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

**TURN Data Request**

**Data Request Number:** TURN-SDG&E-3 (Incentive Compensation)

**Date Sent:** February 27, 2015

**Response Due:** March 13, 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.

1. Regarding the “Individual Performance Component”, discussed on p. 6 of TURN SDG&E Data Request 2-1, Attachment 14 – Plan Doc – SDG&E
   1. Please describe in detail who constitutes “leadership” as that term is used here.
   2. Please provide copies of all policies, guidelines or direction provided to supervisors or “leadership” to assure consistency across the organization in determining the level of an employee’s contribution and performance.
   3. Please explain in detail how the overall pool of funds for the Individual Performance Component, to the extent it “varies directly based on the results achieved for the Company Performance Component”, is allocated among the operating units, and employee groups (as that term is used at page DSR-5 of SDG&E-22) in SDG&E’s organization?
2. Regarding Exhibit SDG&E-22 Tables DSR-4 and DSR-5, on pages DSR-8 and 9:
   1. Please confirm that the 2013-2016 Change estimates shown in Table DSR-5 compare 2013 recorded expense (rather than the 2013 target figure) with the 2016 forecast variable pay at target, for which SDG&E requests 100% rate recovery.
   2. Please confirm that the total Variable Pay At Target change between 2013 Target and 2016 Target is an increase of $ 3.51M. If this is not correct, please provide the correct figure.
   3. Please provide the Variable Pay at Target figures for Executive Variable Pay and Non-executive Variable Pay for 2013.
3. Regarding the SDG&E forecast of variable pay at target shown in Table DSR-5 of SDG&E-22, please provide
   1. the forecast 2016 Short Term Incentive Compensation payout, at target, broken out by executive and non-executive employees,
   2. the 2016 forecast labor cost and forecast 2016 ICP as a percentage of forecast labor cost by Executive and by Non-Executive employees, in the format used to respond to TURN DR 4-1.c.
4. Regarding the “Efficiency Measure” referred to on p. 5 of TURN SDG&E Data Request 2-1, Attachment 14 – Plan Doc – SDG&E,
   1. Is the “Efficiency Measure” intended to provide an incentive to accomplish more work than planned, using the entire authorized funding for one or more workgroups, rather than to spend less than authorized?
   2. If the answer to a. is “yes”, please explain the response, and provide examples of how the incentive program rewards completion of more work than planned, within budget, rather than reduced spending.
5. In its 2014 Incentive Compensation Plan (TURN SDG&E DR 2-1, Atch 14-Plan Doc – SDGE, p. 5), SDG&E refers to the Customer Connections Survey, measuring quality of service for customers transacting business with SDG&E. For each of the past five years, from 2009 through 2013, please
   1. indicate which business units within SDG&E were the focus of this survey,
   2. provide a copy of the survey and all related documents,
   3. provide the survey results, and include an explanation of how the “Overall Service Quality Index weighted by Risk” is determined, and
   4. identify and describe in detail any changes that have been made to this survey over the five-year period.