

**TURN DATA REQUEST-063**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS RESPONSE**  
**DATE RECEIVED: APRIL 26, 2018**  
**DATE RESPONDED: MAY 10, 2018**

1. On the 2017 Recorded Operating Costs –SCG spreadsheet, five items are identified for recorded 2017 insurance. For each of the five items, please identify the individual cost center numbers in the SCG-29/SDG&E-27 workpapers to which they refer.

**Utility Response 1:**

SCG Code: 2SN000.000 – Corresponds to the following individual cost center numbers:

1100-0403 - PROP INS – ALL RISK PRIMARY  
1100-0404 – PROP INS – ALL RISK EXCESS  
1100-0410 – PROP INS – CONTROL OF WEL  
1100-0405 – PROP INS – CRIME  
1100-0406 – PROP INS – YUMA 500 KV  
1100-0409 – PROP INS – CARGO  
1100-0408 – PROP INS – FOREIGN PACKAGE  
1100-0407 – PROP INS – BROKER FEES

SCG Code: 2SN000.002 – Corresponds to the following individual cost center number:

1100-0428 – LIAB INS – EXCESS LIABIL

SCG Code: 2N000.003 – Corresponds to the following individual cost center numbers:

1100-0429 – LIAB INS – EXCESS WORKERS  
1100-0439 – LIAB INS – GLOBAL WORKERS

SCG Code: 2N000.004 – Corresponds to the following individual cost center numbers:

1100-0427 – LIAB INS – D&O  
1100-0432 – LIAB INS – FIDUCIARY LIAB  
1100-0438 – LIAB INS – CYBER SECURITY  
1100-0430 – LIAB INS – AUTO  
1100-0435 – LIAB INS – YUMA 500 KV  
1100-0436 – LIAB INS – BROKER FEES  
1100-0442 – LIAB INS – P&I CHARTER  
1100-0443 – LIAB INS – POLLUTION  
1100-0441 – LIAB INS – TERMINAL OPERA  
1100-0425 – LIAB INS – SONGS NUCLEAR  
1100-0426 – LIAB INS – SONGS MESA  
1100-0444 – LIAB INS - GENERAL  
1100-0434 – LIAB INS – RAILROAD PROTECTIVE  
1100-0440 – INS – SURETY BONDS

SCG Code: 2N000.006 – Corresponds to the following individual cost center numbers:

1100-0445 – LIAB INS – EXCESS FIRE  
1100-0446 – LIAB INS – WILDFIRE DAMAGE REINSURANCE

**TURN DATA REQUEST-063**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS RESPONSE**  
**DATE RECEIVED: APRIL 26, 2018**  
**DATE RESPONDED: MAY 10, 2018**

2. On the 2017 Recorded Operating Costs –SDG&E spreadsheet, six items are identified for recorded 2017 insurance. For each of the six items, please identify the individual cost center numbers in the SCG-29/SDG&E-27 workpapers to which they refer.

**Utility Response 2:**

SDG&E Code: 1SN000.000 – Corresponds to the following individual cost center numbers:  
1100-0403 - PROP INS – ALL RISK PRIMARY  
1100-0404 – PROP INS – ALL RISK EXCESS  
1100-0410 – PROP INS – CONTROL OF WEL  
1100-0405 – PROP INS – CRIME  
1100-0406 – PROP INS – YUMA 500 KV  
1100-0409 – PROP INS – CARGO  
1100-0408 – PROP INS – FOREIGN PACKAGE  
1100-0407 – PROP INS – BROKER FEES

SDG&E Code: 1SN000.001 – Corresponds to the following individual cost center numbers:  
1100-0401 – PROP INS – SONGS NUCLEAR  
1100-0402 – PROP INS – SONGS MESA

SDG&E Code: 1SN000.002 – Corresponds to the following individual cost center number:  
1100-0428 – LIAB INS – EXCESS LIABIL

SDG&E Code: 1N000.003 – Corresponds to the following individual cost center numbers:  
1100-0429 – LIAB INS – EXCESS WORKERS  
1100-0439 – LIAB INS – GLOBAL WORKERS

SDG&E Code: 1N000.004 – Corresponds to the following individual cost center numbers:  
1100-0427 – LIAB INS – D&O  
1100-0432 – LIAB INS – FIDUCIARY LIAB  
1100-0438 – LIAB INS – CYBER SECURITY  
1100-0430 – LIAB INS – AUTO  
1100-0435 – LIAB INS – YUMA 500 KV  
1100-0436 – LIAB INS – BROKER FEES  
1100-0442 – LIAB INS – P&I CHARTER  
1100-0443 – LIAB INS – POLLUTION  
1100-0441 – LIAB INS – TERMINAL OPERA  
1100-0425 – LIAB INS – SONGS NUCLEAR  
1100-0426 – LIAB INS – SONGS MESA  
1100-0444 – LIAB INS - GENERAL  
1100-0434 – LIAB INS – RAILROAD PROTECTIVE  
1100-0440 – INS – SURETY BONDS

**TURN DATA REQUEST-063**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS RESPONSE**  
**DATE RECEIVED: APRIL 26, 2018**  
**DATE RESPONDED: MAY 10, 2018**

**Utility Response 2 Continued:**

SDG&E Code: 1N000.006 – Corresponds to the following individual cost center numbers:

1100-0445 – LIAB INS – EXCESS FIRE

1100-0446 – LIAB INS – WILDFIRE DAMAGE REINSURANCE

**TURN DATA REQUEST-063**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS RESPONSE**  
**DATE RECEIVED: APRIL 26, 2018**  
**DATE RESPONDED: MAY 10, 2018**

3. For each utility, please provide the the 2017 total recorded cost, including assignments to global/retained, for each of the categories shown in the 2017 recorded cost workpapers (1SN000.000 through 1SN000.006 for SDG&E, and 2SN000.000 through 2SN000.006 for SoCalGas)?

**Utility Response 3:**

The workpaper categories for the recorded costs are shown in questions 1 and 2. The total costs broken down by the workpaper categories are shown in the answer to question 4.

**TURN DATA REQUEST-063**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS RESPONSE**  
**DATE RECEIVED: APRIL 26, 2018**  
**DATE RESPONDED: MAY 10, 2018**

4. Please identify all insurance policies, their dates of effectiveness during the year, and the amount paid for each insurance policy in 2014-2017 recorded, and 2018 for any policies that have renewed already in 2018 or for which the utility has received a quotation. For each specific policy, please identify the corresponding cost center number in the workpapers.

**Utility Response 4:**

Please see attached spreadsheet “TURN DR 63 - Insurance Workpapers including 2017 actuals.xlsx.” Financial data for 2018 is not yet available.

**TURN DATA REQUEST-063**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS RESPONSE**  
**DATE RECEIVED: APRIL 26, 2018**  
**DATE RESPONDED: MAY 10, 2018**

5. Regarding cost adjustments for insurance policies referred to in the workpapers SCG-29/SDG&E-27-WP:

- a. Please provide the property value increases and the insurance broker forecasts underlying the rate changes on page 6. Provide workpapers supporting the property value increases and documentation supporting the insurance broker forecasts.
- b. Do the property value increases for SDG&E on page 6 include Otay Mesa as a resource owned by SDG&E?
- c. Please provide the “forecast provided by OIL” referenced on page 10 and supporting documentation.
- d. Please provide the “insurance broker forecast” referenced on page 14 and supporting documentation.
- e. Please provide the “insurance broker forecast” referenced on page 18 and supporting documentation.
- f. What is the basis for the increase in insurance broker fees on page 29 and the allocation among entities?
- g. How much of the change in costs on page 34 of 84 is based on anticipated market conditions and broker forecasts, and how much is based on loss history for each entity? Provide supporting documentation.
- h. Please provide the “insurance broker forecast” referenced on page 44 and supporting documentation.
- i. Please provide the allocation factors that would be present had 50% of D&O liability insurance not been allocated to global/retained on page 44.
- j. Please provide the “insurance broker forecast” referenced on page 48 and supporting documentation.
- k. How much of the change in costs on page 52 is based on the payroll increase and how much is based on insurance broker forecasts for each entity? Provide supporting documentation.
- l. Please provide the “insurance broker forecast” referenced on page 60 and supporting documentation.
- m. What is the basis for the increase in insurance broker fees on page 66 and the allocation among entities?

**TURN DATA REQUEST-063**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS RESPONSE**  
**DATE RECEIVED: APRIL 26, 2018**  
**DATE RESPONDED: MAY 10, 2018**

**Utility Response 5:**

See Appendix B of SCG-29/SDG&E-27, which provides the insurance broker forecast. The projected property value increases are based in part on the average total insured value growth rate over the last 5 years. On average, Sempra's Primary Property total insured values have increased approximately 10% per year during that time period.

Year	Sempra Total Insured Values (\$Bn)	% change
2014	13.96	
2015	15.18	9%
2016	15.36	1%
2017	17.8	16%
2018	20.5	15%

- b. The property value increases for SDG&E did not include Otoy Mesa as a resource.
- c. Please see Appendix C of SCG-29/SDG&E-27, which provides the premium projections provided by OIL.
- d. See Appendix B of SCG-29/SDG&E- 27, which provides the insurance broker forecast.
- e. See response to part d.
- f. The forecasted increase in broker fees was based on fee negotiations with our insurance broker. Allocations are made to each business unit using the Multi-Factor Basic method.
- g. Year-over-year general excess liability premiums are influenced by several factors which include Sempra-specific factors, the global insurance marketplace, and changes in available insurance capacity. Significant worldwide insurance losses can negatively impact premiums. Generally, each insurance carrier uses proprietary models to calculate their required premiums for each specific insured. SDG&E and SoCalGas believe that the excess liability expense is driven in part by the factors identified above, although we are not able to attribute the increase to any one of these specific factors because we do not have access to insurance companies' proprietary models.
- h. See response to part d.
- i. If the allocation to global/retained were lowered, the allocation to the utilities would increase, but the specific percentages would be speculative.
- j. See response to part d.

**TURN DATA REQUEST-063**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS RESPONSE**  
**DATE RECEIVED: APRIL 26, 2018**  
**DATE RESPONDED: MAY 10, 2018**

**Utility Response 5 Continued:**

k. The projected Workers' Compensation premium was based on an insurance broker forecast and average annual total payroll percentage change. On average Sempra's total payroll increased approximately 5% per year from 2012. Our 10% escalation factor for 2018 and 2019 was based on a 5% annual increase in payroll and 5% annual increase in rate as estimated by our insurance broker. 2017 figures represent our recorded costs as actual premium were available at the time of our filing.

	Total Sempra Payroll (\$MM)	% Change
2012	1,231	
2013	1,463	19%
2014	1,319	-10%
2015	1,182	-10%
2016	1,227	4%
2017	1,515	23%

l. See response to part d.

m. See response to part f.



**TURN DATA REQUEST-063**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS RESPONSE**  
**DATE RECEIVED: APRIL 26, 2018**  
**DATE RESPONDED: MAY 10, 2018**

6. Please provide the “insurance broker forecast” referenced on page 80 in the SCG-29/SDG&E-27 workpapers and supporting documentation.

**Utility Response 6:**

See response to question 5 part d.

**TURN DATA REQUEST-063**  
**SDG&E-SOCALGAS 2019 GRC – A.17-11-007/8**  
**SDG&E\_SOCALGAS RESPONSE**  
**DATE RECEIVED: APRIL 26, 2018**  
**DATE RESPONDED: MAY 10, 2018**

7. What is the method used to forecast surety bonds on pages 81-82 of the SCG-29/SDG&E-27 workpapers, given their fluctuation?

**Utility Response 7:**

The length of a surety bond can vary from one to 5 years. Our forecast thus contemplates a combination of anticipated renewal dates based on the various terms of the bonds.