

**ORA DATA REQUEST
ORA-SCG-DR-090-MCL
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: MARCH 5, 2015
DATE RESPONDED: MARCH 20, 2015**

Exhibit Reference: SCG-28

Subject: Taxes

Please provide the following:

1. In reference to Payroll Taxes, SCG states on page RGR-2, that “the OASDI wage base will increase based on a data reported in a 2014 annual report.”
 - a. Did SCG use the OASDI wage base data from the 2014 annual report to calculate Payroll taxes in this general rate case?
 - b. Are the OASDI wage base percentages applied in the Results of Operations (RO) Model? If so, please provide tab numbers in the RO Model where these percentages flow-through in the payroll tax calculation. If not, explain where SDG&E has included those calculations.

SoCalGas Response:

- a. Yes.
- b. The calculation of the average payroll tax rate using the OASDI wage base is not in the RO model, but it is in Mr. Reeves’ Tax work papers. In the work papers, it is located on page 18 of 64 for SoCalGas. This calculation has always been done outside the RO model. At this point we cannot build this into the RO model as it will compromise the integrity of the model and the accuracy of the revenue requirement calculation.

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2. Provide the calculation of Payroll taxes applying the current OASDI percentages of wage base as currently established for 2013, 2014, 2015 and the test year 2016 instead of factoring the data used from the 2014 annual report.

SoCalGas Response:

Mr. Reeves' testimony reflects the actual OASDI wage bases for 2013 and 2014. Consistent with SoCalGas' prior 2012 GRC, and due to the timing of the revised testimony being submitted in this GRC, any updates to reflect actual OASDI wage bases for 2015 and 2016 will be included during the update phase of the proceeding.

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3. Please provide the actual 2014 ad valorem/property tax rate and the recorded 2014 ad valorem/property tax expenses.

SoCalGas Response:

The actual 2014/2015 fiscal year ad valorem tax rate for SoCalGas is 1.251573%. In comparison, the forecasted rate included in the Application filing for the 2014/2015 fiscal year was 1.250873%; therefore, the difference between the actual and forecasted rates is only 0.0007%, and thus the impact on ad valorem tax expense would not be material if the actual rate were used to compute the ad valorem tax expense. To the extent applicable, ad valorem/property tax rates may be addressed in the update phase of this GRC, as it was in the prior GRC.

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4. Please provide recorded 2014 franchise tax fees and the actual 2014 franchise fee rate.

SoCalGas Response:

Recorded 2014 franchise fees and the actual 2014 franchise fee rate are not currently available for SoCalGas.