

**DRA DATA REQUEST
DRA-SCG-078-MRK
SOCALGAS 2012 GRC – A.10-12-006
SOCALGAS RESPONSE
DATE RECEIVED: APRIL 19, 2011
DATE RESPONDED: May 3, 2011**

Exhibit Reference: SCG-27 Depreciation

Subject: Depreciation

Please provide the following:

1. Please provide the following information re third party reimbursements:
 - a. Provide a list and description of the major types of SCG's third party reimbursements, including "relocation", "damage/insurance", and any other types.
 - b. Provide sufficient, actual examples from SCG's records of each of these categories of third party reimbursements to demonstrate all the various possibilities of how they could be booked plant in service, depreciation reserve, O&M expense, or elsewhere.
 - c. Describe the method, rationale, and legal basis for how this was done in each case.

SoCalGas Response:

See previous response provided in data request DRA-SCG-053-MRK, Question 2.

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2. Provide a simplified spreadsheet showing for each of the above examples, how the data was used in the calculation of historical and test year salvage rates. Describe the rationale and legal basis for how this was done in each case.

SoCalGas Response:

See previous response provided in data request DRA-SCG-053-MRK, Question 3.

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3. Provide a working spreadsheet displaying all yearly activity related to third party reimbursements by FERC account for the years 2005 to 2010. The spread sheet should include all yearly totals for original book value of removed plant, yearly totals for net book value of removed plant, removal costs, gross salvage, net salvage, reimbursements, entries to FERC 108, entries to accumulated Depreciation, entries to Plant in Service, and all other entries associated with third party reimbursements.

SoCalGas Response:

There is no working spreadsheet containing the information being requested, as this information was neither used, nor relevant to, the GRC depreciation study, as explained below. Furthermore, the volume and type of information is not readily available and would be unduly burdensome to compile.

The 15 year historical studies used in determining the proposed SoCalGas Future Net Salvage (FNS) rates in the 2012 GRC have captured the retirements by FERC account. The net removal cost (less any positive salvage) applied against these retirements generating the historical FNS rates do not include those removal costs already paid and reimbursed by customers for the collectible work done. The removal cost associated with these customer reimbursements is not included in the Net Salvage Studies, thereby correctly lessening the impact on any proposed FNS rates.