

**TURN DATA REQUEST-011**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS RESPONSE**  
**DATE RECEIVED: FEBRUARY 6, 2018**  
**DATE RESPONDED: FEBRUARY 21, 2018**

Data Request No: TURN SEU - 011  
Exhibit Reference: SDG&E (SDG&E-30) and SCG (SCG-32)  
Witnesses: Taylor and Gevorkian  
Subject: General GRC MDR

1. Please identify the company-wide, SDG&E and SCG's employee headcount for each year, 2012-2017.

**Utility Response 01:**

Below is the active, year-end employee headcount for SoCalGas.

<b>Year</b>	<b>Employee Count</b>
2012	7,763
2013	8,194
2014	8,290
2015	8,441
2016	8,041
2017	7,534

Below is the active, year-end employee headcount for SDG&E.

<b>Year</b>	<b>Headcount</b>
2012	4,982
2013	4,601
2014	4,300
2015	4,313
2016	4,134
2017	4,116

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2. Please identify the Corporate Center headcount for each year, 2012-2017.

**Utility Response 02:**

Below is the active, year-end employee headcount for Corporate Center.

<b>Year</b>	<b>Headcount</b>
2012	357
2013	345
2014	362
2015	381
2016	385
2017	415

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3. Please identify the rates for allocating Corporate Center costs to SDG&E, SCG, and the amount retained by Corporate Center.

**Utility Response 03:**

The goal at Corporate Center is to reasonably and equitably allocate its costs to the business units, associating the costs, as closely as possible, to the level of service being provided to each business unit. To achieve this, each cost center has a cost allocation methodology or rate that is used. There is not just one set rate that is used for allocating all Corporate Center costs to SDG&E, SoCalGas, or Global, and the amount that is retained.

Please refer to pages MLD-11 to MLD-14 in Exhibit SCG-28-R/SDG&E-26-R (Direct Testimony of Mia L. DeMontigny for Corporate Center – General Administration) for more details on how Corporate Center allocates or retains costs. For a breakdown of how costs are allocated from, or retained at, Corporate Center by division, department, and cost center, please refer to Section IV Shared Costs, pages MLD-16 to MLD-69, in Exhibit SCG-28-R/SDG&E-26-R.

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4. For each expense forecast comprised in the HR Department, Safety, Long-Term Disability and Workers' Compensation testimony volumes for the instant case (SDG&E-30 and SCG-32), please identify SDG&E and SCG's forecasts for the same or similar activity from the 2016 GRC and the amount that SCG and SDG&E impute the 2016 GRC decision as having adopted as per the settlement in the 2016 GRC.

**Utility Response 04:**

Please refer to the Excel file attachment TURN-SEU-011\_Q4 Attachment.

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5. Regarding p. 42 of the SDG&E-30 workpapers and p. 48 of the SCG-32 workpapers: (Please provide the values in an Excel spreadsheet)

- a. Please identify the recorded values for each of the line items in the Workers' Compensation Projection table for each year, 2008-2013 and 2017.
- b. Please identify the recorded values for the Disability Claims Paid line item in the Long-Term Disability Projection table for each year, 2008-2015 and 2017.

**Utility Response 05:**

SoCalGas and SDG&E object to this request under Rule 10.1 of the Commission's Rules of Practice and Procedure on the grounds that the timeframe encompassed in this request is not relevant to the subject matter involved in the pending proceeding and therefore, the burden, expense and intrusiveness of this request outweighs the likelihood that the information sought will lead to the discovery of relevant and admissible evidence. In particular, this request seeks information prior to 2012 and is thus, outside the scope of the relevant time period used by SoCalGas/SDG&E in developing its forecasts. Subject to and without waiving the foregoing objection, SoCalGas/SDG&E respond as follows answering Question 5a and b with data covering 2012-2016. Please refer to the two Excel file attachments:

- TURN-SEU-011\_Q5 Attachment for SDG&E
- TURN-SEU-011\_Q5 Attachment for SCG

As noted in both attachments, while responding to this data request, SoCalGas and SDG&E discovered that the historical recorded costs were incorrectly identified. The attachments reflect the correct recorded costs and the impact the errors have on the TY 2019 forecasts, if applicable. The result is an understated forecast, which means that the current revenue requirement is too low.

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**SDG&E ONLY (SDG&E-30)**

6. Please identify the 2017 recorded cost on p. 11 of the SDG&E-30 workpapers.

**Utility Response 06:**

SDG&E – 2017 data will not be available until mid-March 2018.

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7. Please discuss each program and the amount by which SDG&E reduces its forecast for those programs throughout its application to account for the prospect of improved safety outcomes as a result of increases to the following programs. If SDG&E has not made any such a reduction, please state why this is reasonable.

a. Contractor Safety Program (pp. TT-14 and -15 of the SDG&E-30 testimony)

b. Enhanced Safety Training (pp. TT-15 and -16 of the SDG&E-30 testimony)

c. OSHA Voluntary Protection Program (p. TT-16 of the SDG&E-30 testimony)

**Utility Response 07:**

a.  
SDG&E contracted a third-party administrator to enhance our Contractor Safety Program to provide additional oversight of contractors and help contractors reduce the amount and severity of incidents. While the enhanced program may result in a reduction of incident severity and rate for Contractors, SDG&E did not reduce any forecasts as Contractor Safety may not directly impact SDG&E program costs.

b.  
SDG&E continues to enhance the training for its safety professionals. The training program will continue to be evaluated to supplement existing knowledge. While the training program is expected to increase safety knowledge, SDG&E did not reduce any forecasts for Workers' Compensation (WC) or Long-Term Disability (LTD). Cost reductions associated with continued safety improvement may be reflected as a reduction in WC or LTD costs in future GRCs.

c.  
SDG&E is at the early phases of OSHA VPP assessment and eventual implementation. According to California and Federal OSHA, employers that achieved VPP status typically report several advantages including: recognition by peers, state and local governments, increased employee involvement, improved quality of products and productivity of employees, improved partnership with government and reduction in injuries and illnesses. SDG&E did not reduce any forecasts in this GRC. Cost reductions because of VPP certification may be reflected as a reduction of injuries and illnesses in future GRCs.

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8. Please identify each program within SDG&E's application whose costs the company expects to ultimately decline, all else equal, as a result of increases to the following programs. If SDG&E does not expect any such reductions in costs please explain why not for each of the following programs.

a. Contractor Safety Program (pp. TT-14 and -15 of the SDG&E-30 testimony)

b. Enhanced Safety Training (pp. TT-15 and -16 of the SDG&E-30 testimony)

c. OSHA Voluntary Protection Program (p. TT-16 of the SDG&E-30 testimony)

**Utility Response 08:**

a.

SDG&E proposes to enhance the Contractor Safety Program to improve safety, which could lead to lower incidences of injury or reduce claims, it is not being enhanced to save costs. SDG&E does not expect any reductions in costs as a result of the Contractor Safety Program. While the enhanced program may result in a reduction of claims costs from contractor incidents, at present, any cost reductions would be too speculative to provide reliable estimates.

b.

SDG&E proposes to enhance the its Safety Training to improve safety. While increased safety training may result in a reduction of workplace injuries and illnesses, SDG&E did not reduce any forecasts for Workers' Compensation (WC) or Long-Term Disability (LTD). Cost reductions associated with continued safety improvement may be reflected as a reduction in WC or LTD costs in future GRCs, but at present any cost reductions would be too speculative to provide reliable estimates.

c.

While employer/OSHA partnerships through VPP have shown a reduction in illnesses and injuries, SDG&E did not reduce any costs in this GRC due to its participation in the VPP. Cost reductions because of VPP certification may be reflected as a reduction of injuries and illnesses in future GRCs, but at present any cost reductions would be too speculative to provide reliable estimates.



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9. Please identify the amount by which SDG&E reduces its forecast for (i) Workers' Compensation and (ii) Long-Term Disability costs to account for the prospect of improved safety outcomes as a result of increases to the following programs. If SDG&E has not made any such a reduction, please explain why this is reasonable.

a. Contractor Safety Program (pp. TT-14 and -15 of the SDG&E-30 testimony)

b. Enhanced Safety Training (pp. TT-15 and -16 of the SDG&E-30 testimony)

c. OSHA Voluntary Protection Program (p. TT-16 of the SDG&E-30 testimony)

**Utility Response 09:**

SDG&E does not see any material difference between this question and Question 8 above. Accordingly, please see the Company's response to question 8, above.

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10. Please identify the amount by which SDG&E expects (i) Workers' Compensation and (ii) Long-Term Disability costs to decline, all else equal, as a result of increases to the following programs. If SDG&E does not expect any such reductions in costs please explain why not for each of the following programs.

a. Contractor Safety Program (pp. TT-14 and -15 of the SDG&E-30 testimony)

b. Enhanced Safety Training (pp. TT-15 and -16 of the SDG&E-30 testimony)

c. OSHA Voluntary Protection Program (p. TT-16 of the SDG&E-30 testimony)

**Utility Response 10:**

SDG&E does not see any material difference between this question and Question 8 above. Accordingly, please see the Company's response to question 8, above.

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**SCG ONLY (SCG-32)**

11. Please discuss each program and the amount by which that SCG reduces its forecast for those programs throughout its application to account for the prospect of improved safety outcomes as a result of increases to the following programs. If SCG has not made any such a reduction, please state why this is reasonable.

- a. Driver License Pull Notice Program (p. MG-27 of the SCG-32 testimony)
- b. Interactive Driver Safety Program (pp. MG-27 and -28)
- c. Wellness and Fitness Training (p. MG-28)
- d. Defensive Driver Training and In-Vehicle Instruction (pp. MG-28 and MG-29)
- e. Drug & Alcohol Testing (p. MG-29)
- f. ISN Membership Fee (p. MG-29)
- g. Safety Engineers and Contractor Compliance (p. MG-29)
- h. Wellness Department Activities (p. MG-30)
- i. FOF initiatives (p. MG-30)

**Utility Response 11:**

SoCalGas did not reduce its forecast for the programs listed above (items a -h). These programs are expected to continue, either to mitigate safety-related concerns or to support increased compliance-related activities throughout the company. Cost reductions associated with continued safety improvements may be reflected in other programs in future GRCs, but at present, any cost reductions would be too speculative to provide reliable estimates in the TY 2019 GRC.

The FOF initiatives (item i) impacts/reductions are described in the workpapers (SCG-32-WP).

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12. Please identify each program within SCG's application whose costs the company expects to ultimately decline, all else equal, as a result of increases to the following programs.

- a. Driver License Pull Notice Program (p. MG-27 of the SCG-32 testimony)
- b. Interactive Driver Safety Program (pp. MG-27 and -28)
- c. Wellness and Fitness Training (p. MG-28)
- d. Defensive Driver Training and In-Vehicle Instruction (pp. MG-28 and MG-29)
- e. Drug & Alcohol Testing (p. MG-29)
- f. ISN Membership Fee (p. MG-29)
- g. Safety Engineers and Contractor Compliance (p. MG-29)
- h. Wellness Department Activities (p. MG-30)
- i. FOF initiatives (p. MG-30)

**Utility Response 12:**

See response to Question 11.

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13. Please identify the amount by which SCG reduces its forecast for (i) Workers' Compensation and (ii) Long-Term Disability costs to account for the prospect of improved safety outcomes as a result of increases to the following programs.

- a. Driver License Pull Notice Program (p. MG-27 of the SCG-32 testimony)
- b. Interactive Driver Safety Program (pp. MG-27 and -28)
- c. Wellness and Fitness Training (p. MG-28)
- d. Defensive Driver Training and In-Vehicle Instruction (pp. MG-28 and MG-29)
- e. Drug & Alcohol Testing (p. MG-29)
- f. ISN Membership Fee (p. MG-29)
- g. Safety Engineers and Contractor Compliance (p. MG-29)
- h. Wellness Department Activities (p. MG-30)
- i. FOF initiatives (p. MG-30)

**Utility Response 13:**

SoCalGas bases the Workers' Compensation (WC) and Long-Term Disability (LTD) costs on a variety of assumptions as reflected in supplemental workpapers for workgroup 2HR006.001 within Exhibit SCG-32-WP. Accordingly, SoCalGas did not reduce forecasts due to planned implementation of the above-mentioned activities, except for FOF initiatives. Cost reductions associated with continued safety improvements may be reflected as a reduction in WC or LTD costs in future GRCs, but at present, any cost reductions would be too speculative to provide reliable estimates in the TY 2019 GRC.

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14. Please the amount by which SDG&E expects costs (i) Workers' Compensation and (ii) Long-Term Disability costs to decline, all else equal, as a result of increases to the following programs.

- a. Driver License Pull Notice Program (p. MG-27 of the SCG-32 testimony)
- b. Interactive Driver Safety Program (pp. MG-27 and -28)
- c. Wellness and Fitness Training (p. MG-28)
- d. Defensive Driver Training and In-Vehicle Instruction (pp. MG-28 and MG-29)
- e. Drug & Alcohol Testing (p. MG-29)
- f. ISN Membership Fee (p. MG-29)
- g. Safety Engineers and Contractor Compliance (p. MG-29)
- h. Wellness Department Activities (p. MG-30)
- i. FOF initiatives (p. MG-30)

**Utility Response 14:**

See response to Question 13, as these programs were proposed for SoCalGas and not for SDG&E.

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15. On p. MG-24 (lines 23-25), SCG states: “The base year forecast methodology was used because the 3-year and 5-year average do not accurately reflect department costs due to the reorganization that took place.”

- a. Please describe the reorganization. Please explain the purpose of the reorganization and if employees were transferred to or from the Labor Relations unit. If transfers occurred, please identify the organizations from and/or to which such transfers occurred as well as the number of transfers and the annual cost of each such transfer.
- b. When did SCG begin the reorganization?
- c. When did SCG complete the reorganization?

**Utility Response 15:**

- a. The purpose of this reorganization was to combine the HR Advisor and Labor Relations Advisor roles into the HR Consultant role making the HR Consultant responsible for both represented and management related employee issues. This new role allowed for a single point of contact for clients across the organization.
- b. The reorganization occurred on January 1, 2015. Four employees from Labor Relations were moved to the HR Business Partner department. The annual cost of each transfer was:

Transfer	Annual Rate
Employee #1 – Labor Relations	\$120,332.16
Employee #2 – Labor Relations	\$118,014.00
Employee #3 – Labor Relations	\$123,454.36
Employee #4 – Labor Relations	\$117,328.52

- c. The reorganization was announced in September 2014, and was effective as of January 1, 2015. The reorganization involved moving four positions from the Labor Relations department to the HR Business Partner department and restructuring/combining the duties of the HR Advisor and Labor Relations Advisor into a single role known as the HR Consultant.

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16. Regarding the job-leveling system that SCG discusses for Labor Relations (pp. MG-24:27 – MG-25:4),

- a. Please describe the incumbent job-leveling system, including its function and the manner in which it dispatches with the intended function.
- b. Please identify each way a new system will be an improvement over the incumbent system.
- c. Please identify and explain the shortcomings of the incumbent job leveling system, such that it cannot execute job-leveling services sufficiently.
- d. When did SCG first determine that it needs to either refresh or replace the incumbent job-leveling system? Please provide any documentation, studies, etc., that support SCG’s proposal to update or replace the jobleveling system.
- e. Please provide the business plan for the job-leveling system replacement or revision.
- f. Please provide any document that indicates the schedule for the system upgrade or replacement, as of:
  - i. The date of SCG’s filing of the instant case.
  - ii. The date the response to this question is prepared.
- g. Is the job-leveling system a software project? If not, please provide a brief description of the system as SCG envisions it.
- h. Why is SCG expensing rather than capitalizing a new job-leveling system?
  - i. Why does SCG anticipate that the project will take three years to complete, rather than a shorter amount of time? Please provide a complete rationale.

**Utility Response 16:**

- a. SoCalGas currently utilizes a third-party vendor to handle job leveling through a structured job analysis process. When a position requires leveling, the vendor will first collect a list of all incumbents in the classification. They develop a random sample of the total job classification population through their own established



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**Utility Response 16 Continued:**

- sampling plan. The random sample is asked to complete job questionnaire. The questionnaire aims to identify the key duties and responsibilities of the classification as it currently exists. The company is blind to this process to maintain objectivity. Once questionnaires are completed, the vendor comes onsite to conduct job observations of the employees performing the functions of the job. In addition, they will conduct additional interviews with the incumbents, supervisors and potentially managers to gain further insight and understanding. After the vendor has gathered all the required data from questionnaires and interviews, they conduct quantitative analysis via a proprietary process to assign a point value to the classification.
- b. At this time, a new system has not been finalized. SoCalGas is analyzing vendors, which provide a variety of job leveling services, to determine the best solution. The current system is no longer an industry standard. This condition forces SoCalGas to utilize a sole vendor to perform this negotiated requirement. The Company will improve upon the current system by selecting a more universal approach to job leveling. This will put SoCalGas in a position to select vendors who can offer the best service at the best price.
- c. The current system in use was developed in 1972, and at the time was a state-of-the-art process for analyzing job levels. However, over time the process has become antiquated. First, the current process strictly levels jobs against other internal jobs. The concern with this is that there is no external market value. This process provides no means of comparing to other positions within the utility industry or region. Because of this, SoCalGas cannot ensure that the Company is providing a competitive salary that will attract and retain talent. Furthermore, because the process is antiquated, the number of vendors that provide the service is extremely limited. Not only does this restrict the company's ability to contract out this service, but it also allows the vendors to up-charge for their services. Since 2010, SoCalGas has seen a significant increase in the "per job" analysis cost.
- d. In August 2016, SoCalGas contacted the vendor regarding upcoming positions that would require a job leveling analysis. At that time, they provided SoCalGas with the cost per job. The increase in cost triggered conversations with the vendor. Initially, the vendor alluded to the fact that they may no longer provide the service for various reasons, including a recent merger, the process being antiquated, and the expectation that their consultant for this specific job leveling process would be retiring. The Company's conversation with the vendor, led them to start researching job leveling. Labor Relations, Compensation, and Research & Analysis contacted other third-party job leveling vendors. These vendors communicated that the current job leveling process was no longer widely utilized and most of the vendors did not provide the

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**Utility Response 16 Continued:**

- service. Those companies that could accommodate the need for the Company's current job leveling process had high-costs associated with it. Please refer to the attachments TURN-SEU-011\_Q16d Attachment for SCG\_Redacted.pdf and TURN-SEU-011\_Q16d Attachment for SCG – PAQ Cost Analysis.pdf for documentation supporting the proposal to update or replace the job leveling system.
- e. In 2018, the Company's plan is to implement a new job leveling method during contract negotiations with the union. Through the negotiation process, SoCalGas intends to identify a job leveling method that is agreed upon by both the Company and the Union. At that time, a cost analysis for each potential solution will be completed.
  - f. At this time, there are no documents indicating the schedule of the upgrade. SoCalGas has a contract with the current vendor to complete multiple job leveling studies throughout 2018. The Company's intent is to implement the new system at the start of 2019, but this is contingent upon agreement with the Union regarding the new job leveling methodology.
  - g. No. The job-leveling system is not a software project. Although there are different software programs available for job leveling, the Company and the Union have agreed to have a third-party vendor perform these services. The agreement negotiated between SoCalGas and the Union states that to ensure objectivity and accuracy, job evaluations will be conducted exclusively by an external third-party consultant and that the Company and the Union cannot be involved in the process. Therefore, the Company is looking for a service rather than a software.
  - h. See response to question 16g.
  - i. The Company does not anticipate the selection of a new vendor/process to take three years, however, once a vendor/process is selected, there will be an initial implementation process and it is unknown how long it will actually take the vendor to complete. The implementation will include conducting a full analysis of all current positions/leveling and providing recommendations to move forward.

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17. On p. MG-32, SCG states: “The base year forecast methodology was used because the 3-year and 5-year average do not accurately reflect department costs due to the reorganization that took place.”

- a. Please describe the reorganization. What was the purpose of the reorganization and were employees transferred to or from the Organizational Effectiveness unit? If transfers occurred, please identify the organizations from and/or to which such transfers occurred as well as the number of transfers and the annual cost of each such transfer.
- b. When did SCG begin the reorganization?
- c. When did SCG complete the reorganization?

**Utility Response 17:**

- a. To maximize collaboration and operational excellence, instructional designers from all training departments were centralized through the Design & Creative Services team within Organizational Effectiveness. These changes provided opportunities to examine the Company’s learning and development efforts to ensure continued delivery of consistent, effective, and high-quality learning experiences across all training at SoCalGas.

At the time of the reorganization, four employees transferred over to the Instructional Design team with Organizational Effectiveness.

Transfer	Annual
Employee #1 – Gas Operations Training	\$109,075.20
Employee #2 – Gas Operations Training	\$108,368.00
Employee #3 – Gas Operations Training	\$83,532.80
Employee #4 – Customer Service Field Training	\$89,440.00

- b. The reorganization began in September 2015.
- c. The reorganization was completed in January 2016. This reorganization took around four months to complete, since it involved transitioning resources from two different training groups over to the instructional design team in the Organizational Effectiveness department in HR.

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18. SCG states on p. MG-33 (lines 5-7): "...the OE work unit plans to add three additional staff positions (for a total of \$0.300 million) to the D&CS department to support the instructional design services needed to develop technical supervisor training."

- a. Please identify the duration of the development period for the technical supervisor training. Please explain how long the three additional staff positions will be needed.
- b. Please provide workpapers, business plans, reports to management, and any other documentation that supports the proposal and/or describes the activities required for the instructional design services needed to develop technical supervisor training and other safety-related training.
- c. Please explain why SCG is not hiring a contractor to develop the technical supervisor training?

**Utility Response 18:**

- a. There will be an initial ramp up period to create the technical training and moving forward there is an ongoing need for the three positions to revise and update the existing training. Additionally, SoCalGas has a need to create more web-based technical training, which requires an increased amount of time and resources. The web-based training will supplement the instructor-led courses currently in place.
- b. SoCalGas presented an overview of the plans to develop training in the RAMP Workforce Planning Chapter SCG – 7, as summarized on page SCG 7 – 1, with further details on pages SCG 7 – 13 and SCG 7 -15.
- c. Since there is an ongoing need to develop training and revise and update existing training, SoCalGas does not see a need to hire a contractor to develop training. The Company views this as a long-term program, in which there will be multiple additions/revisions as well as continuous program maintenance.

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19. At p. MG-33 (lines 9-11) of the testimony, SCG states, "...there is a total of \$0.426 million in non-labor costs in TY 2019 to fund a director development program, which is for the director team which has significant organizational and operational responsibility."

a. Please provide a detailed explanation of the director-development program.

b. Why is SCG hiring contract support for the director development program?

c. When does SCG anticipate that the need for the outside contractor will end for the director development program? Please provide the rationale for the response.

**Utility Response 19:**

a. The Director Development Program is a nine-month program designed to meet the following objectives: Leadership Development, Strategic Alignment, and Team Cohesion. Topical areas include Business Strategy, Personal Leadership and Team and Organizational Leadership. Specific modules within these topical areas include: understanding the business context, developing a strategic mindset, understanding key financial drivers, the general manager perspective, translating strategy for alignment, decision making, negotiation, persuasion and influence, values-based leadership, developing a personal strategy and vision, personal branding, building a high-performing team, harnessing culture, leading change, planning for succession, the healthy leader, and executive communications. Additionally, each participant will be part of a project team working to deliver recommendations to address a key business issue. There are three cohorts with roughly 50 participants total, spanning all functional areas.

b. SoCalGas is partnering with the University of Southern California (USC) to provide excellence in content development and delivery. USC professors are world-class with up-to-date research and knowledge in each of the key areas above as well as expertise across a range of industries, thus bringing the most effective mix of program content and facilitation skills for development of leaders at the director level.

c. The final cohort is scheduled to graduate April 2019 which is when the need for this contractor will end. Note: SoCalGas anticipates continuing the Director Development program, however future plans have not been developed yet.

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20. SCG's recorded workers' compensation expense in 2013 was \$17.3 million (2016 GRC, Ex. SCG 23, p. MLS-25 (Table SCG-MLS-12); it averaged \$10.7 million between 2014 and 2016 (i.e., \$10.7 million in 2014, \$11.8 million in 2015 and \$9.7 million in 2016) (SCG-32 WP\_Supplemental\_2HR006.001).

- a. Please identify and explain in detail each factor that contributed to the reduction in workers' compensation expense between 2013 and 2014.
- b. Please provide any reports, analysis, etc. that SCG produced as a result of any inquiry SCG made regarding the reason(s) for the decline in Workers' Compensation costs.

**Utility Response 20:**

As noted in the SoCalGas attachment to Question 5, while responding to this data request, errors were found in the methodology used to derive the Workers' Compensation recorded costs. We determined that Worker's Compensation Reserves should not be included in workpaper totals, so the Total Cost amounts shown on workpaper pages 44-45 and 48 are incorrect, which also causes the Projected Costs that are included in the SCG Revenue Requirement to be understated.

- a. There was a decrease in overall workers' compensation costs between 2013 and 2014. This included decreases in both medical and indemnity, and a reduction of Excess liability refunds. The reduction in Medical may be attributable to the passing of Senate Bill 863. This was the first major workers' compensation reform since 2004 and implemented the Independent Medical Review (IMR), which developed a means of resolving disputes over medical treatment. Disputes over medical treatment were referred to IMR and their decision on whether medical treatment was necessary was final and binding. This resulted in cost savings regarding medical and is a likely cause of the decrease in medical costs from 2013 to 2014. The reduction in Indemnity may be attributable to the overall claim count decreasing from 1,650 in 2012 to 1,554 in 2013, or roughly a 6% decrease. The reduction in cases may also have contributed to the reduction in medical costs. The decrease in Excess liability refunds was a result of less settlements of cases that had reached the Excess retention level.
- b. SoCalGas is not aware of any reports or analysis that were produced regarding the reasons for decline in WC costs.

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21. Regarding the Workers' Compensation Projection on p. 48 of the SCG-32 workpapers:

a. Please identify the recorded values for both Workers' Compensation and Long-Term Disability for each line item in both tables (including for labor escalation and changes in headcount) from 2005-2013 and 2017. Please provide the table as an Excel-based spreadsheet.

b. Why did SCG not include the historical values for 2012 and 2013 for the Workers' Compensation forecast?

**Utility Response 21:**

a. SoCalGas objects to this request under Rule 10.1 of the Commission's Rules of Practice and Procedure on the grounds that the timeframe encompassed in this request is not relevant to the subject matter involved in the pending proceeding and therefore, the burden, expense and intrusiveness of this request outweighs the likelihood that the information sought will lead to the discovery of relevant and admissible evidence. In particular, this request seeks information prior to 2012 and is thus, outside the scope of the relevant time period used by SoCalGas in developing its forecasts. Subject to and without waiving the foregoing objection: See the attachment for Question 5 (TURN-SEU-011\_Q5 Attachment for SCG.xlsx) for 2012 – 2016 data. SoCalGas – 2017 data will not be available until mid-March 2018.

b. SoCalGas did not originally include the historical values for 2012 and 2013, because a 3-year average was used to determine costs as it yields a more stable cost estimate.

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22. Please identify the number of Workers' Compensation claims of the type whose cost is included in the costs reported on p. 48 of the workpapers.

**Utility Response 22:**

<b>Year</b>	<b>Number of Claims</b>
<b>2014</b>	2,121
<b>2015</b>	2,091
<b>2016</b>	2,034



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23. Please identify and explain each of the reasons that Workers' Compensation cost decreased between the years indicated below, if it did. Please consider all possible reasons, including, but not limited to, fewer claims, less costly claims, enacted legislation, less costly indemnity payments, improved safety practices, etc.

- a. Between 2012 and 2013.
- b. Between 2013 and 2014.

**Utility Response 23:**

- a. There was a decrease in overall workers' compensation cost between 2012 and 2013. This reduction may be attributable to the overall number of claims going from 1,683 in 2012 to 1,650 in 2013. For further details, see response to Question 20a.
- b. See response to Question 20a.

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24. Regarding the Long-Term Disability Projection on p. 48 of the workpapers, please identify the recorded values for each line item (including for labor escalation and changes in headcount) from 2005-2015 and 2017 by including them in the table and providing the table as an Excel-based spreadsheet.

**Utility Response 24:**

As noted in the SoCalGas attachment in response to Question 5, while responding to this data request, an error was found in the methodology used to derive the LTD recorded costs for 2012 - 2015. This response provides the corrected amounts. Since the forecast methodology used BY 2016 and that number was reported correctly, the 2017 - 2019 forecasts are not impacted by this error.

SoCalGas objects to this request under Rule 10.1 of the Commission's Rules of Practice and Procedure on the grounds that the timeframe encompassed in this request is not relevant to the subject matter involved in the pending proceeding and therefore, the burden, expense and intrusiveness of this request outweighs the likelihood that the information sought will lead to the discovery of relevant and admissible evidence. In particular, this request seeks information prior to 2012 and is thus, outside the scope of the relevant time period used by SoCalGas in developing its forecasts. Subject to and without waiving the foregoing objection, SoCalGas responds as follows: See the attachment for Question 5 (TURN-SEU-011\_Q5 Attachment for SCG.xlsx) for 2012-2015 data. SoCalGas – 2017 data will not be available until mid-March 2018.

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25. Please identify the OSHA incident rate for each year, 2005-2017.

**Utility Response 25:**

SoCalGas objects to this request under Rule 10.1 of the Commission’s Rules of Practice and Procedure on the grounds that the timeframe encompassed in this request is not relevant to the subject matter involved in the pending proceeding and therefore, the burden, expense and intrusiveness of this request outweighs the likelihood that the information sought will lead to the discovery of relevant and admissible evidence. In particular, this request seeks information prior to 2012 and is thus, outside the scope of the relevant time period used by SoCalGas in developing its forecasts. Subject to and without waiving the foregoing objection, SoCalGas responds as follows with data covering 2012-2017.

<b>Reporting Year</b>	<b>OSHA Rate</b>
<b>2012</b>	3.36
<b>2013</b>	3.52
<b>2014</b>	3.62
<b>2015</b>	3.81
<b>2016</b>	3.18
<b>2017</b>	3.58