four year average and not in line with the trend.

11 Therefore, DRA recommends a TY2008 expense level of \$145,500 for Account 865.

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**TABLE 8-4
 CALCULATION OF DRA's
 AVERAGE EXPENSE OF ACCOUNT 865**

YEAR	O&M Expense
2003	\$188,000
2004	\$169,000
2005	\$138,000
2006	\$87,000
4-YEAR AVERAGE	\$145,500

Exhibit DRA-8-R (Revised August 9, 2007)

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2 **IV. DISCUSSION / ANALYSIS of CAPITAL EXPENDITURES**

3 Gas transmission capital expenditures consist of six accounts, accounts 411
4 through 418. SDG&E is requesting total capital expenditures of \$5,004,000 for
5 TY2008. The requested increase in capital expenditures is primarily in four of the six
6 accounts; these are Accounts 412, 412-1, 413, and 415. The requested TY2008
7 capital expenditures for these four accounts are \$3,296,000, representing 66 percent
8 of the total requested capital expenditures of \$5,004,000 for TY2008. DRA focuses
9 on these four accounts because each of the four accounts shows a substantial
10 increase from 2005 base year.

11 **A. Account 412: Pipeline Replacements**

12 This account includes costs associated with the design and installation of
13 transmission pipeline replacements. Also included in this account are costs
14 associated with replacement of pipeline sections to mitigate potential hazards from
15 earthquakes and landslides.

16 For this account, SDG&E shows a recorded base year of \$180,000 and a
17 forecasted expenditures of \$696,000 in 2006, \$696,000 in 2007, and \$696,000 in
18 2008 (in 2005 dollars).¹⁴ Figure 8-4 shows the historical trend of this account from
19 2003-2006 and SDG&E's forecast for 2007-2008.

20 SDG&E provided data showing that the actual expenditure for 2006 is
21 \$353,984,¹⁵ which is \$342,016 less than SDG&E's 2006 forecasted amount of
22 \$696,000.¹⁶ DRA recommends that the difference of \$342,016 between the actual
23 2006 recorded amount and the 2006 estimate be deducted from SDG&E's 2007 and
24 2008 forecasts to reflect this underspending going forward. Therefore, DRA's

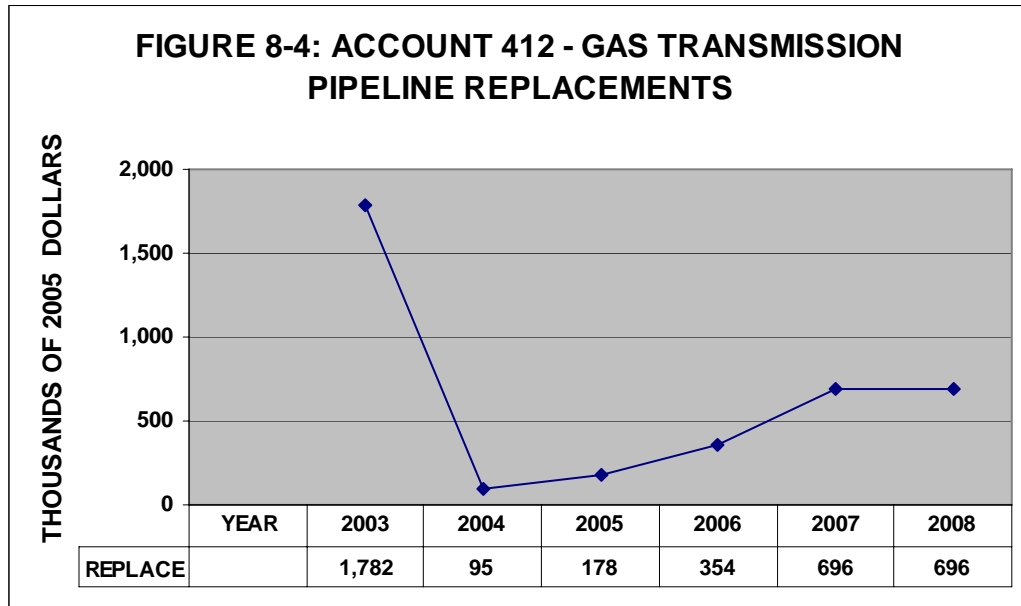
¹⁴ Exhibit No.: (SDG&E-6), page JMR-3

¹⁵ Response to Data Request DRA-SDG&E-025-GIE, and revised due to information contained in rebuttal Exhibit SDG&E-215.

¹⁶ Exhibit SDG&E-6, page JMR-3.

Exhibit DRA-8-R (Revised August 9, 2007)

1 recommendations are as follows: \$353,984 for 2006; \$353,984 for 2007 and
2 \$353,984 for 2008.



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4 **B. Account 412-1: Pipeline Replacement – Pipeline Integrity**

5 This account contains the labor and non-labor capital required to comply with
6 SDG&E's Pipeline Integrity mandate from the Department of Transportation (DOT).

7 For this account, SDG&E shows forecasted expenditures of \$725,000 in
8 2006, \$725,000 in 2007, and \$725,000 in 2008 (in 2005 dollars).¹⁷

9 SDG&E stated, in its testimony, that the increase is attributable to the
10 replacement of approximately 1,276 feet of 16 inch diameter pipe in city streets at a
11 cost of \$568 per foot.¹⁸ In response to data request (DRA-SDG&E-35-GIE),
12 SDG&E provided data from recent Southern California Gas Company's transmission
13 pipeline replacement projects in city streets which shows an average cost of \$568
14 per mile. DRA is not contesting SDG&E's 2006 through 2008 forecast of \$725,000
15 per year for this account because the pipeline replacement work is necessary and
16 the estimated cost of replacement is based on relevant recent experience.

¹⁷ Exhibit No.: (SDG&E-6), page JMR-3

¹⁸ Exhibit No.: (SDG&E-6), page JMR-26

Exhibit DRA-8-R (Revised August 9, 2007)

1 **C. Account 413: Pipeline Relocations - Freeway**

2 This account includes costs related to the relocation of transmission pipelines
3 to accommodate freeway construction.

4 For this account, SDG&E shows forecasted expenditures of \$976,000 in
5 2006, \$1,041,000 in 2007, and \$1,107,000 in 2008 (in 2005 dollars).¹⁹ Figure 8-5
6 shows the historical trend of this account from 2003-2006 and SDG&E's forecast for
7 2007-2008.

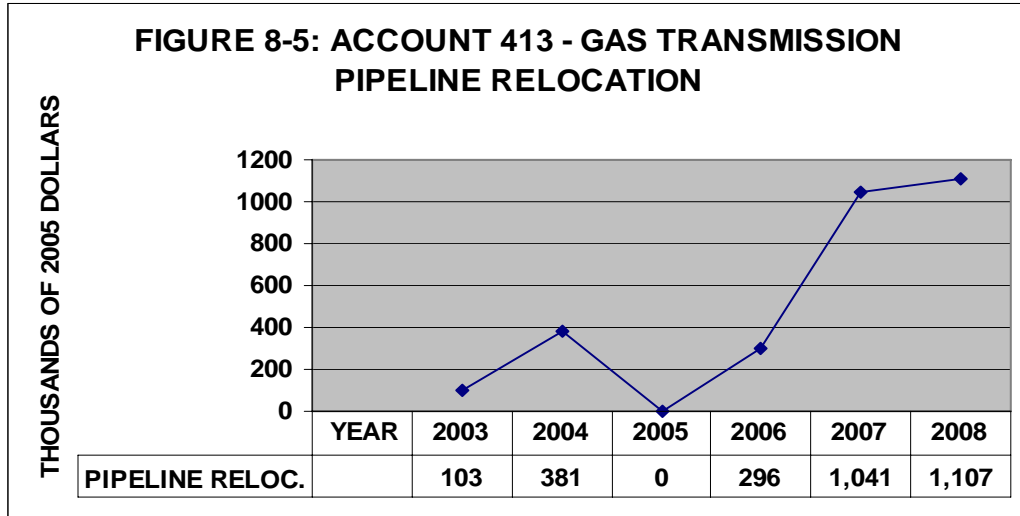
8 SDG&E stated, in its testimony, that the estimated costs of pipeline relocation
9 are based on work in progress in San Diego and an additional CalTrans project to
10 launch in 2008. According to SDG&E, in 2006 and 2007 transmission pipelines are
11 being relocated to clear CalTrans' improvement of the State Route (SR) 54 & SR
12 125 interchange.²⁰ SDG&E's response to data request (DRA-SDG&E-035-GIE)
13 indicates that 2,500 feet of 36 inch transmission line 3600 was relocated in 2006 at
14 the cost of \$390 per feet. In 2008, according SDG&E's response to data request,
15 the relocation of 530 feet of 30-inch transmission line No. 3600 will require direct
16 costs of approximately \$1,341,825. However, the recorded actual expenditure for
17 2006 is \$296,076 which is \$679,924 less than the 2006 forecasted amount of
18 \$976,000. DRA recommends that the difference, \$679,924, between the actual
19 2006 recorded amount and the 2006 estimate be deducted from SDG&E's 2007 and
20 2008 forecast to reflect this underspending going forward. Therefore, DRA's
21 recommendations are as follows: \$296,076 for 2006; \$361,076 for 2007 and
22 \$427,076 for 2008.

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¹⁹ Exhibit No.: (SDG&E-6), page JMR-3

²⁰ Exhibit No.: (SDG&E-6), page JMR-27

Exhibit DRA-8-R (Revised August 9, 2007)



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D. Account 415: Compressor Stations Additions/Replacements

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

For this account, SDG&E shows a recorded base year of \$416,000 and a forecasted incremental increase of \$352,000, resulting in a test year expenditure of \$768,000 (in 2005 dollars).²¹ Table 8-5 shows the historical expenditures from 2003-2005 and SDG&E's forecast for 2006-2008. In SDG&E's response to data request (DRA-SDG&E-035-GIE), SDG&E indicated that the 2006 estimate is the result of averaging the recorded costs for 2003, 2004 and 2005 plus an allowance for the Moreno Station controls upgrade.

²¹ Exhibit No.: (SDG&E-6), page JMR-27

Exhibit DRA-8-R (Revised August 9, 2007)

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TABLE 8-5
SDG&E'S FORECASTED EXPENDITURES FOR ACCOUNT 415

YEAR	ACCOUNT 415
2003	\$0
2004	\$1,608,000
2005	\$416,000
AVERAGE	\$675,000
2006 ESTIMATE	\$768,000 + \$323,000 CONTROLS UPGRADE =\$1,107,000
2007 & 2008 ESTIMATES	\$675,000 + \$7000 SICK ALLOWANCE =\$682,000 PLUS 12.5% CONTINGENCY TO OBTAIN \$768,000

SDG&E claims that the addition of 12.5 percent contingency is necessary because of large variation in spending in 2003, 2004 and 2005. In SDG&E's response to data request (DRA-SDG&E-102-GIE), SDG&E indicated that the 2006 recorded expenditure for this account was \$1.8 million, much higher than the SDG&E's 2006 forecasted amount of \$1,091,000. Although the adjusted recorded spending is \$712,000 higher than forecast, DRA recommends that the Commission adopt the 2006 forecasted amount of \$1,091,000;²² DRA also does not take issue with SDG&E's forecasted capital expenditures of \$768,000 per year for 2007 and 2008.

²² Revised due to information contained in rebuttal Exhibit SDG&E-215.

Exhibit DRA-8-R (Revised August 9, 2007)

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**TABLE 8-6
SAN DIEGO GAS & ELECTRIC COMPANY
GAS TRANSMISSION
2008 OPERATION & MAINTENANCE EXPENSES
(THOUSANDS OF 2005 DOLLARS)**

Account No.	Description	DRA (A)	SDG&E (B)	SDG&E EXCEEDS DRA (C=B-A)	SDG&E EXCEEDS DRA (D=C/A)
850	Operation Supervision & Eng.				
	Labor	249	249	0	NA
	Non-Labor	154	154	0	NA
	Other	0	0	0	NA
	Total	403	403	0	NA
853	Compressor Station Labor & Exp.				
	Labor	564	649	85	15%
	Non-Labor	425	489	64	15%
	Other	0	0	0	NA
	Total	989	1,138	149	15%
855	Other Fuel & Power For Comp.				
	Labor	0	0	0	NA
	Non-Labor	136	136	0	NA
	Other	0	0	0	NA
	Total	136	136	0	NA
856	Mains Expense				
	Labor	267	267	0	
	Non-Labor	266	266	0	0.0%
	Other	25	25	0	NA
	Total	558	558	0	0.0%
857	Meas. & Reg. Station				
	Labor	37	37	0	NA
	Non-Labor	18	18	0	NA
	Other	0	0	0	NA
	Total	55	55	0	NA
859	Other Expense				
	Labor	20	20	0	0.0%
	Non-Labor	48	48	0	NA
	Other	0	0	0	NA
	Total	68	68	0	0.0%
861	Maint. Supervision & Engr.				
	Labor	59	59	0	0.0%
	Non-Labor	1	1	0	0.0%
	Other	0	0	0	NA
	Total	60	60	0	0.0%
863	Maintenance of Mains				
	Labor	215	260	45	20.9%
	Non-Labor	114	137	23	20.2%
	Other	0	0	0	
	Total	329	397	68	20.7%

Exhibit DRA-8-R (Revised August 9, 2007)

**TABLE 8-6 (CONTINUED)
 SAN DIEGO GAS & ELECTRIC COMPANY
 GAS TRANSMISSION
 OPERATION & MAINTENANCE EXPENSES
 (THOUSANDS OF 2005 DOLLARS)**

Account No.	Description	DRA (A)	SDG&E (B)	SDG&E EXCEEDS DRA (C=B-A)	SDG&E EXCEEDS DRA (D=C/A)
864	Maint. of Compressor Station				
	Labor	337	337	0	NA
	Non-Labor	224	224	0	NA
	Other	0	0	0	NA
	Total	561	561	0	NA
865	Maint. of Measurement & Reg. Station				
	Labor	116	196	80	69.0%
	Non-Labor	30	51	21	70.0%
	Other	0	0	0	NA
	Total	146	247	101	69.2%
871	Distribution Load Dispatching				
	Labor	0	0	0	NA
	Non-Labor	7	7	0	NA
	Other	0	0	0	NA
	Total	7	7	0	NA
	Total Labor	1,864	2,074	210	11.3%
	Total Non-Labor	1,423	1,531	108	7.6%
	Total Other	25	25	0	NA
	Total O&M	3,312	3,630	318	9.6%

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Exhibit DRA-8-R (Revised August 9, 2007)

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TABLE 8-7
SAN DIEGO GAS & ELECTRIC COMPANY
GAS TRANSMISSION
2008 CAPITAL EXPENDITURES
(THOUSANDS OF 2005 DOLLARS)

Account No.	Description	DRA (A)	SDG&E (B)	SDG&E EXCEEDS DRA (C=B-A)	SDG&E EXCEEDS DRA (D=C/A)
411	Gas Transmission Pipeline Addition				
	Labor	55	55	0	0.0%
	Non-Labor	1,095	1,095	0	0.0%
	Other	0	0	0	0.0%
	Total	1,150	1,150	0	0.0%
412	Gas Transmission Pipeline Replacement				
	Labor	24	50	26	108%
	Non-Labor	330	646	316	95.8%
	Other	0	0	0	NA
	Total	354	696	342	96.6%
412-1	Gas Transmission Pipeline Replacement				
	Labor	53	53	0	0.0%
	Non-Labor	672	672	0	0.0%
	Other	0	0	0	0.0%
	Total	725	725	0	0.0%
413	Gas Transmission Pipeline Relocation				
	Labor	96	250	154	159%
	Non-Labor	331	857	526	159%
	Other	0	0	0	0.0%
	Total	427	1,107	680	159%
415	Gas Transmission Compressor Station				
	Labor	56	56	0	0.0%
	Non-Labor	712	712	0	0.0%
	Other	0	0	0	NA
	Total	768	768	0	0.0%
418	Gas Transmission Meas. & Reg. Station				
	Labor	69	69	0	0.0%
	Non-Labor	489	489	0	0.0%
	Other	0	0	0	NA
	Total	558	558	0	0.0%
	Total Labor	353	533	180	51.0%
	Total Non-Labor	3,629	4,471	842	23.2%
	Total Other	0	0	0	NA
	Total Capital	3,982	5,004	1,022	25.7%

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Exhibit DRA-8-R (Revised August 9, 2007)

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TABLE 8-8
SAN DIEGO GAS & ELECTRIC COMPANY
GAS TRANSMISSION
2007 CAPITAL EXPENDITURES
(THOUSANDS OF 2005 DOLLARS)

Account No.	Description	DRA (A)	SDG&E (B)	SDG&E EXCEEDS DRA (C=B-A)	SDG&E EXCEEDS DRA (D=C/A)
411	Gas Transmission Pipeline Addition				
	Labor	55	55	0	0.0%
	Non-Labor	1,095	1,095	0	0.0%
	Other	0	0	0	NA
	Total	1,150	1,150	0	0.0%
412	Gas Transmission Pipeline Replacement				
	Labor	24	50	26	108%
	Non-Labor	330	646	316	95.8%
	Other	0	0	0	NA
	Total	354	696	342	96.6%
412-1	Gas Transmission Pipeline Replacement				
	Labor	53	53	0	0.0%
	Non-Labor	672	672	0	0.0%
	Other	0	0	0	NA
	Total	725	725	0	0.0%
413	Gas Transmission Pipeline Relocation				
	Labor	81	235	154	190%
	Non-Labor	280	806	526	188%
	Other	0	0	0	NA
	Total	361	1,041	680	188%
415	Gas Transmission Compressor Station				
	Labor	56	56	0	0.0%
	Non-Labor	712	712	0	0.0%
	Other	0	0	0	NA
	Total	768	768	0	0.0%
418	Gas Transmission Meas. & Reg. Station				
	Labor	115	115	0	0.0%
	Non-Labor	1,159	1,159	0	0.0%
	Other	0	0	0	NA
	Total	1,274	1,274	0	0.0%
	Total Labor	384	564	180	48.9%
	Total Non-Labor	4,248	5,090	842	19.8%
	Total Other	0	0	0	NA
	Total Capital	4,632	5,654	1,022	22.1%

6
7

Exhibit DRA-8-R (Revised August 9, 2007)

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**TABLE 8-9
SAN DIEGO GAS & ELECTRIC COMPANY
GAS TRANSMISSION
2006 CAPITAL EXPENDITURES
(THOUSANDS OF 2005 DOLLARS)**

Account No.	Description	DRA (A)	SDG&E (B)	SDG&E EXCEEDS DRA (C=B-A)	SDG&E EXCEEDS DRA (D=C/A)
411	Gas Transmission Pipeline Addition				
	Labor	55	55	0	0.0%
	Non-Labor	1,095	1,095	0	0.0%
	Other	0	0	0	NA
	Total	1,150	1,150	0	0.0%
412	Gas Transmission Pipeline Replacement				
	Labor	24	50	26	108%
	Non-Labor	330	646	316	95.8%
	Other	0	0	0	NA
	Total	354	696	342	97.0%
412-1	Gas Transmission Pipeline Replacement				
	Labor	53	53	0	0.0%
	Non-Labor	672	672	0	0.0%
	Other	0	0	0	NA
	Total	725	725	0	0.0%
413	Gas Transmission Pipeline Relocation				
	Labor	67	220	153	230%
	Non-Labor	229	756	527	230%
	Other	0	0	0	NA
	Total	296	976	680	230%
415	Gas Transmission Compressor Station				
	Labor	69	69	0	-0.0%
	Non-Labor	1,022	1,022	0	-0.0%
	Other	0	0	0	NA
	Total	1,091	1,091	0	-0.0%
418	Gas Transmission Meas. & Reg. Station				
	Labor	92	92	0	0.0%
	Non-Labor	587	587	0	0.0%
	Other	0	0	0	NA
	Total	679	679	0	0.0%
	Total Labor	360	540	180	50.0
	Total Non-Labor	3,935	4,780	845	21.5%
	Total Other	0	0	0	NA
	Total Capital	4,295	5,320	1,025	23.3

6