**A.14-11-003 and A.14-11-004 Sempra Utilities’ 2016 TY GRC**

**TURN Data Request**

**Data Request Number:** TURN-SDG&E-10 (Cash Working Capital)

**Date Sent:** April 15, 2015

**Response Due:** April 29, 2015

Please provide an electronic response to the following questions. A hard copy response is unnecessary. The response should be provided on a CD sent by mail or as attachments sent by e-mail to the following:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Bob Finkelstein  The Utility Reform Network  785 Market Street, Suite 1400  San Francisco, CA 94103  [bfinkelstein@turn.org](mailto:bfinkelstein@turn.org) | Garrick Jones  JBS Energy, Inc.  311 D Street  Sacramento, CA 95605  [garrick@jbsenergy.com](mailto:garrick@jbsenergy.com) |  |

For each question, please provide the name of each person who materially contributed to the preparation of the response. If different, please also identify the Sempra Utilities witness who would be prepared to respond to cross-examination questions regarding the response.

For any questions requesting numerical recorded data, please provide all responses in working Excel spreadsheet format if so available, with cells and formulae functioning.

For any question requesting documents, please interpret the term broadly to include any and all hard copy or electronic documents or records in Sempra Utilities’ possession.

1. Following up on TURN SDG&E DR 1-1, please provide the following information on a monthly basis for 2014 now that financial statements are available.
   1. Other accounts receivable (in same format as Schedule P-2.1)
   2. Prepayments (in same format as Schedule P-3.1)
   3. Deferred debits (in same format as Schedule P-4.1)
   4. Employee withholding (in same format as Schedule P-5.1)
   5. Current and accrued liabilities (in same format as Schedule P-6.1)
2. Following up on TURN-SDG&E DR 1-4,
   1. Is it normal practice for SDG&E and SoCal Gas to pay extra property taxes every year? If so, please explain why and provide all available internal documentation supporting the basis for this practice and its reasonableness.
   2. Please provide the monthly balances of prepaid ad valorem taxes from 2009-2014 for both SoCal Gas and SDG&E.
3. Following up on TURN-SDG&E DR 1-6, in SCE’s rebuttal testimony in its last GRC (SCE-26, Vol. 2, p. 62), SCE stated:

“However, SCE analyzed the issue and noted that the notion of reducing billing lag due to GHG revenues collected for customers does indeed have merit outside of any Franchise Fee reduction. This is because the GHGRBA account liability to customers (cash pre-collected for customers) is relieved (and SCE stops paying interest on the amounts) at time that the associated credits are presented on customer bills. This differs from the usual set of circumstances associated with returning balancing account over-collections to customers. SCE also noted that GHG cost impacts SCE’s Lead-Lag study via the Power Procurement Lag calculation, but there is no offsetting impact of GHG revenues collected up-front for these costs in the working capital study. For these reasons, SCE agrees that the revenue lag as presented in the Application should be reduced.”

* 1. Is SDG&E’s accounting practice like or unlike Edison’s (i.e., that “the GHGRBA account liability to customers (cash pre-collected for customers) is relieved (and [the utility] stops paying interest on the amounts) at time that the associated credits are presented on customer bills. This differs from the usual set of circumstances associated with returning balancing account over-collections to customers.” )
  2. If SDG&E’s practice differs from Edison’s, please (i) explain how SDG&E’s accounting differs from Edison’s, (ii) provide written documentation supporting the difference, and (iii) demonstrate that SDG&E’s different accounting practice has been previously authorized by the Commission.

1. Following up on TURN-SDG&E DR 1-10:
   1. The response states in part. “There are no balancing accounts for which SDG&E assumes lag days of an amount other than zero.” Please confirm that SDG&E includes fuel and purchased power lags in the lead-lag study with lag days different than zero, even though those costs are included in the ERRA balancing account. Explain why pensions and PBOBs are different from fuel and purchased power.
   2. The response states in part: “SDG&E is looking into whether Pension and PBOPs were appropriately included in the Working Cash Study and will update this response accordingly.” Is SDG&E planning to update this response at the present time or has it decided that it will not update this response? If it is planning to update this response, please advise as to when the update will be made available to TURN.
2. Following up on TURN DR 1-13, and referring to Schedule I of Mr. Lewis’ workpapers, please provide a spreadsheet showing all of the individual invoices tested for May 2013 and September 2013 (the months with the highest and lowest numbers of lag days) including the name of the party submitting the invoice, the amount of the invoice, and the dates of invoice and payment and individual lag days. Note that the Sempra utilities have provided similar data to TURN and UCAN in past General Rate Cases.
3. Following up on TURN-SDG&E DR 1-20, Sempra Energy’s “**Tax Sharing Policy Related to Subsidiaries Included in the U.S. Consolidated and Multiple Combined U.S. State & Local Tax Returns”** states on page 2:

In addition, should Sempra Energy requests [sic] Mobile Gas, SDG&E, or SCG to take a filing position or make an election with respect to an issue in order to benefit Sempra Energy’s consolidated income tax position, but Mobile Gas, SDG&E, or SCG would not otherwise take such a position or make such an election on a stand alone basis, the tax sharing payments should reflect only the income tax that would otherwise be due as if such a position or election were not taken. A schedule of such items, and the related federal and state income tax effects, shall be maintained until the effect of a position or an election has reversed itself over time and all tax sharing payments between the parties, with respect of such items, are satisfied.

Please provide the schedule[s] of all such items at the end of each year from 2009 to 2012, and all such schedules in 2013 and 2014 for SDG&E.

1. Following up on TURN-SDG&E DR 1-21, please confirm that the lag days of payments of CPUC fees to the CPUC were nowhere included in SDG&E’s expense lag days. If you cannot confirm this fact, identify where those lag days were included and explain how they were included.