

**TURN DATA REQUEST-06**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS PARTIAL RESPONSE #1**  
**DATE RECEIVED: JANUARY 18, 2018**  
**DATE RESPONDED: JANUARY 29, 2018**

The following questions relate to SCG-38, “Working Cash.” References to “workpapers” relate to the relevant workpapers for this Chapter, “SCG-38-WP-S KChan.”

1. Please provide all workpapers that support this chapter in Excel with working cells/formulas.

**Utility Response 01:**

SoCalGas can provide Excel versions of the working cash workpapers for 2013 and 2016, which served as the basis for the test year (TY) 2016 and 2019 general rate case (GRC), respectively. SoCalGas prepares the working cash study for the TY of a GRC and not for other years. Approved and authorized attrition is applied to an approved and authorized GRC TY to derive the working cash component for the Post-Test years of the GRC cycle.

Please refer to the following Excel schedules for further detail:

- 1) 2016 GRC - SCG 2016 GRC Working Cash Workpaper Support.xlsx
- 2) 2019 GRC – SCG 2019 GRC Working Cash Workpaper Support (Confidential).xlsx.  
This attachment is considered **Confidential and Protected Materials Pursuant to PUC Section 583, GO 66-C/D, and D.16-08-024.**

**TURN DATA REQUEST-06**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS PARTIAL RESPONSE #1**  
**DATE RECEIVED: JANUARY 18, 2018**  
**DATE RESPONDED: JANUARY 29, 2018**

2. Regarding Schedule B-2 on pages 4-5 of the workpapers:
  - a. Please provide this workpaper in Excel with working formulas.
  - b. Please provide on separate Excel tabs annual recorded costs, lead/lag days, and all calculations for 2010-2015, inclusive, and 2017, when available, in the same format as Schedule B-2.

**Utility Response 02:**

Please refer to the response to Q1 above.

**TURN DATA REQUEST-06**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS PARTIAL RESPONSE #1**  
**DATE RECEIVED: JANUARY 18, 2018**  
**DATE RESPONDED: JANUARY 29, 2018**

3. Regarding Schedules C, D, E, F, G, H, I, J, K, L, M, N-1, N-2, O-1, O-2, and O-3, for each schedule:
- a. Please provide these workpapers in Excel with working formulas.
  - b. For each year of 2010-2015, inclusive, and 2017 when available, please also include separate tabs for recorded calculations with all the same information as provided in each schedule, and with working formulas.

**Utility Response 03:**

Please refer to the response to Q1 above.

**TURN DATA REQUEST-06**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS RESPONSE #2**  
**DATE RECEIVED: JANUARY 18, 2018**  
**DATE RESPONDED: FEBRUARY 6, 2018**

The following questions relate to SCG-38, “Working Cash.” References to “workpapers” relate to the relevant workpapers for this Chapter, “SCG-38-WP-S KChan.”

4. Regarding Schedule N-1 on page 32 of the workpapers:
  - a. Line 2 shows a refund of approximately \$1.8 million. Please explain the nature of this refund, including what it was for and what tax treatment allowed or caused it.
  - b. Did the refund shown in Line 2 result in a reduction to the authorized revenue requirement for SoCalGas? Please explain in detail, including the mechanism through which such a reduction occurred, if applicable.
  - c. Regarding the refund on line 2, please explain what the “payment date” refers to, e.g. is it the date on which the IRS refunded the amount or something else? Does SCG have any discretion or influence over when this is received? Please explain.

**Utility Response 04:**

The original reply to this Data Request was sent on January 29, 2018, with the exception of Q4 and Q5 which are provided in this Partial response.

4.a. The \$1.8 million shown on line 2 of Schedule N-1 represents 2015 taxes that were overpaid during 2015. Estimated taxes are calculated and prepaid quarterly throughout the year. The IRS requires that 25% of the annual forecast of tax liability be paid by April 15, another 25% (50% cumulative) by June 15<sup>th</sup>, another 25% (75% cumulative) by September 15, and another 25% (100% cumulative) by December 15. This applies to all tax years presented. Please refer to the attached IRS regulations §1.6655-1(d) and §1.6655-1(f).

An extension of time to file is typically requested on the original due date of the tax return; however, this is only an extension of time to file the return, not an extension of time to pay any taxes due. Therefore, a calculation is done at the time of the extension filing with the latest information available to determine if any additional tax is due at the time. If the estimated tax liability for the year at the time of the extension filing is less than the total estimated payments already made for the year, then an overpayment amount is shown on the extension filing.

4.b. The refund shown on line 2 of Schedule N-1 did not result in a reduction to the authorized revenue requirement for SCG.

**TURN DATA REQUEST-06**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS RESPONSE #2**  
**DATE RECEIVED: JANUARY 18, 2018**  
**DATE RESPONDED: FEBRUARY 6, 2018**

**Utility Response 04 Continued:**

4.c. The payment date on line 2 refers to the original due date of the 2015 tax return. This is the date that the extension of time to file was submitted, showing an overpayment for the tax year of approximately \$1.8 million. SCG does not have any discretion or influence over when a refund for overpayment is received.

**TURN DATA REQUEST-06**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS RESPONSE #2**  
**DATE RECEIVED: JANUARY 18, 2018**  
**DATE RESPONDED: FEBRUARY 6, 2018**

5. Regarding Schedule N-2 on page 33 of the workpapers:
  - a. Please provide the due date of the tax payments and refunds shown on lines 9 to 13.
  - b. Please explain the reason for the refund shown on line 9 including what it was for and the tax treatment that allowed or caused it.
  - c. Please explain whether the refund shown on line 9 corresponded to a revenue requirement reduction for ratepayers and the mechanism through which this occurred, if applicable.
  - d. Please explain if SDG&E expects the refund shown on line 9 to occur in 2019 and why SDG&E believes this to be the case.

**Utility Response 05:**

5.a. The payment dates shown on Schedule N-2, lines 11 through 13 are the due dates of the estimated payments shown on lines 11 through 13. The state of California requires that 30% of the annual tax liability be paid by April 15th, another 40% (70% cumulative) by June 15th, and another 30% (100% cumulative) by December 15th. This applies to all years presented. Please refer to the attached Cal. Rev. & Tax Cd. §19025(b).

The payment date shown on Schedule N-2, line 10 is the original due date of the 2015 CA tax return. This is the date that the extension of time to file was submitted, showing the payment amount on line 10 as additional tax due at the time. An extension of time to file is typically requested on the original due date of the tax return; however, this is only an extension of time to file the return, not an extension of time to pay any taxes due. The refund shown on line 9 does not have a specified due date. This refund is a true-up adjustment to the true tax return liability as filed on the 2014 CA tax return. Payments or refund requests for true-up adjustments are made or requested once all tax return filings for the tax year have been finalized.

5.b. The reason for the refund shown on SCG's Schedule N-2, line 9 is that it is a return to provision (RTP) adjustment for the 2014 tax year. SCG prepares a tax provision in January for the previous tax year and books a provisional estimated tax expense for the previous year at that time. Many of SCG's tax adjustments require a great deal of analysis, so more time is needed to prepare the actual tax return that is filed with the IRS in September. Once the final tax adjustments have been prepared, a tax return is filed with the IRS. At that time, SCG is able to determine its true tax liability for the previous year. The difference between the provision that is booked in January and the tax return that is filed in September is later booked as an RTP adjustment. For the 2014 tax year, SCG's true tax return liability was less than the provision that was calculated in January, resulting in a refund.

**TURN DATA REQUEST-06**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS RESPONSE #2**  
**DATE RECEIVED: JANUARY 18, 2018**  
**DATE RESPONDED: FEBRUARY 6, 2018**

**Utility Response 05 Continued:**

5.c. The refund shown on line 9 of Schedule N-2 did not correspond to a revenue requirement reduction for ratepayers.

5.d. The tax refund shown on Schedule N-2, line 9 is not expected to occur in 2019 because that refund was related to fact-specific events for that tax year.