**A.14-11-003 and A.14-11-004 Sempra Utilities’ 2016 TY GRC**

**TURN Data Request**

**Data Request Number:** TURN-SCG-4 (Incentive Compensation)

**Date Sent:** January 22, 2015

**Response Due:** February 5, 2015

Please provide an electronic response to the following questions. A hard copy response is unnecessary. The response should be provided on a CD sent by mail or as attachments sent by e-mail to the following:

|  |  |  |
| --- | --- | --- |
| Bob Finkelstein  The Utility Reform Network (TURN)  785 Market Street, Suite 1400  San Francisco, CA 94103  [bfinkelstein@turn.org](mailto:bfinkelstein@turn.org) | Garrick Jones  JBS Energy  311 D Street, Suite A  West Sacramento, CA 95605  [garrick@jbsenergy.com](mailto:garrick@jbsenergy.com) |  |

For each question, please provide the name of each person who materially contributed to the preparation of the response. If different, please also identify the Sempra Utilities witness who would be prepared to respond to cross-examination questions regarding the response.

For any questions requesting numerical recorded data, please provide all responses in working Excel spreadsheet format if so available, with cells and formulae functioning.

For any question requesting documents, please interpret the term broadly to include any and all hard copy or electronic documents or records in the possession of either of the Sempra Utilities.

These questions are associated with the testimony in SCG-21 (Compensation, Health and Welfare) and the supporting workpapers.

1. Regarding Non-Executive Variable Pay referenced in Ex. SCG-21, pp. DSR-6 to DSR-7:
   1. For each year from 2009 through 2014, inclusive, please identify and briefly describe each performance measure used in SoCal’s Short-Term Incentive Compensation program. Please also describe the weight of each measure in determining such compensation in each year.
   2. Please provide the annual number of participating employees, by employee group, from 2009 through 2013. Please also provide the information for 2014 as soon as it is available.
   3. Please provide Short Term Incentive Compensation annual payout, as a percentage of annual recorded labor cost, by participating employee group, from 2009 through 2013. Please also provide the information for 2014 as soon as it is available.
   4. Please indicate whether the weight assigned to individual measures varies by employee group, and if so, provide the measures and weights by employee group. Please also provide the measures and weights by year, if they have changed over time.
   5. Please provide program results as a percentage of target performance, by measure, for each year from 2009 through 2013. Please also provide the information for 2014 as soon as it is available.
   6. Please provide forecast annual Short-Term Incentive Compensation costs by employee group for 2014 through 2016.
   7. Please provide annual program costs at target performance for years 2009 through 2013 by employee group or class.
   8. If performance versus target varies between employee groups, please provide the annual performance against target for each employee group from 2009 through 2013.
   9. Please provide target and recorded program cost for 2014 when available.
   10. Please provide program actual performance as a percentage of target performance for each measure in 2014, as soon as the information is available.
2. Regarding Executive Variable Pay referenced in Ex. SCG-21, pp. DSR-6 to DSR-7:
   1. For each year from 2009 through 2014, inclusive, please identify and briefly describe each performance measure used in SoCal’s Short-Term Incentive Compensation program. Please also describe the weight of each measure in determining such compensation in each year.
   2. Please provide the annual number of participating employees, by employee group, from 2009 through 2013. Please also provide the information for 2014 as soon as it is available.
   3. Please provide Short Term Incentive Compensation annual payout, as a percentage of annual recorded labor cost, by participating employee group, from 2009 through 2013. Please also provide the information for 2014 as soon as it is available.
   4. Please indicate whether the weight assigned to individual measures varies by employee group, and if so, provide the measures and weights by employee group. Please also provide the measures and weights by year, if they have changed over time.
   5. Please provide program results as a percentage of target performance, by measure, for each year from 2009 through 2013. Please also provide the information for 2014 as soon as it is available.
   6. Please provide forecast annual Short-Term Incentive Compensation costs by employee group for 2014 through 2016.
   7. Please provide annual program costs at target performance for years 2009 through 2013 by employee group or class.
   8. If performance versus target varies between employee groups, please provide the annual performance against target for each employee group from 2009 through 2013.
   9. Please provide target and recorded program cost for 2014 when available.
   10. Please provide program actual performance as a percentage of target performance for each measure in 2014, as soon as the information is available.
3. Regarding the Long-Term Incentive Compensation referenced in Ex. SCG-21, p. DSR-10 to DSR-11:
   1. Please identify and briefly describe each Sempra Energy performance measure that is used in determining long-term incentive awards for key managers and executives.
   2. Please provide the weights given the criteria used to determine long-term incentives for executives, and for key managers (if they differ).
   3. Please provide annual target and recorded amounts for long-term incentive costs for 2009 through 2013.
   4. Please provide recorded Long-Term Incentive costs for 2014 when available.

1. Regarding SCG’s request for rate recovery of the costs associated with its Incentive Compensation Plans (ICP):
   1. At page DSR-7 of Exh. SCG-21, the testimony states that SCG is requesting recovery of Incentive Compensation Plans (ICP) based on **target** performance. In the 2012 Test Year GRC, was SCG’s request regarding recovery of ICP costs also based on target performance? If the response is anything other than an unqualified affirmative, please explain it in detail.
   2. In Table DSR-4 on page DSR-8 of Exh. SCG-21, SCG lists the “Actual ICP” and the “Target ICP.” Please also provide the amount the Commission approved for rate recovery for ICP in each of these years.
   3. Please explain in detail how the $34.346 million target figure for 2012 in Table DSR-4 comports with the $29.408 million figure for 2012 that was represented as SCG’s request in D.13-05-010, and the $22.056 million figure for 2012 that was adopted in D.13-05-010 (p. 882 and Finding of Fact 381)
   4. Do the “Target ICP” figures in Table DSR-4 reflect 100% of SCG’s target, 75% consistent with the outcome adopted in D.13-05-010, or some other percentage of SCG’s target? Please explain.
   5. In Exh. SCG-21, at pages DSR-8 to DSR-9, SCG cites D.03-02-035, D.92-12-057, D.04-07-022, and D.93-12-043. Please confirm that each of these decisions was cited in SCG’s reply brief submitted in A.10-12-005/006 (pp. 222-224).
   6. Please explain in detail why SCG chose not to describe or discuss in any way in Ex. SCG-21 or the supporting workpapers the outcome adopted in D.13-05-010 regarding rate recovery of short term incentive costs.
   7. In Exh. SCG-21, at page DSR-10, SCG quotes from the text and the findings of D.08-07-046, and characterizes the Commission as having “ruled” on ratepayer funding for incentive compensation. Does SCG dispute that the quoted text from Section 5.2.3 (on page 22 of D.08-07-046) was deleted from the decision by Ordering Paragraph 2.m. of D.09-06-052? Furthermore, does SCG dispute that Finding of Fact 23 was re-written by Ordering Paragraph 2.r. of D.09-06-052? Please explain the answer in full.