

Application of SAN DIEGO GAS & ELECTRIC)
COMPANY for authority to update its gas and)
electric revenue requirement and base rates)
effective January 1, 2016 (U 902-M))

Application No. 14-11-____
Exhibit No: (SDG&E-33-WP)

WORKPAPERS TO
PREPARED DIRECT TESTIMONY
OF SCOTT R. WILDER
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

NOVEMBER 2014



San Diego Gas and Electric Company

2016 GRC – APP

Workpapers

| Escalation Factors: Utility Cost Indexes, set to 2013=1.0000; for 2016 GRC Application filing | | | | | | | | | | | |
|---|--|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Data based on Global Insight 4th Quarter 2013 utility cost forecast, released February 2014. | | | | | | | | | | | |
| Shared Services and nonlabor O&M weightings are from "GRC_USS_NSS by FERC 2013 for Esc Weights 3-10-14.xls" | | | | | | | | | | | |
| Includes actual union contract escalations of 3.5% per year in 2009, 2010, and 2011; and current contract escalations (2.25% 2012, 2.5% 2013, 2.5% 2014). | | | | | | | | | | | |
| | Series Name | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| SDG&E Escalators | | | | | | | | | | | |
| Shared Services | | | | | | | | | | | |
| | SHSVC_SD | 0.9134 | 0.9339 | 0.9625 | 0.9830 | 1.0000 | 1.0205 | 1.0433 | 1.0691 | 1.0954 | 1.1216 |
| Operations & Maintenance | | | | | | | | | | | |
| | LABOR | 0.9209 | 0.9404 | 0.9607 | 0.9789 | 1.0000 | 1.0214 | 1.0454 | 1.0731 | 1.1021 | 1.1310 |
| | Electric Nonlabor O&M Index | 0.9047 | 0.9250 | 0.9630 | 0.9851 | 1.0000 | 1.0171 | 1.0392 | 1.0646 | 1.0901 | 1.1145 |
| | Gas Nonlabor O&M Index | 0.9052 | 0.9268 | 0.9611 | 0.9825 | 1.0000 | 1.0171 | 1.0390 | 1.0624 | 1.0865 | 1.1102 |
| | Post-Test-Year GEOMPI | 0.9145 | 0.9344 | 0.9614 | 0.9812 | 1.0000 | 1.0197 | 1.0429 | 1.0696 | 1.0971 | 1.1241 |
| Capital-Related | | | | | | | | | | | |
| | Steam Production Plant | 0.8561 | 0.8937 | 0.9261 | 0.9570 | 1.0000 | 1.0101 | 1.0304 | 1.0506 | 1.0761 | 1.1034 |
| | Other Production Plant | 0.8294 | 0.8701 | 0.9012 | 0.9680 | 1.0000 | 1.0160 | 1.0385 | 1.0561 | 1.0800 | 1.1179 |
| | Electric Distribution Plant | 0.8691 | 0.9052 | 0.9440 | 0.9767 | 1.0000 | 1.0153 | 1.0381 | 1.0601 | 1.0849 | 1.1183 |
| | Electric Plant | (calculated) | 0.8640 | 0.9007 | 0.9382 | 0.9740 | 1.0000 | 1.0149 | 1.0374 | 1.0588 | 1.1168 |
| | Total Gas Plant | 0.8142 | 0.8492 | 0.9295 | 1.0032 | 1.0000 | 1.0138 | 1.0292 | 1.0477 | 1.0697 | 1.0861 |
| | Combined Cyle Plant | (calculated) | 0.8477 | 0.8864 | 0.9184 | 0.9605 | 1.0000 | 1.0119 | 1.0330 | 1.0523 | 1.0773 |
| | Common Plant | (calculated) | 0.8599 | 0.8948 | 0.9430 | 0.9834 | 1.0000 | 1.0151 | 1.0357 | 1.0565 | 1.1093 |
| Components from Global Insight | | | | | | | | | | | |
| Labor O&M | | | | | | | | | | | |
| | Util Svc Wkrs (with SDG&E union +2.5%/yr in 2013 and 2014) | 0.8907 | 0.9219 | 0.9541 | 0.9756 | 1.0000 | 1.0250 | 1.0469 | 1.0727 | 1.1007 | 1.1286 |
| | Mgrs & Adminstrtrs | 0.9279 | 0.9464 | 0.9623 | 0.9787 | 1.0000 | 1.0193 | 1.0441 | 1.0718 | 1.1010 | 1.1302 |
| | Profssnl & Techncl | 0.9345 | 0.9478 | 0.9635 | 0.9808 | 1.0000 | 1.0204 | 1.0452 | 1.0739 | 1.1036 | 1.1328 |
| Nonlabor O&M elec | | | | | | | | | | | |
| | Steam Elec Production | 0.8864 | 0.9123 | 0.9666 | 0.9903 | 1.0000 | 1.0145 | 1.0371 | 1.0630 | 1.0904 | 1.1157 |
| | Other Elec Production | 0.9133 | 0.9285 | 0.9633 | 0.9853 | 1.0000 | 1.0232 | 1.0464 | 1.0770 | 1.1087 | 1.1344 |
| | Elec Distribution | 0.8947 | 0.9170 | 0.9649 | 0.9877 | 1.0000 | 1.0128 | 1.0323 | 1.0540 | 1.0747 | 1.0969 |
| | Customer Accounts | 0.9076 | 0.9282 | 0.9557 | 0.9788 | 1.0000 | 1.0156 | 1.0331 | 1.0531 | 1.0731 | 1.0931 |
| | Customer Svc & Info | 0.9113 | 0.9329 | 0.9646 | 0.9856 | 1.0000 | 1.0120 | 1.0294 | 1.0473 | 1.0647 | 1.0839 |
| | Admin & General except 926 | 0.9156 | 0.9357 | 0.9600 | 0.9807 | 1.0000 | 1.0206 | 1.0483 | 1.0782 | 1.1082 | 1.1375 |
| Nonlabor O&M gas | | | | | | | | | | | |
| | Gas Transmission | 0.8872 | 0.9155 | 0.9649 | 0.9858 | 1.0000 | 1.0153 | 1.0363 | 1.0573 | 1.0794 | 1.1015 |
| | Gas Distribution | 0.8942 | 0.9177 | 0.9605 | 0.9851 | 1.0000 | 1.0177 | 1.0383 | 1.0612 | 1.0852 | 1.1092 |
| | Customer Accounts | 0.9077 | 0.9284 | 0.9554 | 0.9787 | 1.0000 | 1.0151 | 1.0326 | 1.0521 | 1.0722 | 1.0917 |
| | Customer Svc & Info | 0.9150 | 0.9327 | 0.9615 | 0.9817 | 1.0000 | 1.0122 | 1.0312 | 1.0502 | 1.0679 | 1.0869 |
| | Admin & General except 926 | 0.9219 | 0.9395 | 0.9614 | 0.9798 | 1.0000 | 1.0199 | 1.0459 | 1.0743 | 1.1033 | 1.1305 |
| Utility Plant Construction Cost Indexes, Pacific Region | | | | | | | | | | | |
| | Steam Production Plant | 0.8561 | 0.8937 | 0.9261 | 0.9570 | 1.0000 | 1.0101 | 1.0304 | 1.0506 | 1.0761 | 1.1034 |
| | Other Production Plant | 0.8294 | 0.8701 | 0.9012 | 0.9680 | 1.0000 | 1.0160 | 1.0385 | 1.0561 | 1.0800 | 1.1179 |
| | Electric Transmission Plant | 0.9065 | 0.9357 | 0.9654 | 0.9773 | 1.0000 | 1.0172 | 1.0369 | 1.0562 | 1.0815 | 1.1107 |
| | Electric Distribution Plant | 0.8691 | 0.9052 | 0.9440 | 0.9767 | 1.0000 | 1.0153 | 1.0381 | 1.0601 | 1.0849 | 1.1183 |
| | Total Gas Plant | 0.8142 | 0.8492 | 0.9295 | 1.0032 | 1.0000 | 1.0138 | 1.0292 | 1.0477 | 1.0697 | 1.0861 |

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| Removing Pensions & Benefits Component from Non-Labor O&M Cost Indexes | | | | | | |
|---|----------------------|------------------------|------------------------|-----------------------|-----------------------|--|
| from Global Insight 2013q4 Cost Forecast (published Feb 2014) | | | | | | |
| JE[G]ADG926MS= O&M Cost Index, Pensions and Benefits (same for gas and electric) | | | | | | |
| JGADGOMMS= A&G Non-Labor O&M cost index, gas utilities (_X926 without P&B costs) | | | | | | |
| JEADGOMMS= A&G Non-Labor O&M cost index, electric utilities (_X926=without P&B costs) | | | | | | |
| 0.228 and 0.365 weights are per Armine Thompson, April 2009, Global Insight Utility Cost Service. | | | | | | |
| | | JE[G]ADG926MS wt.=.228 | JE[G]ADG926MS wt.=.365 | w/o JE[G]ADG926MS | w/o JE[G]ADG926MS | |
| <u>2013=1.0000</u> | <u>JE[G]ADG926MS</u> | <u>JGADGOMMS</u> | <u>JEADGOMMS</u> | <u>JGADGOMMS X926</u> | <u>JEADGOMMS X926</u> | |
| 2009 | 0.8782 | 0.9120 | 0.9020 | 0.9219 | 0.9156 | |
| 2010 | 0.9094 | 0.9326 | 0.9261 | 0.9395 | 0.9357 | |
| 2011 | 0.9402 | 0.9565 | 0.9527 | 0.9614 | 0.9600 | |
| 2012 | 0.9730 | 0.9783 | 0.9779 | 0.9798 | 0.9807 | |
| 2013 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | |
| 2014 | 1.0303 | 1.0223 | 1.0241 | 1.0199 | 1.0206 | |
| 2015 | 1.0662 | 1.0505 | 1.0548 | 1.0459 | 1.0483 | |
| 2016 | 1.1037 | 1.0810 | 1.0875 | 1.0743 | 1.0782 | |
| 2017 | 1.1437 | 1.1125 | 1.1212 | 1.1033 | 1.1082 | |
| 2018 | 1.1850 | 1.1429 | 1.1549 | 1.1305 | 1.1375 | |

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SDG&E O&M Escalation Component Weightings (from actual 2013 O&M expenses)

| GEOMPI | SDG&E Non-Labor Weightings for JETOTALMSX_SD and JGTOTALMSX_SD | | | | Global Insight-based |
|---------------------------|--|---------------------|-------------------|---------------------------------------|-----------------------|
| <u>Weights with Labor</u> | <u>Weighting</u> | <u>\$</u> | <u>FERC Accts</u> | <u>Description</u> | <u>Series Name</u> |
| 0.6045 | | \$240,684,862 | | Labor (Elec+Gas) | |
| | | | | Electric | |
| | 0.0864 | \$11,146,576 | 500-514 | Steam Elec Production | JEFOMMS |
| | 0.2330 | \$30,080,487 | 546-554 | Other Elec Production | JEOMMS |
| | 0.3348 | \$43,225,213 | 580-598 | Elec Distribution | JEDOMMS |
| | 0.0746 | \$9,629,937 | 901-905 | Customer Accounts | JECAOMS |
| | 0.0658 | \$8,489,044 | 907-910 | Customer Svc & Info | JECSIOMS |
| | <u>0.2054</u> | <u>\$26,508,400</u> | 920-935 x926 | <u>Admin & General except 926</u> | <u>JEADGOMMS_X926</u> |
| 0.3242 | 1.0000 | \$129,079,657 | | ELEC NON-LABOR TOTAL | |
| | | | | Gas | |
| | 0.1771 | \$5,030,354 | 850-867 | Gas Transmission | JGTOMMS |
| | 0.3000 | \$8,519,732 | 870-894 | Gas Distribution | JGDOMMS |
| | 0.1114 | \$3,162,760 | 901-905 | Customer Accounts | JGCAOMS |
| | 0.1020 | \$2,897,368 | 907-910 | Customer Svc & Info | JGCSIOMS |
| | <u>0.3095</u> | <u>\$8,788,623</u> | 920-935 x926 | <u>Admin & General except 926</u> | <u>JGADGOMMS_X926</u> |
| 0.0713 | 1.0000 | \$28,398,836 | | GAS NON-LABOR TOTAL | |

| SDG&E Shared Services Weightings for SHSVC_SD | | | | | Global Insight-based |
|---|------------------|--------------------|-------------------|---|-----------------------|
| | <u>Weighting</u> | <u>\$</u> | <u>FERC Accts</u> | <u>Description</u> | <u>Series Name</u> |
| | 0.4336 | \$45,068,000 | | Labor | --- |
| | | | | Non-Labor | |
| | 0.0152 | \$1,579,647 | 500-514 | Steam Elec Production | JEFOMMS |
| | 0.1627 | \$16,910,358 | 580-598 | Elec Distribution | JEDOMMS |
| | 0.0955 | \$9,934,007 | 901-905 | Customer Accounts (elec) | JECAOMS |
| | 0.0002 | \$23,294 | 907-910 | Customer Svc & Info (elec) | JECSIOMS |
| | 0.1402 | \$14,577,736 | 920-935 x926 | Admin & General except 926 (elec) | JEADGOMMS_X926 |
| | 0.0058 | \$603,838 | 850-867 | Gas Transmission | JGTOMMS |
| | 0.0671 | \$6,971,475 | 870-894 | Gas Distribution | JGDOMMS |
| | 0.0318 | \$3,311,336 | 901-905 | Customer Accounts (gas) | JGCAOMS |
| | 0.0001 | \$15,525 | 907-910 | Customer Svc & Info (gas) | JGCSIOMS |
| | <u>0.0478</u> | <u>\$4,971,745</u> | 920-935 x926 | <u>Admin & General except 926 (gas)</u> | <u>JGADGOMMS_X926</u> |
| | 1.0000 | \$103,966,959 | --- | TOTAL | --- |

Source: file "GRC_USS_NSS by FERC 2013 for Esc Weights 3-10-14.xls", from GRC & Revenue Requirements Dept.

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| O&M Labor Component Weightings -- based on actual 2013 SDG&E Labor Earnings | | | | | |
|--|-----------------------------|----------------|--------------------------|-----------------------------------|------------------------------|
| <u>Job Area</u> | <u>SDG&E Categories</u> | <u>Weights</u> | <u>SDG&E 2013 \$</u> | <u>Global Insight Description</u> | <u>Global Insight series</u> |
| Union | Union (represented) | 27.184% | \$156,055,625.03 | (Utility Svc Wkrs) | CEU4422000008 |
| Supervisory | Exec & Mgmt Supervisory | 24.739% | \$142,024,626.88 | (Mgrs & Adminstrtrs) | ECIPWMBFNS |
| NonUnion NonSup | Non-superv. Mgmt and Assoc | 48.077% | \$276,003,869.64 | (Profssnl & Techncl) | ECIPWPARNs |
| Source: Compensation & Benefits Dept. (2013 earnings by job function) | | | | | |

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| SDG&E Combined Cycle Plant Component Weights | | | | |
|--|------|----------|--------------------------|-----------------------------|
| (Palomar Generating Facility) | | | | |
| | CoCd | Class | Description | Acq.value |
| | 2100 | E0131010 | Land | 14,480,000.00 |
| | 2100 | E0131100 | Struct. and Improv. | 57,518,449.54 |
| | 2100 | E0131200 | Boiler Plant Equip. | 106,539,243.50 |
| | 2100 | E0131400 | Turbogenerator Units | 96,278,245.85 |
| | 2100 | E0131500 | Accessory Elect. Eq. | 37,179,442.23 |
| | 2100 | E0131600 | Misc. Power Plnt Eq. | 31,067,209.28 |
| | 2100 | E0134100 | Struct. and Improv. | 14,011,464.22 |
| | 2100 | E0134200 | Fuel Holders, P & A | 13,937,544.59 |
| | 2100 | E0134400 | Generators | 171,365,461.43 |
| | 2100 | E0134500 | Accessory Elect. Eq. | 6,532,253.84 |
| | 2100 | * | San Diego Gas & Electric | 548,909,314.48 |
| Weightings for Combined Cycle Escalation | | | | |
| Steam Prod. | | | | 68.8% 377,543,853.05 |
| Other Prod. | 2100 | E0134400 | Generators | 31.2% 171,365,461.43 |
| Source: Depreciation witness Robert (Bob) Wiczorek (Accounting Operations), file "To Scott Wilder PA Detail.xlsx", 3-12-14. | | | | |

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DERIVATION OF SDG&E POST-TEST YEAR GAS AND ELECTRIC O&M ESCALATION INDICES

GEOMPI (Gas and Electric Operations & Maintenance Price Index)

RAW GLOBAL INSIGHT O&M DATA*

| Labor | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|--------|--------|--------|--------|--------|--------|
| SDG&E Adjusted Utility Service Workers** | 33.51 | 34.35 | 35.08 | 35.94 | 36.88 | 37.82 |
| ECIPWMBFNS (2005q4=100) -- Managers & Administrators | 119.04 | 121.34 | 124.28 | 127.59 | 131.05 | 134.53 |
| ECIPWPARNs (2005q4=100) -- Professional & Technical | 119.75 | 122.20 | 125.17 | 128.60 | 132.15 | 135.65 |
| Nonlabor Electric | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| JEFOMMS | 1.8580 | 1.8850 | 1.9270 | 1.9750 | 2.0260 | 2.0730 |
| JEOOMMS | 1.6370 | 1.6750 | 1.7130 | 1.7630 | 1.8150 | 1.8570 |
| JEDOMMS | 1.7950 | 1.8190 | 1.8530 | 1.8920 | 1.9290 | 1.9690 |
| JECAOMS | 1.6010 | 1.6260 | 1.6540 | 1.6860 | 1.7180 | 1.7500 |
| JECSIOMS | 1.6690 | 1.6890 | 1.7180 | 1.7480 | 1.7770 | 1.8090 |
| JEADGOMMS X926 (2013=1.0000) | 1.0000 | 1.0206 | 1.0483 | 1.0782 | 1.1082 | 1.1375 |
| Nonlabor Gas | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| JGTOMMS | 1.7640 | 1.7910 | 1.8280 | 1.8650 | 1.9040 | 1.9430 |
| JGDOMMS | 1.7490 | 1.7800 | 1.8160 | 1.8560 | 1.8980 | 1.9400 |
| JGCAOMS | 1.5930 | 1.6170 | 1.6450 | 1.6760 | 1.7080 | 1.7390 |
| JGCSIOMS | 1.6350 | 1.6550 | 1.6860 | 1.7170 | 1.7460 | 1.7770 |
| JGADGOMMS X926 (2013=1.0000) | 1.0000 | 1.0199 | 1.0459 | 1.0743 | 1.1033 | 1.1305 |

O&M INDEX (BENCHMARK YEAR = 2013)

| Labor | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|--------|--------|--------|--------|--------|--------|
| SDG&E Adjusted Utility Service Workers** | 1.0000 | 1.0250 | 1.0469 | 1.0727 | 1.1007 | 1.1286 |
| ECIPWMBFNS (2005q4=100) -- Managers & Administrators | 1.0000 | 1.0193 | 1.0441 | 1.0718 | 1.1010 | 1.1302 |
| ECIPWPARNs (2005q4=100) -- Professional & Technical | 1.0000 | 1.0204 | 1.0452 | 1.0739 | 1.1036 | 1.1328 |
| Nonlabor Electric | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| JEFOMMS | 1.0000 | 1.0145 | 1.0371 | 1.0630 | 1.0904 | 1.1157 |
| JEOOMMS | 1.0000 | 1.0232 | 1.0464 | 1.0770 | 1.1087 | 1.1344 |
| JEDOMMS | 1.0000 | 1.0128 | 1.0323 | 1.0540 | 1.0747 | 1.0969 |
| JECAOMS | 1.0000 | 1.0156 | 1.0331 | 1.0531 | 1.0731 | 1.0931 |
| JECSIOMS | 1.0000 | 1.0120 | 1.0294 | 1.0473 | 1.0647 | 1.0839 |
| JEADGOMMS X926 | 1.0000 | 1.0206 | 1.0483 | 1.0782 | 1.1082 | 1.1375 |
| Nonlabor Gas | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| JGTOMMS | 1.0000 | 1.0153 | 1.0363 | 1.0573 | 1.0794 | 1.1015 |
| JGDOMMS | 1.0000 | 1.0177 | 1.0383 | 1.0612 | 1.0852 | 1.1092 |
| JGCAOMS | 1.0000 | 1.0151 | 1.0326 | 1.0521 | 1.0722 | 1.0917 |
| JGCSIOMS | 1.0000 | 1.0122 | 1.0312 | 1.0502 | 1.0679 | 1.0869 |
| JGADGOMMS X926 | 1.0000 | 1.0199 | 1.0459 | 1.0743 | 1.1033 | 1.1305 |

LABOR WEIGHTS

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|--------|--------|--------|--------|--------|--------|
| SDG&E Adjusted Utility Service Workers** | 27.18% | 27.18% | 27.18% | 27.18% | 27.18% | 27.18% |
| ECIPWMBFNS (2005q4=100) -- Managers & Administrators | 24.74% | 24.74% | 24.74% | 24.74% | 24.74% | 24.74% |
| ECIPWPARNs (2005q4=100) -- Professional & Technical | 48.08% | 48.08% | 48.08% | 48.08% | 48.08% | 48.08% |

NONLABOR ELECTRIC WEIGHTS

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|----------------|--------|--------|--------|--------|--------|--------|
| JEFOMMS | 8.64% | 8.64% | 8.64% | 8.64% | 8.64% | 8.64% |
| JEOOMMS | 23.30% | 23.30% | 23.30% | 23.30% | 23.30% | 23.30% |
| JEDOMMS | 33.48% | 33.48% | 33.48% | 33.48% | 33.48% | 33.48% |
| JECAOMS | 7.46% | 7.46% | 7.46% | 7.46% | 7.46% | 7.46% |
| JECSIOMS | 6.58% | 6.58% | 6.58% | 6.58% | 6.58% | 6.58% |
| JEADGOMMS X926 | 20.54% | 20.54% | 20.54% | 20.54% | 20.54% | 20.54% |

NONLABOR GAS WEIGHTS

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|----------------|--------|--------|--------|--------|--------|--------|
| JGTOMMS | 17.71% | 17.71% | 17.71% | 17.71% | 17.71% | 17.71% |
| JGDOMMS | 30.00% | 30.00% | 30.00% | 30.00% | 30.00% | 30.00% |
| JGCAOMS | 11.14% | 11.14% | 11.14% | 11.14% | 11.14% | 11.14% |
| JGCSIOMS | 10.20% | 10.20% | 10.20% | 10.20% | 10.20% | 10.20% |
| JGADGOMMS X926 | 30.95% | 30.95% | 30.95% | 30.95% | 30.95% | 30.95% |

WEIGHTED LABOR INDICES

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|--------|--------|--------|--------|--------|--------|
| SDG&E Adjusted Utility Service Workers** | 0.2718 | 0.2786 | 0.2846 | 0.2916 | 0.2992 | 0.3068 |
| ECIPWMBFNS (2005q4=100) -- Managers & Administrators | 0.2474 | 0.2522 | 0.2583 | 0.2652 | 0.2724 | 0.2796 |
| ECIPWPARNs (2005q4=100) -- Professional & Technical | 0.4808 | 0.4906 | 0.5025 | 0.5163 | 0.5306 | 0.5446 |

WEIGHTED NONLABOR ELECTRIC INDICES

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|----------------|--------|--------|--------|--------|--------|--------|
| JEFOMMS | 0.0864 | 0.0877 | 0.0896 | 0.0918 | 0.0942 | 0.0964 |
| JEOOMMS | 0.2330 | 0.2384 | 0.2438 | 0.2509 | 0.2583 | 0.2643 |
| JEDOMMS | 0.3348 | 0.3391 | 0.3456 | 0.3529 | 0.3598 | 0.3673 |
| JECAOMS | 0.0746 | 0.0758 | 0.0771 | 0.0786 | 0.0801 | 0.0815 |
| JECSIOMS | 0.0658 | 0.0666 | 0.0677 | 0.0689 | 0.0701 | 0.0713 |
| JEADGOMMS X926 | 0.2054 | 0.2096 | 0.2153 | 0.2215 | 0.2276 | 0.2336 |

WEIGHTED NONLABOR GAS INDICES

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|----------------|--------|--------|--------|--------|--------|--------|
| JGTOMMS | 0.1771 | 0.1798 | 0.1835 | 0.1872 | 0.1912 | 0.1951 |
| JGDOMMS | 0.3000 | 0.3053 | 0.3115 | 0.3184 | 0.3256 | 0.3328 |
| JGCAOMS | 0.1114 | 0.1131 | 0.1150 | 0.1172 | 0.1194 | 0.1216 |
| JGCSIOMS | 0.1020 | 0.1032 | 0.1052 | 0.1071 | 0.1089 | 0.1109 |
| JGADGOMMS X926 | 0.3095 | 0.3157 | 0.3237 | 0.3325 | 0.3415 | 0.3499 |

WEIGHTED AVERAGE LABOR AND NONLABOR INDICES

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|-----------------------------|--------|--------|--------|--------|--------|--------|
| Labor O&M Index | 1.0000 | 1.0214 | 1.0454 | 1.0731 | 1.1021 | 1.1310 |
| Electric Nonlabor O&M Index | 1.0000 | 1.0171 | 1.0392 | 1.0646 | 1.0901 | 1.1145 |
| Gas Nonlabor O&M Index | 1.0000 | 1.0171 | 1.0390 | 1.0624 | 1.0865 | 1.1102 |

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------------------------|--------|--------|--------|--------|--------|--------|
| Labor Index Weight | 60.45% | 60.45% | 60.45% | 60.45% | 60.45% | 60.45% |
| Nonlabor Electric Index Weight | 32.42% | 32.42% | 32.42% | 32.42% | 32.42% | 32.42% |
| Nonlabor Gas Index Weight | 7.13% | 7.13% | 7.13% | 7.13% | 7.13% | 7.13% |

WEIGHTED AVERAGE POST-TEST YEAR O&M ESCALATION INDEX

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|--------|--------|--------|--------|--------|--------|
| | 1.0000 | 1.0197 | 1.0429 | 1.0696 | 1.0971 | 1.1241 |

ANNUAL PERCENTAGE CHANGE FOR 2017 AND 2018

| | 2017 | 2018 |
|--|-------|-------|
| | 2.58% | 2.46% |

2017 Calculation Example

| |
|--|
| $36.88 / 33.51 = 1.1007$ |
| $2.0260 / 1.8580 = 1.0904$ |
| $1.9040 / 1.7640 = 1.0794$ |
| $1.1007 * 27.18\% = 0.2992$ |
| $1.1010 * 24.74\% = 0.2724$ |
| $1.1036 * 48.08\% = 0.5306$ |
| $1.0904 * 8.64\% = .0942$ |
| $1.1087 * 23.30\% = 0.2583$ |
| $1.0747 * 33.48\% = 0.3598$ |
| $1.0731 * 7.46\% = 0.0801$ |
| $1.0647 * 6.58\% = 0.0701$ |
| $1.1082 * 20.54\% = 0.2276$ |
| $1.0784 * 17.71\% = 0.1912$ |
| $1.0852 * 30.00\% = 0.3256$ |
| $1.0722 * 11.14\% = 0.1194$ |
| $1.0679 * 10.20\% = 0.1089$ |
| $1.1033 * 30.95\% = 0.3415$ |
| $0.2992 + 0.2724 + 0.5306 = 1.1021$ |
| $0.0942 + 0.2583 + 0.3598 + 0.0801 + 0.0701 + 0.2276 = 1.0901$ |
| $0.1912 + 0.3256 + 0.1194 + 0.1089 + 0.3415 = 1.0865$ |
| $(60.45\% * 1.1021) + (32.42\% * 1.0901) + (7.13\% * 1.0865) = 1.0971$ |
| $(1.0971 / 1.0696) - 1 = 2.58\%$ |

* Data based on Global Insight 4th Quarter 2013 utility cost forecast, released February 2014.
** SCG: 2.25% -- 2012, 2.50% -- 2013, 2.50% -- 2014; SEU: 3.5%/yr in 2009-2011)