

TURN DATA REQUEST
TURN-SCG-DR-03
SOCALGAS 2012 COST OF CAPITAL – A.12-04-017
SOCALGAS RESPONSE
DATE RECEIVED: JULY 19, 2012
DATE RESPONDED: JULY 23, 2012

- 1) Provide any studies SoCalGas has conducted that estimate the overall annual revenue requirement increase related specifically to hypothetically-higher borrowing costs, collateral requirements, and higher purchased gas or other costs as are result of a hypothetical reduction in SoCalGas's credit rating. Please ensure that the study or any other answer you provide includes an itemization and explanation of all relevant assumptions (e.g., timeframe, ratebase, baseline collateral requirement and purchased power costs, etc.)

SoCalGas Response:

SoCalGas has not conducted studies based on such hypothetical scenarios.

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- 2) Please calculate and provide the overall revenue requirement on the hypothetical basis of (a) an ROE of 10.5% (SoCalGas's request), and (b) an ROE of 9.1% (the lower end of SoCalGas's stated results range (p. 59, line 12)), using SoCalGas's projected 2013 ratebase.

SoCalGas Response:

SoCalGas objects to this request as not reasonably calculated to lead to the discovery of relevant, admissible evidence, because (1) SoCalGas's revenue requirement will be determined based on the evidence in A.10-12-006 (2012 GRC) and not in this proceeding; (2) SoCalGas used 2011 actual rate base, not a projected 2013 rate base, to calculate revenue requirement impact in this proceeding; and (3) SoCalGas's requested ROE in this proceeding is 10.9%, not 10.5%.

Subject to and without waiving this objection, SoCalGas responds as follows: SoCalGas has not performed the requested calculations using the identified hypothetical variables or projected 2013 rate base.