

TURN DATA REQUEST-051
SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8
SDG&E_SOCALGAS RESPONSE
DATE RECEIVED: APRIL 19, 2018
DATE RESPONDED: MAY 3, 2018

THIS DATA REQUEST INCLUDES INFORMATION SOCIALGAS HAS IDENTIFIED AS CONFIDENTIAL AND IS THEREFORE COVERED BY THE NON-DISCLOSURE AGREEMENT.

The entirety of Schedule P is deemed confidential, so TURN is treating identification of the specific categories within that schedule as subject to the NDA.

Exhibit Reference: SCG-38

Witnesses: Chan

Subject: Working Cash Capital references CONFIDENTIAL materials

1. Regarding Schedule P-3 (prepayments):

- a. On a monthly basis in Excel please provide from December 2015 to December 2016 the amount included for directors and officers' liability insurance.
- b. Please explain and quantify any prepayments for GHG compliance costs.

Utility Response 1:

- a. Please see excel file "Question 1A – D&O Insurance."
- b. The prepayments for GHG compliance costs are quantified on Schedule P-3.1 and P-4.1 of Witness Chan's workpapers in General Ledger ("G/L") numbers 1131109 and 1360085. The balances in G/L 1131109 represent the purchased compliance instruments that are forecasted to be used to offset emissions within the next 12 months. The balances in G/L 1360085 represent the purchased compliance instruments that are forecasted to be used to offset emissions beyond the next 12 months.

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2. Regarding Schedule P Detail:

- a. Please explain what the “Preliminary Survey & Investigation” line item (under “Deferred Debits”) represents, including but not limited to a general description of the types of costs included in this item.
- b. Please explain why the “Preliminary Survey & Investigation” line item increases from December 2015 to December 2016. This should include a list and an explanation of the project(s) that caused this increase. In particular, please explain the increases from August 2016 to September 2016, and from October 2016 to November 2016.
- c. Please identify any individual projects in excess of \$250,000 at any time in 2016 and 2017 (from the response to question 2 of TURN-50); identify the amount by month and whether any such projects were cancelled.

Utility Response 2:

- a. The Preliminary Survey and Investigation account (FERC account 183) is charged with all expenditures for preliminary surveys, plans, investigations, etc. made for the purpose of determining the feasibility of utility projects under contemplation. If construction results, this account is credited and the proper Construction Work In Progress (“CWIP”) FERC plant account is charged. Once feasibility of the project is determined, Allowance for Funds Used During Construction (“AFUDC”) commences, as it is appropriate for CWIP. However, if the work is abandoned, the charge is made to the appropriate expense account.
- b. The increase from December 2015 to December 2016 result from two projects that were being evaluated and planned, were determined to be feasible, and were moved to CWIP in early 2017. In September 2016, project 91652 was placed temporarily in this account while plans were being developed for the Blythe compressor project upgrade. In November 2016, project 91651 was also temporarily placed on this account while plans were being developed for the Ventura compressor upgrade.

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Utility Response 2:-Continued

- c. The table below shows the running balance by month of projects over \$250,000. None of these projects was cancelled.

2016												
WOA#	January	Febraury	March	April	May	June	July	August	September	October	November	December
90694	581,835	581,835	581,835	581,835	581,835	581,835	581,835	581,835	581,835	1,412,345	1,475,765	1,649,263
91651	-	-	-	-	-	-	-	-	-	-	5,670,946	6,209,059
91652	12,005	12,005	12,005	12,005	12,005	12,005	12,005	12,005	6,240,482	7,177,846	7,568,676	7,829,464
91724	-	-	270,318	274,882	277,763	281,590	283,209	308,514	310,767	312,438	314,187	315,573
91743	-	-	-	-	-	-	-	-	-	205,374	246,361	280,349
92246	-	-	-	-	-	-	-	-	-	91,800	121,064	359,623
2017												
WOA#	January	Febraury	March	April	May	June	July	August	September	October	November	December
90694	1,665,834	1,680,002	1,686,005	1,188,119	1,220,504	1,307,892	1,364,988	63,859	1,364,988	1,364,988	1,364,988	1,364,988
91724	316,885	317,274	318,925	320,917	323,539	329,525	326,774	327,667	328,639	335,525	345,775	374,936
91743	283,110	311,934	333,260	380,108	401,319	-	-	-	-	-	-	-
92246	244,032	299,455	540,508	572,679	651,301	770,789	795,730	806,966	806,966	806,966	806,966	806,966

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3. Schedule P Detail of the Excel workpapers under “Prepayments,” line 10, shows an account called “GHG CCA/CCO Other AS.” Please provide a definition of all acronyms, and identify and explain the costs recorded in this account. Provide any breakdown below the single line item shown on this workpaper in the account that is in SoCal’s possession.

Utility Response 3:

In the course of researching its response to this data request, SoCalGas discovered that in its working cash workpapers, SoCalGas inadvertently made some errors in its monthly General Ledger (“G/L”) balances related to GHG accounting. After correction of these errors, SoCalGas’ working cash requirement for TY2019 is lower by \$1.5 million. SoCalGas will make this adjustment to its working cash requirement and requested 2019 revenue requirement at a later date. Please see Excel attachment “Schedule P Corrections (Confidential)” for details. **This file contains confidential and protected materials pursuant to PUC Section 583, GO-66D, and D.17-09-023.**

“GHG CCA/CCO Other AS” stands for Green House Gas California Carbon Allowance / California Carbon Offset Other Asset. The costs recorded in this account represent the purchased GHG compliance instruments that are forecasted to be used to offset emissions within the next 12 months.

SoCalGas cannot provide TURN with any further breakdown below the single line item shown on this workpaper. This is because SoCalGas, as a registered participant in CARB’s cap-and-trade program, is prohibited by CARB from disclosing any of its GHG allowance auction activities to others who do not have shared purchase or holding limits for allowances. See Cal. Code Regs. tit. 17 (17 CCR), §§ 95912(f), 95914(c)(1).

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4. Schedule P Detail of the Excel workpapers under “Deferred Debits,” line 6, shows an account called “GHG CCA/CCO OR AST-N.” Please provide a definition of all acronyms, and identify and explain the costs recorded in this account. Provide any breakdown below the single line item shown on this workpaper in the account that is in SoCal’s possession.

Utility Response 4:

In the course of researching its response to this data request, SoCalGas discovered that in its working cash workpapers, SoCalGas inadvertently made some errors in its monthly General Ledger (“G/L”) balances related to GHG accounting. After correction of these errors, SoCalGas’ working cash requirement for TY2019 is lower by \$1.5 million. SoCalGas will make this adjustment to its working cash requirement and requested 2019 revenue requirement at a later date. Please see Excel attachment “Schedule P Corrections (Confidential)” for details. **This file contains confidential and protected materials pursuant to PUC Section 583, GO-66D, and D.17-09-023.**

“GHG CCA/CCO OR AST-N” stands for Green House Gas California Carbon Allowance / California Carbon Offset Noncurrent Asset. The costs recorded in this account represent the purchased GHG compliance instruments that are forecasted to be used to offset emissions beyond the next 12 months.

SoCalGas cannot provide TURN with any further breakdown below the single line item shown on this workpaper. This is because SoCalGas, as a registered participant in CARB’s cap-and-trade program, is prohibited by CARB from disclosing any of its GHG allowance auction activities to others who do not have shared purchase or holding limits for allowances. See Cal. Code Regs. tit. 17 (17 CCR), §§ 95912(f), 95914(c)(1).

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5. What are “Accounts Receivable New Business Cpr 98.” If these are accounts relating to line extension payments, please provide an aging of the accounts for the end of 2015 and the end of 2016 (i.e., how many are 0-30 days out, 30-60 days, etc. using whatever breakdown SoCal has).

Utility Response 5:

The Accounts Receivable New Business Cpr 98 account represents the receivable portion of New Business Projects, such as main extensions and new services. Aging reports are prepared only for amounts outstanding over 90 days. Details are included in the attached excel file “Question 5 Response – Aging Report.”

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6. What are “Collectible Work Orders, O&M? Please provide an aging of the accounts for the end of 2015 and the end of 2016 (i.e., how many are 0-30 days out, 30-60 days, etc. using whatever breakdown SoCal has).

Utility Response 6:

The account is used to track O&M costs for jobs that will be paid for by third parties. SoCalGas does not perform aging analysis on this account.

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7. Are there any deferred tax assets associated with the liabilities for the Workers Comp Reserve and Vacation Accrual (shown on current and Accrued Liabilities in Sch. P Detail in the Cash Working Capital Workpapers). If so, where in the Company's filing are those deferred tax assets presented? Explain how the reduction in the Federal Income Tax Rate from 35% to 21% affects those deferred tax assets?

Utility Response 7:

Consistent with prior GRC proceedings, in its 2019 GRC Application, the Company is not seeking recovery of the deferred tax assets associated with the Workers Comp Reserve and Vacation Accrual.