

DRA DATA REQUEST
DRA-SCG-130-MCL
SOCALGAS 2012 GRC – A.10-12-006
SOCALGAS RESPONSE
DATE RECEIVED: JULY 19, 2011
DATE RESPONDED: AUGUST 4, 2011

Exhibit Reference: SCG-23-WP

Subject: Legal – Cost Center 2200-2334 – Law Department

Please provide the following:

1. Please provide an organization chart for years 2010 and 2011 for SCG's Legal Department showing the 21.7 full time employees and job titles and classification within each operating department.

SoCalGas Response:

Please see revised workpaper SCG-23-WP-R, Page 67. Please also see our response to DRA-SCG-036-DFB, Question 1 regarding FTE count where we noted that the *prorated* 2010 FTE count was 22.4 not 21.7 and that the workpaper required revision to match testimony to correct for a missing FTE. Also, as described in our response to DRA-SDGE-074-MCL, Question 4, the 2010 Reorganization was effective April 2010. As a result, the 2010 FTEs were *prorated* to reflect three-quarters of the year.

Attached is an organization chart for years 2010 and 2011 for SoCalGas' Law Department. All positions listed on the organization chart are full-time.



Q1 Org Chart (2).pdf

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2. How many attorneys, paralegals, and administrative assistants support each of the four practice areas of Regulatory, Litigation, Commercial and Environmental?

SoCalGas Response:

Please see our response to DRA-SCG-036-DFB, Question 1. Please also see the organization chart attached as an exhibit to Question 1, above.

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3. Does SCG plan to use outside counsel? If so, please provide the cost center where these non-labor costs are forecasted and provide cost associated with it.

SoCalGas Response:

SoCalGas does plan to use outside counsel. Outside legal costs are forecasted in Cost Center 1100-0145 (see the revised workpapers of Bruce Folkmann, BAF-WP-247-R).

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4. Referring to Exhibit SCG-23-WP, page 70, WP Cost Center 2200-2334 - Legal. Please provide a list of the 21.7 Full time employees (FTE) transferred from Corporate to the utility for year 2010. Please include job classification, job title, and salary of each FTE. Provide each job title classification within each of the main four practice areas; Regulatory, Litigation, Commercial and Environmental.

SoCalGas Response:

Please refer to our responses to Questions 1 and 2, above. Administrative associates, paralegals and legal research attorneys are non-exempt employees. All other employees are exempt. SoCalGas does not provide forecasts of individual position salaries, but rather forecasts total labor dollars at the cost center level. Therefore, the cost information is provided on an aggregate basis for all employees at the cost center level, as shown in the workpapers.

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5. Referring to Exhibit SCG-23-WP, page 72 Cost Center: 2000-2334 – Legal.
- a. Please provide a breakdown of the labor and non-labor costs associated with the 2 senior counsels and 1 administrative associate requested for TY 2012 that will support Regulatory and Commercial practice areas.
 - i. Please provide a detailed explanation how SCG determined the need for 2 senior counsels and 1 administrative associate.
 - b. How many full time employees will each senior counsel oversee, provide the job classification of each full time employees each senior counsel will oversee for TY 2012.
 - c. How many senior counsels were transferred from Corporate Center as part of the re-organization? Please provide labor and non-labor breakdown cost associated with this job classification. Provide the section each specific senior counsel oversees.
 - d. How many senior counsels will there be in total at the utility by 2012?

SoCalGas Response a:

For forecasting purposes, each senior counsel FTE was budgeted at \$200,000 in labor costs and the administrative associate was budgeted at \$65,000 in labor costs.

SoCalGas Response a.i:

Please see pages CAS-16 through 20 of testimony Exhibit SCG-23, as well as page 72 of revised workpapers (Exhibit SCG-23-WP-R).

SoCalGas Response b:

Senior counsels are not generally charged with oversight responsibilities for other employees. Managing Attorneys and Assistant General Counsels have oversight responsibilities for other employees.

SoCalGas Response c:

Please see the organization chart attached as an exhibit to our response to Question 1, above which reflects the transfer of 16 senior counsel. The labor and non-labor costs associated with this job classification are blended with other members of the originating Corporate Center cost center who did not transfer. Therefore, it is only possible to provide this information at the total cost center level, and not by job classification level.

SoCalGas Response d:

It is anticipated that there will be 18 senior counsels in the SoCalGas Law Department by 2012; 16 that were transferred in the 2010 Reorganization and 2 additional senior counsels requested for TY2012.

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6. Referring to Exhibit SCG-23-WP, page 71 Cost Center: 2000-2334 – Legal. Please provide a detailed explanation for the 2011 labor cost of \$4,277,000 associated with functions/activities transferred from Corporate Center to the utilities, explain what are these functions, activities, and or job positions. Please provide a breakdown of each of the labor amounts of \$240,000, \$325,000, \$3,712,000. Explain how SCG arrived to each forecasted labor cost.

SoCalGas Response:

Please refer to Exhibit SCG-23-WP-R, pages 68 and 71. The \$4,277,000 represents the aggregate labor dollars associated with functions transferred from Corporate Center to the new SoCalGas Law Department. The positions covered by these labor dollars can be found in the attachment to our response to Question 1, above. Although the functions, associated positions and labor dollars were all transferred from Corporate Center, the workpaper reflects these transferred costs as incurred at SoCalGas in the amount of \$4,277,000 in three components (the \$3,712,000 and \$240,000 together represent Law Department labor costs retained at SoCalGas in 2011, while the \$325,000 represents the estimate of Law Department labor costs billed out to SDG&E in 2011.)

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7. Referring to Exhibit SCG-23-WP, page 72 Cost Center: 2000-2334 – Legal. Please provide a detailed explanation for the 2012 labor cost of \$4,742,000 associated with functions/activities transferred from Corporate Center to the utilities, explain what are these functions, activities, and or job positions. Please provide a breakdown and explanation of each of the labor amounts of \$465,000, \$240,000, \$3,887,000 and \$150,000. Please provide a detailed explanation for how SCG’s law department management determined each forecasted labor cost.

SoCalGas Response:

Please refer to Exhibit SCG-23-WP-R, pages 68 and 72. The \$4,742,000 represents the aggregate 2012 labor dollars for the SoCalGas Law Department cost center. A description of the positions covered by these labor dollars can be found in the attachment to our response to Question 1, above. The \$4,742,000 includes labor dollars for functions transferred from Corporate Center to SoCalGas in the amount of \$4,277,000 and labor dollars in the amount of \$465,000 for three incremental positions being requested in 2012. As described in the response to Q.6, the workpaper reflects these transferred costs as incurred at SoCalGas in the amount of \$4,277,000 in three components (the \$3,887,000 and \$240,000 together represent the Law Department labor costs retained at SoCalGas in 2012, while the \$150,000 represents the estimate of Law Department labor costs billed out to SDG&E in 2012.)

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8. Referring to Exhibit SCG-23-WP, page 71 Cost Center: 2000-2334 – Legal. Please provide a detailed explanation for the 2011 non-labor cost of \$114,000 associated with functions/activities transferred from Corporate Center to the utilities, explain what are these functions, and activities. Provide a breakdown and explanation of all non-labor amounts showing on page 71. Please provide a detailed explanation how SCG’s Law Department management determined each forecasted labor cost.

SoCalGas Response:

Please refer to Exhibit SCG-23-WP-R, page 71. As described in testimony at page CAS-14, certain non-labor resources continue to be provided by the Corporate Center Law Department (“CCLD”). The costs associated with these non-labor resources are forecast in Cost Center 1100-0144 (see BAF-WP-242 and BAF-WP-243). The 2011 non-labor cost of \$114,000 includes only costs not paid thru the CCLD matter management system such as costs associated with telephones, computers, dues and travel. This amount was forecast based on similar incurred historical costs on a per-employee basis.

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9. Please provide a list of all the litigation proceedings that involved SCG and that were transferred during the 2010 re-organization. Provide cost associated with each proceeding.

SoCalGas Response:

Please refer to our confidential response to DRA-SDGE-097-DFB, Question 7.

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10. Please provide a list of all Commercial and Environmental litigation proceedings that involved SCG that were transferred from Corporate during the 2010 re-organization.

SoCalGas Response:

Please refer to our confidential response to DRA-SDGE-097-DFB, Question 7.

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11. Referring to Exhibit SCG-23-WP, page 70 and 71 Cost Center: 2000-2334 – Legal. SCG shows a total of 21.7 FTEs transferred from Corporate Center and a total of 29 FTE's transferred in 2011.
- a. Did Corporate Center transferring 7.3 more full time employees from to SCG in year 2011? Please provide detailed explanation as how Corporate Center/SCG Law Department management determined that more FTEs were needed at the utility?
 - b. Please provide job classification, job title and salary for each FTE transferred in year 2011.

SoCalGas Response:

- a. As described in testimony (page CAS-14), “In determining which attorneys to transfer to SoCalGas, management took into account the expertise and relationships that attorneys had established with each Utility.” In addition, the physical location and potential mobility of employees were considered. Please see revised workpaper SCG-23-WP-R, Page 67. Please also see our response to DRA-SCG-036-DFB, Question 1 regarding FTE count where we noted that *prorated* 2010 FTE count was 22.4 not 21.7 and that the workpaper required revision to match testimony to correct for a missing FTE. As described in our response to DRA-SDGE-074-MCL, Question 4, the 2010 Reorganization was effective April 2010. As a result, the 2010 FTEs were *prorated* to reflect three-quarters of the year. The 2011 FTEs reflect the entire year. No additional FTEs transferred from Corporate Center in 2011.
- b. Please see response to Question 4.