

**TURN DATA REQUEST**  
**TURN-SDG&E-DR-03**  
**SDG&E 2016 GRC – A.14-11-003**  
**SDG&E RESPONSE**  
**DATE RECEIVED: FEBRUARY 27, 2015**  
**DATE RESPONDED: MARCH 13, 2015**

1. Regarding the “Individual Performance Component”, discussed on p. 6 of TURN SDG&E Data Request 2-1, Attachment 14 – Plan Doc – SDG&E
  - a. Please describe in detail who constitutes “leadership” as that term is used here.
  - b. 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.
  - c. 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?

**SDG&E Response:**

- 1a: Leadership constitutes senior management levels above the first level supervisor, such as Managers, Directors, Vice Presidents, and higher.
- 1b: See attached document – TURN SDG&E DR-03 Q1b 2015 ICP Guidelines.pdf
- 1c: For the SDG&E plan, the total award is made up of two components, Corporate Performance Component and an Individual Performance Component. The Corporate Performance Component score will determine Individual Performance Component budget for each individual employee. For example, a Corporate Performance Score of 105% of target will fund the Individual Performance Component budget at 105% of target. The Individual Performance Component pool is comprised of the sum of the Individual Performance Component budget for all employees in that organization. Associate budgets and Management budgets are maintained separately. Supervisors and leadership allocate the pool based on individual performance. Ultimately, leadership must stay within the combined budgeted amounts for their overall organization.

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2. Regarding Exhibit SDG&E-22 Tables DSR-4 and DSR-5, on pages DSR-8 and 9:
  - a. 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.
  - b. 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.
  - c. Please provide the Variable Pay at Target figures for Executive Variable Pay and Non-executive Variable Pay for 2013.

**SDG&E Response:**

- a. Yes, the 2013 expense shown on Table DSR-5 is recorded expense.
- b. Yes, the change between 2013 Target and 2016 Target Variable Pay is \$3.51M.
- c. The Variable Pay at Target figures in 2013 was \$2.440M for executives and \$44.401M for non-executives.

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3. Regarding the SDG&E forecast of variable pay at target shown in Table DSR-5 of SDG&E-22, please provide
  - a. the forecast 2016 Short Term Incentive Compensation payout, at target, broken out by executive and non-executive employees,
  - b. 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.

**SDG&E Response:**

- a. Please refer to page 12 of SDG&E-22-WP for the requested information.
- b. As noted in the assumptions of page 12 of SDG&E-22-WP, the projection was based on averages of executive and non-executive employee groups in total and therefore the requested breakdown is not available.

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4. Regarding the “Efficiency Measure” referred to on p. 5 of TURN SDG&E Data Request 2-1, Attachment 14 – Plan Doc – SDG&E,
- a. 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?
  - b. 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.

**SDG&E Response:**

- a. SDG&E sets budgets for workgroups based on operating needs, regulatory/compliance requirements and other business drivers necessary to provide safe and reliable energy service to customers, and does not use “authorized funding as a basis for establishing budgets”. SDG&E continues to seek ways to be cost efficient and increase productivity where prudent and achievable. As such, SDG&E is routinely engaged as part of normal business in identifying and implementing efficiency improvements. Individual departments within the company may routinely engage in cost management on a case-by-case basis. All improvement opportunities are evaluated closely to ensure no adverse impacts to safety policy and procedures, compliance requirements, and legal or regulatory mandates.

Should the end result in any efficiency measure be that less than authorized is spent, that under-spending is addressed in the next General Rate Case. Conversely, if spending exceeds authorized over the Rate Case cycle, that over-spending is also addressed in the next General Rate Case.

- b. The Efficiency Measure is intended to align the interests of shareholders and ratepayers by linking incentive compensation to operational efficiency. Operational efficiency can take the form of performing incremental work with no additional expense (avoided cost) or performing existing work at less expense (cost reduction). The Efficiency Measure is impacted by both cost avoidances (which would reduce upward pressure on the Measure, all else being equal) as well as cost reductions which directly impact the calculation.

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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
- a. indicate which business units within SDG&E were the focus of this survey,
  - b. provide a copy of the survey and all related documents,
  - c. provide the survey results, and include an explanation of how the “Overall Service Quality Index weighted by Risk” is determined, and
  - d. identify and describe in detail any changes that have been made to this survey over the five-year period.

**SDG&E Response:**

- a. The areas that are the focus of the Customer Connections survey as it relates to ICP include Customer Contact Center, IVR, Branch Offices, Service Order Team, Customer Service Field and Electric Troubleshooters.

- b. See the following attachments:

2012: SDG&E started the survey in Q1 2012 but did not have the complete data needed; therefore Q1 and Q2 are combined into a first half report for 2012.

- CCS SDGE Q3 2012 Report - Overall Company.pdf
- CCS SDGE Q3 2012 Report - Branch Offices.pdf
- CCS SDGE Q3 2012 Report - Business Contact Center.pdf
- CCS SDGE Q3 2012 Report - CSF.pdf
- CCS SDGE Q3 2012 Report - Customer Contact Center Residential.pdf
- CCS SDGE Q3 2012 Report - ETS.pdf
- CCS SDGE Q3 2012 Report - IVR.pdf
- CCS SDGE Q3 2012 Report - SOT.pdf
- CCS SDGE Q4 2012 Report - Branch Offices and APL.pdf
- CCS SDGE Q4 2012 Report - CCC, BCC and IVR.pdf
- CCS SDGE Q4 2012 Report - CSF.pdf
- CCS SDGE Q4 2012 Report - ETS.pdf
- CCS SDGE Q4 2012 Report - Overall Company.pdf
- CCS SDGE Q4 2012 Report - SOT.pdf

2013:

- CCS SDGE Q2 2013 Report - Overall Company.pdf
- CCS SDGE Q2 2013 Report - Branch Offices.pdf
- CCS SDGE Q2 2013 Report - Business Contact Center.pdf
- CCS SDGE Q2 2013 Report - CSF.pdf

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**Response to Question 5b (Continued)**

2013 (Continued):

- CCS SDGE Q2 2013 Report - Customer Contact Center Residential.pdf
- CCS SDGE Q2 2013 Report - ETS.pdf
- CCS SDGE Q2 2013 Report - IVR Only.pdf
- CCS SDGE Q2 2013 Report - SOT.pdf
- CCS SDGE Q4 2013 Report - Overall Company.pdf
- CCS SDGE Q4 2013 Report - Branch Offices.pdf
- CCS SDGE Q4 2013 Report - Business Contact Center.pdf
- CCS SDGE Q4 2013 Report - CSF.pdf
- CCS SDGE Q4 2013 Report - Customer Contact Center Residential.pdf
- CCS SDGE Q4 2013 Report - ETS.pdf
- CCS SDGE Q4 2013 Report - IVR Only.pdf
- CCS SDGE Q4 2013 Report - SOT.pdf

c. The following are the ICP CCS results from 2012 to 2013.

<b>ICP - CCS Annual Survey Results</b>	
<b>Overall Quality of Service - % Excellent weighted by Risk</b>	
2012	60.3
2013	58.7

d. From 2005 to 2011, SDG&E measured customer satisfaction with a survey instrument called the Customer Satisfaction Survey (CSS). Customers rated the service they receive on a scale from 0 to 10, with 10 being extremely satisfied and 0 being extremely dissatisfied. In 2012, SDG&E began measuring quality of service with a survey instrument called the Customer Connections Survey (CCS). Customers rate the overall quality of service they receive on a verbal scale including Excellent, Very Good, Good, Fair, Poor.