

**ORA DATA REQUEST
ORA-SDG&E-DR-009-CL8
SDG&E 2019 GRC – A.17-10-007
SDG&E RESPONSE
DATE RECEIVED: OCTOBER 27, 2017
DATE RESPONDED: NOVEMBER 13, 2017**

**Exhibit Reference: SDG&E-34, SDG&E-34-WP, SDG&E-36, and SDG&E-36-WP-C
SDG&E Witness: Matthew C. Vanderbilt and Steven P. Dais
Subject: Depreciation and Working Cash**

Please provide the following:

1. Referring to page MCV-2 of SDG&E-34, line 8, and page 44 of SDG&E-36-WP-C, lines 1 and 4, please explain why the depreciation exhibit (SDG&E-34) and the working cash workpapers (SDG&E-36-WP-C) apparently utilize different amounts for depreciation expenses.

NB: The depreciation exhibit details a recorded depreciation and amortization expense for 2016 of \$407,147,000 and projects the expense for test year 2019 at \$599,646,000. The working cash workpapers enter the “2016 annual amount” of “depreciation and amortization provision” of \$608,257,000 into the lead-lag study.

SDG&E Response 1:

The \$608,257,000 included in workpaper SDG&E-36-WP-C depicts the total 2016 recorded depreciation expense for SDG&E. Of this amount, \$138,819,571 relates to transmission assets and \$43,709,112 relates to Nuclear – Post ICIP assets. Excluding these items, leaves \$425,728,012 of depreciation for Electric Distribution, Gas, and Generation assets shown on lines 5, 6, and 7 of Schedule O-2, respectively.

The \$18,581,064 difference between the \$425,728,012 of depreciation included on Schedule O-2 and the \$407,146,948 included on page MCV-2 of Exhibit SDG&E-34 relates to depreciation on Legacy Meters (\$16,109,969), Pipeline Safety Enhancement Plan (PSEP) assets (\$2,089,330), and Mobile Home Park Master Meter, Beyond-the-Meter (BTM) assets (\$381,765). Please see table below for reconciliation.

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SDG&E Response 1 Continued:

	<u>2016 Depreciation</u>	
Exh. SDG&E-36-WP-C (Sch.O-2)	608,256,695	
Adjustments:		
Transmission Assets	(138,819,571)	
Nuclear Post ICIP	<u>(43,709,112)</u>	
Subtotal - Working Cash WP	425,728,012	a.
Legacy Meters	(16,109,969)	
PSEP Assets	(2,089,330)	
Mobile Home Park	<u>(381,765)</u>	
Subtotal - Reconciling Items	(18,581,064)	b.
Depreciation WP	407,146,948	c. = a. less b.