

**DRA DATA REQUEST**  
**DRA-SCG-099-MRK**  
**SOCALGAS 2012 GRC – A.10-12-006**  
**SOCALGAS RESPONSE**  
**DATE RECEIVED: JUNE 7, 2011**  
**DATE RESPONDED: JUNE 30, 2011**

**Exhibit Reference:** SCG-27 Depreciation

**Subject:** Depreciation

**Please provide the following:**

1. Please update SCG's supplemental response to response to DRA-SCG-004-MRK by providing a working Excel spreadsheet containing a breakdown by account of the comparison of Recorded to Authorized net salvage for each year (2005-2010) that sums up to the listed total amounts, computed from fundamental data such as historical plant balances, authorized salvage rates, retirements, and removal costs. Please ensure that the spreadsheet is an attachment, rather than being imbedded in a Word document.

**SoCalGas Response:**

Excel spreadsheets for each year (2005 thru 2010) display the following:

- Detail for years 2005-2009 were previously provided in response to DRA-SCG-004-MRK and DRA-SCG-059-MRK. Copies for convenience are attached.
- By using and updating the original response to DRA-SCG-004-MRK, additional columns were added to each year's file to capture the 2005 thru 2009 data requested. Two new columns (Recorded Total Salvage Costs & Recorded Pay-as-u-go Costs) pull the data from the SAP files included within that original response.
- For 2010 (as done for 2005-2009), these excel spreadsheets utilize the total yearly depreciation accrual rate by FERC Account as submitted to the CPUC on an annual basis incorporating the authorized ASL and FNS.
- The total yearly estimated provision is included as part of that submission to the CPUC using the rate discussed above.
- This estimated provision is then split to isolate the portion attributed to the gross plant accrual and the portion attributed to the FNS accrual creating ratios.
- These ratios are then used to split the actual yearly recorded provision associated with each FERC Account.
- The actual recorded removal dollars by FERC Account generated by the specific year's experienced retirements are displayed.
- This results in the excel spreadsheet identifying the "estimated" authorized FNS by FERC Account and the Actual "recorded" removal costs by FERC Account.
- The overall individual FERC Account provision balances match the SAP reports already submitted to the DRA in a previous data request (Def-SCG-05-MRK). The SAP detail for 2010 is included within this data response.
- Actual Provision numbers are recorded from the SAP system.

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2. Please update SCG's supplemental response to response to DRA-SCG-004-MRK by providing a comparison of the net salvage spent for each year (2005-2010) included in the response to Question 1 above to the net Cost of Removal reported in SCG's FERC FORM 2, page 219, items 13 and 14 for each year. Also, please attach a copy of the FERC FORM NO.2, page 219 for each year to your response.

**SoCalGas Response:**

In data response DRA-SCG-059-MRK, the estimated FNS, actual salvage, actual removal, and net salvage were shown in the separate worksheets supplied for each year 2005 through 2009. A similar format is attached in this response for year 2010.

The reconciliation of SAP data to FERC FORM 2, page 219 for years 2005 thru 2010 is attached. The actual FERC FORM 2, page 219 is attached as requested.

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3. For any of the years, if there are differences between the amounts reported in the response to Q1 and the amounts reported in the FERC FORM 1 in Q2, please reconcile the differences and provide explanation why the differences exist. In particular please explain inconsistencies regarding the value of SCG's end of year 2009 total depreciation reserves. According to SOCALGAS table SCG-BW-2, for which a supporting spreadsheet was supplied through informal-SCG-DR-07, that value was \$5.131166 billion, According to the spreadsheet supporting the table, that value was \$5.066057 billion. According to FERC Form 2, pg. 219, that value was \$3.663504 billion. Please also explain any analogous inconsistencies in 2010 recorded total accumulated provision for depreciation data.

**SoCalGas Response:**

**2009**

Below is a reconciliation of the 2009 end of year accumulated reserve balance of \$5,131,166 billion to the \$5,066,057 billion in the depreciation spreadsheets from the data input tab in the RO model.

	Total per RO Model: rbSCGDataInput.xls, 2010&2011 Rates tab	\$ 5,066,057 (2)
350.31	<i>Fully amortized balance UGS Storage Rights</i>	3,936
350.32	<i>Fully amortized balance UGS-Recoverable Oil</i>	571
374.00	<i>Distribution Land &amp; Land Rights</i>	12
	<i>Fully depreciated software balance</i>	60,591
	Reconciling Items	65,109
	Total Recorded Depreciation Reserve as of 12/31/09	\$ 5,131,166 (1)

Also, the reconciliation of the FERC Form 2, pg. 209 value of \$3.663,504 billion to the 2009 end of year accumulated reserve balance of \$5,131,166 billion can be found in work papers to Exhibit SCG-26, the testimony of witness Garry G. Yee (see SCG-26-WP, page GGY-WP-359). Page is attached for convenience.

**2010**

Reconciliation between the SAP data and FERC FORM 2, page 219 for 2010 is attached.