

**TURN DATA REQUEST
TURN-SCG-DR-29
SOCALGAS 2012 GRC – A.10-12-006
SOCALGAS RESPONSE
DATE RECEIVED: AUGUST 18, 2011
DATE RESPONDED: SEPTEMBER 1, 2011**

1. SoCalGas presents a Summary of Results table on p. 12 of the workpapers, which shows zero expenses and FTE employees for the years 2005-2009, stating in the Activity Description that “the Diversity Affairs and Organizational Effectiveness workgroups that were transferred from Corporate Center to SoCalGas as part of the 2010 company reorganization.” Please complete the Summary of Results table by replacing the 2005-2009 data, which are zeros, with the adjusted-recorded data as recorded in the Corporate Center in those years, so that a direct comparison of costs and FTEs between the recorded years of 2005-2009 can be made with the forecasted years of 2010-2012. Please also identify adjusted-recorded expenses and FTE employees in the same format as included in the Summary of Results table for 2010.

SoCalGas Response 01:

Below is a table showing the 2005-2009 data for the areas requested.

Amounts in '\$000s

<u>Diversity Affairs</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
FTEs	5	6	6	6	5
Labor Costs	\$ 458	\$ 478	\$ 514	\$ 565	\$ 591
Non Labor Costs	230	294	225	276	291
Total	<u>\$ 688</u>	<u>\$ 772</u>	<u>\$ 739</u>	<u>\$ 841</u>	<u>\$ 882</u>
<u>Organizational Effectiveness</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
FTEs	6	5	5	6	7
Labor Costs	\$ 497	\$ 472	\$ 487	\$ 564	\$ 644
Non Labor Costs	428	476	497	501	661
Total	<u>\$ 925</u>	<u>\$ 948</u>	<u>\$ 984</u>	<u>\$ 1,065</u>	<u>\$ 1,305</u>

**TURN DATA REQUEST
TURN-SCG-DR-29
SOCALGAS 2012 GRC – A.10-12-006
SOCALGAS RESPONSE
DATE RECEIVED: AUGUST 18, 2011
DATE RESPONDED: SEPTEMBER 1, 2011**

2. Referencing SCG-21-WP, p. 53, SDG&E states regarding its Long-Term Disability Projection forecast, “Projection trends future years based on last current year with increase for estimated change in labor costs and headcount.” Please indicate whether SoCalGas’s Results of Operations (RO) model will adjust the Long-Term Disability Projection forecast for 2012 to account for any adjustment to SDG&E’s GRC labor costs and headcount that the Commission might make or that might be agreed to in any settlement that the Commission adopts in this proceeding. Also, would the answer you provide to this question be the same across all accounts where the forecasted amount depends on forecasted labor costs and headcounts?

SoCalGas Response 02:

SoCalGas interprets this question to be seeking information related to SoCalGas testimony and workpapers and not SDG&E as indicated in the question.

According to SoCalGas’ summary of earnings witness the combined SoCalGas and SDG&E RO model will not adjust the SoCalGas Long Term Disability forecast for 2012 if a change is made to SoCalGas/SDG&E labor costs and headcount. The list below represents the costs SoCalGas determined are the appropriate categories that would be materially impacted by a change in forecasted labor costs and headcount and therefore already included in the RO model.

2PB000-000	Medical
2PB000-001	Dental
2PB000-002	Vision
2PB000-008	Business Travel Insurance
2PB000-004	Employee Assistance Program
2PB000-022	Special Events
2CP000-000	Comp ICP
2PB000-007	AD&D Insurance
2PB000-011	IRC Section 415 Plan
2PB000-006	Life Insurance
2PB000-014	Retirement Savings Plan
2PB000-012	Supplemental Pension

**TURN DATA REQUEST
TURN-SCG-DR-29
SOCALGAS 2012 GRC – A.10-12-006
SOCALGAS RESPONSE**

DATE RECEIVED: AUGUST 18, 2011

DATE RESPONDED: SEPTEMBER 1, 2011

3. At p. 61 of SCG-21-WP, SCG uses a 3% escalator to escalate the Base Year, three-year average of Workers' Compensation medical expenses to 2010 expenses. Please detail the methodology SCG used to determine that 3% was the proper escalator, and explain how this methodology is different from the methodology used to determine that 12% and 13% escalators were the proper escalators for 2012 and 2013, respectively. If the methodology was the same for the estimation of the 2010 escalator (3%) as it was for the estimation of the 2011 and 2012 escalators (13% and 12%, respectively), please explain in detail why the escalation estimate for 2010 is so much smaller than it is for 2011 and 2012.

SoCalGas Response 03:

The 3% used in 2010 was based on the medical cost increase incurred in 2010 whereas the 13% and 12% increases for 2011 and 2012 are based on the projected medical rate increases noted in Debbie Robinson's testimony on page DSR-18.

TURN DATA REQUEST
TURN-SCG-DR-29
SOCALGAS 2012 GRC – A.10-12-006
SOCALGAS RESPONSE
DATE RECEIVED: AUGUST 18, 2011
DATE RESPONDED: SEPTEMBER 1, 2011

4. Please provide annual recorded data for 2005-2006 and 2010 in the same format as given on p. 61 of SCG-21-WP for 2007-2009.

SoCalGas Response 04:

Attached is the requested data for 2005-2006 and 2010 in the requested format.

Cost	Account	2005	2006	2010
Medical	6120037	\$ 4,802,725	\$ 4,559,858	\$ 5,808,038
Expense (Litigation, etc.)	6120038	1,255,391	1,451,537	2,668,974
Indemnity (TD & PD)	6120139	6,640,656	6,131,129	7,796,325
Administration	6120140	685,730	1,123,636	1,048,389
Excess Liability Refunds	6120141	(1,097,987)	(993,226)	(2,115,620)
Total		\$ 12,286,504	\$ 12,272,935	\$ 15,206,105

TURN DATA REQUEST
TURN-SCG-DR-29
SOCALGAS 2012 GRC – A.10-12-006
SOCALGAS RESPONSE
DATE RECEIVED: AUGUST 18, 2011
DATE RESPONDED: SEPTEMBER 1, 2011

5. It appears to TURN, upon its reading of p. 61 of SCG-21-WP that SCG's projection of 2010, 2011, and 2012 Workers' Compensation medical costs do not account for employee headcount. Please
- a. State if that reading is true.
 - b. If it is true that headcount was not considered, please explain why SCG does not account for headcount in making its Workers' Compensation forecast.
 - c. If SCG did consider headcount, please identify the number of employees upon which the recorded data, 2005-2010, and forecasts, 2010-2012 were based, and indicate whether SCG's RO model would reduce the Workers' Compensation medical costs to account for any headcount projection reductions that the Commission or settlement agreement may make to the Test Year forecast.
 - d. Regardless of the above answers, please identify SCG's annual recorded FTE employees and total headcount for 2005-2010 and forecasted FTE employees and total headcount for 2010-2012.

SoCalGas Response 05:

- a. Yes, changes in headcount are not factored in the projection of workers' compensation costs.
- b. Workers' compensation costs are projected by using a three-year average in which the costs for 2007-2009 were averaged and adding estimated costs for new Medicare reporting requirements are noted in the workpapers. The methodology for using a three-year average irrespective of headcount was selected due to the inherent annual volatility of workers' compensation activity such as claims and associated payments.
- c. This is not applicable as SoCalGas did not base its forecast of workers' compensation medical costs on employee headcount.
- d. Below is a table containing the requested data, which is not comparable to GRC FTE data. The FTEs and headcount in the table provided is a company-wide number and includes all employees as of the end of each year. Please note that this is not consistent with the FTEs used in the GRC as the GRC excludes most refundable programs, electric transmission costs, and other non-GRC related items. A forecast including FTEs on a companywide basis does not exist. Questions about forecasted headcount are best answered by Debbie Robinson, SoCalGas' compensation, health and welfare witness.

**TURN DATA REQUEST
TURN-SCG-DR-29
SOCALGAS 2012 GRC – A.10-12-006
SOCALGAS RESPONSE
DATE RECEIVED: AUGUST 18, 2011
DATE RESPONDED: SEPTEMBER 1, 2011**

SoCalGas Response 05-Continued:

Year	FTE	Headcount
Actual		
2005	6,919	6,982
2006	7,160	7,242
2007	7,178	7,222
2008	7,052	7,188
2009	6,938	7,136
2010	6,939	7,067
Forecasted		
2010	--	7,464
2011	--	7,729
2012	--	7,734