

DRA DATA REQUEST
DRA-SCG-051-MCL
SOCALGAS 2012 GRC – A.10-12-006
SOCALGAS RESPONSE
DATE RECEIVED: MARCH 1, 2011
DATE RESPONDED: MARCH 15, 2011

Exhibit Reference: SCG-21

Subject: Human Resources, Disability & Worker's Compensation

Please provide the following:

1. Provide 5 years (2005 – 2009) of historical Shared service costs for Human Resources Department by each major department within Human Resources. Provide this data in constant 2009 dollars.

SoCalGas Response:

A summary of SoCalGas Human Resources department shared service costs are provided in work papers Exhibit SCG-21-WP. The page numbers provided in the table below refer to a summary of results for the department (2005-2009). The costs are represented in 2009 constant dollars.

Department	Page #
VP of HR**	5
Labor Relations**	19
Employee Care Services**	41
HR Business Partner	77
Organization Effectiveness	83
HR Services & Analysis	See below
HR Services & Analysis	98
Wellness-SCG	106
Employee Care Services-SCG	115

** Cost centers are included as Non-Shared cost centers in workpaper Exhibit SCG-21-WP. These referenced cost centers were shared service cost centers prior to 2010.

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2. Provide 5 years (2005-2009) of historical costs for Diversity, Relocation, and Staffing and Organizational effectiveness. Provide this data in constant 2009 dollars.

SoCalGas Response:

The historical costs for the requested departments for the five year period 2005-2009 are provided in our work papers Exhibit SCG-21-WP. The page numbers are cited in the table below for your reference.

Department	Page #
Diversity	12
Relocation	33
Staffing	26
Organization Effectiveness	83

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3. Referring to page SEE-9, line 12, please explain on what basis did SCG decide to transfer (a) the amount of \$423,000 from Corporate Center to the Utility for Diversity, and (b) \$122,000 to support Organizational Effectiveness functions.

SoCalGas Response:

The transfer of \$423,000 and \$122,000 from Corporate Center to SoCalGas for Diversity and Organization Effectiveness, respectively, was a result of the 2010 reorganization. The reasons for the reorganization are described on page AS-6 and AS-7 in the testimony of Anne Smith (Exhibit SCG-01). A more detailed description of the 2010 reorganization can also be found in the testimony of Bruce Folkmann at pages BAF-10 through BAF-12.

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4. Referring to page SEE-15, line 17 – 18, please provide a description of what is meant by “out-of-area employees”.

SoCalGas Response:

“Out-of-area” employees are employees whose one way commute will increase by 50 miles or more.

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5. Referring to page SEE-15, line 18, is SCG's Relocation Division planning to hire employees overseas? If so, please provide geographic locations SCG is planning to work with.

SoCalGas Response:

SoCalGas is not planning to recruit overseas.

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6. Referring to page SEE-15, does SCG provide a miscellaneous allowance or any type of Relocation bonus per employee hired overseas? if so, (a) please provide these costs for the last 5 years (2005-2009) and (b) provide the forecasted amount of this miscellaneous allowance or relocation bonus within the forecasted amount of \$385,000

SoCalGas Response:

SoCalGas has not incurred any expenses related to overseas recruiting. SoCalGas is not planning to recruit overseas.

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7. Referring to page SEE-15, lines 3– 5, are SCG’s Pre-employment tests, “Work behavior and Aptitude Tests” both legal requirements within the staffing process? If so, provide supportive documentation of the legal requirements and any cost associated with it. Provide what is the ratepayer’s benefit to have both tests in place.

SoCalGas Response:

Although not a legal requirement, pre-employment testing is a common practice among high performing companies and has been identified as a “best practice” (see *The HR Scorecard*, by Becker, Huselid, Ulrich, 2001), and has been shown to provide economic value to companies using selection testing systems (see *Investing in People: Financial Impact of Human Resource Initiatives* by Wayne F. Cascio and John W. Boudreau, 2010). Once implemented, testing does have many legal requirements as outlined by the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and several other State and Federal laws and guidelines. Conducting these tests provides SoCalGas with useful information to select higher caliber professionals who are more qualified and well-rounded, have more job-related skills, and are less likely to leave the company. These tests minimize turnover and the costs associated with recruiting and hiring, in addition to maintaining a highly qualified workforce to best serve SoCalGas’ customers.

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8. Referring to page SEE-15, line 2 “This increase is due to the expansion of SCG’s current pre-employment testing.” (a) Provide historical cost (2005-2009) of SCG’s pre-employment testing. (b) Provide explanation of what this test expansion requires and how it differs from current testing. (c) Are these tests software based and where are both tests taken by employees? (d) Is there any I.T maintenance costs associated with both tests? If so, please provide this cost.

SoCalGas Response:

- (a) Pre-Employment Testing 2005-2009

2005	2006	2007	2008	2009
\$119,737	\$82,696	\$69,055	\$63,947	\$6,397

- (b) The testing itself does not differ from current testing – it is being applied to a wider group of applicants. In the past, we tested only applicants for certain jobs. In the future we will be testing ALL external applicants considered for jobs at SoCalGas.
- (c) No, none of the tests are software based. They are taken either on company premises or at vendor-supplied testing centers.
- (d) There are no IT maintenance costs involved with the testing program.

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9. Referring to page SEE-15 please provide a breakdown of the additional \$385,000 requested for Relocation costs for TY 2012. Provide data in constant 2009 dollars.

SoCalGas Response:

The relocation costs requested for 2012 were calculated as follows. The number of anticipated hires requiring relocation reimbursement for 2012 was multiplied by the average relocation cost for the period of 2005 to 2010. The number of hires requiring relocation reimbursement for 2012 is anticipated to be 15. Please see Exhibit SCG-21-WP, page 38, for the average relocation cost per employee. The number of hires requiring relocation will be higher in 2012 than it has been in recent years due to the fact that SoCalGas is expanding its recruiting outside of Southern California. This effort is expected to identify larger pools of qualified diverse candidates in an effort to meet diversity goals in mid-manager positions and above. Also included in the 2012 request are small amounts of anticipated expenses associated with relocation in 2011.

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10. Referring to page SEE-9, please provide a breakdown of the additional \$423,000 requested for Diversity costs for TY 2012. Provide data in constant 2009 dollars.

SoCalGas Response:

	Change (Thousands of \$20009)	Description
Labor	+ \$346,000	Transfer of function from Corporate Center; 3 FTEs
Non-Labor	+ \$77,000	<ul style="list-style-type: none"> ●Employee diversity education seminar series (outside consulting services) ●Diversity Committee events ●Training materials ●Online subscription to ELT, Inc, for AB1825, mandatory Anti-Harassment & Discrimination training for all supervisory employees ●SoCalGas leadership diversity education
Total	\$ 423,000	

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11. Referring to page SEE-22, please provide a breakdown of the additional \$423,000 requested for the President & CEO and COO costs for TY 2012. Provide data in constant 2009 dollars.

SoCalGas Response:

Changes in this cost center are the result of the salary differentials and non-labor expenses associated with the President & CEO, as well as the direct costs of AGA dues. In 2009, AGA dues were charges to SDG&E and allocated out to SoCalGas. Currently, the SoCalGas portion of AGA dues are billed directly and are no longer allocated in from SDG&E.

	Change (Thousands of \$2009)	Description
Labor	- \$220,000	2009 FTEs = 3.3 2012 FTEs = 3.0
Non-Labor	- \$102,000	Non-labor for Officer no longer in this cost center
	+\$198,000	CEO non-labor (please see page 72 of Exhibit SCG-21-WP for details)
	+\$547,000	AGA dues
Total	+\$423,000	