**A.10-12-005/A.10-12-006 Sempra Utilities 2012 TY GRCs**

**TURN Data Request to SoCalGas**

**Data Request Number:** TURN-SCG-7 Bonus Depreciation)

**Date Sent:** March 1, 2011

**Date Due:** March 15, 2011

Please provide the name of the witness/responder.

For any questions requesting numerical recorded data, please provide all responses in working excel spreadsheet format if so available.

For any question requesting documents, please interpret the term broadly to include any and all hard copy or electronic documents or records in SoCalGas’ possession.

**Income Taxes - Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010**

1. SoCalGas’s testimony states that the “estimates contained in this section were calculated using current federal and state tax laws enacted through July 30, 2010.” (Exhibit SCG-28, page RGR-7, lines 14-15) SoCalGas’s testimony also states: “Since the effective date of SCG’s 2008 GRC decision, Congress has passed three major pieces of legislation with deferred tax implications for SoCalGas’s 2012 TY estimates.” (page RGR-15, lines 22-23) One of these pieces of legislation is identified as “the Small Business Jobs Act of 2010” (page RGR-12, lines 20-22), which was passed after July 30, 2010. Was the impact of the Small Business Jobs Act of 2010 actually included in SoCalGas’s application or not? If it was, provide workpapers showing the impact of this legislation on to SoCalGas’s forecast 2010, 2011 and 2012 current and deferred income tax expense, 2011 and 2012 property tax expense, and 2011 and 2012 rate base.
2. Please provide the amount of bonus depreciation taken by SoCalGas (a) for GRC functions; (b) for other functions divided into FERC jurisdictional and various balancing accounts in each of the years 2008 and 2009 as recorded, and 2010 as forecast (if the Small Business Jobs Act was included).
3. The Small Business Jobs Act, signed into law on September 27, provided retroactive bonus depreciation of 50% for the year 2010. The Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 signed by President Obama on December 17, 2010 provided for additional bonus depreciation in 2010 (increase from 50% to 100% for plant in service after September 8), 2011 (100% of qualified plant), and 2012 (50% of qualified plant). Please provide a revision to SoCalGas’s forecast 2010, 2011 and 2012 current and deferred income tax expense, 2011 and 2012 property tax expense, and 2011 and 2012 rate base arising from these two tax law changes (only the second change if the Small Business Jobs Act was included in the application) and provide a complete set of supporting workpapers.
4. Will property taxes assessed by the State Board of Equalization change as a result of the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010? If so, please explain why and provide revised calculations of property taxes with and without this tax act. If not, please explain why no change will be made.
5. Does SoCalGas have any plans to make additional investments in plant and equipment in 2011 or 2012 as a result of these income tax changes? If so, please describe in detail all plans SoCalGas currently has to make additional investments in plant and equipment in 2011 or 2012 as a result of this income tax change. In the description, please include the following:
   1. Please provide SoCalGas’s most recent forecast of additional investments (by individual project for projects costs in excess of $1 million and by each type of investment – e.g., $X for Y miles of pipeline replacement).
   2. Please identify the impacts such additional investments would have on 2012 rate base requested in this case (including gross plant, accumulated depreciation and accumulated deferred income taxes).
   3. Please provide a plan (including flow charts of timing, process, and costs) that indicates how SoCalGas expects to identify, manage and implement such additional investments in a manner that achieves the lowest cost (for example, by minimizing reliance on relatively expensive contractors or on overtime for utility employees).
   4. Please describe how SoCalGas will evaluate the additional spending in terms of cost-effectiveness.