

**DRA DATA REQUEST  
DRA-SCG-105-DAO  
SOCALGAS 2012 GRC – A.10-12-006  
SOCALGAS RESPONSE  
DATE RECEIVED: JUNE 14, 2011  
DATE RESPONDED: JUNE 29, 2011**

**Subject:** Compensation—Special Recognition Programs

**Please provide the following:**

1. Referring to SCG’s request for the Special Recognition Programs, as stated in Exhibit SCG-19, pages DSR-10-11, please provide a comprehensive written description of the plan which includes the following: (a) when the Spot Cash Program and the Employee Recognition Program were established; (b) how the amounts to be awarded are determined, (c) the last 5 years of recorded amounts for each program; (d) identify the individuals who review the Company's performance; and (e) identify the evaluation criteria used and describe in detail how they are determined.

**SoCalGas Response 01:**

**a.** The Spot Cash and Employee Recognition program were created following the 1998 merger of Enova Corporation (parent company of San Diego Gas & Electric) and Pacific Enterprises (parent company of Southern California Gas Company). Prior to the merger, both utilities maintained similar types of recognition programs.

**b.** Spot Cash and Employee Recognition awards are used to recognize individuals or teams for exceptional achievements or exemplary performance. Employees may be nominated by their manager or members of the leadership team. The employee’s manager consults with human resources to determine the recommended award amount.

**c.** Please refer to the attached schedule for the costs for 2005-2009 with the appropriate workpaper reference. For 2010 costs, please refer to file submitted by SoCalGas in April 2011.

<i>(in thousands)</i>							
<b>Program</b>	<b>Workpaper Reference</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	
Spot Cash	Page 14	\$ 823	\$ 1,178	\$ 861	\$ 1,067	\$ 970	
Employee Recognition	Page 178	418	300	320	291	158	
<b>Total</b>		<b>\$ 1,241</b>	<b>\$ 1,478</b>	<b>\$ 1,181</b>	<b>\$ 1,358</b>	<b>\$ 1,128</b>	

**d.** The focus of the Spot Cash and Employee Recognition programs is not company-level performance, but rather exemplary individual and team contributions. Company performance is measured through the Incentive Compensation Plan (ICP). Spot Cash and Employee Recognition award nominations are approved by the employee’s manager and human resources.

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**SoCalGas Response 01-Continued:**

e. As stated above, Spot Cash and Employee Recognition awards are used to recognize individual employees or teams for exemplary performance.

Employee Recognition awards are nominal awards, generally valued at \$100 or less. Typical awards include gift cards, movie tickets and tickets to sporting events.

Spot Cash awards are cash awards that typically range from \$250 to \$10,000. These awards recognize 1) an unusual and important achievement, 2) an exceptional service, or 3) stellar skills in support of the Sempra Energy values.

Spot Cash Award Categories

- Cost Savings: Identifies and successfully implements substantial cost savings for the company
- External Contacts: Demonstrates highly successful management of significant external relationship
- Innovation: Identifies and implements an innovation resulting in a significant measurable gain or improvement
- Leadership: Demonstrates exemplary leadership
- Organization/Coordination: Demonstrates superior organization and coordination skills resulting in the successful completion of a major assignment involving multiple internal and external participants
- Problem Solving: Demonstrates successful resolution of an extremely complex set of problems
- Risk Taking: Promotes effective risk management, takes appropriate risk to get results
- Teamwork: Promotes collaborative, cooperative work relationships. Does not seek results at the expense of others. Freely shares information and expertise.