

ORA DATA REQUEST
ORA-SDGE-097-CL8
SDG&E 2019 GRC – A.17-10-007
SDG&E RESPONSE
DATE RECEIVED: JANUARY 22, 2018
DATE RESPONDED: FEBRUARY 2, 2018
DATE AMENDED: FEBRUARY 7, 2018

Exhibit Reference: SDG&E-36-R
SDG&E Witness: Steven P. Dais
Subject: Working Cash

Please provide the following:

1. In Schedule G of SDG&E-36-WP-R, SDG&E 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 SDG&E-36-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 SDG&E’s banks. Include an explanation of how clearance schedules apply to deposits made by payment recipients on non-business days.

SDG&E Response 01:

- a. Schedules I (Goods and Services) and K (Real Estate Rental Payments) 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. Approximately \$20 million (67%) of the total real estate rental payments are made by check. These payments are indicated on Schedule K, and reflect a check clearing lag of 5.8 days.

While the majority of payments for goods and services are made electronically, approximately 35% are made by check. In reviewing the data, SDG&E determined that approximately \$229 million of payments for goods and services were made by check. The check clearing lag is approximately 2.6 days. Weighting those payments with electronic payments, the average Goods & Services lag for Schedule I is approximately 34.0 days (or approximately 0.9 clearing lag days longer than previously stated).

- 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.

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SDG&E Response 01 Continued:

Items received the day preceding a non-business day should be processed the day received.”