

**DRA DATA REQUEST**  
**DRA-SCG-141-MRK**  
**SOCALGAS 2012 GRC – A.10-12-006**  
**SOCALGAS RESPONSE**  
**DATE RECEIVED: AUGUST 12, 2011**  
**DATE RESPONDED: AUGUST 26, 2011**

**Exhibit Reference:** SCG-27

**Subject:** Depreciation

**Please provide the following:**

1. In response to DEF SDG&E-03-MRK Sempra provided a CD wherein net salvage rates were calculated in the spreadsheet SDG&E updated Final Electric 15yr.xls. Column N in that file computes the net salvage factor by dividing total net salvage for the fifteen year period by total retirements for that period. This is done by account. Please state whether all retirements associated with third party reimbursements have been included in the total retirement number including those when the reimbursements exceed the cost of the project. If not please explicitly describe what criteria were used to eliminate all or part of those retirements.

**SoCalGas Response:**

All retirements associated with third party reimbursements are included in the salvage study.

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2. Referring to question 1, please state whether all net salvage amounts associated with third party reimbursements have been included in the total salvage number including those when the reimbursements exceed the cost of the project. If not please explicitly describe what criteria were used to eliminate all or part of those net salvage amounts.

**SoCalGas Response:**

NET SALVAGE = (GROSS SALVAGE – COST OF REMOVAL)

Yes, all gross salvage including any gross salvage associated with reimbursed jobs is included in the total gross salvage numbers.

Yes, all removal costs including any removal costs associated with reimbursed jobs are included with the total removal costs identified within the salvage study. Because many of the removal costs from collectible jobs are reimbursed, only the net (uncollectible portion of the removal cost) is actually reflected in the salvage study. As stated in the gross salvage response, in those situations where reimbursements exceed the cost of the project, the situation does not change.