

TURN DATA REQUEST
TURN-SCG-DR-04
SOCALGAS 2016 GRC – A.14-11-004
SOCALGAS RESPONSE
DATE RECEIVED: JANUARY 22, 2015
DATE RESPONDED: FEBRUARY 6, 2015 & FEBRUARY 9, 2015

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:
 - a. 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.
 - b. 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.
 - c. 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.
 - d. 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.
 - e. 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.
 - f. Please provide forecast annual Short-Term Incentive Compensation costs by employee group for 2014 through 2016.
 - g. Please provide annual program costs at target performance for years 2009 through 2013 by employee group or class.
 - h. If performance versus target varies between employee groups, please provide the annual performance against target for each employee group from 2009 through 2013.
 - i. Please provide target and recorded program cost for 2014 when available.
 - j. Please provide program actual performance as a percentage of target performance for each measure in 2014, as soon as the information is available.

SoCalGas Response 01:

- 1a. See attached for Plan Documents for SCG Non exec for 2009 – 2014:
09 Plan Doc - SEU – Dir.pdf
09 Plan Doc - SEU - Mgr of and Broad Scope Mgrs.pdf
09 Plan Doc - SEU - Mgt and Asc.pdf
10 Plan Doc - SEU - Functional and Key Mgrs.pdf

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SoCalGas Response 01 Continued:

10 Plan Doc - SEU - AGC and Dir.pdf
10 Plan Doc - SEU – AMA.pdf
11 Plan Doc - SCG - AGC-MA-D – 031011.pdf
11 Plan Doc - SCG - AMA – 031011.pdf
11 Plan Doc - SCG - FK-M – 030911.pdf
11 Plan Doc - SEU - Shared - AGC-MA-D – 031011.pdf
11 Plan Doc - SEU - Shared - AMA – 031011.pdf
11 Plan Doc - SEU - Shared - F-KM – 03102011.pdf
12 Plan Doc - SCG - AGC MngA Dir.pdf
12 Plan Doc - SCG – AMA.pdf
12 Plan Doc - SCG - F-KM.pdf
12 Plan Doc - SEU - Shared - AGC MngA Dir.pdf
12 Plan Doc - SEU - Shared – AMA.pdf
12 Plan Doc - SEU - Shared - F-KM.pdf
13- Plan Doc – SCG.pdf
13- Plan Doc - Shared Svcs.pdf
14- Plan Doc – SCG.pdf
14- Plan Doc - Shared Services.pdf

- 1b. See attachment TURN-SCG-DR-04 Q1b.xlsx.
- 1c. For purposes of this question, cost of labor is defined as Base Salary plus Actual ICP paid out. See attachment TURN-SCG-DR-04 Q1c.xlsx.
- 1d. Please refer to the Plan Documents provided in the response to 1a.
- 1e. See attachment TURN-SCG-DR-04 Q1e.doc for ICP performance results.
- 1f. Please refer to the work paper DSR-WP-20 for the forecast by employee group.
- 1g. Please refer to attachment TURN-SCG-DR-04 Q1b.xlsx provided in the response to 1b.
- 1h. Please refer to the attachment TURN-SCG-DR-04 Q1e.doc provided in the response to 1e.
- 1i. 2014 financial information will not be available until after SCG makes its 10-K filing with the SEC in early 2015.
- 1j. 2014 financial information will not be available until after SCG makes its 10-K filing with the SEC in early 2015.

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2. Regarding Executive Variable Pay referenced in Ex. SCG-21, pp. DSR-6 to DSR-7:
- a. 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.
 - b. 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.
 - c. 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.
 - d. 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.
 - e. 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.
 - f. Please provide forecast annual Short-Term Incentive Compensation costs by employee group for 2014 through 2016.
 - g. Please provide annual program costs at target performance for years 2009 through 2013 by employee group or class.
 - h. If performance versus target varies between employee groups, please provide the annual performance against target for each employee group from 2009 through 2013.
 - i. Please provide target and recorded program cost for 2014 when available.
 - j. Please provide program actual performance as a percentage of target performance for each measure in 2014, as soon as the information is available.

SoCalGas Response 02:

- 2a. See attached for Plan Documents for SCG 2009 – 2014 Exec ICP Plans:
09 Plan Doc – SEU – EICP.pdf
10 Plan Doc – SEU – Exec.pdf
11 Plan Doc – SCG – Exec – 031411.pdf
11 Plan Doc – SEU – Shared – Exec – 031411.pdf
12 Plan Doc – SCG – Exec – 040412.pdf

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12 Plan Doc – SEU – Shared – Exec 040612.pdf

SoCalGas Response 02a Continued:

- 13 – Plan Doc – SCG – Exec.pdf
 - 13 – Plan Doc – Shared – Exec.pdf
 - 14 – Plan Doc – SCG – Exec.pdf
 - 14 – Plan Doc – Shared – Exec.pdf
- 2b. Please refer to the attachment TURN-SCG-DR-04 Q1b.xlsx provided in the response to 1b.
- 2c. Please refer to the attachment TURN-SCG-DR-04 Q1c.xlsx provided in the response in 1c.
- 2d. Please refer to the Plan Documents provided in the response to 2a.
- 2e. Please refer to the attachment TURN-SCG-DR-04 Q1e.doc provided in the response to 1e.
- 2f. Please refer to the work paper DSR-WP-20 for the forecast by employee group.
- 2g. Please refer to the attachment TURN-SCG-DR-04 Q1b.xlsx provided in the response to 1b.
- 2h. Please refer to the attachment TURN-SCG-DR-04 Q1e.doc provided in the response to 1e.
- 2i. 2014 financial information will not be available until after SCG makes its 10-K filing with the SEC in early 2015.
- 2j. 2014 financial information will not be available until after SCG makes its 10-K filing with the SEC in early 2015.

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3. Regarding the Long-Term Incentive Compensation referenced in Ex. SCG-21, p. DSR-10 to DSR-11:
- a. Please identify and briefly describe each Sempra Energy performance measure that is used in determining long-term incentive awards for key managers and executives.
 - b. Please provide the weights given the criteria used to determine long-term incentives for executives, and for key managers (if they differ).
 - c. Please provide annual target and recorded amounts for long-term incentive costs for 2009 through 2013.
 - d. Please provide recorded Long-Term Incentive costs for 2014 when available.

SoCalGas Response 03:

- 3a. See attachment TURN SCG-DR-04 Q3a.doc
- 3b. For the SoCalGas CEO and certain senior Sempra Energy officers, the weightings (based on the grant date award value) are:
- 80% of the award value: performance-based restricted stock units based on relative total shareholder return
 - 20% of the award value: performance-based restricted stock units based on earnings per share growth
- For other long-term incentive plan participants, the weightings (based on the grant date award value) are:
- 60% of the award value: performance-based restricted stock units based on relative total shareholder return
 - 15% of the award value: performance-based restricted stock units based on earnings per share growth
 - 25% of the award value: service-based restricted stock units
- 3c. Please refer to DSR-WP-14 for costs incurred from 2009 to 2013.
- 3d. 2014 financial information will not be available until after SDG&E makes its 10-K filing with the SEC in early 2015.

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

4. Regarding SCG's request for rate recovery of the costs associated with its Incentive Compensation Plans (ICP):
 - e. 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.
 - f. 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.
 - g. 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)
 - h. 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.
 - i. 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).
 - j. 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.
 - k. 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.

SoCalGas Response:

- 4a. Yes, the 2012 request was target performance.
- 4b. 2009-2011 information is not available as they are the attrition years of the 2008 Test Year GRC. That GRC was not the result of a litigated outcome

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Response to Question 4b (Continued)

but rather of a settled outcome. Therefore, line item specifics for ICP are not available.

In 2012, D.13-05-010, authorized \$22.056mil as an ICP expense for 2012. 2013 is an attrition year from the Test-Year 2012 GRC and therefore line item specifics are not available. The attrition year mechanism in that decision calls for a percentage growth on overall Total Revenue Requirement and not specific line item O&M amounts such as ICP.

- 4c. The difference between the \$34.346 million target for 2012 and the \$29.408 million is primarily due to presentation. The \$29.408 million is presented in 2009 dollars, the equivalent 2012 value is \$31.823 million, and the remaining difference is the result of an updated estimate. The adopted amount of \$22.056 million is 75% of the \$29.408 million requested in D.13-05-010.
- 4d. The “Target ICP” figures reflect 100% of SCG’s target.
- 4e. SoCalGas objects to this request, as it is argumentative and not reasonably calculated to lead to the discovery of admissible evidence. SoCalGas’ reply brief speaks for itself.
- 4f. SoCalGas objects to this request, as it is argumentative and not reasonably calculated to lead to the discovery of admissible evidence.
- 4g. SoCalGas objects to this request, as it is argumentative and not reasonably calculated to lead to the discovery of admissible evidence.