

**TURN DATA REQUEST-017**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS PARTIAL RESPONSE 1**  
**DATE RECEIVED: FEBRUARY 9, 2018**  
**DATE RESPONDED: FEBRUARY 26, 2018**

Exhibit Reference: SCG - 35

Witnesses: Moersen

Subject: SoCalGas – Customer Advances, M&S

To the extent these questions seek data from 2017, if information is not yet available for the full year, please provide information through the latest available month, and update to the full year when the full year is available.

**SoCalGas Preliminary Statement:**

SoCalGas objects to the continuing and indefinite nature of the request for 2017 data on the grounds that it is unduly burdensome. Continuing interrogatories are expressly prohibited by California Code of Civil Procedure Section 030.060(g). SoCalGas will provide all responsive documents in existence at the time of its response. As of the date of this response, 2017 data is not available. Should TURN seek to update its request, SoCalGas will respond to such a request as a new data request in the future. Subject to and without waiving the foregoing objections, SoCalGas provides existing responsive data/documents as discussed below.

1. Please provide the monthly amount of customer advances for construction for 2017.

**SoCalGas Response 01:**

SoCalGas incorporates its objection set forth in the Preliminary Statement to this data request. Subject to and without waiving the its objection, SoCalGas responds as follows. As of the date of this response, 2017 data is not available.

**TURN DATA REQUEST-017**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS PARTIAL RESPONSE 1**  
**DATE RECEIVED: FEBRUARY 9, 2018**  
**DATE RESPONDED: FEBRUARY 26, 2018**

2. Please provide a schedule for each month in 2014-2017, starting with the end of 2013 beginning balance and then showing additions to contributions, refunds of contributions, transfers of Customer Advances for Construction (CAC) to Contributions in Aid of Construction (CIAC), and any other changes that caused the balance to change during the month. This requests more detail than is provided in SCG-35, Workpaper 463.

**SoCalGas Response 02:**

SoCalGas objects to this question on the grounds that the term “contributions” is vague and ambiguous and subject to speculation in interpretation. Subject to and without waiving these objections, SoCalGas responds as follows. SoCalGas interprets the term “contributions” to mean Contributions in Aid of Construction (CIAC). The information provided in Exhibit SCG-35-WP-R (Revised Workpapers to the Prepared Direct Testimony of Patrick D. Moersen) at page 463 is related to Customer Advances for Construction (CAC) only and does not include any CIAC transactions. As such, there are no “...additions to contributions, refunds of contributions...”. Further, SoCalGas does not transfer CAC to CIAC. The various monthly activities in the reflected balances in Exhibit SCG-35-WP-R at page 463 include ownership charges, forfeitures, and billings generated by the New Business Management System (NBMS) which manages the CAC work activity.

**TURN DATA REQUEST-017**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS PARTIAL RESPONSE 1**  
**DATE RECEIVED: FEBRUARY 9, 2018**  
**DATE RESPONDED: FEBRUARY 26, 2018**

3. Please provide an explanation as to why the numbers in December of each year, both credits and debits, are much higher than any other months on SCG-35, Workpaper 463.

**SoCalGas Response 03:**

In Exhibit SCG-35-WP-R at page 463, the ending month balances of December of each year appear higher than the other months because in December of each year, the NBMS, which manages CAC-related projects, performs numerous accounting entries including a true up of ownership charges and forfeitures of main projects that have had no activity for that year. These entries represent offsetting debits and credits within the CAC accounts, which leave an ending month balance for December which is consistent with the overall ending balances for the other months of the year.

**TURN DATA REQUEST-017**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS PARTIAL RESPONSE 1**  
**DATE RECEIVED: FEBRUARY 9, 2018**  
**DATE RESPONDED: FEBRUARY 26, 2018**

4. Please provide the amount of CAC transferred to CIAC in each year from 2012-2017 on a recorded basis.

**SoCalGas Response 04:**

Please refer to the response to Question 2 above, SoCalGas does not transfer CAC to CIAC.

**TURN DATA REQUEST-017**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS PARTIAL RESPONSE 1**  
**DATE RECEIVED: FEBRUARY 9, 2018**  
**DATE RESPONDED: FEBRUARY 26, 2018**

5. In Exhibit SCG-41, Workpaper 32-R, SoCal shows information on “Forecasted CAC Forfeitures” for 2017-2019. Are these amounts used to reduce plant in service? If not, what figures are used to reduce plant in service for CAC transferred to CIAC in each of 2017, 2018, and 2019 forecast. Identify by volume and page number (and line number, if available) where this transfer is shown to reduce rate base in SoCalGas’s testimony and workpapers and/or results of operations model.

**SoCalGas Response 05:**

Forfeitures are used to reduce plant in service. SoCalGas’ forecasted forfeitures for 2017-2019 can be found in Exhibit SCG-35-WP-R at pages 21, 30, and 39, identified as a reduction to capital expenditures (new business construction activity).

As previously stated in response to Question 2 and Question 4 above, SoCalGas does not transfer CAC to CIAC.

**TURN DATA REQUEST-017**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS PARTIAL RESPONSE 1**  
**DATE RECEIVED: FEBRUARY 9, 2018**  
**DATE RESPONDED: FEBRUARY 26, 2018**

6. Please recalculate the deferred revenue from tax gross-ups in light of the change in the federal tax rate. Explain what will happen to the extra revenue collected at the former 35% tax rate.

**SoCalGas Response 06:**

On December 22, 2017, the Tax Cuts and Jobs Act (Tax Act) was enacted into law. The Tax Act represents the first major overhaul of the federal tax code in over 30 years. At the January 10, 2018 prehearing conference for our Test Year 2019 General Rate Case (GRC), SoCalGas agreed to provide supplemental tax testimony by April 6, 2018, which will reflect the Tax Act's impact. SoCalGas is in the process of analyzing the legislation in preparation of the supplemental tax testimony. Therefore, SoCalGas requests that questions related to the Tax Act be propounded after SoCalGas has served the supplemental tax testimony.

**TURN DATA REQUEST-017**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS PARTIAL RESPONSE 1**  
**DATE RECEIVED: FEBRUARY 9, 2018**  
**DATE RESPONDED: FEBRUARY 26, 2018**

7. There is a large difference in materials and supplies inventory between recorded and adjusted 2016 figures on page 460-R. Please identify the portion of this difference related to Aliso Canyon and the portion related to other adjustments (identifying separately each adjustment in excess of \$1 million weighted average 2016 rate base).

**SoCalGas Response 07:**

The difference between recorded and adjusted 2016 figures provided in Exhibit SCG-35-WP-R at page 460, is attributed to the following adjustments:

	(dollars in 000's) as of 12/31/2016
2016 Recorded M&S Ending Balance	\$40,572
Less: Native Gas	(1,333)
Less: Montebello	(22)
Less: Aliso Canyon	(1,064)
Less: Other Storage	<u>(15,574)</u>
2016 Adjusted M&S Ending Balance	\$22,579

Native Gas and Montebello balances were removed since these are non-GRC programs. Aliso Canyon and other storage fields represent inventory which should not have been recorded within M&S, so these amounts were removed.

**TURN DATA REQUEST-017**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS PARTIAL RESPONSE 2**  
**DATE RECEIVED: FEBRUARY 9, 2018**  
**DATE RESPONDED: MARCH 5, 2018**

Exhibit Reference: SCG - 35

Witnesses: Moersen

Subject: SoCalGas – Customer Advances, M&S

To the extent these questions seek data from 2017, if information is not yet available for the full year, please provide information through the latest available month, and update to the full year when the full year is available.

**SoCalGas Preliminary Statement:**

SoCalGas objects to the continuing and indefinite nature of the request for 2017 data on the grounds that it is unduly burdensome. Continuing interrogatories are expressly prohibited by California Code of Civil Procedure Section 030.060(g). SoCalGas will provide all responsive documents in existence at the time of its response. As of the date of this response, 2017 data is not available. Should TURN seek to update its request, SoCalGas will respond to such a request as a new data request in the future. Subject to and without waiving the foregoing objections, SoCalGas provides existing responsive data/documents as discussed below.

8. Please provide materials and supplies (M&S) on a monthly basis for 2012-2017. Identify recorded amounts, and amounts adjusted consistently with the 2016 adjustments (i.e., excluding Aliso Canyon and any other adjustments made by SoCal to 2016 recorded figures).

**SoCalGas Response 08:**

Please refer to attached excel file “TURN-SEU-017\_Q8.xlsx” for the monthly ending balances of M&S from 2012 – 2016. As of the date of this response, 2017 data is not available. The monthly ending balances were adjusted consistently with the 2016 adjustments. As noted in SoCalGas’ response to TURN DR 17 Question 7, Native Gas and Montebello balances were removed since they are non-general rate case (GRC) programs. Aliso Canyon and other storage fields represent inventory which should not have been recorded within M&S, so these amounts were removed. In addition, inventory older than 5 years (which could potentially be expensed) was also adjusted out in the attached excel file. There was no inventory older than 5 years to remove for the ending balance identified in SoCalGas’ response to TURN DR 17 Question 7.

**TURN DATA REQUEST-017**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS PARTIAL RESPONSE 1**  
**DATE RECEIVED: FEBRUARY 9, 2018**  
**DATE RESPONDED: FEBRUARY 26, 2018**

9. Please identify the relevant inflation factors for M&S 2012-2016. If they differ by component, please explain.

**SoCalGas Response 09:**

SoCalGas does not apply inflation factors to recorded data. As such, there are no inflation factors that impact M&S for 2012-2016.

**TURN DATA REQUEST-017**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS PARTIAL RESPONSE 1**  
**DATE RECEIVED: FEBRUARY 9, 2018**  
**DATE RESPONDED: FEBRUARY 26, 2018**

10. Please provide the amount of obsolete M&S inventory removed from service and expensed on a monthly basis in each year from 2012-2017.

**SoCalGas Response 10:**

SoCalGas objects to this question on the grounds that the investigation required to compile the requested information is overly burdensome, overbroad, unnecessarily time-consuming, and not reasonably calculated to lead to the discovery of relevant evidence. Subject to and without waiving these objections, SoCalGas responds as follows. The information requested, even if compiled, does not factor in to the basis for the SoCalGas M&S forecast. The forecast is calculated by escalating the 2016 adjusted ending M&S balance as shown in Exhibit SCG-35-WP-R at page 460.

**TURN DATA REQUEST-017**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS PARTIAL RESPONSE 1**  
**DATE RECEIVED: FEBRUARY 9, 2018**  
**DATE RESPONDED: FEBRUARY 26, 2018**

11. Identify each of the accounts where obsolete M&S inventory is expensed.

**SoCalGas Response 11:**

SoCalGas objects to this question on the grounds that the investigation required to compile the requested information is overly burdensome, overbroad, unnecessarily time-consuming, and not reasonably calculated to lead to the discovery of relevant evidence. Subject to and without waiving these objections, SoCalGas responds as follows. The information requested, even if compiled, does not factor in to the basis for the SoCalGas M&S forecast. The forecast is calculated by escalating the 2016 adjusted ending M&S balance as shown in Exhibit SCG-35-WP-R at page 460.

**TURN DATA REQUEST-017**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS PARTIAL RESPONSE 1**  
**DATE RECEIVED: FEBRUARY 9, 2018**  
**DATE RESPONDED: FEBRUARY 26, 2018**

12. Provide the forecast of obsolete M&S inventory expenses in each year for 2017-2019 in real and nominal dollars.

**SoCalGas Response 12:**

SoCalGas does not forecast obsolete M&S inventory expenses.

**TURN DATA REQUEST-017**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS PARTIAL RESPONSE 2**  
**DATE RECEIVED: FEBRUARY 9, 2018**  
**DATE RESPONDED: MARCH 5, 2018**

13. With regard to the Work in Progress figures on page 457-R of the workpapers for SCG-35:
- a. Please explain how SoCalGas has Work in Progress that is non-interest bearing.
  - b. Please provide the amounts of non-interest bearing Work in Progress for each month from 2012-2017.
  - c. Please explain the basis for the forecasts of non-interest-bearing Work in Progress on SCG-35, Workpaper 457.

**SoCalGas Response 13:**

- a. Please refer to the explanation provided in Exhibit SCG-35-R (Revised Prepared Direct Testimony of Patrick Moersen) at page PDM-7.
- b. Please refer to the attached excel file “TURN-SEU-017\_Q13.xlsx.” As of the date of this response, 2017 data is not available.
- c. Please refer to the explanation provided in Exhibit SCG-35-R at page PDM-7.