TURN DATA REQUEST
TURN-SEU-041
2019 GRC – A.17-10-007/008
SDG&E/SCG RESPONSE
DATE RECEIVED: APRIL 5, 2018
DATE RESPONDED: APRIL 27, 2018

1. Please provide the Operating Revenues, Operations and Maintenance Expenses, Franchise Fees and Other Taxes, Property Plant and Equipment, Inventory and Other Assets, Goodwill (subtraction), and Full Time Equivalent Employees at Oncor Electric Delivery Company as of the end of 2016, as well as the latest available date that Sempra Energy has in its possession. Provide source documentation for these figures to the extent available.

SDG&E and SoCalGas Response 01:

Below is the requested information for each of 2016 and 2017, taken from Oncor Electric Delivery Company's (Oncor) Form 10-K's for each of the years 2016 and 2017.

2016		($s in millions)
Operating Revenues	$	3,920
Operations and Maintenance Expenses (a)	$	1,648
Franchise Fees and Other Taxes (b)	$	451
Property Plant and Equipment (c)	$	13,829
Inventory and Other Assets (d)	$	2,088
Goodwill	$	4,064
Full Time Employees		3,730

2017		($s in millions)
Operating Revenues	$	3,958
Operations and Maintenance Expenses (a)	$	1,691
Franchise Fees and Other Taxes (b)	$	462
Property Plant and Equipment (c)	$	14,879
Inventory and Other Assets (d)	$	2,316
Goodwill	$	4,064
Full Time Employees		3,965

(a) Operations and Maintenance Expenses include wholesale transmission service.
(b) Presented as "taxes other than amounts related to income taxes"
(c) Property Plant and Equipment (PPE) include construction work in progress and plant held for future use.
(d) Inventory and Other Assets reflect total noncurrent assets less PPE and goodwill.

2. In response to TURN-SEU-DR-03 in the 2016 GRC, the utilities stated in the response to Question 2 regarding 2011 numbers: "*Note on 2011: Sempra's policy is to maintain the Multi-Factor percentages for the full calendar year, unless a significant business change occurs. In mid-2011 Sempra completed the full acquisition and consolidation of its South America investments, and revised the Multi-Factor for the remainder of the year*." Would the Oncor Electric Delivery Company acquisition constitute a "significant business change" such that a similar mid-year adjustment would be made if the figures were not available before the first quarter of 2019? If not, why not?

SDG&E and SoCalGas Response 02:

Sempra's acquisition of an indirect interest in Oncor Electric Delivery Company LLC (Oncor) constitutes a significant business change and our multi-factor has been adjusted accordingly as of the date of the closing of the transaction. Sempra accounts for its indirect interest in Oncor as an equity method investment. Therefore, using the Multi-Factor Allocation Methodology, the investment in Oncor will only affect one of the four factors used (Gross Long-Term Assets) as we do not recognize revenue, expenses, or employees of Oncor in the calculation. This is consistent with how all of our equity method investments are treated and our historical practice. In addition, the multi-factor allocations only impact a portion of the total costs at Sempra Corporate Center. As a result, the Oncor investment will not materially change the allocations to SDG&E and SoCalGas.

3. In SCG-28/SDG&E-26-R-WP, the workpaper on page 415-R shows projections of 2018 and 2019 multi-factor items. The figures are different from those recorded in 2016, and the differences are not explained. Please provide workpapers supporting the projections including equations (with tests of statistical significance), trends, or documentation of any other method that Sempra Energy used to make these projections.

SDG&E and SoCalGas Response 3:

The 2016 recorded multi-factor is based on a forecast using factors as of November 2015. The 2018 and 2019 projected multi-factor allocations are calculated using a four-year (2014-2017) trend of actual historical factors from 2013-2016. Please find attached the excel workpapers supporting the projections, which use the trend formula in excel.

4. Please provide copies of each of the statistical reports referenced on SCG28/SDG&E-26-R, page 415-R, as well as any more recent statistical reports containing the same information prepared by Sempra Energy or the Sempra Utilities.

SDG&E and SoCalGas Response 4:

Please find attached a .pdf of the Sempra Energy 2016 Statistical Report – Unaudited Supplement to the Financial Report (for the 2014-2016 historical information) and a .pdf of the Sempra Energy 2015 Statistical Report – Unaudited Supplement to the Financial Report (for the 2013 historical information).

5. Please provide the 11-month YTD figures for 2017 that were used in SEU workpapers to calculate multi-factor percentages for 2018, as well as the 12 month figures that are now available.

SDG&E and SoCalGas Response 5:

We did not use 2017 historical figures to calculate the forecasted 2018 and 2019 GRC multi-factor percentages. As stated in question 3, the 2018 and 2019 projected multi-factor allocations are calculated using a four-year (2014-2017) trend of actual historical factors from 2013-2016.

Please see attached workpaper used to calculate the 2018 multi-factor percentages. For purposes of establishing the 2018 multi-factor percentages, we used full year 2017 actual operating revenues, operating expenses, and gross long-term assets from the attached Sempra Energy 2017 Statistical Report – Unaudited Supplement to the Financial Report. FTEs are from our Human Resources headcount report as of December 2017.

6. Please identify the amount of SDG&E's SONGS regulatory asset at the end of 2016 and at the end of 2017.

    a. Does SDG&E agree that this regulatory asset will be extinguished if the Commission adopts the currently proposed settlement identified in the following Edison International news release: https://newsroom.edison.com/releases/settlement-reached-in-san-onofrenuclear-plant-closure.

    b. If the amount of SDG&E's SONGS regulatory asset is different than the $151 million identified in the news release, please explain why.

SDG&E and SoCalGas Response 6:

At the end of 2016, SDG&E's SONGS regulatory asset was $183 million ($31 million current and $152 million long-term). At the end of 2017, SDG&E's SONGS regulatory asset was $0. In 2017, the regulatory asset was written off and replaced by a receivable from Southern California Edison (Edison) totaling $152 million, $32 million classified as current and $120 million classified as noncurrent. Please refer to Footnote 13 in Sempra Energy's 2016 and 2017 Annual Reports.

a. As discussed above, the regulatory asset was written off in 2017.
b. As mentioned above, SDG&E's SONGS regulatory asset is $0 at the end of 2017. It was replaced by a $152 million receivable from Edison, which approximates the $151 million that is identified in the news release.

7. In SoCalGas's non-current assets, there is a $606 million long-term receivable for an insurance recovery for the Aliso Canyon project as of the end of 2016 (Sempra 2016 10-K SoCal Gas Balance Sheet, p. 104). Please explain why this asset should be included in the corporate allocation, given the exclusion of Aliso Canyon costs from this rate case.

SDG&E and SoCalGas Response 07:

The $606 million long-term receivable for insurance recovery for the Aliso Canyon incident was not included in the corporate expenses allocated to the utilities. There are no expenses included in the corporate expenses allocated to the utilities for Aliso Canyon incident. In compliance with Ordering paragraph 12 of D.16-06-054, "additional costs that stemmed from the Aliso Canyon leak have not been included in (SoCalGas') forecast of costs for (SoCalGas') Test Year 2019 general rate case application" (Please refer to the direct testimony of Andrew Steinberg (Exhibit SCG-12) for policy issues relating to the Aliso incident). The referenced long-term receivable was included in the calculation of the 2017 Multi-Factor cost allocation that was used to forecast the allocation factor for 2019. Based on the amount of the asset in relation to total gross long-term assets and that allocations that result from the Multi-Factor are limited, the impact of including this amount would have an insignificant impact (approximately 0.1%) on the allocation of corporate costs to SDG&E and SoCalGas.

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8. Please identify all operating and maintenance expenses included in the corporate allocation for Aliso Canyon and all FTE for Aliso Canyon not included in current rates or requested for recovery in this GRC included in the 2015 and 2016 data for SoCal Gas on SCG-28/SDG&E-26-R, page 415-R.

SDG&E and SoCalGas Response 08:

There are no operating and maintenance expenses included in the corporate expenses allocated to the utilities for the Aliso Canyon incident. Please refer to the direct testimony of Andrew Steinberg (Exhibit SCG-12) for policy issues relating to the Aliso incident. The table shown on page 415-R of the workpapers that accompany the revised direct testimony of Mia DeMontigny (Exhibit SCG-28-R-WP/SDG&E-26-R-WP) show FTE figures for SCG. In those figures for 2015, there are 10 FTEs included that would be associated with the Aliso incident. In the same table for 2016, there are 136 FTEs included that would be associated with the Aliso incident. The expenses for these FTEs are not included in the corporate center expenses that are allocated to the utilities.

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9. Please identify the amount of deferred tax assets for each of Sempra Energy, SDG&E, and SoCal Gas that are net operating losses in the 2014-2017 asset balances on SCG-28/SDG&E-26-R, page 415-R.

SDG&E and SoCalGas Response 09:

There are no deferred tax assets included in the 2013-2016 asset balances for SDG&E and SoCalGas on SCG-28/SDG&E-26-R, page 415-R because the deferred tax asset balances are presented net against the deferred tax liability balances on the liability section of the balance sheet for each of SDG&E and SoCalGas for these periods. In addition, there are no deferred tax assets included in the 2013-2014 asset balances for Sempra Energy on SCG-28/SDG&E-26-R, page 415-R because the deferred tax asset balances are presented net against the deferred tax liability balances on the liability section of the balance sheet for Sempra Energy for these periods. There are deferred tax assets that are net operating losses in the 2015-2016 asset balances for Sempra Energy on SCG-28/SDG&E-26-R, page 415-R. These net operating losses are primarily for Mexico, Peru, and Louisiana and are reflected in Footnote 6 (Income Taxes) in Sempra Energy's 2016 Annual Report. The 2015 deferred tax asset of $120 million comprises net operating losses of $89 million for Mexico and $31 million for Louisiana. The 2016 deferred tax asset of $234 million comprises net operating losses of $185 million for Mexico, $40 million for Louisiana, and $9 million for Peru. There are no asset balances presented for 2017 on SCG-28/SDG&E-26-R, page 415-R.

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10. Please recalculate deferred tax assets for each of Sempra Energy, SDG&E, and SoCal Gas included in the 2017 asset balances on SCG-28/SDG&E-26-R, page 415-R, on a pro forma basis, giving effect to the federal tax rate reduction to 21%.

SDG&E and SoCalGas Response 10:

This is not applicable since the 2017 asset balances are not used in the calculation of the forecasted Multi-Factor Allocation Methodology on SCG-28/SDG&E-26-R, page 415-R.

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DATE RESPONDED: APRIL 24, 2018

11. Regarding Sempra Energy's 2017 Analyst Conference Presentation (http://files.shareholder.com/downloads/SRE/6011802713x0x936284/6479AE05F5AD-4981-80E5A057EE048693/Presentations_2017_SRE_Analyst_Conference.pdf)

    a. Sempra Energy projected "expected Cameron Trains 1-3 in-service dates: mid-2018, end 2018, and mid-2019 respectively."(57th pdf page) Please explain how those in-service dates will affect Sempra Energy's revenues, assets, expenses, and employees.

    b. Sempra Energy projects cash distributions from Cameron – after debt service of almost half a billion dollars in 2019 and over half a billion dollars in 2020 (pdf page 71). Please explain how those relatively large distributions will affect Sempra Energy's revenues, assets, expenses, and employees.

SDG&E and SoCalGas Response 11:

11a. As described in Sempra's 2017 Annual Report, we continue to believe it is reasonable to expect that all three LNG trains at Cameron LNG JV liquefaction facility will be producing LNG and start generating earnings in 2019. As an equity method investment, the in-service dates of Cameron's Trains 1-3 will only affect one of the four factors of the Multi-Factor Allocation Methodology (Gross Long-Term Assets) as we do not recognize revenue, expenses, or employees of Cameron LNG JV in the calculation. This is consistent with how all our equity method investments are treated and our normal practice.

11b. Cash distributions from Cameron LNG JV will only affect Sempra Energy's assets, resulting in an increase in cash (short-term asset) while the impact to the investment (Gross Long-Term Assets) will only be impacted to extent that those distributions are different than earnings.

12. Please provide electronic workpapers for Exhibits SCG-26/SDG&E-28 and SCE27/(SDG&E-29) that would enable TURN to input changes to the corporate allocation factors in one place and obtain resulting changes to costs allocated to SDG&E and SoCal Gas from all of its corporate center activities.

SDG&E and SoCalGas Response 12:

Attached please find the excel versions of the workpapers submitted in the December 20, 2017 Revised filing ("SCG-28-WP-R_SDG&E-26-WP-R_MLDeMontigny_Corp Ctr GA_Workpapers.xlsx").