

ORA DATA REQUEST
ORA-SCG-091-CL8
SOCALGAS 2019 GRC – A.17-10-008
SOCALGAS RESPONSE
DATE RECEIVED: JANUARY 22, 2018
DATE RESPONDED: FEBRUARY 2, 2018

Exhibit Reference: SCG-38-R

SCG Witness: Karen Chan

Subject: Working Cash

Please provide the following:

1. In Schedule G of SCG-38-WP-R, SoCalGas states, “Most checks are direct deposits, and for the rest, employees usually deposit the check on the same day. To be conservative, 1 days check clear lag is assumed.”
 - a. Please identify all other schedules in SCG-38-WP-R that reflect payments made by check.
 - b. Where a schedule reflects payments that are made by check or by a combination of payment methods (e.g., direct deposit), please identify the dollar amount and clearance lag associated with each payment method.
 - c. Please provide evidence describing the clearance policies and schedules of SoCalGas’s banks. Include an explanation of how clearance schedules apply to deposits made by payment recipients on non-business days.

SoCalGas Response 1:

- a. Schedules I (Goods and Services), Schedule K (Real Estate Rental Payments), and Schedule Ma (Ad Valorem Taxes only) include amounts paid by check. Payments included on other schedules may occasionally be paid by check; however, these would generally be on an exception basis.
- b. Check clearing lags have been incorporated into Schedule K and Ma.
 - Of the \$16 million of real estate payments in Schedule K, \$5 million was made by check with a check clearing lag of 7.35 days.
 - Of the \$61 million of ad valorem taxes in Schedule Ma, \$27 million was made by check with a check clearing lag of 12.20 days.

SoCalGas did not incorporate check clearing lags into its Schedule I. The check clearing lag, based on review of 2016 check encashment dates, is approximately 6.0 days. When weighted with electronic payments, the average Goods & Services lag for Schedule I is approximately 36.3 days (or 2.3 days longer than previously stated).

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SoCalGas Response 1 Continued:

- c. Please refer to the statement below from Union Bank:

“There isn't a clear timeline in place for processing times. Generally checks and electronic payments are processed, debited from the makers account, within 24-72 hours. The items received on a non-banking business day are processed the next banking business day. So an item received on a Saturday or Sunday will be processed on Monday. Items received the day preceding a non-business day should be processed the day received.”

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2. Schedule D of SCG-38-WP-R references Schedules D-1 through D-4 (gas payments), but these are not included within SCG-38-WP-R. Please provide these schedules in an Excel-readable format.

SoCalGas Response 2:

Please refer to Excel schedule “Schedule D1-D4.xlsx”.