

**ORA DATA REQUEST
 ORA-SCG-099-STA
 SOCALGAS 2019 GRC – A.17-10-008
 SOCALGAS RESPONSE
 DATE RECEIVED: JANUARY 23, 2018
 DATE RESPONDED: FEBRUARY 5, 2018**

Exhibit Reference: SCG-32

SCG Witness: Mary Gevorkian

Subject: HR Department, Safety, Workers' Compensation, and LTD

Please provide the following:

1. Workpapers to support historical expenses from 2012 through 2015 for Workers' Compensation. The historical expenses presented in workpapers are combined with Long-Term Disability.

SoCalGas Response 1:

Below are the historical expenses for Workers' Compensation and Long-Term Disability:

Constant 2016 (\$000)	2012	2013	2014	2015	2016 *
Long Term Disability	5,219	5,420	4,408	5,191	5,177
Workers' Compensation	23,383	18,972	12,263	11,889	11,857
Total	28,601	24,392	16,670	17,079	17,034

* 2016 values reflected in workpapers were projections prior to year-end closing that should have been updated following year-end close. The actual 2016 recorded values are shown below. The forecasts were based on the correct recorded actuals, so this does not impact the forecast.

Correct 2016 Recorded Amounts

Constant 2016 (\$000)	2016 *
Long Term Disability	5,575
Workers' Compensation	9,745
Total	15,320

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2. Workpapers to support historical expenses from 2012 through 2015 for Long-Term Disability. The historical expenses presented in workpapers are combined with Workers' Compensation.

SoCalGas Response 2:

See response to Question 1.

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3. Referring to Ex. SCG-32, page MG-15, please provide a detailed explanation as to why a “project specialist” related to the reorganization of the department in 2015 is added as an incremental cost in 2019.

SoCalGas Response 3:

The reference to the reorganization of the HR Business Partners department on page MG-15 refers to the utilization of BY 2016 as the basis of forecasting TY 2019 due to the reorganization of the department in 2015 and not specifically to the addition of a project specialist. A project specialist is being requested in TY 2019 to address increased work due to large-scale projects and initiatives launched throughout the company (e.g., company-wide reorganizations, process efficiency projects, etc.) that impact the level of work performed by Human Resources. The addition of this project specialist is not tied to the reorganization that occurred within the HR Business Partners department in 2015, but rather is tied to projects and initiatives across the company that require additional support.

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4. Still referring to Ex. SCG-32, page MG-15, please provide a detailed explanation as to why “large scale process efficiencies” result in an incremental cost added in 2019.

SoCalGas Response 4:

See response to Question 3.

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5. Referring to Ex. SCG-32, workpapers page 38, the 2019 forecast for RAMP Item #1 – Workforce Planning includes estimates for “Low” and “High.” Provide documentation that explains clearly and specifically what is included in the “Low” and “High” estimates.

SoCalGas Response 5:

The low and high estimates for the RAMP-related workforce planning activities include the forecasted costs for the activities with an adjustment of 5% below and 15% above the estimate to create the range as determined by the SMEs providing input on the activities associated with the RAMP risk. These initial forecasted costs were derived from the historical costs of the baseline activities plus projected costs for any incremental activities.

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6. Still referring to Ex. SCG-32, workpapers page 38, please explain in detail what is included in the embedded costs of \$1.551 million, and why the embedded costs cannot or will not cover the cost estimate for RAMP Item #1 – Workforce Planning.

SoCalGas Response 6:

The historical embedded costs of \$1.551 million mainly cover the labor costs of current employees who participated in workforce planning-related activities. These costs include the development of a workforce planning model, meetings with stakeholders to collect data, and workforce planning efforts conducted by various departments across the company. The current level of activities does not allow the Company to implement workforce planning software and additional personnel to conduct analytics and assess workforce needs. Moreover, the embedded costs do not cover the HR resource that is needed to support the technical training department to help develop and validate training tests that are in accordance with legal and professional testing guidelines. Also, the embedded costs do not allow for HR to conduct job analysis and competency modeling work to revise job profiles for non-management jobs, which would provide a focus on the competencies needed for each position and inform skills training needs.

Further discussion about the HR Services activities can be found in testimony in Exhibit SCG-32 section B.3.

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7. Referring to Ex. SCG-32, workpapers page 63, the 2019 forecast for RAMP Item #1 – HR Sponsored Safety Activities includes estimates for “Low” and “High.” Provide documentation that explains clearly and specifically what is included in the “Low” and “High” estimates.

SoCalGas Response 7:

The low and high estimates for the RAMP-related safety activities include the forecasted costs for the activities with an adjustment of 10% below and above the estimate to create the range as determined by the SMEs providing input on the activities associated with the RAMP risk. These initial forecasted costs were derived from the historical costs of the baseline activities plus projected costs for any incremental activities

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8. Still referring to Ex. SCG-32, workpapers page 63, please explain in detail what is included in the embedded costs of \$4.448 million, and why the embedded costs cannot or will not cover the cost estimate for RAMP Item #1 – HR Sponsored Safety Activities.

SoCalGas Response 8:

The embedded costs of \$4.448 million include current day to day activities that influence safety culture & safety best practices, such as education and training, aimed at ensuring an incident-free workplace, review of incidents and lessons learned with management and safety committees, and to provide safety leadership training to frontline supervisors. More specifically, the embedded costs include the costs of the resources dedicated to enforcing existing DOT drug testing requirements for DOT safety sensitive jobs, monitoring contractor DOT requirements and compliance, coaching & mentoring through quality job observations, incident evaluations for controllable motor incidents, OSHAs and lost time incidents, supporting customer contact center on safety related issues, and training supervisors how to use the Safety Incident Management System (SIMS).

The embedded costs do not include the additional resource required to support the employer pull notice program and the increased activities required by this program to comply with a regulatory Final Rule issued in December 2016 by the Federal Motor Carrier Safety Administration (FMCSA), as well as overall expansion of the program to include drivers of all utility fleet vehicles. Also, the embedded costs do not include the costs of expanding the interactive driver safety program beyond the pilot phase or expansion of defensive driver training or in-vehicle instruction to help reduce the number of motor vehicle incidents.

Moreover, the embedded costs do not include the incorporation of wellness and fitness in field training to help reduce the number of bodily injuries or the resources needed to support additional drug and alcohol testing/CDL program requirements and additional job site inspections. Also, the embedded costs do not include the costs of the ISN Membership fees, which would help ensure that only safe and qualified contractors are used. In summary, the embedded costs do not account for additional resources needed to monitor and comply with changing regulations or increased oversight.

Further discussion about the Safety & Wellness activities can be found in testimony in Exhibit SCG-32 section B.5.

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9. Referring to Ex. SCG-32, workpapers page 71, the 2019 forecast for RAMP Item #1 – Knowledge Mgmt, Training, and Succession Planning includes estimates for “Low” and “High.” Provide documentation that explains clearly and specifically what is included in the “Low” and “High” estimates.

SoCalGas Response 9:

The low and high estimates for the RAMP-related Knowledge Mgmt, Training, and Succession Planning activities include the forecasted costs for the activities with an adjustment of 5% below and 15-25% above the estimate to create the range as determined by the SMEs providing input on the activities associated with the RAMP risk. These initial forecasted costs were derived from the historical costs of the baseline activities plus projected costs for any incremental activities. The low and high estimates included adding to or reducing the forecasted amount by 5-10% to allow for a better estimate of the costs associated with the activities.

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10. Still referring to Ex. SCG-32, workpapers page 71, please explain in detail what is included in the embedded costs of \$1.175 million, and why the embedded costs cannot or will not cover the cost estimate for RAMP Item #1 – Knowledge Mgmt, Training, and Succession Planning.

SoCalGas Response 10:

The embedded costs of \$1.175 million include the implementation of the initial knowledge management (KM) Program and support, workshops and Communities of Practice, and leadership training. The embedded costs do not include the costs of expanding the Communities of Practice or the adoption of KM technology and additional programs to support the Company's goal of capturing and sharing knowledge of individuals in critical roles and passing that knowledge to others in the organization. The embedded costs do not include the additional costs of instructional design services (labor and software) needed to support the development of additional technical training for frontline supervisors and other safety-related training or the costs of incorporating knowledge transfer-related activities into the succession planning process.

Further discussion about the Organization Effectiveness activities can be found in testimony in Exhibit SCG-32 section B.6.