

**TURN DATA REQUEST**  
**TURN-SCG-DR-32**  
**SOCALGAS 2012 GRC – A.10-12-006**  
**SOCALGAS RESPONSE**  
**DATE RECEIVED: AUGUST 31, 2011**  
**DATE RESPONDED: SEPTEMBER 21, 2011**

**Regarding SCG-19, Benefits**

- 1) This request references the Headcount Data 2005-2010 attachment to SoCalGas's response to TURN DR 22-1b and the SoCalGas Medical Costs 2005-2010 attachment to SDG&E's response to TURN 16-3. The two documents seem to identify different headcounts for each of the included years. E.g., the former identifies the 2010 headcount as 7,067, whereas, the latter seems to identify 6,839 as the headcount. Please reconcile the two documents and explain how the two measurements are different, if they indeed are different.

**SoCalGas Response 01:**

7067 is the correct number, and 6,839 is incorrect. While performing the requested reconciliation, it was found that the headcount amounts were different due to two issues. One was due to an inadvertent formula error in the summary file that was provided in response to TURN 16-3, and the other was that the underlying report data in the response to TURN 16-3 was incorrect whereas it included certain duplicate entries, and also included understated "waived employees". Attached is a corrected file that reconciles to the correct counts at the end of each year.



Response to TURN  
32 1 and 2.xls

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- 2) SoCalGas's attachment to TURN16-3 includes a line called, "Grand Total," which includes "Total ER Premium" values for 2005-2010 on an annual basis. The "Grand Total" values in this table do not equal the recorded values in SCG-19-WP-R, p. 33, appear to be consistent. Please reconcile the two tables, and provide a full explanation as to why the values are not consistent.

**SoCalGas Response 02:**

The primary reasons for the variances are that 2005-2008 amounts were in nominal dollars and incorrect amounts for waived coverage was inadvertently reported on TURN 16-3 which is corrected in the attached file below.

To reconcile the amounts in TURN 16-3 to the workpapers, the adjustments to escalate those amounts to 2009 dollars on p. 33 of the workpapers need to be added to the amounts on TURN 16-3. As demonstrated in the attached file below, when these adjustments are included, the revised totals for TURN 16-3 differ from those on the workpapers by an immaterial amount for all years. Please note these differences do not impact the 2012 forecast as it is zero-based.



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32 1 and 2.xls

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- 3) TURN understands that SDG&E's 2010 recorded/adjusted Mental Health and Substance abuse expense was \$1.178 million.
- a) Please confirm that this is the correct recorded/adjusted expense for 2010 and explain in detail the reason for the large increment over the 2009 recorded/adjusted value (\$962,000, per SCG-19-WP-R, p. 85).
  - b) Please identify the annual number of claims for this program from 2005-2010.
  - c) Please identify the annual baseline fee and the per-visit cost for this program in each year, 2005-2010.

**SoCalGas Response:**

- a. This response assumes the question is asking for SoCalGas recorded/adjusted amounts rather than SDG&E. Assuming that is the case, the recorded/adjusted expense for 2010 is \$1.178 million. SoCalGas has contacted the vendor that provides the service to obtain the requested reports to answer this question. They will be included in a supplemental response when they have been received.
- b. SoCalGas has contacted the vendor that provides the service to obtain the requested reports to answer this question. They will be included in a supplemental response when they have been received.
- c. There is no annual baseline fee for this program; however, monthly administrative fees are paid for the Employee Assistance Programs. SoCalGas has contacted the vendor that provides the service to obtain the requested reports to answer this question. They will be included in a supplemental response when they have been received.

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- 4) Referencing SCG-WP-R, p. 153, please identify the following recorded data for 2005-2010:
- a) Average annual participation rate (similar to the datum in line 2 of the Assumptions for Company Match for Bi-Weekly Payrolls).
  - b) Match percentage for participating employees (similar to the estimate in line 3 of the Assumptions for Company Match for Bi-Weekly Payrolls).
  - c) Non-represented headcount.
  - d) Salaries and target payout ratio, which on a forecasted basis were used to calculate the 0.5% Incentive Contribution; in this case we would like to see the recorded values so that we can get a sense of the historical Incentive Contribution.
  - e) TURN understands that the 2010 recorded expense for the Retirement Savings Plan is \$12.817 million. Referencing SoCalGas's Retirement Savings Plan recorded expenses (p. 147 of SoCalGas-19-WP-R), please identify any one-time expenses that may have contributed to the Company's 2010 recorded/adjusted expense for this account being higher than those of 2008 and 2009.

**SoCalGas Response:**

- a. The average participation rate for each year is below:

<b>Year</b>	<b>Percentage</b>
2005	86.85%
2006	89.13%
2007	89.59%
2008	88.41%
2009	87.15%
2010	86.68%

- b. The match percentage for participating employees for each year is below:

<b>Year</b>	<b>Percentage</b>
2005	2.4%
2006	2.5%
2007	2.5%
2008	2.5%
2009	2.4%
2010	2.4%

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**Response to Question 4 (Continued)**

- c. The non-represented headcount for each year is below:

<b>Year</b>	<b>Count</b>
2005	1,684
2006	1,797
2007	1,846
2008	1,762
2009	1,824
2010	1,918

- d. The target payout ratio for the incentive contribution is 0.5% for 2005-2010. The average salary information for 2005-2010 is below. In compiling this response, SoCalGas discovered the incorrect average salary was used in the workpapers to calculate the projection. The correct average should be \$65,980. However, correcting the average would not have a material impact on projected estimates.

<b>Year</b>	<b>Average</b>
2005	58,244
2006	59,739
2007	61,829
2008	63,302
2009	65,980
2010	67,970

- e. The primary reason for the increase in 2010 is due to a one-time cost related to 2009 recorded in 2010 for ~\$555K for a change in payment estimate.

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- 5) Referencing p. 136 of SCG-19-WP-R and p. BAF-513 of SCG-17-WP-R in SoCalGas’s workpapers and p. 134 of SDG&E-25-WP-R:
- a) Please divide the recorded and forecasted values on p. 136 of SCG-19-WP-R and p. 134 of SDG&E-25-WP-R between SERP and the Cash Balance Restoration Plan.
  - b) Please provide a detailed explanation of the relationship between the values in (i.) p. 136 of SCG-19-WP-R and p. 134 of SDG&E-25-WP-R and (ii.) p. BAF-513 of SCG-17-WP-R for both SCG and SDG&E.
  - c) Please explain why the forecast for 2012 on p. 134 of SDG&E-25-WP-R is not the same as the value for Billed Costs for SDG&E on p. BAF-513 of SCG-17-WP-R.
  - d) Please divide the recorded and forecasted billed costs on p. BAF-513 of SCG-17-WP-R between SERP and the Cash Balance Restoration Plan for both SDG&E and SoCalGas.

**SoCalGas Response:**

- a. This breakdown is not available for the 2010-2012 projection as the forecast provided to the company by its actuaries did not contain this requested breakout. Below is the breakout of amounts from 2005-2009. Please note this assumes all distributions for SERP eligible participants are labeled as SERP for this response.

(in '000s)

Year	SERP	Cash Balance	
		Restoration Plan	Total
2005	-	621	621
2006	-	1163	1,163
2007	-	919	919
2008	-	836	836
2009	-	835	835

- b. The values in p. 136 of SCG-19-WP-R and SDG&E-25-WP-R represent projected amounts for employees of SoCalGas and SDG&E respectively, whereas the amounts on p. BAF-513 represent the amounts for employees of Sempra Energy and other business units.
- c. Please see response to Question 7b above.
- d. The breakdown is not available for the 2010-2012 projection as the forecast provided to the company by its actuaries did not contain this requested breakout. Below is the breakout of amounts billed to SoCalGas from 2005-2009. Please note this assumes all distributions for SERP eligible participants are labeled as SERP for this response.

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**Response to Question 5 (Continued)**

Year	SERP	Cash Balance	
		Restoration Plan	Total
2005	-	566	566
2006	-	547	547
2007	-	424	424
2008	171	2,654	2,825
2009	176	2,731	2,907

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- 6) Please explain why SDG&E’s 2010 recorded Benefits Administration Fees expenses (\$1.045 million) were higher than projected (\$0.776 million) in 2010, per p. 168 of SDG&E-25-WP-R. Please also itemize the 2010 recorded expenses in a fashion similar the way the expense was itemized on p. 168. If there are any one-time costs, please identify them.

**SoCalGas Response:**

SoCalGas is assuming the question is referring to SoCalGas’ Benefit Administration Fees costs of \$1.477M compared to the \$1.255 projected for 2010 per p. 161 of SCG-17-WP-R. Assuming that is the case, the costs for 2010 were higher than projected primarily due to the following costs: higher consulting fees than anticipated for the Total Compensation Study and costs recorded in 2010 for wellness, partially offset by a one-time refund of audit fees for the pension plan. Attached below is a table comparing the 2010 actual to projected costs.

<b>Item</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
VEBA Audits	\$ 97,325	\$ 120,000	\$ (22,675)
Pension and Savings Plan Audits	45,000	50,000	(5,000)
COBRA Administration	-	20,000	(20,000)
Retirement Plan Consulting	904,944	925,000	(20,056)
Total Comp Study-GRC	261,563	125,000	136,563
HR System Support for Union Issues	57,331	-	57,331
Workers Compensation Consulting	10,813	-	10,813
Benefit Info Printing	56,044	15,000	41,044
Wellness Costs	159,890	-	159,890
Refund for Pension Audits paid by Company	(95,260)	-	(95,260)
Other	60	-	60
<b>Total</b>	<b>\$ 1,497,711</b>	<b>\$ 1,255,000</b>	<b>\$ 242,711</b>