

SEMPRA ENERGY UTILITIES

WORK ORDER AUTHORIZATION FORM INSTRUCTION: 503

This form replaces SDG&E Internal/External Order form, SDG&E CPS, and SCG Miscellaneous/General Work Order forms.

The originator is responsible for sending copies to users, after Plant Accounting creates the internal orders.

Upon actual completion or cancellation, the Project Manager will:

- If the job is in DPSS or CMS, enter the completion date in DPSS or CMS.
- Send an E-mail including the work order number, description and completion date to the appropriate Cost Accounting personnel.
- For SCG, orders beginning with 2, 7 or 9, send a Notice of Completion form to Plant Accounting. This form may be used instead of an e-mail.
- If a related Sempra Energy I/O form exists, the Project Manager will have the I/O signed and sent to Sempra Energy Financial Accounting.
- For non-billable cancelled orders, send Plant Accounting:
 - Related job to receive transferred costs
 - Or cost center to receive abandoned costs
- For billable cancelled orders, send Construction Billing:
 - Copy of the original cash receipt
 - Copy of correcting cash receipt
 - Copy of the check
 - Planning Refund Voucher Request – See [SDG&E Service Planning Manual SPM 325](#) for more information.

PURPOSE

The purpose of this document is to get authorization for the following types of projects:

1. Capital
2. Operating and Maintenance (O&M)
3. Affiliate (SEU Sending and Receiving)
4. Regulatory Programs
5. FERC Statistical Orders

The Work Order Authorization Form (Form 503) is used to authorize and track construction or purchase of new plant, replacement or removal of existing plant, and operating and maintenance expenditures.

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INSTRUCTIONS

To complete this form online, please use File – Save As to make a copy that you can update. Be sure to download a copy each time a WOA form is to be completed.

Field names with ALL CAPITAL letters are REQUIRED.

- (1) **TITLE** – The name of the project.
 - For quick reference, use the location, street address or type of work to help identify the project.
 - Use Field (28), Detailed Description of Work, to list multiple locations and the percentage allocation for each location (e.g. circuit numbers, Facility location codes).
 - If the job is in DPSS, make sure the title on the form is the same as the job name in DPSS.

- (2) **Work Order Number** – The work order number assigned to the project.
 - For SCG, Plant Accounting (see Contact link below) assigns the work order number.
 - For SDG&E, the Work Order Coordinator (see Contact link below) or DPSS assigns the work order number for capital, refundable, or statistical O&M orders.
 - Affiliate Billing and Costing (ABC) assigns work order numbers for all affiliate billing O&M or capital orders.
 - If billable to an affiliate, the receiving order should be requested first. Receiving order should be attached to the request for the sending order.
 - For FERC Statistical Orders, enter the order number or prime account being requested (e.g. FC9200002100 for SDG&E, FG9080002200 for SCG). Business Planners must submit FERC Order Requests.
 - If this request is a revision, enter “R” and the revision number (e.g. R1, R2, etc) to the right of the work order number. Explain the reason for the revision in Field (28), Detailed Description of Work.

- (3) **COMPANY CODE** – Enter the appropriate company number.
 - SCG = 2200
 - SDG&E = 2100

- (4) **CAPITAL** – Check box if project is capital related.
 - For SCG and SDG&E projects containing both capital and O&M expenses, check capital box only.
 - All O&M expenses should be charged to the cost center or a separate O&M order if billed to non-utility affiliates.
 - Sending Orders should be based on the Receiving Order type.
 - See [Accounting Policy for Capital versus Expense Treatment of Costs](#) for more information.

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- (5) **O&M** – Check box if project is operating and maintenance only.
- (6) **Work Request/DPSS Number** – Enter the CMS work request or DPSS number assigned to the project.
 - Leave blank if project was not initiated in DPSS or CMS.
- (7) **Thomas Brothers** – Enter the Thomas Brothers page and coordinates (e.g. 1188 E5).
- (8) **BUDGET CODE/NUMBER** (For capital projects only) - Enter the appropriate budget code/number for the project.
 - Determine whether Field (32), Receiver, should be completed.
 - SDG&E = 5 digits
 - SCG = 3 digits
- (9) **DATE PREPARED** – Date the work order was prepared.
 - mm/dd/yy
- (10) **ESTIMATED START DATE** – Approximate date when the work will commence.
 - mm/dd/yy
- (11) **ESTIMATED COMPLETION DATE** – Estimated date when the project will be ready for service.
- (12) **BILLING CODE** – Enter the appropriate billing code.
 - For SCG, use “C” if collectible and “NC” for noncollectible.
 - For SDG&E, use billing code “A” if non-billable. Leave blank if unknown. See [SDG&E Service Planning Manual \(SPM\) 309](#) for a full list of billing codes.
 - Leave blank if FERC Statistical Order.
 - Enter “N/A” if Affiliate billing.
- (13) **% Billable** – If billable/collectible, enter the percentage billable.
- (14) **RESPONSIBLE COST CENTER** – Enter the SAP cost center number requesting the project.
 - SCG = 2200-xxxx
 - SDG&E = 2100-xxxx

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- (15) **Regulatory Program/User Defined Field (UDF)** – Enter the regulatory program name or code, if applicable.
- If the order is to track refundable program costs, select a code from the list below that matches the program.
 - If a new refundable code is needed, please contact the Regulatory Reporting Manager and copy the Financial Systems Manager (see Contact link below) prior to submitting the order.
 - For FERC Statistical Orders, enter UDF code if the order is to be used for a regulatory program.
 - Codes available for use are:

O&M Code	Long Text
AB	REF EFMA (AB 32 Fees)
ABE	REF EFMA (AB 32 Fees) - Electric
ABG	REF EFMA (AB 32 Fees) – Gas
BCA	Billable CARE
BCF	Billable Compressor Stn Fuel & Power
BDA	Billable DAP
BDG	Billable Distributed Generation
BDI	Billable Distribution Integrity Mgmt
BDR	Billable Demand Response
BDS	Billable DSM
BEE	Billable Energy Efficiency
BES	Billable Engr Sys Impact/Upgrade
BFA	Billable Firm Access Rights Implementn
BFE	Billable Federal Energy Retrofit
BGT	Billable Government Turnkey
BPS	Billable PSEP Management
BRD	Billable RD&D
BSB	Billable Senate Bill 15x
BSH	Billable Shop Billing Orders
BSM	Billable Smart Meter
BSN	Billable SONGS Unit 1 Decommissioning
BST	Billable Safety Training
BTI	Billable Transmission Integrity Mgmt
BZZ	Billable - FOR OLD ORDERS ONLY
CA0	REF CAREA (SCG)
CA1	REF CARE Common (SDGE)
CA2	REF CARE Common Accum (SDGE)
CA3	REF CARE Electric Accum (SDGE)
CA4	REF CARE Gas Accum (SDGE)
CE	REF 21CESBA
CF	REF Compressor Stn Fuel & Power
CS	REF California Solar Initiative
CS1	REF CSI Thermal
DA0	REF DAPBA (SCG)
DA1	REF LIEEBA (SDGE)
DA2	REF PGLIEEBA (SDGE)
DA3	REF LIEE Common (SDGE)
DG0	REF Distributed Generation (SCG)

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O&M Code	Long Text
DG1	REF Distributed Generation Common (SDGE)
DG2	REF Distributed Generation Gas (SDGE)
DG3	REF Distributed Generation Elec (SDGE)
DI	REF Distribution Integrity Mgmt
DI2	REF Distribution Integrity Mgmt (2012)
DP	REF DPPSMA
DR0	REF Residential Demand Responsiveness
DR1	REF Adv Metering & Demand Response
DR2	REF DR (Celerity/Comverge)
DR3	REF AMDRMA Accumulator
DR4	REF AMDRMA (Post 2008)
DS0	REF DSM (SCG)
DS1	REF DSMBA 2006-2008 Cycle (SCG)
DS2	REF DSMBA 2009-2011 Cycle (SCG)
DS3	REF DSM Electric (SDGE)
DS4	REF DSM Gas (SDGE)
DS5	REF DSM Common (SDGE)
DS6	REF PGEEBA (SDGE)
DS7	REF EPEEBA (SDGE)
DS8	REF DSM Accumulator
DSA	REF DSMBA 2013-14 Cycle (SCG)
DSB	REF DSM Electric 2013-14 Cycle (SDGE)
DSC	REF DSM Common 2013-14 Cycle (SDGE)
DSD	REF DSM PGEEBA 2013-14 Cycle (SDGE)
EF	REF EDFCA
EL	REF EDTCMA
EP	REF EPICBA
ER	REF ERRA
ET	REF Electric Transmission
FA	REF Firm Access Rights Implementn
FI	REF Firestorm (Non-ElecTrans)
FP	REF FHPMA
FT	REF Firestorm Electric Transmission
GA	REF NGATMA
GF	REF CFCA (Gas)
HR	REF HRSMA
HW0	REF Hazardous Waste
HW1	REF Hazardous Waste – Outside Litigation
IA	REF IAMA
IE	REF IEMA
LC	REF Litigation Costs Memo Account
LT	REF LTAMA
MT	REF MRTUMA
ND	REF NDMA
NF	REF NFCA
NK	REF SONGS O&M incl Refueling O&M
OAF	O&M Affiliates Non-Refundable
OCS	O&M Corporate Shared Service
OFI	O&M Firestorm

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O&M Code	Long Text
OHW	O&M Hazardous Waste – Insurance Proceeds
ONP	O&M New Projects
OUS	O&M Utility Shared Service
PC	REF PCB
PG	REF Purchased Gas Account
PSH	REF PSRMA – PSEP Hydrostatic Testing
PSM	REF PSRMA – PSEP Management
PSS	REF PSRMA – PSEP Safety
PT	REF PTAMA
RB	REF Baseline Balancing Account
RD0	REF RD&D/RDDEA
RD1	REF Electric PPP RD&D
RD2	REF Renewable Resources
RP	REF RPSMA
SM	REF Smart Meter
SM0	REF Smart Meter Opt Out Memo Acct
SR	REF SRMA
TA0	REF TANF (SCG)
TA1	REF TANF Common (SDGE)
TA2	REF TANF Common Accum (SDGE)
TA3	REF TANF Electric (SDGE)
TA4	REF TANF Gas (SDGE)
TI	REF Transmission Integrity Mgmt
TT	REF Tree Trimming

- (16) **Phase 1, Phase 2 or Preliminary Engineering Survey** – For construction projects requiring a long lead time or pre-construction:
- Check Phase 1 to open order for construction projects when it is not feasible to determine the full scope upfront or when the requisition of materials requires a long lead time.
 - This phase allows for recorded costs related to long-lead-time materials, permits, and preliminary engineering costs (not related to feasibility studies generally recorded in the Preliminary Investigation and Survey account.)
 - Check Phase 2 when revising order for the entire cost of the project, including phase 1 and phase 2 costs. Revised WOA form must be submitted to Plant Accounting prior to construction.
 - Check Preliminary Survey (FERC 183) for preliminary surveys, plans, investigations, etc., made for the purpose of determining the feasibility of utility projects under contemplation.
 - *Electric Transmission, Electric Substation (Distribution and Transmission) and Gas Transmission and Storage projects*
 - Up to \$100,000 for projects < \$5 million
 - Up to 10% of total estimated costs (with a maximum level of \$10 million) for projects ≥ \$5 million
 - *Electric Distribution and Gas Distribution projects*
 - Up to \$25,000

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For preliminary survey items, an estimated dollar range for the total final project needs to be included on the submitted WOA within the detailed description of work (Field (28)). However, the approval required will only be needed for the estimated preliminary survey amount.

Subsequently, if the preliminary survey results in a “go forward” decision, a revised WOA form showing the entire cost of the project (including preliminary survey costs) must be submitted to Plant Accounting prior to construction. If the preliminary survey does not result in a “go forward” decision, Plant Accounting must be notified in order to close the work order.

- (17) **Shared Asset** – Check box if the resulting asset will be used by one or more affiliates.
- If checked, indicate sharing/allocation percentages among affiliates in Field (32), Receiver. The owner company will use such percentages to bill each benefiting affiliates for depreciation charges and carrying cost when the asset is placed in service. In addition, please clearly state the methodology used in determining the shared asset percentages under the description of work and provide a copy of the supporting documentation for such percentages along with the completed work order authorization form.
 - The entire asset costs will be recorded based on the SEu Shared Asset Policy.
- (18) **ORGANIZATION** – Enter the organization code. Codes available for use are:

Code	Description
CO	Common
CS	Customer Service
ED	Electric Distribution
EP	Electric Production/Generation
ET	Electric Transmission
FY	Facilities
GD	Gas Distribution
GT	Gas Transmission
IT	Information Technology
LD	Land
SS	Substation
TM	Electric Transmission Maintenance
UG	Underground Gas Storage

- (19) **OPERATING AREA/DISTRICT** – Enter the operating district. Codes available for use are:

Company	District Code	Description
2100	55	FEASIBILITY STUDY
2100	86	NORC

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2100	99	TRAINING/DEMO
2100	BC	BEACH CITIES C&O
2100	CM	METRO C&O
2100	CN	NORTHEAST C&O
2100	EA	EASTERN C&O
2100	ES	EASTERN SOT TEAM
2100	GI	GAS INSTRUMENT SHOP
2100	GM	GAS METER SHOP
2100	GO	GAS OPERATIONS
2100	KM	KEARNY MAINTENANCE
2100	ME	MOUNTAIN EMPIRE C&O
2100	MM	METRO METER SVCS
2100	NC	NORTH COAST C&O
2100	NE	NORTHEAST C&O
2100	NM	NORTHERN METER SVC
2100	OC	ORANGE COUNTY C&O
2100	OM	OPERATIONS & METERING
2100	PE	ENCINA POWER PLANT
2100	PM	JOB WITH ORIGINATOR
2100	PS	SOUTH BAY POWER PLANT
2100	RA	RAMONA C&O
Company	District Code	Description
2100	SB	METRO C&O
2100	SG	SOUTH BAY GAS SERV
2100	ST	SORT
2100	XB	CNTR BEACH CITIES
2100	XC	CNTR NORTH COAST
2100	XE	CNTR EASTERN
2100	XM	CNTR METRO
2100	XN	CNTR NORTHEAST
2100	XO	CNTR ORANGE COUNTY
2100	XX	NOT APPLICABLE
2200	182	182ND STREEET
2200	ADL	ADELANTO
2200	ALC	ALISO CANYON
2200	ALH	ALHAMBRA
2200	ANH	ANAHEIM
2200	AZS	AZUSA
2200	BEA	BEAUMONT
2200	BKR	BAKERSFIELD
2200	BLV	BELVEDERE
2200	BLY	BLYTE
2200	BMT	BEAUMONT
2200	BRE	BREA
2200	BRN	BRANFORD

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2200	CAC	CACTUS CITY
2200	CHN	CHINO
2200	CMP	COMPTON
2200	CNP	CANOGA PARK
2200	COR	CORONA
2200	CRN	CRENSHAW
2200	DES	DESERT CENTER
2200	DWN	DOWNEY
2200	ELC	EL CENTRO
2200	FNT	FONTANA
2200	GCT	GCT
2200	GLN	GLENDALE
2200	GOL	GOLETA
2200	GRG	GARDEN GROVE
2200	HDQ	HEADQUARTERS
2200	HLY	HOLLYWOOD
2200	HRN	HONOR RANCHO
2200	HTP	HUNTINGTON PARK
2200	IND	INDUSTRY
2200	JNT	JUANITA
2200	KEL	KELSO
Company	District Code	Description
2200	LAJ	LA JOLLA
2200	LNC	LANCASTER
2200	MMR	MIRAMAR
2200	MNV	ALISO VIEJO
2200	MTB	MONTEBELLO
2200	MUR	MURRIETA
2200	NBY	NEWBERRY
2200	NDL	NEEDLES
2200	NND	NORTH NEEDLES
2200	OLY	OLYMPIC
2200	OXN	OXNARD
2200	PAS	PASADENA
2200	PDR	PLAYA DEL REY
2200	PMD	PALM DESERT
2200	RMF	RIM FOREST
2200	RMN	RAMONA
2200	RVR	RIVERSIDE
2200	SAT	SATICOY
2200	SBR	SANTA BARBARA
2200	SLO	SAN LUIS OBISPO
2200	SMR	SANTA MARIA
2200	SMV	SIMI VALLEY
2200	SNA	SANTA ANA

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2200	SNB	SAN BERNARDINO
2200	SND	SOUTH NEEDLES
2200	SNM	SANTA MONICA
2200	SNP	SAN PEDRO
2200	SST	SPENCE ST
2200	SYL	SYLMAR
2200	TAF	TAFT
2200	VEN	VENTURA
2200	VIC	VICTORVILLE
2200	VLN	VALENCIA
2200	VSL	VISALIA
2200	WHR	WHEELER RIDGE
2200	WHT	WHITTIER
2200	XXX	NOT APPLICABLE
2200	YUC	YUCCA VALLEY

(20) **OPERATING REGION** – Enter the operating region.

Region Code	Description
39	SCG HEADQUARTERS
41	SCG INLAND EMPIRE - Distribution
Region Code	Description
42	SCG ORANGE COAST - Distribution
43	SCG PACIFIC - Distribution
44	SCG NORTHERN - Distribution
45	SCG REGION 45
50	SCG STORAGE OPERATIONS - UG
51	SCG DESERT AREA - Transmission
52	SCG SOUTHERN AREA - Transmission
53	SCG NORTHERN AREA - Transmission
SE	SDGE EAST - Gas Distribution, Electric Distribution, Transmission & Substation (Eastern, Mt. Empire, Northeast & Ramona)
SG	SDGE - GT
SS	SDGE SOUTH - Gas Distribution, Electric Distribution, Transmission & Substation (Beach Cities, Metro, North Coast, Orange County)
XX	NOT APPLICABLE - ALL OTHERS

(21) **COUNTY** – Enter the county.

(22) **MUNICIPALITY** – Enter code of incorporated city. If city is unincorporated, enter N/A. Codes available for use are:

Company	City Code	Description
2100	AG	AGUANGA

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2100	AP	ALPINE
2100	AV	ALISO VIEJO
2100	BD	BARD
2100	BL	BOULEVARD
2100	BO	BONITA
2100	BR	BORREGO SPRINGS
2100	BS	BONSALL
2100	CA	CAMPO
2100	CB	CARLSBAD
2100	CC	COTO DE CAZA
2100	CD	CARDIFF
2100	CO	CORONADO
2100	CP	CAPISTRANO BEACH
2100	CV	CHULA VISTA
2100	CX	CALEXICO
2100	DE	DESCANSO
2100	DM	DEL MAR
2100	DP	DANA POINT
2100	DZ	DULZURE
2100	EC	EL CAJON
2100	EL	EL CENTRO
2100	EN	ENCINITAS
2100	ES	ESCONDIDO
Company	City Code	Description
2100	FB	FALLBROOK
2100	GY	GUATAY
2100	IB	IMPERIAL BEACH
2100	IC	IMPERIAL COUNTY
2100	JA	JAMUL
2100	JC	JACUMBA
2100	JU	JULIAN
2100	LA	LINCOLN ACRES
2100	LF	LAS FLORES
2100	LG	LEMON GROVE
2100	LH	LAGUNA HILLS
2100	LJ	LA JOLLA
2100	LK	LAKESIDE
2100	LM	LA MESA
2100	LN	LAGUNA NIGEL
2100	LR	LADERA RANCH
2100	LU	LEUCADIA
2100	MB	MONARCH BEACH
2100	ML	MOUNT LAGUNA
2100	MV	MISSION VIEJO
2100	NC	NATIONAL CITY
2100	NE	NESTOR
2100	OC	OCEANSIDE
2100	OL	OLIVENHAIN
2100	PA	PALA

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2100	PM	PALOMAR MT
2100	PT	POTRERO
2100	PV	PAUMA VALLEY
2100	PW	POWAY
2100	PY	PINE VALLEY
2100	QI	IMPERIAL COUNTY
2100	QO	ORANGE COUNTY
2100	QR	RIVERSIDE COUNTY
2100	QS	SAN DIEGO COUNTY
2100	RA	RAMONA
2100	RH	RANCHITA
2100	RL	RANCHO LA COSTA
2100	RS	RANCHO SANTA FE
2100	SB	SOLANA BEACH
2100	SC	SAN CLEMENTE
2100	SD	SAN DIEGO
2100	SI	SANTA YSABEL
2100	SJ	SAN JUAN CAPISTRANO
2100	SL	SOUTH LAGUNA
2100	SM	SAN MARCOS
2100	SR	SAN LUIS REY
2100	SS	SUNNYSIDE
2100	ST	SANTEE
Company	City Code	Description
2100	SV	SPRING VALLEY
2100	SY	SAN YSIDRO
2100	TC	TECATE
2100	VC	VALLEY CENTER
2100	VS	VISTA
2100	WA	WARNER SPRINGS

- (23) **Billable To** – Check the appropriate box (Affiliate or Third Party) if billable. If Affiliate is checked, check the appropriate box for Field (25).
- (24) **JOB SCOPE SUMMARY** – Enter a general description of the project or purchase and the reason or necessity for the work or purchase.
- Indicate if it is a New Business Project
 - If more space is needed, please use a separate page.
- (25) **Sending/Receiving Order** – Check box to indicate if order request is a sending or receiving order.
- Field is used only if you have checked “Affiliate” in Field (23), Billable To.
 - If sending order, see Field (32), Receiver
- (26) **Bill To Name & Address** – If all or portion of costs are collectible/billable, enter name and address of 3rd party to be billed.
- If a contract is required, send signed contract to the appropriate Accounting department personnel (see Contact link below).

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- For Net Contract Price (NCP), enter “See attached cash receipt” and attach a copy of the cash receipt.
- Include the reason for the billing in Field (28), Detailed Description of Work.

(27) **CODE** – Indicate all types of work as applicable by the following alpha codes:

- I = New Installation/Acquisition of fixed assets
- A = Abandonment/Removal of assets
- R = Replacement
- O = O&M or Other
- T = Transfer of assets/property
- S = Sale of Property

Note: This field can also be used to identify individual internal orders with the appropriate Regulatory Program (Code)/User Defined Field (UDF) as described in field (15). Also, please include the correlating FERC account next to each individual Regulatory Program (Code).

(28) **DETAILED DESCRIPTION OF WORK** – Itemize the detail description of work including special requests. If more space is needed, please use a separate page.

- For pipeline jobs, identify location by name of streets, direction, beginning and ending; and size and length of pipe.
- For assets with tag numbers, identify the asset and tag/serial number.
- For multiple locations, list the locations and each location’s allocation by percentage. Ensure they total 100%.
- For CBS or IT projects, please indicate asset numbers of assets being replaced. Include adequate detail so that receiving affiliates can ascertain the appropriateness of capital or O&M designation on order.
- If billable, include the reason the work is billable (e.g. Customer Request Relocation).
- In lieu of an SDG&E Sales Installation Order (SIO), indicate the terms applicable:
 - Bill Immediately
 - Bill Monthly
 - Bill on Completion
 - Cash
 - Not Refundable
 - Portion subject to refund

After the copy of the WOA form is returned to the preparer with the IO numbers written on the form, the preparer is responsible to forward a copy of the WOA form to the SDG&E Construction Billing Supervisor.

- For land acquisition, reference the related master construction work order.
- For sales, include the sales price (if known).
- Request new FERC Statistical Orders through your Business Planners. Include a description to be added to SDG&E’s Classification of FERC Accounts

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Manual. Also indicate whether a new FERC Indicator is needed; if so, a copy will be sent by Cost Accounting to Financial Systems.

- Include a description of the assets to be retired.
- May include WOA form distribution list.

- (29) **FERC ACCOUNT** – Enter the appropriate FERC Account number that corresponds to the itemized description of work.
- There can be more than one FERC account.
 - For SDG&E orders, a separate internal order is opened for each FERC Account.
 - For FERC Statistical Orders, enter the FERC account to be used in WITS or any remaining legacy programs.
 - For statistical orders (used to track O&M project costs), a single order may reference more than one FERC account. If the percentage allocations between the FERC accounts are going to change over time, however, a separate I/O request must be created for each statistical I/O and each I/O will have only one FERC account.
 - Use field (28) to indicate whether SDG&E personnel should charge one I/O with a predefined allocation to multiple I/Os.
- (30) **Percentage** – Enter a percentage for each FERC account.
- Leave blank for FERC Statistical Orders
- (31) **Charging Cost Center** – For affiliate billing orders, enter the cost center numbers charging to the project.
- (32) **Receiver**
- For affiliate billing, enter the receiving order number, company code, and amount/percentage going to the receiving order.
 - If order is for a shared asset, please indicate sharing percentages among affiliates for depreciation charges and carrying costs when the asset is being placed in service. If the number of lines is not adequate, use Field (28), Detailed Description of Work, for additional sharing percentages.
- (33A) **APPROVALS** – Reference the [SEu Approval and Commitment Policy](#) for guidance.
- **Approvals secured as part of the annual budget process are for planning purposes only. Authorizations for expenditures are only secured via approvals on the Work Order Authorization form.**
 - Dollar levels for approval apply to *total gross expenditures or sales price/book value*.
 - **Project Approved up to is a required field to be completed on the master construction order (first request) if there are multiple work orders for a project. The project total gross costs must be entered and approved at the appropriate level.**
 - The project manager may approve the sub-orders related to the master construction order. You cannot approve your own project.

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- If this is a sub-project with prior project approval, reference the master construction work order in the “Project Approved up to/on order” field.
- An AFE (Authorization For Expenditure) form must be used, in addition to Form 503, for project costs greater than or equal to \$100 million for individual capital projects that require Sempra Energy Board of Directors review.
- Enter the appropriate names, project manager’s employee ID and mail locations of responsible persons required for approvals.
- Both sending and receiving orders must be signed by an authorized approver.
- Form 503 submitted to Plant Accounting must contain original signatures.

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(33B) **CATEGORY 1/CATEGORY 2** – Check the box of the category type that is applicable to the work being described in Field (28). **Reference the SEu Approval and Commitment Policy for additional guidance.**

➤ Category 1 –

- **Replacement, modification or relocation** of any *existing* asset covered by the regulatory processes as mentioned in the Approval and Commitment Policy for the purpose of maintaining or enhancing operating efficiency or productivity. This includes but is not limited to, utility distribution, transmission, generation or storage system assets (e.g. poles, wires, mains, services, substations, and metering and regulating stations), real estate, Information Technology (IT) software or telecommunication equipment.
- **Construction of any *new*** distribution and transmission system assets if used to serve electric and natural gas customers within the utility service area and which does not require a Permit to Construct (PTC) or a Certificate for Public Convenience and Necessity (CPCN) regulatory filing at the CPUC or other special regulatory filing.

➤ Category 2 –

All capital and non-capital disbursements or commitments ***not*** in the ordinary course of business or that are considered non-recurring/incremental activities. This includes but is not limited to, disbursements or commitments relating to:

- Business activities currently **not** governed by the CPUC through a GRC and/or FERC Transmission Ownership Tariff filing.
- IT initiatives that add significant functionality to existing systems and applications.
- Business activities currently **not** included in the approved annual budget and/or 5-year business plan (specifically identified; considered within a general pool or may be subject to budget reprioritization within a functional area).
- Non-recurring business activities such as:
 - Asset development or purchase
 - Financing
 - Lease arrangements or O&M disbursements
 - Construction, expansion, or acquisition of any new generation facilities
 - Software
 - Real estate
 - Telecommunication equipment

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- (34) **ESTIMATED COSTS** – Estimated costs are listed by type of work indicated in Field (27), Code.
- Light blue fields contain formulas.
 - Formulas may be overridden if necessary.
 - For capital projects, separate estimates for installation, removal, and capital related O&M are required.
 - For O&M projects, cost estimates are totaled in the O&M column only. SDG&E Non-billable Orders must exceed \$10,000.00; for costs \leq \$10,000.00, use FERC orders.
 - The form lists the most common cost categories of a typical job for direct costs (i.e. company labor, contract costs, material, and other direct charges including SDG&E transportation) and indirect costs (i.e. corporate transfer-in costs, company labor indirects, material indirects [P&W and exempt material], AFUDC, and other indirects).
 - Plant Accounting will update the indirect percentages table quarterly. It is the preparer's responsibility to ensure the current loading percentages are entered on the overhead rates worksheet.
 - Leave Gross Expenditures blank if related to land sales.
 - Affiliate Transfer-in-Costs are entered manually on the WOA form. Cost estimates from sender (affiliate) should be fully loaded.
 - Affiliate Billing sending orders should have \$0 AFUDC.

- (35) **ITCCA** – ITCCA (Income Tax Component of Contributions and Advances). If the estimated project cost is equal to or greater than \$100,000, the preparer should request a ruling from the Tax Department to determine if the project is exempt from ITCCA. If the estimated project costs are less than \$100,000, the preparer will submit the completed CIAC Decision Chart to cost accounting in support of the determination regarding the taxability of the project.

(Note: As it relates to gas producer and electric intertie projects, a gas producer and/or electric intertie customer must answer the “Gas Producers’ Safe Harbors Questionnaire” or “Electric Intertie Safe Harbor Questionnaire”, respectively on their letterhead for the associated gas or electric intertie projects.)

- Input “Y” for yes if the project costs are subject to tax, or “N” for no if the project costs are not subject to tax.
- If yes, the current ITCCA percent will be added to the total gross capital expenditures.

See [CIAC Decision Chart](#) for more information.

See [Gas Producers' Safe Harbors Questionnaire](#) for more information.

See [Electric Intertie Safe Harbor Questionnaire](#) for more information.

- (36) **Billing/Participant Contribution** – Total amount due/received from customers.
- Leave blank if land sale.

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- (37) **Total Net Estimated Costs** – Gross expenditures plus ITCCA less Billing/Participant Contribution for work order.
- (38A) **Gross Expenditures by Year** – Estimated gross expenditures for each year for projects > than one year.
- (38B) **% by Year** – Enter a percentage for each year. The result will appear in the Gross Expenditures by Year (Field 38A) being populated.
- (39A) **TECHNICAL/ECONOMIC PROJECT REVIEW** – Are required for any and all Category 1 and Category 2 commitments over \$30 million and \$10 million, respectively, prior to review and approval by the SDG&E's or SCG's CEO or COO, as appropriate. It is the responsibility of the WOA or AFE originator to ensure that all appropriate reviews, approvals and notifications are completed, and documentation of such is satisfactory. *All technical reviews and contracts initially totaling \$30 million or more must be evidenced by a completed [Internal Review Checklist \(IRC\)](#)*
- (39B) **Comments regarding Technical/Economic Project Review (39A)** – If additional space is needed, use separate page.

OBTAINING FORM 503

Form 503 may be obtained from through the Accounting and Finance Website:

[SDGE Form](#) or

http://utilinet.sempra.com/departments/accounting/documents/work_order_authorization_form.xls

[SCG Form](#) or http://utilinet.sempra.com/departments/accounting/documents/wo_auth_scg.xls

CONTACTS

Contacts may be obtained from the Accounting and Finance Website located at under

Work Order Authorization – Requests for W.O. Numbers and Questions:

[Plant Accounting Contact List](#) or

<http://utilinet.sempra.com/departments/accounting/contacts.cfm>