

**TURN DATA REQUEST  
TURN-SCG-04  
SOCALGAS 2012 GRC – A.10-12-006  
SOCALGAS RESPONSE  
DATE RECEIVED: JANUARY 14, 2011  
DATE RESPONDED: FEBRUARY 3, 2011**

**Compensation**

1. Is ratepayer funding requested for any long-term incentives such as stock options, performance stock, or similar items (collectively “stock-based compensation”)? If so, please answer the following questions:
  - a. What percentage of each type of long-term incentive is requested in rates? For any type that is not requested in rates at 100%, provide the rationale for the specific percentage requested in rates .
  - b. What is the amount of long-term incentives requested in rates (provide total amount of stock-based compensation, by type), divided by executive, management (non-executive) and non-management positions.
  - c. Please provide the latest documentation showing the valuation of long-term incentives requested in rates.
  - d. Please provide a narrative explanation of how the recent decline in the stock market has affected the valuation of long-term incentives issued prior to the decline. Explain how this change in valuation affects the income statement and balance sheet of the company.

**SoCalGas Response 1:**

- a. All costs for long-term incentives are being requested in rates.
- b. The attached schedule contains the requested breakdown of long-term incentive costs by type of incentive and employment classification.

<b>Type of Award</b>	<b>Type of Employee</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Restricted Stock	Executive	\$2,259,701	\$ 2,459,841	\$2,576,543
	Management (non-executive)	868,798	1,701,263	1,770,829
	Non-Management	-	-	-
	<b>Total Restricted Stock</b>	<b>\$3,128,499</b>	<b>\$ 4,161,104</b>	<b>\$4,347,372</b>
Stock Options	Executive	\$ 426,725	\$ 456,946	\$ 528,242
	Management (non-executive)	345,258	514,601	485,878
	Non-Management	-	-	-
	<b>Total Stock Options</b>	<b>\$ 771,983</b>	<b>\$ 971,547</b>	<b>\$1,014,120</b>

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**SoCalGas Response 1 Continued:**

The below table contains the valuations of long-term incentives by type of award.

Type of Award	Date of Grant	Employee Group	Fair Value of Award
Restricted Stock	1/3/2007	Executive	\$ 36.20
	1/3/2007	Non-Executive	37.91
	1/3/2008	All	52.87
	1/2/2009	All	36.96
	1/4/2010	All	44.53
	1/2/2011 (est.)	All	46.31
	1/2/2012 (est.)	All	48.16
Stock Options	1/3/2007	All	\$ 13.84
	1/3/2008	All	12.49
	1/2/2009	All	5.15
	1/4/2010	All	11.76
	1/2/2011 (est.)	All	12.23
	1/2/2012 (est.)	All	12.72
Note: Values for 2011 and 2012 grants are based on the 2010 values and inflating them by 4%.			

c.

**Stock Options:**

As a result of the recent decline in the stock market, certain stock option grants are currently underwater (the grant price of the option is below the current market price of Sempra Energy common stock). We do not re-price or cancel and re-issue stock options.

Under the Statement of Financial Accounting Standards (SFAS) 123R/ASC 718, stock option expense is determined on the date the award is granted based on the grant date fair value of the option. The grant date fair value of the option is determined using an option pricing model, such as a Black-Scholes model. The stock option expense is not affected by subsequent increases or decreases in the stock price.

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**SoCalGas Response 1 Continued:**

Performance-based restricted stock/restricted stock units:

The performance measure for our performance-based restricted stock/restricted stock unit awards is four-year relative total shareholder return compared to a peer group. The performance measure is not tied to the absolute increase or decrease in our stock price, but rather it measures our performance compared to the other companies in the peer group.

Under SFAS 123R/ASC 718, performance-based restricted stock/restricted stock unit expense is determined on the date the award is granted based on the grant date fair value of the award. The grant date fair value of the award is determined using a valuation model. The performance-based restricted stock/restricted stock unit expense is not affected by subsequent increases or decreases in the stock price.

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2. Please identify each Sempra Energy and SCG position with a base salary in excess of \$200,000 per year in the test year and provide the following information on each position for the period from 2005-2010. You may exclude positions for which no costs are charged to SoCalGas (SCG) ratepayers in this rate case.
- a. Percentage of salary allocated to SCG ratepayers.
  - b. Period of employment during the year (full year or whether the employee started or ended employment during the year).
  - c. Base salary
  - d. Short-Term Incentive (cash bonus) payments or other bonuses
  - e. Value of Restricted stock, performance stock, or other long-term incentives, excluding stock options
  - f. Value of stock options received
  - g. Costs of financial planning, personal or family use of corporate aircraft, club dues, other perquisites (e.g., home security systems, tickets for sporting events and concerts, etc.) and tax gross-ups for other costs for which costs are charged to ratepayers.
  - h. Other compensation that appears on W-2

**SoCalGas Response:**

The information requested in this question was reported in the CPUC General Order 77-M (GO 77-M) report for SoCalGas and SDG&E employees with a base salary of \$250,000. Copies of the redacted GO77-M reports (2005-2009) are attached below. Information for Sempra Energy employees with base salaries of \$200,000 or more and SoCalGas and SDG&E employees with base salaries of \$200,000 to \$249,999 is included in the attached Excel file.

Note: The GO 77-M report for year ended December 31, 2010 has not been completed.

					
Worksheet TURN DR-04 Q2.xlsx	2009 REDACTED SCG GO-77M.pdf	SCG 2008 GO-77M Redacted Version.PDI	2007 SCG GO-77M (REDACTED).pdf	SCG 2006 GO-77M Redacted.pdf	2005 SCG GO77L REDACTED.pdf

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3. If any employee received stock-based compensation in the base year and had a base salary under \$200,000, please identify the position, the base salary, and the amount of stock-based compensation.

**SoCalGas Response 3:**

The attachment below provides information on 2009 stock-based compensation for Sempra Energy and SoCalGas employees who had a base salary under \$200,000.



TURN-SCG-4-Q3.xls

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4. Please provide any documents, resolutions, or board minutes prepared by the Board of Sempra Energy or SCG in 2007-2010 related to its decisions regarding executive or director compensation.

**SoCalGas Response 4:**

***Confidential PROTECTED MATERIALS pursuant to the signed NDA in this proceeding***

**Documents removed due to confidentiality**

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5. Please provide the average percentage increase in base salary for unionized SCG employees for each year from 2005-2010.

**SoCalGas Response 5:**

<b>Year</b>	<b>Wage Increase(s) – Full Time Employees</b>
<b>2005</b>	<b>2.25% (effective 1/1/05) + 2.25% (effective 7/1/05); Average = 3.375% for 2005</b>
<b>2006</b>	<b>3.50% (effective 7/1/06)</b>
<b>2007</b>	<b>3.75% (effective 7/1/07)</b>
<b>2008</b>	<b>3.50% (effective 10/1/08)</b>
<b>2009</b>	<b>3.50% (effective 10/1/09)</b>
<b>2010</b>	<b>3.50% (effective 10/1/10)</b>

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6. Please identify the five positions at SCG with the largest number of employees in the test year. Please provide the annual base salary for each of these five positions at the end of each year from 2005-2010. If the position did not exist for the entire period, please provide information on the position as far back as it did exist.

**SoCalGas Response 6:**

The five full time positions at SoCalGas with the largest number of employees in the test year include the following:

1. Energy Technician – Residential
2. Customer Service Representative – 4
3. Construction Technician
4. Lead Construction Technician
5. Customer Service Representative – Bilingual 4

The year-end annual base salary for each of these positions during the period 2005 – 2010 is as follows:

Job Title	Grade	2005	2006	2007	2008	2009	2010
Energy Tech - Residential	5	\$ 58,136	\$ 60,174	\$ 62,442	\$ 64,646	\$ 66,914	\$ 69,264
Customer Service Rep-4	4	\$ 54,080	\$ 55,973	\$ 58,074	\$ 60,112	\$ 62,234	\$ 64,418
Construction Tech	4	\$ 54,080	\$ 55,973	\$ 58,074	\$ 60,112	\$ 62,234	\$ 64,418
Lead Construction Tech	7	\$ 67,267	\$ 69,638	\$ 72,259	\$ 74,797	\$ 77,418	\$ 80,142
Cust Svc Rep-Bilgl-4	4	\$ 54,080	\$ 55,973	\$ 58,074	\$ 60,112	\$ 62,234	\$ 64,418

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7. Please provide a written description of all short-term and long-term incentive compensation plans provided by Sempra Energy and SCG including the basis on which bonuses are paid. If there is a difference between executive and non-executive employees, please provide both.

**SoCalGas Response 7:**

**Confidential PROTECTED MATERIALS pursuant to the signed NDA in this proceeding**

Descriptions of the short-term and long-term incentive plans provided by Sempra Energy and SoCalGas are provided below:

**Documents removed due to confidentiality**

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8. For executive Sempra Energy and SCG employees, please
  - a. Identify long-term incentive compensation in each year from 2005-2010 in total dollars and as a percentage of target compensation, divided by program type (e.g., restricted stock, stock options, etc.).
  - b. Identify the criteria on which long-term compensation payment decisions are made.

**SoCalGas Response 8:**

- a. Long-term incentive compensation for Sempra Energy and SoCalGas executive employees is included in the attachment below.

Note: 2010 recorded data is currently not available. SoCalGas is in the process of reviewing and adjusting recorded 2010 data to be consistent with the December 15, 2010 GRC application.



TURN-SCG-4-Q8a.xls

- b. All executive employees at Sempra Energy and SoCalGas participate in the Company's long-term incentive compensation plan. The grant date value of equity awards is determined using a multiple of base salary which varies depending on the position's level of responsibility.

During the period 2005 – 2009, participants received nonqualified stock options (20% of the grant date value) and restricted stock or restricted stock units (80% of the grant date value).

The ultimate value of the nonqualified stock option grant is subject to (1) the change in value of Sempra Energy common stock compared to the grant date share price and (2) duration of employment which impacts vesting. Participants receive "payment" only to the extent the share price upon exercise is greater than the grant date share price.

All restricted stock awards are performance-based. The awards have a four-year performance period and no payout occurs unless performance criteria are met. In order for participants to realize value (i.e., receive full payout), Sempra Energy must fall at or above the 50<sup>th</sup> percentile of peer companies (using either the S&P Utilities Index or S&P 500 Index companies) as measured by "total shareholder return." Smaller payouts would occur if performance is less than the 50<sup>th</sup> percentile and no payout is provided if performance is less than the 35<sup>th</sup> percentile.

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9. For executive Sempra Energy and SCG employees, please
- a. Identify the amount of short-term incentive compensation in each year from 2005-2010 in total dollars and as a percentage of target compensation, divided by bonus category
  - b. Identify the amount of short-term incentive compensation that SCG is requesting from ratepayers for each bonus category that SCG identified in part (a) of this question.

**SoCalGas Response 9:**

- a. The tables below contain the executive short-term incentive compensation requested for 2005-2009 for Sempra Energy and SoCalGas Employees.

Note: 2010 recorded data is currently not available. SoCalGas is in the process of reviewing and adjusting recorded 2010 data to be consistent with the December 15, 2010 GRC application.

Sempra Energy Employees

Target %	Incentives Allocated				
	2005	2006	2007	2008	2009
110	\$ -	\$ -	\$ -	\$ -	\$ -
100	-	-	-	-	-
80	-	-	-	-	-
70	604,481	358,353	312,753	367,498	125,147
65	-	-	-	-	100,982
60	157,410	132,246	113,001	229,552	71,807
55	-	-	-	-	-
50	272,627	381,188	459,036	449,018	276,011
45	604,481	511,213	518,210	548,931	363,053
<b>Totals</b>	<b>\$ 1,639,000</b>	<b>\$ 1,383,000</b>	<b>\$ 1,403,000</b>	<b>\$ 1,595,000</b>	<b>\$ 937,000</b>

Note: ICP for Chief Executive Officer and Chief Operating Officer are retained at Sempra and are not allocated to SoCalGas.

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**SoCalGas Response 9-Continued:**

SoCalGas Employees

Target %	Incentives Paid				
	2005	2006	2007	2008	2009
45	\$ 645,600	\$ 594,700	\$ 491,300	\$ 733,600	\$ 678,700
50	518,300	474,400	502,900	624,300	533,000
55	-	-	-	-	-
60	512,200	505,300	529,000	657,900	566,500
<b>Total</b>	<b>\$ 1,676,100</b>	<b>\$ 1,574,400</b>	<b>\$ 1,523,200</b>	<b>\$ 2,015,800</b>	<b>\$ 1,778,200</b>

- b. The tables below contain the executive short-term incentive compensation requested for 2010-2012.

Sempra Energy Employees

Target %	Incentives Requested		
	2010	2011	2012
110	\$ -	\$ -	\$ -
100	-	-	-
80	-	-	-
70	214,090	178,852	198,466
65	86,361	72,146	80,058
60	-	-	-
55	-	-	-
50	191,602	160,065	177,618
45	151,947	126,937	140,858
<b>Totals</b>	<b>\$ 644,000</b>	<b>\$ 538,000</b>	<b>\$ 597,000</b>

Note: ICP for Chief Executive Officer and Chief Operating Officer are retained at Sempra and are not allocated to SoCalGas.

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**SoCalGas Response 9-Continued:**

SoCalGas Employees

Target %	Incentives Requested		
	2010	2011	2012
45	\$ 529,742	\$ 529,742	\$ 529,742
50	170,151	170,151	170,151
55	198,001	198,001	198,001
60	357,241	357,241	357,241
<b>Total</b>	<b>\$ 1,255,134</b>	<b>\$ 1,255,134</b>	<b>\$ 1,255,134</b>

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10. For non-executive Sempra Energy and SCG employees, please
- a. Identify long-term incentive compensation in each year from 2005-2010 in total dollars and as a percentage of target compensation, divided by program type (e.g., restricted stock, stock options, etc.).
  - b. Identify the criteria on which long-term compensation payment decisions are made.

**SoCalGas Response 10:**

- a. Long-term incentive compensation for Sempra Energy and SoCalGas non-executive employees is included in the attachment below.

Note: 2010 recorded data is currently not available. SoCalGas is in the process of reviewing and adjusting recorded 2010 data to be consistent with the December 15, 2010 GRC application.



TURN-SCG-4-Q10a.xls

- b. Non-executive employees at Sempra Energy and SoCalGas, who are attorneys or hold positions at the director level, participate in the Company's long-term incentive compensation plan. The grant date value of equity awards is determined using a multiple of base salary which varies depending on the position's level of responsibility.

During the period 2005 – 2009, participants received nonqualified stock options (20% of the grant date value) and restricted stock or restricted stock units (80% of the grant date value).

The ultimate value of the nonqualified stock option grant is subject to (1) the change in value of Sempra Energy common stock compared to the grant date share price and (2) duration of employment which impacts vesting. Participants receive "payment" only to the extent the share price upon exercise is greater than the grant date share price.

All restricted stock awards are performance-based. The awards have a four-year performance period and no payout occurs unless performance criteria are met. In order for participants to realize value (i.e., receive full payout), Sempra Energy must fall at or above the 50<sup>th</sup> percentile of peer companies (using either the S&P Utilities Index or S&P 500 Index companies) as measured by "total shareholder return." Smaller payouts would occur if performance is less than the 50<sup>th</sup> percentile and no payout is provided if performance is less than the 35<sup>th</sup> percentile.

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11. For executive Sempra Energy and SCG employees, please
- a. Identify the amount of short-term incentive compensation in each year from 2005-2010 in total dollars and as a percentage of target compensation, divided by bonus category
  - b. Identify the amount of short-term incentive compensation that SCG is requesting from ratepayers for each bonus category that SCG identified in part (a) of this question.

**SoCalGas Response 11:**

- a. The tables below contain the non-executive short-term incentive compensation requested for 2005-2009 for Sempra Energy and SoCalGas employees.

Note: 2010 recorded data is currently not available. SoCalGas is in the process of reviewing and adjusting recorded 2010 data to be consistent with the December 15, 2010 GRC application.

Sempra Energy Employees

Target %	Incentives Allocated				
	2005	2006	2007	2008	2009
35	\$ 458,017	\$ 505,471	\$ 579,062	\$ 757,285	\$ 435,613
25	1,522,873	1,872,096	1,925,907	2,633,358	1,689,033
20	44,356	39,110	40,780	14,221	9,935
15	1,271,883	1,560,341	1,740,529	2,038,060	1,268,694
10	180,871	229,983	264,722	316,076	204,725
	<b>\$ 3,478,000</b>	<b>\$ 4,207,000</b>	<b>\$ 4,551,000</b>	<b>\$ 5,759,000</b>	<b>\$ 3,608,000</b>

SoCalGas Employees

Target %	Incentives Paid				
	2005	2006	2007	2008	2009
10	\$ 306,810	\$ 988,171	\$ 952,946	\$ 947,042	\$ 760,103
15	10,066,641	34,120,695	35,491,340	38,557,484	31,800,145
20	74,259	263,498	204,053	191,281	1,918,662
25	470,190	1,549,237	1,541,461	1,895,392	1,662,890
<b>Total</b>	<b>\$ 10,917,900</b>	<b>\$ 36,921,600</b>	<b>\$ 38,189,800</b>	<b>\$ 41,591,200</b>	<b>\$ 36,141,800</b>

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**SoCalGas Response 11-Continued:**

The tables below contain the non-executive short-term incentive compensation requested for 2010-2012 for Sempra Energy and SoCalGas employees.

Sempra Energy Employees

Target %	Incentives Requested		
	2010	2011	2012
35	\$ 226,267	\$ 202,679	\$ 221,550
25	1,206,062	1,080,334	1,180,916
20	187,625	168,066	183,713
15	837,813	750,473	820,345
10	132,232	118,448	129,475
	<b>\$ 2,590,000</b>	<b>\$ 2,320,000</b>	<b>\$ 2,536,000</b>

SoCalGas Employees

Target %	Incentives Requested		
	2010	2011	2012
10	\$ 483,180	\$ 554,685	\$ 586,500
15	22,864,802	26,248,515	27,754,058
20	1,344,490	1,543,458	1,631,987
25	1,080,671	1,240,598	1,311,755
<b>Total</b>	<b>\$ 25,773,144</b>	<b>\$ 29,587,256</b>	<b>\$ 31,284,300</b>

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12. With respect to Sempra Energy and SCG’s Supplemental Executive Retirement Program (SERP), please

- a. Identify funds requested for SERP payments in the test year and the three preceding years. Please divide between Sempra Energy and SCG.
- b. Identify the percentage of Sempra Energy and SCG SERP costs requested for recovery from SCG ratepayers.
- c. Identify the amount SCG is requesting from ratepayers to fund the SERP.
- d. Provide documentation comparing benefits provided under SERP to retirement benefits available to non-executive employees of Sempra Energy and SCG.
- e. Provide any actuarial reports for that program from 2005-2010.
- f. Provide any actuarial documentation prepared to support the cost of the program for this rate case.

**SoCalGas Response 12:**

- a. Below is a table containing the SERP payments for the test year and preceding three years for both SoCalGas and Sempra Energy

<i>(in thousands)</i>					
<b>Company</b>		<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
SoCalGas	\$	835	\$ 2,230	\$ 2,970	\$ 2,070
Sempra Energy		39,867	18,570	25,320	30,830

- b. For SoCalGas, 100% of the projected SERP payments are being requested for recovery. For Sempra Energy, the percentages are 8.65% of 2010, 10.44% of 2011, and 11.17% of projected SERP payments.
- c. Below is a table containing the amount requested for SERP expenditures for 2010-2012.

<b>Company</b>		<b>2010</b>	<b>2011</b>	<b>2012</b>
SoCalGas		\$2,230	\$2,970	\$2,070
Allocation from Sempra Energy		1,607	2,092	2,764
<b>Total</b>		<b>\$3,837</b>	<b>\$5,062</b>	<b>\$4,834</b>

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- d. Provide documentation comparing benefits provided under SERP to retirement benefits available to non-executive employees of Sempra Energy and SoCalGas.

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**Response to Question 12 (Continued)**

**Comparison of Pension Benefit Plans – 2009**

<b>Plan Feature</b>	<b>Traditional Pension Plan</b>	<b>Cash Balance Plan</b>	<b>Cash Balance Restoration Plan</b>	<b>SERP</b>
<b>Plan Design Type</b>	<b>Final Average Earnings (FAE)</b>	<b>Career Average Earnings</b>	<b>Career Average Earnings</b>	<b>Final Average Earnings</b>
<b>Eligibility</b>	<b>All employees on first anniversary of date of hire</b>	<b>All employees on first anniversary of date of hire if <math>\geq 1,000</math> hours</b>	<b>Cash Balance Plan Participants who Exceed Qualified Compensation Limit</b>	<b>Comp Committee Approval Required</b>
<b>Eligible Earnings</b>	<b>Base</b>	<b>Base &amp; ICP</b>	<b>Base &amp; ICP</b>	<b>Base &amp; ICP</b>
<b>Benefit Accruals</b>	<b>FAE based on highest 3 years of last 5 years 1.5%-1.0%/yr of FAE</b>	<b>7.5% of Eligible Earnings</b>	<b>7.5% of Eligible Earnings that Exceed Qualified Limit</b>	<b>4%/yr of FAE (1-10 Yrs Service) 2%/yr of FAE (11-20 Yrs Service) 0.25%/yr of FAE (21-40 Yrs Service)</b>
<b>Vesting</b>	<b>5 Years Vesting Service or Age 65</b>	<b>3 Years Vesting Service or Age 65</b>	<b>3 Years Vesting Service or Age 65</b>	<b>Age 55 with 5 Years Service</b>
<b>Other Provisions</b>	<b>Unreduced Normal Retirement Benefit at Age 55 and 90 Pts.: (Age + Service)</b>			<b>Gross SERP Benefit Offset by Cash Balance Plan</b>

**Note: Traditional Pension Plan includes eligible SCG Represented Employees. Cash Balance Plan includes all eligible SCG and Sempra Energy Non-represented employees**

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**SoCalGas Response 12-Continued:**

**SoCalGas and Sempra Energy Corporate Center Pension Plan Participants - 2009**

Employee Groups	Traditional Pension Plan	Cash Balance Plan	Cash Balance Restoration Plan	SERP
<b>SCG:</b>				
Executives	0	7	3	4
Non-Executives	4,363	1,957	33	0
<b>Sempra Energy:</b>				
Executives	0	15	8	7
Non-Executives	0	456	100	0

**Note: Includes active employees only. Excludes Sempra Energy's CEO and COO.**

- e. Attached below are the requested actuarial valuations for 2005-2009 with redaction of employee specific data.

***Confidential PROTECTED MATERIALS pursuant to the signed NDA in this proceeding***

**Documents removed due to confidentiality**

- f. Attached is the actuarial study completed for this rate case.(Not confidential)



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13. Please identify all costs included in executive compensation for which ratepayer funding is requested for (a) corporate aircraft used for personal or family use; (b) financial planning; (c) club dues; (d) other perquisites (home security systems, tickets for sporting events and concerts, etc.); (e) tax gross-ups on options; (f) tax gross-ups on all other compensation. Divide into (a) SCG costs; (b) Sempra Energy corporate costs allocated or assigned to SCG ratepayers. For any costs allocated or assigned to SCG, identify the total amount of the cost and the amount allocated to SCG ratepayers.

**SoCalGas Response:**

Please refer to the attachments provided in response to Question 2, above.

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14. Regarding executive life insurance, please
- a. Identify the terms of any current executive life insurance program, and identify any changes since 2005;
  - b. Identify the number of executives to which the program has applied in each year from 2005-2010; and
  - c. Identify the recorded costs of that program in each year from 2005-2010 for which ratepayer funding is requested.

**SoCalGas Response 14:**

- a. The key terms of the executive life insurance plan are:

Pre-retirement death benefit: Two times base salary plus average annual bonus. Average annual bonus is calculated based on the three highest bonuses over the past ten years.

Post-retirement death benefit: Two times base salary plus average annual bonus. Average annual bonus is calculated based on the three highest bonuses over the past ten years.

Retirement eligibility: To qualify for the post-retirement death benefit, the participant must retire at age 62 or older with five or more years of service.

These terms have not changed from 2005 to the present.

- b.

<b>Company</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Sempra Energy	12	13	11	10	10
SCG	5	4	4	4	4

Note: 2010 recorded data is currently not available. SoCalGas is in the process of reviewing and adjusting recorded 2010 data to be consistent with the December 15, 2010 GRC application.

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**SoCalGas Response 14 - Continued:**

c) Below is a table that contains the requested costs for 2005-2009

<b>Type of Cost</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Costs Paid by SoCalGas	\$ 33,331	\$ 207,824	\$ 104,335	\$ 5,375	\$ -
Allocations from Sempra Energy	276,000	179,000	185,000	85,000	42,000
<b>Total Cost</b>	<b>\$ 309,331</b>	<b>\$ 386,824</b>	<b>\$ 289,335</b>	<b>\$ 90,375</b>	<b>\$ 42,000</b>

Note: 2010 recorded data is currently not available. SoCalGas is in the process of reviewing and adjusting recorded 2010 data to be consistent with the December 15, 2010 GRC application.

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15. Please provide the following information and materials on compensation for members of the Board of Directors who are not corporate employees for each year from 2005-2010 and (for the items below requesting payment amounts) any amounts requested in rates:
- a. Number of directors compensated.
  - b. Total compensation for non-employee directors; if restricted stock, performance stock, and/or stock options are a portion of directors' compensation, please identify the total amount associated with such compensation separately from other compensation.
  - c. Method of compensation (e.g., retainer, payment per board meeting or committee meeting, stock options)
  - d. Do non-employee members of the Board of Directors receive any future compensation (e.g., pension, deferred compensation)? If so, identify the terms under which such compensation is paid and identify any amounts expensed on the company's books, in addition to the amount requested from ratepayers.
  - e. Any Board of Directors costs not charged to ratepayers (e.g., stock options)?
  - f. Provide the percentage of Board of Directors' costs charged to SCG and the basis for that percentage.

**SoCalGas Response 15:**

- a. Board of Director compensation is reported in the Sempra Energy proxy statement. The attachment below contains excerpts from the 2006-2010 proxy statements related to director compensation.
- b. See a. above
- c. See a. above
- d. See a. above



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- e. All costs associated with the Board of Directors are subject to allocation, including to SDG&E and SoCalGas. There have been limited occasions when certain international travel expenses were retained at Parent due to their specific focus on Global matters.

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**Response to Question 15 (Continued)**

- f. The allocation method used for the Board of Directors is Multi-Factor Basic, as discussed in detail in the testimony of Bruce A. Folkmann (Exhibit SCG-17), beginning at page BAF-5. The Multi-Factor Basic is commonly used for corporate governance or consolidating functions that support the Sempra Energy companies as a whole. Also referred to as the “Four-Factor Method”, it weighs four elements from each business unit (Revenue, Gross Assets, Operating Expenses, and Employees) to determine their relative significance for governance. Below are the percentages that were used for 2005-2009 recorded costs:

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
SDG&E	34.7%	34.6%	35.2%	39.3%	38.4%
SoCal Gas	42.1%	42.9%	41.5%	45.7%	43.5%
Global	<u>23.2%</u>	<u>22.5%</u>	<u>23.3%</u>	<u>15.0%</u>	<u>18.1%</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%

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16. Please provide any studies prepared by consultants and given to the Board of Directors of Sempra Energy or SCG in 2005-2010 related to compensation of the Board of Directors.

**SoCalGas Response 16:**

There are no studies prepared by consultants and given to the full Board of Directors of Sempra Energy or SoCalGas in 2005-2010 related to compensation of the Board of Directors.