

TURN DATA REQUEST
TURN-SCG-DR-16
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: MAY 4, 2015
DATE RESPONDED: MAY 12, 2015

1. The attachment to TURN DR 1-1 shows a change in the treatment of Workers' Compensation receivables, adding a significant amount of long-term receivables to rate base in December 2012.
 - a. Please provide documentation of the accounting change that led to SoCalGas changing its cash working capital study in this regard.
 - b. If there were any offsetting liabilities to the workers' compensation reserve liability, please identify them.
 - c. Please explain the tax treatment of both the long-term receivables and the liabilities (i.e., whether deferred income taxes were removed from both) and
 - d. Please explain why SoCalGas had the addition to long-term receivables in December 2012 but SDG&E did not.

SoCalGas Response:

- a. Please see confidential attachment – **CONFIDENTIAL PROTECTED MATERIALS PURSUANT TO SIGNED NDA IN THIS PROCEEDING** - "TURN-SCG-DR-16 Question 1a Attachment (C).pdf".
- b. The offsetting liabilities for Workers Compensation Long-Term Receivables are embedded in the Workers Compensation Reserves as shown in Mr. Mike Foster's workpapers – SCG-29-R-MFoster_WP, Schedule P-6.1, Line number 9.
- c. Both the long-term receivables and the liabilities used for Mr. Mike Foster's testimony are tax affected at a rate of 40.75% to reflect the fact that the revenues collected are taxed in the year received, and only a portion of this is available as working cash.
- d. Both SoCalGas and SDG&E had addition to long-term receivables in December 2012.

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2. The attachment to TURN DR 12-2 shows very short lags (1 to 3 days for the most part) in payment when paying for credit card bills (e.g., Citibank, American Express). When making those payments, does SoCalGas start with the date of the invoice or the date of the purchase of the items invoiced?

SoCalGas Response:

SoCalGas starts with the date of the invoice. This is the date vendors put on the invoice.