

TURN DATA REQUEST
TURN-SCG-DR-16
SOCALGAS 2012 GRC – A.10-12-006
SOCALGAS RESPONSE
DATE RECEIVED: JULY 5, 2011
DATE RESPONDED: JULY 20, 2011

1. SCG indicates in its workpapers that the forecasts for Medical, Dental, Vision, Wellness, Employee Assistance Program, Mental Health, Life Insurance, AD&D Insurance, Business Travel Insurance, Retirement Savings Plan, Educational Assistance, Emergency Care, and Mass Transit Incentive are all dependent at least in part on employee headcount. Please indicate whether the Company's Results of Operations (RO) model will adjust the forecasts for these items in the event that the Commission issues a decision that includes a smaller headcount than the one Edison assumed in making the forecasts for these items.

SoCalGas Response 01:

The SoCalGas RO model will reduce the following forecasts upon a change to capital or O&M labor forecasts:

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

Prepared by Deborah Hiramoto

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2. Please provide all workpapers from SCG-19-WP that appear to be generated using spreadsheet software (e.g., MS Excel) in electronic form with working cells. E.g., the workpapers at SCG-19-WP, pp. 46-49, appear to be generated from spreadsheet software. This and all other such-appearing worksheets are the worksheets from SCG-19-WP that we would like to see in electronic form (preferably MS Excel) with working cells.

SoCalGas Response 02:

Attached is the requested file.



SCG Comp and
Benefit 2012 Project

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3. Please provide a file (preferably MS Excel) containing information in similar format to the information contained on pp. 46-49 of SCG-19-WP, but on a recorded-data basis for 2005-2010, instead of the forecasted basis that is included for 2010-2012 in the tables on the referenced pages. (If you cannot provide the data on a disaggregated basis, please at least provide them on an aggregated basis, divided by union and non-union contracts, so that the recorded numbers you provide on an aggregated basis can be compared to the aggregated forecasts from the workpaper spreadsheets.)

SoCalGas Response 03:

Attached is the requested file



SCG Medical Costs
2005-2010.xls

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4. At p. DSR-18, line 2, SCG states, “The overall [Medical premium] rate increase for 2011 was 13 percent.” Please
- a. Identify the number of employees that SCG assumed in making this statement for both 2010 and 2011.
 - b. Identify the total Medical premium expense that SCG assumed in making this statement for both 2010 and 2011.
 - c. Identify the per-employee Medical premium expense that underlies the 2010 and 2011 overall rate assumptions that SCG used to calculate the 11-percent “overall increase.”

SoCalGas Response 04:

- a. The forecasted medical premium is a product of estimated medical premium rates and the number of employees for each coverage type. The 13% medical premium rate increase is a change in medical premium rates and does not include any factors for changes in number of employees. The projected increase for 2011 includes the 13% medical premium increase plus projected increases in headcount.
- b. As stated above, the medical premium rate increase is only a change in rates and total premium costs were not a factor in arriving at that change.
- c. As noted in the supplemental workpapers, medical rates used for the 2010 projection are actual rates and projected 2011 rates are a 13% increase of the actual 2010 rates. SoCalGas is not aware of the 11 percent increase referenced in this question.

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5. At p. DSR-18, lines 19-20, SCG states, “Projected rate increases for 2012 through 2015 progressively decline from 12 percent in 2012 to 7.5 percent in 2014.” Please indicate whether these percentage increase estimates are on a total or per-employee basis. If they are the latter (i.e., per-employee basis), please provide the estimated percentage increases on a per-employee basis. If you are not able to do so, please explain in detail why you are not able to and provide a detailed explanation as to how SCG (or its actuary) arrived at the total increase estimates, given that it would be the case that the per-employee forecast is unknown.

SoCalGas Response 05:

As described in the response to question 4 above, the projected medical cost is a product of medical premium rates and number of employees for each type of coverage. The medical premium rate increases noted above are on a total basis and independent of employee counts.

The projected rate increases for 2012 through 2015 are projected increases in medical premium rates as provided by Towers Watson. Attached is a supporting document from Towers Watson that supports the rates noted above and is also a workpaper supporting David Sarkaria’s post retirement benefits other than pension (PBOP) testimony (Exhibit SCG-20).



GRC SCG PBOP
WP.pdf

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6. At p. DSR-19, lines 4-11, SCG discusses per-employee Medical costs. Please
 - a. Identify the total annual recorded Medical expenses for the years 2005-2010 on the same basis as the total Medical expense that SCG used to calculate the \$9,905 average, per-employee Medical expense for 2010. If the amounts SCG identifies in response to this question for 2005-2009 are different than the total amounts identified in the Summary of Results table on p. 31 of SCG-19-WP, please provide a detailed explanation for the discrepancy.
 - b. Identify the employee population metric SCG used to calculate the 2010 per-employee expense (e.g., FTE employees, or whatever), and identify the values that SCG recorded for the identified employee population metric for each year, 2005-2010.

SoCalGas Response 06:

- a. Upon review of the testimony, the \$9,905 amount noted in the testimony is the average for “total premium” and is incorrectly described as the employer portion of the premium. As a result, the caption heading in figure DSR-5 (at page DSR-20) should have been labeled as “Total Premium Cost Per Covered Employee For Medical Insurance” and not “Average Employer Cost Per Covered Employee for Medical Insurance.” That being said, there is no link between the \$9,905 average noted in the testimony to how the medical costs were projected for 2010-2012 nor the costs recorded for 2005-2009. Data for medical costs for 2005-2009 are provided in the response to Question 3 above.
- b. The actual cost of the 2005-2010 medical costs is contained in the attachment to Question 3 above.

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7. Please provide the terms, comprising termination date, wages, and benefits—including both what the benefits are (e.g., health, etc.) and the amount of the benefit, where applicable—of all of SCG’s union contracts.

SoCalGas Response 07:

Please find attached the requested documents:

