

**DRA DATA REQUEST
DRA-SCG-039-MRK
SOCALGAS 2012 GRC – A.10-12-006
SOCALGAS RESPONSE
DATE RECEIVED: FEBRUARY 8, 2011
DATE RESPONDED: FEBRUARY 18, 2011**

Exhibit Reference: SCG-27 Depreciation

Subject: Depreciation

Please provide the following:

1. Please describe SCG's procedure for recording cost of removal.

SoCalGas Response:

For projects where assets will be removed, Operations will estimate the percentage of the total costs of the project which will be incurred as cost of removal. This percentage will be applied against the total costs of the project (Gas) and these costs (less any salvage) will be recorded to the accumulated provision account 1430000, (FERC 108).

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2. Is this the same procedure as for SDG&E? If not, how does it differ?

SDG&E Response:

Same procedure exists for SDG&E including Electric. For projects where assets will be removed, Operations will estimate the percentage of the total costs of the project which will be incurred as cost of removal. This percentage will be applied against the total costs of the project (Electric and/or Gas) and these costs (less any salvage) will be recorded to the accumulated provision accounts 143xxxx, (FERC 108).