

**ORA DATA REQUEST
ORA-SCG-DR-060-KCL
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: FEBRUARY 11, 2015
DATE RESPONDED: FEBRUARY 26, 2015**

Exhibit Reference: SCG-07, SCG-07-WP, and SCG-07-CWP

Subject: O&M Expenses and Capital Expenditures on Gas Engineering – Cathodic Protection

Please provide the following:

1. Please provide the 2014 adjusted-recorded O&M expenses and capital expenditures for Cathodic Protection in the same format and breakdown as those provided previously in an email response on 9/8/2014 to an informal data request from Clayton Tang “SDG&E/SOCALGAS-ORA-INFORMAL-04 B”.

SoCalGas Response:

2014 financial information will not be available until after SoCalGas makes its 10-K filing with the SEC in early 2015. It is currently expected that SoCalGas will provide the adjusted recorded 2014 financial information to ORA in March 2015.

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2. Table RKS-23 on page RKS-75 of SCG-07 shows that in 2015, it is estimated that SoCalGas will spend \$8.986 million on capital expenditures on Cathodic Protection. It is about mid-February now in 2015. Please provide the current status of this project. Please also provide the current spending timeline for this project through 2015.

SoCalGas Response:

The projects represented in the GRC are developed as a snapshot-in-time as of the November 2014 date of the Application filing, and representative of the types of projects and programs the utility expects to encounter in the normal course of business. Projects that are either delayed or advanced in one area may be offset by other projects that are advanced or delayed in another as a result of changing conditions such as permit applications, resource supply, changed priorities and emergent work. The Rate Case Plan does not provide for the utility to update its forecasted expenses, either up or down, in its application except for certain, specific and identified items in the update filing following hearings. With these conditions in mind, SoCalGas responds to this question as follows:

The \$8.986 million planned in 2015 was estimated for multiple Cathodic Protection projects with expenditures in the replacement of surface anode beds, deep well anodes and/or rectifier systems, and capital repairs of pipelines with poor or dis-bonded coating. Currently, SoCalGas anticipates delays in these projects due to factors such as timing and permitting. Although the current plan is to spend approximately \$2 million in Cathodic Protection Transmission capital for 2015, this number can change considerably in future months.

In regards to a “spending timeline,” SoCalGas anticipates expenditures to be steady during the year. Projects such as these, which involve excavations and/or drilling, can vary month to month due to weather, contractor and materials availability, and permitting.