

Application of Southern California Gas Company
for authority to update its gas revenue requirement
and base rates effective on January 1, 2012.
(U904G)

Application 10-12-____
Exhibit No.: (SCG-19)

PREPARED DIRECT TESTIMONY OF
DEBBIE S. ROBINSON
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

DECEMBER 2010



A  Sempra Energy utility®

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Compensation and Benefits Programs	Thousands of 2009 \$				
	2009	2010	2011	2012	2009-2012 Change
Compensation:					
Incentive Compensation Plan (ICP)	\$37,920	\$26,350	\$29,398	\$30,604	(\$7,316)
Long-Term Incentive Plan (LTIP)	\$3,233	\$3,900	\$5,133	\$5,361	\$2,128
Spot Cash program	\$822	\$979	\$979	\$979	\$157
Employee Recognition program	\$158	\$559	\$579	\$579	\$421
<i>Subtotal</i>	<i>\$42,133</i>	<i>\$31,788</i>	<i>\$36,089</i>	<i>\$37,523</i>	<i>(\$4,610)</i>
Health Benefits:					
Medical	\$50,248	\$53,701	\$63,032	\$70,735	\$20,487
Dental	\$3,305	\$3,542	\$3,672	\$3,675	\$370
Vision	\$490	\$470	\$487	\$487	(\$3)
Wellness	\$487	\$724	\$745	\$795	\$308
EAP	\$719	\$719	\$740	\$760	\$41
Mental Health	\$962	\$1,035	\$1,169	\$1,310	\$348
<i>Subtotal</i>	<i>\$56,211</i>	<i>\$60,191</i>	<i>\$69,845</i>	<i>\$77,762</i>	<i>\$21,551</i>
Welfare Benefits:					
AD&D Insurance	\$24	\$34	\$36	\$37	\$13
Business Travel Insurance	\$24	\$34	\$34	\$35	\$11
Life Insurance	\$866	\$809	\$885	\$906	\$40
<i>Subtotal</i>	<i>\$914</i>	<i>\$877</i>	<i>\$955</i>	<i>\$978</i>	<i>\$64</i>
Retirement Benefits:					
Retirement Savings Plan	\$12,447	\$12,817	\$13,547	\$13,791	\$1,344
Nonqualified Retirement Savings Plan	\$135	\$138	\$143	\$146	\$11
Supplemental Pension	\$835	\$2,230	\$2,970	\$2,070	\$1,235
<i>Subtotal</i>	<i>\$13,417</i>	<i>\$15,185</i>	<i>\$16,660</i>	<i>\$16,007</i>	<i>\$2,590</i>
Other Benefit Programs and Fees:					
Benefits Administration Fees	\$1,353	\$1,255	\$1,158	\$1,189	(\$164)
Educational Assistance	\$722	\$771	\$819	\$841	\$119
Emergency Childcare	\$81	\$144	\$149	\$149	\$68
Mass Transit Incentive	\$303	\$364	\$376	\$376	\$73
Retirement Activities	\$137	\$140	\$143	\$147	\$10
Service Recognition	\$158	\$217	\$252	\$200	\$42
Special Events	\$362	\$415	\$440	\$452	\$90
<i>Subtotal</i>	<i>\$3,116</i>	<i>\$3,306</i>	<i>\$3,337</i>	<i>\$3,354</i>	<i>\$238</i>
Total	\$115,791	\$111,347	\$126,886	\$135,624	\$19,833

Table DSR-1¹

1
2

¹ The 2010-2012 Spot Cash forecast amounts shown in Table DSR-1 above and Tables DSR-6 and DSR-7 below are overstated for the following reason. A Vacation and Sick (V&S) overhead was inadvertently added to the historical years used to develop the forecast. The 2009 Spot Cash amount of \$1,218 reported above and in the supplemental workpapers (see SCG-19-WP, p. 19) is correct. The 2009 amount reported in the summary workpapers (see Exhibit SCG-19-WP, p. 14) reflects the V&S overstatement. SCG realized this error in processing final versions of testimony and workpapers and was unable to correct in time for filing its TY 2012 application. SCG will correct the base year and forecast amounts via an errata at the first opportunity.

The V&S overstatement also affected the amount reported for 2009 Long-Term Incentive Plan expense in Exhibit SCG-19-WP on page 21. This testimony and the supplemental workpapers (see Exhibit SCG-19-WP, page 27) reflects the correct 2009 Long-Term Incentive Plan expense of \$3,233.

1
2 **II. OVERVIEW OF TOTAL COMPENSATION PHILOSOPHY**

3 SCG’s employees are critical to providing safe, efficient and reliable service to its
4 customers. SCG’s total rewards program is structured to attract, motivate and retain a
5 high-performing workforce. SCG offers a competitive, market-driven total rewards
6 program that includes base pay, short-term and long-term incentives, and benefits.

7 The compensation and benefits programs provided to SCG employees, retirees
8 and their dependents reflect the impacts of the marketplace, collective bargaining and
9 government regulation. Compensation programs are designed to reward employees for
10 company, team and individual performance. A comprehensive benefits package that
11 includes health and welfare programs and retirement plans is comparable to packages
12 offered by general industry and utility companies in the competitive labor market.

13 This competitive approach to total rewards has allowed SCG to maintain an
14 experienced, productive workforce while maintaining a labor cost structure that is in line
15 with the market. The same approach to total rewards extends to the Sempra Energy
16 Corporate Center, ensuring that total compensation costs for the services provided to
17 SCG by the Corporate Center are reasonable and competitive.

18 **III. SUMMARY OF TOWERS TOTAL COMPENSATION STUDY**

19 A total compensation study was conducted as part of SCG’s 2012 General Rate
20 Case submission in compliance with Commission decisions D.87-12-066, D.89-12-057,
21 and D.96-01-011. The study was conducted to evaluate SCG’s total compensation
22 relative to the external labor market. It includes a detailed analysis of “total
23 compensation” which is defined as the aggregate value of annualized base pay, incentive
24 compensation (short-term and long-term) and benefits programs. For short-term
25 incentive compensation, both actual and target data were analyzed.

26 The DRA and SCG jointly selected Towers Watson to conduct the competitive
27 compensation and benefits analysis. The project team for the total compensation study
28 (“Towers Study”) included representatives of DRA, Sempra Energy (representing SCG)
29 and Towers Watson. The methodology used for the Towers Study was generally
30 consistent with the methodology applied in SCG’s 2006 Total Compensation Study. The

1 Towers Study, which includes a detailed description of the study methodology, and the
 2 project team’s meeting notes are included as Appendix A.

3 SCG’ total compensation (defined as base salaries, target short-term incentives,
 4 long-term incentives and benefits), as reported in Table DSR-2 below, is within 3.2
 5 percent of market. In D.95-12-055, the Commission ruled that compensation levels that
 6 fall between plus or minus five percent of the relevant market are considered to be “*at*
 7 *market*” and reasonable.

8 Since the Commission issued D.95-12-055, variable pay programs such as short-
 9 term incentive plans have grown in importance and prevalence. According to Hewitt
 10 Associates, variable pay spending as a percentage of payrolls has almost doubled in 15
 11 years, from 6.4 percent in 1994 to 11.2 percent in 2009.²

12 Today, compensation professionals, including Towers Watson, consider a range
 13 of plus or minus 10 percent of the average of the external market data to be competitive
 14 and broader ranges are common and expected for long-term incentive plans. Per the
 15 World at Work Handbook of Compensation, Benefits and Total Rewards, as a rule of
 16 thumb, salary information is expected to be reflective of the marketplace, within plus or
 17 minus 10 percent.

18 As shown in Table DSR-2 below, both Target Total Compensation and Actual
 19 Total Compensation fall within plus or minus ten percent of the competitive market data.
 20 SCG is requesting recovery of ICP based on **target** performance. For this reason, Target
 21 Total Compensation is the relevant metric. SCG’s Target Total Compensation, which is
 22 within 3.2 of market, satisfies both the 1995 criterion established by the Commission
 23 (plus or minus five percent of market) and the standard typically used by compensation
 24 professionals (plus or minus 10 percent of market).

Summary of SCG Total Compensation vs. Market						
Base Pay	Actual Total Cash Compensation	Target Total Cash Compensation	Benefits	Long-Term Incentives	Actual Total Compensation	Target Total Compensation
2.8%	4.5%	1.4%	11.9%	-7.5%	5.9%	3.2%

Table DSR-2

² “Most U.S. Companies Holding Steady on Next Year’s Salary Increases and Bonus Payouts,” by Maurissa Kanter and MacKenzie Lucas of Hewitt Associates, November 19, 2009.

Table DSR-3 below presents SCG's competitive status for each of the major elements of compensation by job category. The job categories and related compensation data also include a representation of Sempra Energy Corporate Center jobs that support SCG. Many of the Corporate Center jobs were transferred to SCG in April 2010 as part of an organizational realignment. Forty-four employees moved from Corporate Center to SCG during the realignment. Other jobs that remained at Corporate Center were also included in the Towers Study, recognizing that if the Corporate Center did not exist, SCG would have to hire employees to perform the tasks.

Job Category	Total Employees	Total Benchmark Incumbents	Target Total Compensation (\$000s)	SCG (Including Corporate Center Allocations) vs. Market				
				Base Pay	Target Total Cash Compensation	Long-Term Incentives	Benefits	Target Total Compensation
Executive	11	5	\$4,858	-13.2%	-15.0%	-10.4%	17.7%	-10.8%
Manager/Supervisor	878	633	\$98,367	-1.7%	1.4%	-22.2%	12.8%	3.1%
Professional/Technical	1,042	579	\$97,786	-2.8%	3.1%	-18.7%	14.1%	4.1%
Physical/Technical	3,212	2,068	\$220,868	8.1%	1.5%	N/A	10.6%	3.3%
Clerical	2,350	1,822	\$120,430	1.9%	0.6%	N/A	11.5%	2.9%
Total	7,492	5,107	\$542,309	2.8%	1.4%	-7.5%	11.9%	3.2%

Table DSR-3

IV. COMPENSATION

SCG's compensation package includes base pay, short-term incentive compensation, long-term incentive compensation (for key management employees only) and special recognition awards. It is essential that SCG maintain its market competitiveness in order to attract, retain and motivate its employees; and compensation is the easiest element of the total rewards package for employees to evaluate in terms of the value of the job or a job offer.

At SCG, employee groups are described as Executive, Director, Management, Associate and Union employees. Depending on the particular employee group, the compensation and benefit plans may vary based on the overall compensation strategy, market pay, and collective bargaining agreements.

A. Base Pay

Base pay is the foundation of SCG's compensation program. It is the most visible element of pay to employees. SCG's base pay program is structured to be competitive, internally equitable, and cost effective. Pay structures for non-represented jobs provide for individual differentiation based on an employee's performance, skills and experience.

1 SCG targets base pay at the 50th percentile of the external labor market for non-
2 represented employees, although pay may vary for certain high-demand jobs.

3 Base pay and pay grades for represented jobs are subject to collective bargaining
4 agreements and are adjusted consistent with contract negotiations. Like non-represented
5 jobs, pay for certain jobs may be higher than others due to demand and labor shortages.

6 To ensure market pay ranges reflect the markets in which SCG competes for
7 labor, the company participates in several survey databases sponsored by major national
8 consulting firms. Additional details related to external surveys are provided in Section
9 VI.

10 The results of the Towers Study indicate that SCG's overall market position for
11 base pay is 2.8 percent above market.

12 **B. Short-term Incentive Compensation**

13 Short-term incentives have been a part of SCG's total compensation strategy
14 since 1997. The annual incentive plan is commonly referred to as the Incentive
15 Compensation Plan ("ICP"). The ICP recognizes and rewards employee contributions to
16 meeting important customer service, safety, supplier diversity, financial, and project
17 completion goals.

18 All non-represented employees participate in the ICP. Performance measures are
19 reviewed and updated annually. The current (2010) plan includes financial and operating
20 measures and an individual performance component. Financial measures are based on
21 earnings goals, rewarding employees for controlling costs and maintaining the financial
22 strength of the company. Operating measures focus employees on a common set of
23 safety, customer satisfaction, supplier diversity and major project completion goals. An
24 individual performance measure is used to recognize employees for their individual
25 contributions to meeting these goals.

26 According to a recent presentation on variable pay by Hewitt Associates,³
27 variable pay (short-term incentive plans) has become the primary mechanism to pay for
28 performance with 88 percent of companies offering at least one variable pay plan.
29 Variable pay is an essential component of a competitive total compensation package for a

³ "Getting It Right – Paying for Performance Through Variable Pay," Ken Abosch, Hewitt Associates, World at Work Annual Conference, May 2010.

1 number of reasons including: creating focus on desired results, improving performance
2 and facilitating ideas and improvements.

3 SCG is requesting recovery of ICP based on target performance. If actual ICP
4 performance exceeds target performance, the differential would not be recoverable in
5 rates. Projected 2012 target ICP expense is shown in Table DSR-4 below:

Short-Term Incentive Plan At Target	Thousands of 2009 \$				2009-2012 Change
	2009*	2010	2011	2012	
Incentive Compensation Plan (ICP)	\$37,920	\$26,350	\$29,398	\$30,604	(\$7,316)

6
7 Table DSR-4

8 The amount shown in Table DSR-4 for 2009 reflects recorded expense based on
9 actual performance, which exceeded target. Forecasted expense for 2010 through 2012 is
10 based on target performance.

11 For the Towers Study, the study project team agreed to include both actual and
12 target short-term incentives as part of the overall methodology. The results of the
13 Towers Study indicate that SCG's overall market position for total target cash
14 compensation, which includes both base pay and target ICP, is 1.4 percent above market.
15 This falls within the plus or minus 5 percent range considered to be "at market" in D.95-
16 12-055.

17 In its decision on SCG's 2008 General Rate Case (D.08-07-046, dated July 31,
18 2008), the Commission ruled that incentive compensation should be funded by ratepayers
19 if it is part of a reasonable total compensation package:

20 "Because total compensation is reasonable, (defined as prevailing market
21 rates for comparable skills), the ratepayers should reasonably fund a
22 revenue requirement that includes the full market-based employee
23 compensation for the adopted levels of staff. Thus, there is no basis to
24 exclude the incentive component and force shareholders to assume a
25 portion of the reasonable cost of employee compensation. We find no
26 merit in the DRA's argument that shareholders should fund any portion of
27 the incentive portion of market-based employee compensation. We do not
28 agree that incentives solely benefit the company: if employees work
29 harder and smarter to earn incentives (even just to achieve target
30 incentives) then ratepayers should benefit too."

1 **C. Long-Term Incentive Compensation**

2 Long-term incentives are an integral component of a competitive compensation
3 program for key management and executive employees. Of the 428 companies that
4 participated in Hewitt Associates' 2009 Total Compensation database, 89 percent
5 reported at least one long-term incentive program.

6 Consistent with the external labor market, SCG's compensation philosophy ties a
7 greater portion of pay to company performance at higher levels of responsibility. Long-
8 term incentives make up 19 percent to 53 percent of total target compensation (which
9 includes base pay, short-term incentive and long-term incentive) for key management and
10 executive employees. Long-term incentives are critical to the attraction, motivation and
11 retention of a skilled, experienced leadership team. The four-year performance period for
12 long-term incentives makes them a particularly powerful retention tool.

13 Long-term incentive awards promote strong, sustainable long-term performance.
14 They are performance-based or "at risk." The actual compensation realized by
15 participants is dependent on Sempra Energy's four-year financial performance. The
16 company must perform well relative to the utilities in the S&P Utilities index and the
17 overall market for participants to realize value from the awards.

18 Long-term incentives awards are granted under the Sempra Energy Long Term
19 Incentive Plan, in the form of performance-based restricted stock units and nonqualified
20 stock options. Award levels are set based on a review of total compensation for eligible
21 employees compared to the external market. The Compensation Committee of the
22 Sempra Energy Board of Directors approves participation and award levels.

23 Grants are issued annually on the first trading day of the year. The value of
24 awards is determined using Black-Scholes and Monte Carlo valuation models authorized
25 by the Compensation Committee and using the closing price of Sempra Energy common
26 stock on the grant date.

27 Each performance-based restricted stock unit represents the right to receive
28 between zero and 1.5 shares of Sempra Energy common stock, based on company
29 performance. Units vest at the end of four years, based on Sempra Energy's four-year
30 cumulative total shareholder return compared to the S&P Utilities Index.

1 Nonqualified stock options vest ratably over four years. The strike price for the
2 stock options is the closing price of Sempra Energy common stock on the date of grant.

3 Awards are forfeited upon termination of employment prior to vesting, unless
4 such termination is by reason of death, disability or retirement.

5 Projected 2012 Long-term incentive plan expense is shown in Table DSR-5
6 below:

Long-Term Incentive Plan	Thousands of 2009 \$				2009-2012 Change
	2009	2010	2011	2012	
Long-Term Incentive Plan	\$3,233	\$3,900	\$5,133	\$5,361	\$2,128

7
8 Table DSR-5

9 Long-term incentive plan costs are based on the accounting expense incurred for
10 awards issued to SCG employees. Actual costs are shown for 2009 and 2010. The
11 expense forecast reflects the movement of certain corporate center jobs to SCG during
12 the 2010 organizational realignment. The increase in SCG direct expense is offset by a
13 decrease in allocated corporate center expense.

14 **D. Special Recognition Awards**

15 SCG uses special recognition awards to reward individual employees and teams
16 for outstanding achievements, exceptional customer service, and process improvements
17 and innovations. Recognition awards, which may be financial or non-financial, are a key
18 means of recognizing and rewarding high-performing employees and teams.

19 Special recognition awards provide managers with a means to immediately
20 acknowledge and reinforce outstanding achievements. Typical awards include spot cash
21 or small non-cash recognitions such as restaurant gift cards, movie passes or similar
22 awards.

23 Recognition awards are an important component of a competitive compensation
24 package. According to "Creating an Effective Reward and Recognition Program" from
25 the Corporate Leadership Council, approximately 90 percent of companies maintain
26 some type of reward and recognition program. Companies use these programs to
27 motivate high performance and create a positive work environment.

1 SCG maintains two special recognition programs, the Spot Cash Award program
2 and the Employee Recognition program:

- 3 • The Spot Cash Award program is used to provide cash awards. In
4 2009, the average spot cash award was \$2,232. Awards typically
5 range from \$250 to \$10,000.
- 6 • The Employee Recognition program is used to provide nominal non-
7 cash awards, generally valued at \$100 or less. Typical awards include
8 gift cards, movie tickets and tickets to sporting events.

9 Spot Cash awards are budgeted at one-half of a percent of eligible payroll and the
10 Employee Recognition program is budgeted at \$75 annually per full-time equivalent
11 employee (FTE). SCG overall budgeting for special recognition programs is in line with
12 the competitive market. According to “Benchmarking Reward and Recognition
13 Programs” from the Corporate Leadership Council, the average annual budget for these
14 programs is 0.62 percent of payroll. SCG has formal policies that govern both the Spot
15 Cash Award program and the Employee Recognition program to monitor the budgeting
16 and administration of the awards.

17 Projected 2012 expense for the Spot Cash Award and Employee Recognition
18 programs is shown in Table DSR-6 below:

Special Recognition Programs	Thousands of 2009 \$				
	2009	2010	2011	2012	2009-2012 Change
Spot Cash program	\$822	\$979	\$979	\$979	\$157
Employee Recognition program	\$158	\$559	\$579	\$579	\$421
Total	\$980	\$1,538	\$1,558	\$1,558	\$578

19
20 Table DSR-6⁴

21 Spot cash awards are projected to remain flat, based on five-year historical data.

22 Employee recognition awards are forecast at \$75 per employee.

23 E. Summary

24 SCG’s compensation programs have been very effective in controlling labor costs
25 through a combination of conservative base pay practices and effective, performance-
26 based incentive rewards.

⁴ See explanation regarding Spot Cash Forecasting amounts fTable DSR-1.

1 SCG’s incentive pay, or “variable pay” plans include the short-term incentive
 2 plan (ICP), long-term incentive plan, and special recognition awards programs. Projected
 3 2012 costs are summarized in Table DSR-7 below:

Summary of Variable Pay Programs	Thousands of 2009 \$				
	2009	2010	2011	2012	2009-2012 Change
Incentive Compensation Plan (ICP)	\$37,920	\$26,350	\$29,398	\$30,604	(\$7,316)
Long-Term Incentive Plan	\$3,233	\$3,900	\$5,133	\$5,361	\$2,128
Spot Cash program	\$822	\$979	\$979	\$979	\$157
Employee Recognition program	\$158	\$559	\$579	\$579	\$421
Total	\$42,133	\$31,788	\$36,089	\$37,523	(\$4,610)

4
5 Table DSR-7⁵

6
7 **V. EMPLOYEE BENEFITS**

8 **A. Overview**

9 Benefit programs are a critical component of a competitive total rewards program.
 10 SCG offers a comprehensive and balanced employee benefits program that includes:

- 11 • Health benefits: medical, dental, vision, wellness, employee assistance
12 program (EAP), and mental health and substance abuse benefits;
- 13 • Welfare benefits: long-term disability, workers compensation, life
14 insurance, accidental death and dismemberment (AD&D) insurance,
15 and business travel accident insurance;
- 16 • Retirement benefits: pension and retirement savings plans (401k); and
- 17 • Other Benefit Programs

18 Certain benefits are covered by other witnesses. Long-term disability and
 19 workers compensation are covered by Sarah Edgar (SCG-21) and broad-based pension
 20 benefits and post-retirement benefits are covered by David Sarkaria (SCG-20).

21 The company monitors its benefit programs on an ongoing basis to insure the
 22 appropriate balance between benefit cost and maintaining a competitive position in the
 23 market. Cost projections for the various benefit components reflect increases or
 24 decreases attributable to benefit cost inflation, legislative and regulatory requirements,

⁵ See explanation regarding Spot Cash Forecasting amounts for Table DSR-1.

1 changes in the size of the workforce and plan design changes. Work papers containing
2 supporting documentation for each benefit category are included as Exhibit SCG-19WP.

3 SCG and its employees share the cost of medical, dental, and vision insurance.
4 The level of cost sharing between the company and employee varies depending on the
5 type of benefit and the level of coverage selected. The company provides certain basic
6 benefits at no cost to the employee including basic life, basic accidental death and
7 dismemberment, long-term disability, employee assistance, and business travel accident
8 insurance. Employees may also participate in several other benefit plans by paying the
9 full cost through payroll deductions. These additional benefit choices include group
10 variable universal life insurance, long-term care insurance, health care flexible spending,
11 dependent care flexible spending, transportation flexible spending and a vacation buy/sell
12 option.

13 Health and welfare benefits are provided to employees under an Internal Revenue
14 Code (“IRC”) Section 125 cafeteria plan. The cafeteria plan provides employees with a
15 tax-advantaged means of selecting the benefits that best suit their needs.

16 Retirement benefits are earned during the employee’s working career and
17 distributed following termination or retirement. Retirement benefits are tax-deferred
18 while they are working and therefore allow employees to accumulate resources to support
19 them during their retirement years.

20 **B. Health Benefits**

21 SCG provides employees with group health benefits including medical, dental,
22 vision, employee assistance, mental health and substance abuse and wellness benefits.

23 **1. Medical**

24 As shown in Table DSR-8 below, SCG’s forecasted Test Year 2012 medical
25 expense is \$70.735 million.

Medical	Thousands of 2009 \$				
	2009	2010	2011	2012	2009-2012 Change
Medical Expense	\$50,248	\$53,701	\$63,032	\$70,735	\$20,487

26
27
28 Table DSR-8

1 Medical Plan Overview:

2 SCG offers several medical plan designs to meet the varying needs of employees
3 and their dependents and consistent with its collective bargaining agreements. These
4 include:

- 5 • Health Maintenance Organizations (HMOs): Anthem Blue
6 Cross, Kaiser and Pacificare;
- 7 • Point-of-service (POS) plan: Anthem Blue Cross Plus Point Of
8 Service;
- 9 • Other plans: Anthem Blue Cross Safety Net and Anthem Blue
10 Cross Out-of-Area.

11 *Health Maintenance Organizations:*

12 As stated above, SCG offers three HMO plans. HMOs promote preventative care
13 and early identification and treatment of health conditions. Annual physical
14 examinations, screening tests and wellness programs are emphasized in support of this
15 objective.

16 Upon enrollment in an HMO, employees select a primary care physician. All care
17 is coordinated through the primary care physician. Managing access to specialized care
18 promotes more efficient utilization of the medical system. This helps control costs and
19 often generates better medical outcomes. Services are accessed through a closed
20 provider network, or in the case of Kaiser Permanente, an integrated staff model network.
21 Generally, HMOs manage costs by compensating providers based on a fixed annual rate
22 rather than the actual cost of medical services provided to participants.

23 Point of Service:

24 The Anthem Blue Cross Plus Point Of Service (POS) plan provides greater
25 flexibility and choice in the selection of health care providers. The POS plan offers three
26 tiers of coverage that allow the employee and dependents to select how medical services
27 are delivered:

- 28 • Tier One: Care is coordinated through the HMO primary care
29 physician;
- 30 • Tier Two: Care is accessed through the Blue Cross Prudent
31 Buyer network;

- Tier Three: Self-referral to any non-network provider.

Other Plans:

These plans provide coverage within the Blue Cross/Blue Shield network or through non-network health care facilities. Out-of-pocket costs are lower if a network provider is used.

Medical Plan Enrollment:

Ninety percent of SCG's employees are covered under the company's medical plans. Enrollment for each medical plan is shown in Figure DSR-1 below. Seventy-two percent of covered employees are enrolled in HMO plans. The high HMO enrollment level is indicative of the cost-effectiveness of the plan design and the long-established network of managed care facilities in California. Twenty-five percent of employees are enrolled in the POS plan. Although POS plan participants choose to use the HMO (Tier I) network approximately 70 percent of the time, the ability to access health care providers who are outside the HMO network continues to be an important feature.

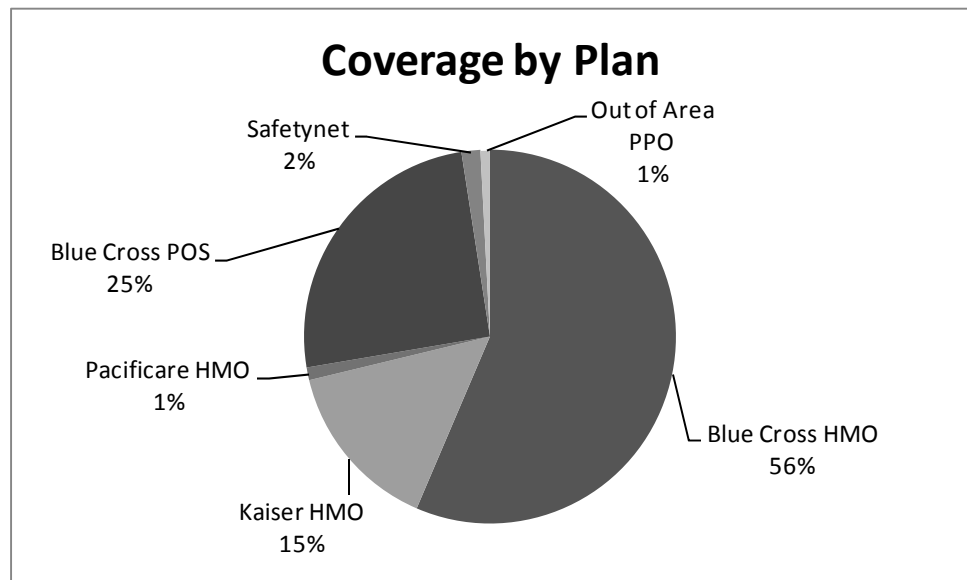


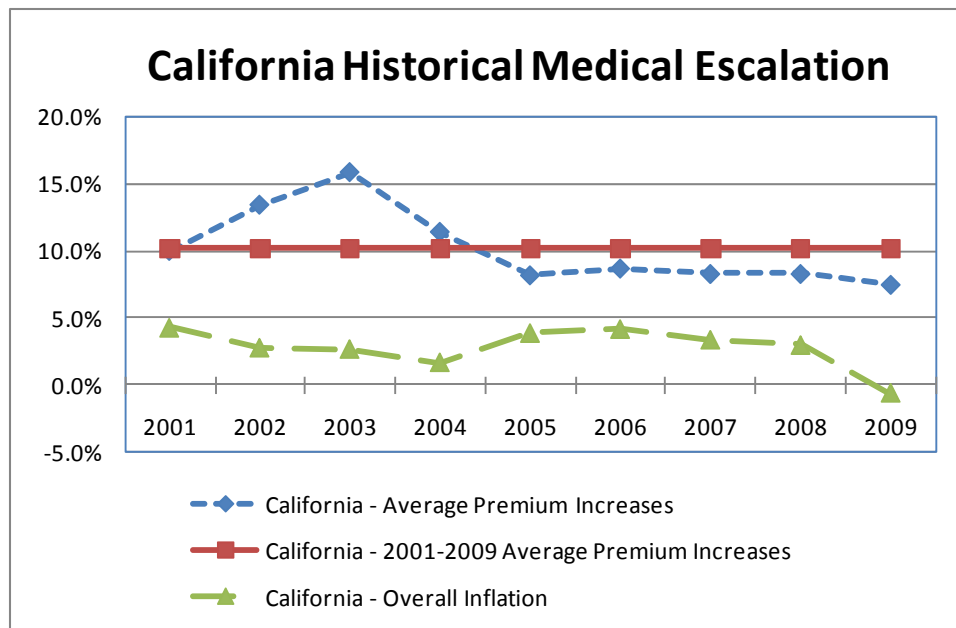
Figure DSR-1

SCG encourages employees to enroll in HMO plans through its cost sharing strategy and by effectively communicating the available health plan alternatives. SCG's HMO enrollment level of 72 percent far exceeds the nationwide average. According to the 2009 Kaiser Family Foundation Employee Health Benefits survey, 20 percent of covered workers are enrolled in HMOs, while 60 percent are enrolled in PPOs, 10

1 percent in POS plans, and the remaining 10 percent in high deductible and indemnity
2 plans. Regional data for the Western U.S. reflects slightly higher HMO enrollment of 31
3 percent, but still falls far below SCG's HMO enrollment.

4 (a) Medical Cost Trends

5 Over the past decade, healthcare spending has greatly exceeded inflation.
6 According to the 2009 California Employer Health Benefits Survey, health insurance
7 premiums increased by 117.5 percent between 2002 and 2009 – more than four times the
8 23.1 percent increase in California's inflation rate. Annual premium increases in
9 California have averaged 10.2 percent per year from 2001 through 2009.



10 Source: California Employer Health Benefits Survey, December 2009
11 Figure DSR-2

12
13 SCG's historical medical trend has followed a cyclical pattern. However, SCG's
14 ten-year average medical escalation of 11.8 percent is slightly above California's
15 historical average of 10.2 percent.

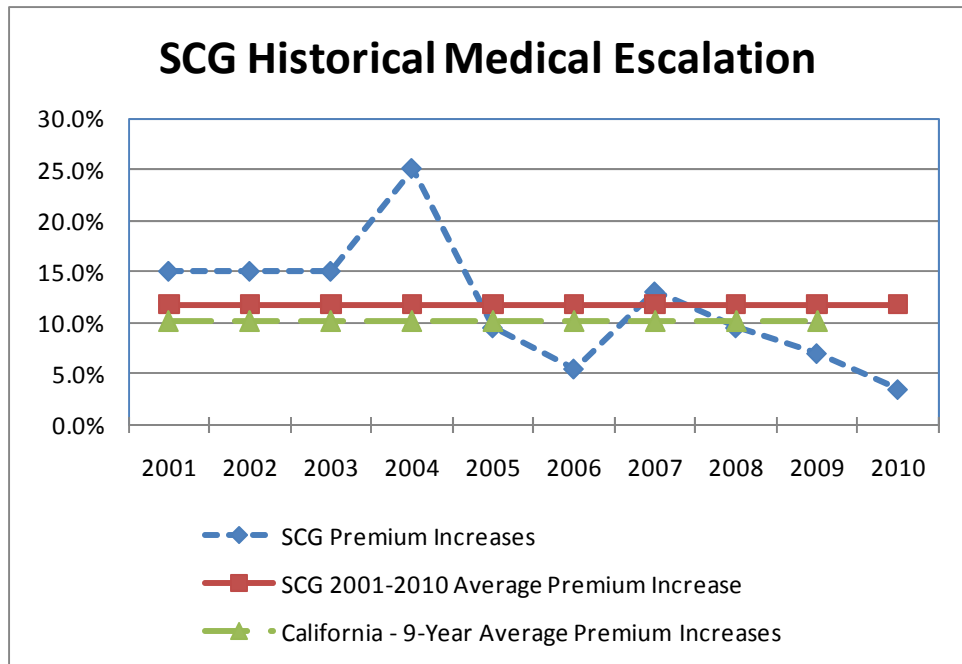


Figure DSR-3

1
2
3 A number of factors contribute to healthcare premium increases, including
4 workforce demographics (e.g., age, gender, family size and health care costs in specific
5 geographic areas), utilization experience, pharmaceutical costs, medical technology
6 enhancements, new treatment protocols, overall program efficiency, and legislative and
7 regulatory changes.

8 The recent healthcare reform legislation, the Patient Protection and Affordable
9 Care Act, includes several provisions which will place upward pressure on group health
10 insurance premiums, including:

- 11 • Dependent coverage through age 26;
- 12 • Prohibition of annual and lifetime coverage limits; and
- 13 • Preventative services and immunizations must be provided with no
14 cost sharing (i.e. co-payments and deductibles).

15 SCG negotiates medical premium rates with its insurance carriers on an annual
16 basis. The 2011 forecast is based on final renewal rates negotiated with the health
17 insurance carriers. Initial medical renewal rates were, on average, 20 percent higher than
18 2010 rates. SCG worked with Towers Watson to complete a detailed review of the 2011
19 medical insurance renewal quotes. As a result of this thorough review and negotiation

1 with the insurance carriers, the final 2011 rates were substantially lower than the initial
2 rate quotes. The overall rate increase for 2011 was 13 percent.

3 The following factors contributed to the rate increase:

- 4 • Significant increase in medical claim costs;
- 5 • Increased administrative expenses;
- 6 • Increased pooling charges: Pooling charges are charges for the
7 carrier to assume the risk of claims above specified levels.
- 8 • Higher than expected changes in capitation costs: Capitation is a
9 method of compensating physicians under which physicians are
10 paid a flat dollar amount to cover the care for each patient,
11 regardless of the patient's actual utilization of services.
- 12 • Higher medical trend: Trend is the carrier's projection of the cost
13 to deliver care next year based on this year's actual use. It is
14 influenced by increased use of technology, increasing unit prices
15 and expected higher use of services.

16 In preparing the medical trend forecast, Towers Watson considered California and
17 national data and prepared a forecast specifically for SCG taking into account workforce
18 demographics, historical utilization data, medical plan design, and the projected impact
19 of the Patient Protection and Affordable Care Act. Projected rate increases for 2012
20 through 2015 progressively decline from 12 percent in 2012 to 7.5 percent in 2014.

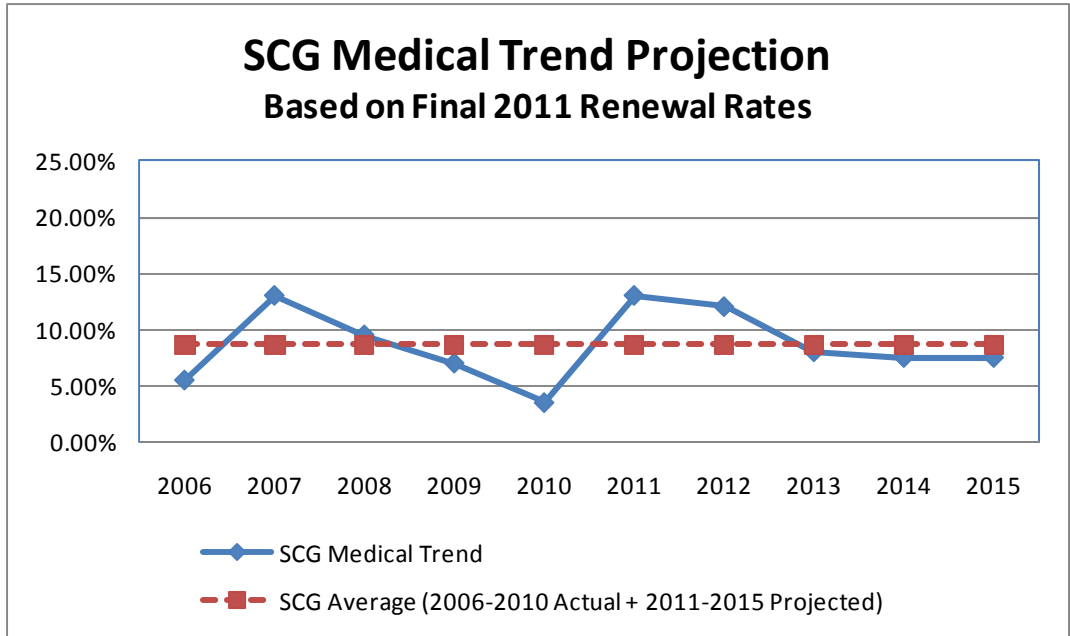


Figure DSR-4

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(b) Medical Cost Per Employee

Medical benefits represent one of the largest and most important non-cash components of a competitive compensation and benefits package. Despite significant increases in annual premium costs, the company’s strategies have been successful in maintaining a competitive position compared to the marketplace. The company’s average medical cost per covered employee was \$9,905, compared to \$11,412 for energy/utility companies and \$9,935 for general industry companies according to 2010 data reported by Towers Watson.

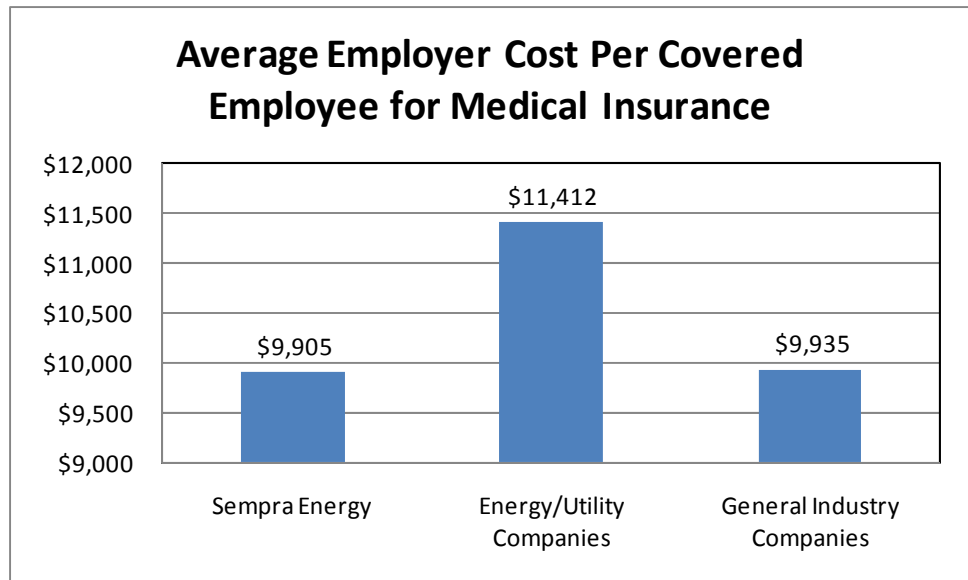


Figure DSR-5

(c) Employee Contributions

The pricing of different medical plan options to employees is an important factor in determining overall cost results and influencing the behavior of employees as they consider various health care alternatives. SCG has gradually shifted a portion of its benefit expenses by having its employees share in the cost of the medical plan.

Employees pay a portion of the medical premiums, co-payments for office visits and prescriptions, and out-of-network deductibles. Sharing the plan expense with employees reduces the company's cost, but more importantly, it promotes a better understanding of health care choices. The cost-sharing mechanisms encourage employees to take greater responsibility for their decisions at the point of care, including the selection of physicians, hospitals, outpatient clinics and pharmaceuticals. Employees assume greater responsibility for evaluating value and cost when selecting medical coverage.

2. Dental

As shown in Table DSR-9 below, SCG's forecasted Test Year 2012 dental expense is \$3.675 million.

Dental	Thousands of 2009 \$				
	2009	2010	2011	2012	2009-2012 Change
Dental Expense	\$3,305	\$3,542	\$3,672	\$3,675	\$370

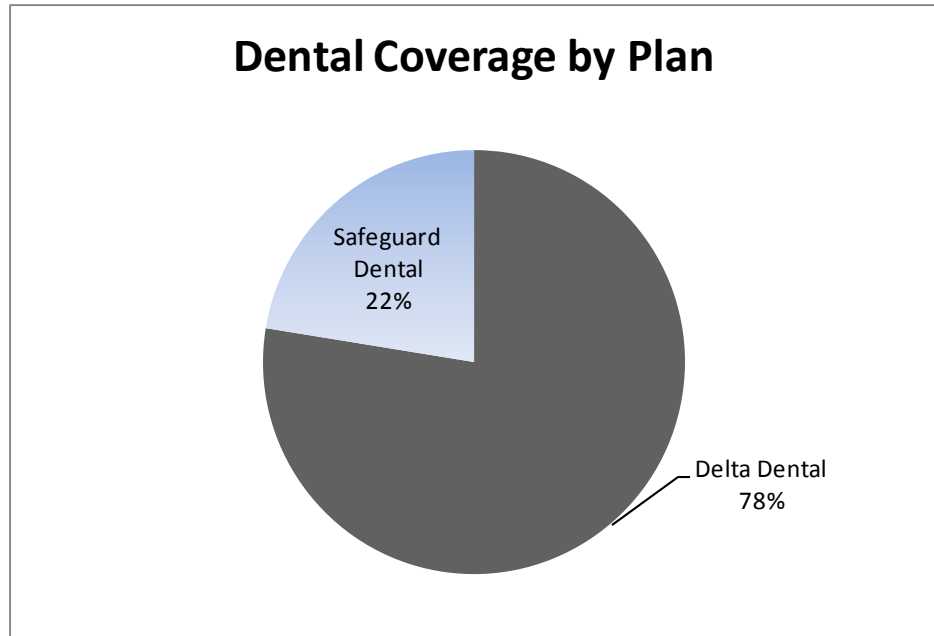
Table DSR-9

1 (a) Dental Plan Overview:

2 SCG offers two dental plans to its employees and their eligible dependents:

- 3 • Delta Dental Plan
- 4 • Safeguard Dental Plan

5 As shown in Figure DSR-5, most employees (78 percent) are covered by the
6 Delta Dental plan.



7
8
9 Figure DSR-6

10 Employees enrolled in Delta Dental may select any dentist, but out-of-pocket
11 costs are lower if the employee selects a dentist within Delta Dental's PPO network.
12 The Safeguard Dental plan is a dental maintenance organization. Like a medical HMO,
13 all care is coordinated through the employee's primary care dentist.

14 (b) Dental Cost Trends

15 In 2009, SCG entered into a three-year contract with Delta Dental. Rates are
16 guaranteed from 2010 through 2012. The rate increase from 2009 to 2010 reflects actual
17 rates. Due to the three-year rate guarantee, the cost per employee is flat from 2010
18 through 2012. However, total costs reflect an increase in projected headcount.

19 (c) Dental Cost per Employee

20 The company's average dental cost of \$810 per covered employee approximates
21 the 2010 benchmark average cost data as reported by Towers Watson.

1 (d) Employee Contributions

2 SCG pays 80 percent of the premium cost for the Delta Dental plan while
3 employees pay the remaining 20 percent. SCG pays the full cost of the SafeGuard plan.

4 **3. Vision**

5 As shown in Table DSR-10 below, SCG’s forecasted Test Year 2012 vision
6 expense is \$487 thousand.

Vision	Thousands of 2009 \$				
	2009	2010	2011	2012	2009-2012 Change
Vision Expense	\$490	\$470	\$487	\$487	(\$3)

7
8
9 Table DSR-10

10 (a) Vision Plan Overview:

11 SCG offers vision coverage under the Vision Service Plan (VSP) and, for
12 represented employees only, the Safeguard Premier Vision Plan. Eighty-six percent of
13 employees elect vision coverage. Of these employees, 74 percent are covered under the
14 VSP and 26 percent are covered under the Safeguard Premier Vision Plan.

15 Employees enrolled in VSP may select any provider, but out-of-pocket costs are
16 lower if the employee selects a provider within VSP’s network. The plan provides a
17 higher benefit if a network provider is used, resulting in little or no expense above the co-
18 payment.

19 The Safeguard Premier Vision Plan is a vision maintenance organization. Like a
20 medical HMO, all care is coordinated through the employee’s vision care specialist.

21 (b) Vision Plan Costs:

22 Vision coverage is experience rated and future premiums are based on the prior
23 year’s utilization history. Costs for 2009 and 2010 reflect actual rates and participation.
24 The cost per covered employee is forecasted to remain flat for 2010 through 2012.

25 (c) Employee Contributions:

26 SCG pays the full premium for employee-only coverage. Employees are
27 responsible for the full cost of dependent coverage under both plan options (VSP or
28 Safeguard Premier).

1 **4. Wellness**

2 As shown in Table DSR-11 below, SCG’s forecasted Test Year 2012 wellness
3 program expense is \$795 thousand.

Wellness	Thousands of 2009 \$				
	2009	2010	2011	2012	2009-2012 Change
Wellness	\$487	\$724	\$745	\$795	\$308

4
5 Table DSR-11

6 (a) Wellness Programs Overview:

7 The objective of the SCG wellness program is to improve employee health and
8 productivity. Wellness programs promote healthy lifestyle changes and illness
9 prevention, facilitate early detection and management of illness and disease, and help
10 ensure that employees diagnosed with health conditions receive optimal and effective
11 treatment. Employers are uniquely positioned to reach employees with these programs.
12 Onsite programs, in particular, provide convenient, easy access and encourage
13 participation through peer and leadership examples.

- 14 • Healthy Lifestyle and Illness Prevention: SCG partners with
15 health care providers and non-profit agencies to offer classes and
16 educational materials to promote healthy behaviors to prevent
17 illness. Current programs include a gym membership fitness
18 subsidy, worksite fitness programs, weight management, stress
19 management, and smoking cessation. Annual onsite influenza
20 vaccinations greatly increase the number of employees protected
21 from influenza, resulting in reduced time off due to illness.
- 22 • Early Detection and Disease Management: Educational worksite
23 presentations promote healthy lifestyle choices, such as good
24 nutrition, and address management of chronic conditions, such as
25 asthma, diabetes, and cardiovascular disease. These educational
26 programs, combined with health risk assessments and onsite
27 screenings, facilitate early detection and intervention and help

1 employees manage their health, reducing the need for emergency
2 treatment and preventing disease progression.

- 3 • **Optimal and Effective Treatment of Serious Health Conditions:**
4 For employees and dependents facing serious health conditions,
5 the Best Doctors program provides a comprehensive review of the
6 diagnosis and treatment plan by a team of physicians recognized
7 by peers as the top specialists in their respective areas. As a result
8 of Best Doctors' review, in 16 percent of the cases, there were
9 changes to the original treatment plan or diagnosis. Ensuring
10 correct and appropriate treatments of illness and disease facilitates
11 a quicker recovery and return to work and reduces healthcare
12 costs.

13 Wellness programs are a common benefit in the external marketplace. According
14 to the 2009 Kaiser Family Foundation Employer Health Benefits survey, ninety-three
15 percent (93%) of companies with 200 or more employees offer a wellness program.

16 (b) Wellness Program Costs:

17 Wellness program costs are projected to increase from 2009 through 2012 due to
18 additional onsite health screenings and headcount escalation.

19 **5. Employee Assistance Plan (EAP) and Mental Health and Substance**
20 **Abuse**

21 As shown in Table DSR-12 below, SCG's forecasted Test Year 2012 Employee
22 Assistance Plan (EAP) and mental health and substance abuse expense is \$2.070 million.

EAP and Mental Health	Thousands of 2009 \$				
	2009	2010	2011	2012	2009-2012 Change
Employee Assistance Plan	\$719	\$719	\$740	\$760	\$41
Mental Health	\$962	\$1,035	\$1,169	\$1,310	\$348
Total	\$1,681	\$1,754	\$1,909	\$2,070	\$389

23 Table DSR-12

24 (a) EAP and Mental Health and Substance Abuse Programs Overview:

25 EAP and mental health and substance abuse programs reflect SCG's commitment
26 to employee health and a safe workplace environment. SCG is required by the Drug Free
27

1 Workplace Act of 1988 and the Department of Transportation (DOT) to have an EAP
2 program available to its employees.

3 EAP provides employees and their eligible dependents with cost-effective,
4 confidential counseling and treatment services for various personal problems that may
5 have a negative impact on job performance. The programs have been effective in
6 reducing absenteeism, improving productivity, reducing the number of accidents, and
7 improving employee job performance.

8 In addition, EAP vendors support managers and supervisors in handling sensitive
9 employee issues such as workplace violence, substance abuse, crisis management and
10 employee morale. Situations in which the EAP vendors have provided assistance include
11 violence in the workplace, realignment and downsizing, co-worker deaths, and mitigating
12 workplace impacts of events such as riots, earthquakes, fires and terrorism.

13 Employees are eligible to receive five private counseling sessions per year, either
14 over the phone or in person, of up to one hour per session. EAP services also include
15 unlimited access to the 24-hour crisis hotline, seven days per week. In addition,
16 employees can call or access the website for referrals to legal and financial counseling
17 services and receive discounted rates.

18 Ongoing treatment beyond what is covered under the EAP or treatment for more
19 serious mental health and substance abuse conditions is covered under the mental health
20 and substance abuse benefit. Mental health and substance abuse services include
21 individual counseling sessions for issues such as psychological and emotional conditions,
22 life management, all addictions, job-related problems, and relationship issues. Benefits
23 include coverage for both inpatient and outpatient services.

24 Under the Mental Health Parity and Addiction Equity Act, mental health and
25 substance abuse services are available on an unlimited basis and charged at the same
26 costs, similar to any other illness or condition that is covered through our medical plans.

27 (b) EAP and Mental Health and Substance Abuse Program Costs:

28 EAP administrative fees for counseling sessions by a third-party provider are
29 included in monthly per capita rates. Also included are ten hours of training and four
30 hours of Critical Incident Stress Debriefing services. Fees are charged for any additional

1 training programs developed and presented by the EAP vendor, on an hourly basis, as
2 needed.

3 Mental health and substance abuse administrative fees are also provided for in
4 monthly per capita rates. Addition fees are charged to the company, on a monthly basis,
5 for individual employee claims for inpatient, outpatient and substance abuse services.

6 The cost forecast, as shown in Table DSR-12 above, assumes that EAP and
7 mental health costs follow the same escalation trend as medical expenses.

8 **C. Welfare Benefits**

9 Welfare benefits provide financial resources to employees in the event of injury
10 or disability and to survivors in the event of the employee's death. This testimony
11 focuses on survivor benefits, which include life insurance, accidental death and
12 dismemberment insurance (AD&D), and business travel insurance. Disability and
13 workers compensation benefits are covered in the testimony of Sarah Edgar (SCG-21). A
14 summary of projected Test Year 2012 welfare benefit expenses is shown below in Table
15 DSR-13:

Welfare Benefits	Thousands of 2009 \$				
	2009	2010	2011	2012	2009- 2012 Change
AD&D Insurance	\$24	\$34	\$36	\$37	\$13
Business Travel Insurance	\$24	\$34	\$34	\$35	\$11
Life Insurance	\$866	\$809	\$885	\$906	\$40
Total	\$914	\$877	\$955	\$978	\$64

16 Table DSR-13

17 **1. Accidental Death and Dismemberment**

18 SCG provides employees with basic Accidental Death and Dismemberment
19 insurance coverage equal to one times annual pay (base salary plus ICP, if applicable).
20 Coverage is adjusted each year to reflect increases or decreases in employee pay. AD&D
21 insurance provides a level of protection and additional security to employees and their
22 families in the event of a tragic accident. Premiums for AD&D coverage are projected to
23 remain flat at \$0.192 per \$1,000 of coverage. Cost increases are due to wage and
24 headcount escalation.
25

1 **2. Business Travel Insurance**

2 The company provides an additional life insurance benefit that covers employees
3 while traveling for business purposes. The coverage amount is \$400,000. Premiums are
4 expected to increase by approximately 2% per year.

5 **3. Life Insurance**

6 SCG provides employees with basic life insurance coverage equal to one times
7 annual pay (base salary plus ICP, if applicable). Coverage is adjusted each year to
8 reflect increases or decreases in employee pay. Basic life insurance is a cost-effective
9 benefit that provides employees with peace of mind in knowing that a financial safety net
10 will be provided to their beneficiaries in the event of a premature death.

11 The premium per \$1,000 of coverage is projected to remain flat. Cost increases
12 are due to wage and headcount escalation.

13 **D. Retirement Plans**

14 SCG retirement benefits provided to all regular employees include a defined
15 benefit pension plan for represented employees and a cash balance program for non-
16 represented employees, a defined contribution (401k) retirement savings plan, and post-
17 retirement health and welfare benefits. Employees whose benefits or pay exceed Internal
18 Revenue Service (“IRS”) limitations specified under the IRC also participate in the Cash
19 Balance Restoration Plan, which maintains participation at the same percentage level as
20 all other employees. Certain management employees participate in a nonqualified
21 retirement savings plan, or deferred compensation plan.

22 This testimony focuses on the 401(k) retirement savings plan, the nonqualified
23 deferred compensation plan and the supplemental pension plans. The defined benefit
24 pension plan, cash balance program and post-retirement health and welfare benefits are
25 covered in the testimony of David Sarkaria (SCG-20).

26 **1. Retirement Savings**

27 As shown in Figure DSR-14 below, SCG’s forecasted Test Year 2012 Retirement
28 Savings Plan expense is \$13.791 million.

Retirement Savings Plan	Thousands of 2009 \$				
	2009	2010	2011	2012	2009-2012 Change
Retirement Savings Plan	\$12,447	\$12,817	\$13,547	\$13,791	\$1,344

Table DSR-14

(a) Retirement Savings Plan Overview:

The SCG Retirement Savings Plan (RSP) provides employees with a tax-advantaged means of saving for retirement. Approximately 88 percent of employees participate in the plan. Employees are eligible to participate in the plan upon hire. SCG encourages participation in the plan by providing a company matching contribution equal to 50 percent of employee contributions, up to 6 percent of eligible pay. Participation is further encouraged through auto-enrollment of new hires.

Company matching contributions apply to pre-tax and after-tax contributions so employees may continue to save even after reaching the IRS pre-tax contribution limit (\$16,500 in 2010 with an additional “catch-up” contribution limit of \$5,500 for employees age 50 and older). Non-represented employees may also receive an incentive contribution, based on company performance, of 0 percent to 1 percent of base pay. Participants are fully vested in both employee and company contributions and accumulated investment earnings.

(b) Retirement Savings Plan Costs:

Projected cost increases are primarily due to wage and headcount escalation. Participation is projected to increase slightly (less than 1%).

2. Nonqualified Savings Plan:

As shown in Figure DSR-15 below, SCG’s forecasted Test Year 2012 expense for company matching contributions under the nonqualified retirement savings plan is \$146 thousand.

Nonqualified Retirement Savings Plan	Thousands of 2009 \$				
	2009	2010	2011	2012	2009-2012 Change
Nonqualified RSP	\$135	\$138	\$143	\$146	\$11

Table DSR-15

1 The nonqualified retirement savings plan, or deferred compensation plan, allows
 2 pre-tax contributions for employees subject to IRS compensation and contribution limits.
 3 Company matching contributions under the plan are identical to company matching
 4 contributions under the RSP.

5 **3. Supplemental Pension**

6 As shown in Figure DSR-16 below, SCG’s forecasted Test Year 2012 expense for
 7 supplemental pension plans is \$2.07 million.

Supplemental Pension	Thousands of 2009 \$				
	2009	2010	2011	2012	2009-2012 Change
Supplemental Pension	\$835	\$2,230	\$2,970	\$2,070	\$1,235

8
 9 Table DSR-16

10 SCG offers two supplemental pension plans, the Supplemental Executive
 11 Retirement Plan, which covers a small number of senior executives, and the Cash
 12 Balance Restoration Plan.

13 The Cash Balance Restoration Plan restores benefits for employees whose
 14 earnings or benefits exceed the limitations established by the Employee Retirement and
 15 Income Security Act. Employees who earn in excess of \$245,000 per year (2010
 16 earnings limit) continue to accrue retirement benefits once they exceed the limits
 17 imposed by ERISA and IRS regulations. Benefits are accrued under the same formula
 18 and are subject to the same vesting conditions as the broad-based retirement plan. The
 19 plan merely restores benefits that would otherwise be lost due to statutory limits under
 20 broad-based retirement plans.

21 Supplemental retirement benefits form an important component of the total
 22 reward package for key managers, directors, attorneys and executives. These plans are a
 23 key component of a competitive compensation and benefits package to attract and retain
 24 the leadership talent required to operate the company.

25 Cost forecasts represent the projected benefit payments. These include future
 26 benefit payments to current retirees receiving monthly annuity benefits or annual
 27 installments, vested terminated employees entitled to future benefits, and active
 28 employees entitled to, or expected to be entitled to, plan benefits. As with other

1 contingent cash flows, the amount and timing of future benefit payments are based on
 2 actuarial assumptions such as the lump sum rate, future salary increases, and mortality
 3 and retirement rates.

4 While retirees and vested terminated participants have somewhat predictable
 5 benefit payments, future benefit payments to current active employees can vary
 6 significantly from forecasted amounts in any given year since the plan population is
 7 relatively small and benefits are generally paid as lump sums. However, over a longer
 8 period of time, aggregate expected benefit payments will converge to actual payments.

9 2009 recorded data reflects that overall retirements were lower due to economic
 10 conditions and that no executives retired in that year.

11 **E. Other Benefit Program Expenses**

12 The company offers a number of benefit programs that are designed to provide
 13 opportunities to enhance financial and technical knowledge through external education
 14 programs, reduce lost time, and promote a collaborative team-oriented environment. In
 15 addition, certain recognition programs are designed to engender a work environment that
 16 recognizes the value of our most critical asset – the employees. A summary of projected
 17 costs to support SCG’s other benefit programs is included in Table DSR-17:

Other Benefit Programs	Thousands of 2009 \$				2009-2012 Change
	2009	2010	2011	2012	
Benefits Administration Fees	\$1,353	\$1,255	\$1,158	\$1,189	(\$164)
Educational Assistance	\$722	\$771	\$819	\$841	\$119
Emergency Childcare	\$81	\$144	\$149	\$149	\$68
Mass Transit Incentive	\$303	\$364	\$376	\$376	\$73
Retirement Activities	\$137	\$140	\$143	\$147	\$10
Service Recognition	\$158	\$217	\$252	\$200	\$42
Special Events	\$362	\$415	\$440	\$452	\$90
Total	\$3,116	\$3,306	\$3,337	\$3,354	\$238

18 Table DSR-17
 19

20 **1. Benefit Administration Fees and Services**

21 As shown in Figure DSR-18 below, SCG’s forecasted Test Year 2012 expense for
 22 benefit administration and services fees is \$1.189 million.

Benefits Administration Fees	Thousands of 2009 \$				
	2009	2010	2011	2012	2009-2012 Change
Benefits Administration Fees	\$1,353	\$1,255	\$1,158	\$1,189	(\$164)

Table DSR-18

Benefit administration and service fees include fees for legally required audits, third-party administrator and record-keeper fees, actuarial and other professional services and the cost of benefit communication materials. These fees include:

- Legally required audits: audits of the Retirement Savings Plan, medical plan, and post-retirement medical and life insurance plans.
- Third-party administrator and record-keeper fees: administrative fees to record-keepers, claims administrators, and other third-party providers that administer programs such as the health, dependent care and transportation flexible spending account reimbursements; and COBRA enrollments.
- Actuarial and other professional services: professional fees associated with actuarial valuations of the benefit plans, the cost of the Total Compensation Study jointly sponsored by the DRA and SCG, and consulting related to various benefit plan issues.
- Benefit communication materials: annual open enrollment communications, summary plan descriptions, summary annual reports, and benefits education.

Projected expenses for 2011 and 2012 are slightly lower than 2009 recorded costs due to lower projected costs for consulting.

2. Educational Assistance

As shown in Figure DSR-19 below, SCG's forecasted Test Year 2012 expense for the Professional Development Assistance Program is \$841 thousand.

Educational Assistance	Thousands of 2009 \$				
	2009	2010	2011	2012	2009-2012 Change
Educational Assistance	\$722	\$771	\$819	\$841	\$119

Table DSR-19

1 The Professional Development Assistance Program (PDAP) provides
2 reimbursement of tuition for degree and certificate programs that maintain or enhance the
3 skills necessary to perform current or prospective jobs within the company. The program
4 is open to all regular full-time employees and it is a key part of SCG's efforts to develop
5 employees and promote from within the company to supervisory and management
6 positions. Program participation reflects SCG's strong commitment to diversity. Over
7 seventy percent of the participants are minorities.

8 Objectives of the program are as follows:

- 9 • Encourage life-long learning and development of new skills that
10 are consistent with the company's business objectives;
- 11 • Promote employee retention by facilitating career paths that lead to
12 positions of greater responsibility or enhancement of knowledge
13 and understanding regarding current position responsibilities;
- 14 • Provide a competitive advantage when recruiting new employees;
15 and
- 16 • Allow the company to effectively implement succession planning
17 using internal resources and thereby reducing the expense
18 associated with recruiting qualified external hires to fill key
19 positions within the organization.

20 The PDAP policy limits the annual benefit to \$5,250 of qualified reimbursements,
21 the maximum annual amount of monetary assistance that an employee may exclude from
22 personal income tax liability under a qualified program. Although other Fortune 500
23 companies may offer slightly higher educational reimbursement, the \$5,250 cap allows
24 the company to control costs while continuing to offer a competitive benefit.

25 The 2009 through 2012 expense forecast assumes that the number of participants
26 increases from 231 in 2009 to 251 in 2012. The cost increase also reflects a 2%
27 escalation in program costs per participant.

28 **3. Emergency Day Care**

29 As shown in Figure DSR-20 below, SCG's forecasted Test Year 2012 expense for
30 the backup childcare program is \$149 thousand.

Emergency Childcare	Thousands of 2009 \$				2009-2012 Change
	2009	2010	2011	2012	
Emergency Childcare	\$81	\$144	\$149	\$149	\$68

Table DSR-20

The backup childcare program provides emergency childcare services when an employee's primary childcare resource is unavailable. This program reduces unplanned absences and work time lost due to breakdowns in childcare arrangements. This program is critical to employees who must report to work during emergencies such as wildfires and earthquakes when schools and day care centers are closed.

Employees with children from three months to 13 years old may access services through ChildrenFirst/Bright Horizons in both emergency situations and non-emergency situations including the business travel, relocation, school closings, and return from maternity or parental leave.

Program costs are projected to increase by 5 percent per year from 2011 and 2012.

4. Mass Transit Incentive

As shown in Table DSR-21 below, SCG's forecasted Test Year 2012 expense for the mass transit incentive program is \$376 thousand.

Mass Transit Incentive	Thousands of 2009 \$				2009-2012 Change
	2009	2010	2011	2012	
Mass Transit Incentive	\$303	\$364	\$376	\$376	\$73

Table DSR-21

The transportation program provides transit subsidies for employees who use public transportation, vanpools and carpools. The program supports the company's compliance with South Coast Air Quality Management District Rule 2202 – Rideshare for sites with 250 or more employees. The objective of Rule 2202 is to offer a menu of flexible and cost-effective emission reduction strategies designed to meet emission reduction targets for targeted sites. SCG has maintained traditional rideshare plans at four mandated sites and also purchases Mobile Source Emission Reduction Credits (MSERCs) to satisfy any shortfall in Rule 2202 requirements.

1 The cost forecast assumes that the participation ratio (number of participants as a
 2 percentage of the total workforce) remains constant while the number of participants
 3 increases from 518 employees to 561 employees due to increases in total headcount.

4 **5. Retirement Activities**

5 As shown in Table DSR-22 below, SCG’s forecasted Test Year 2012 expense for
 6 retirement activities is \$147 thousand.

Retirement Activities	Thousands of 2009 \$				2009-2012 Change
	2009	2010	2011	2012	
Retirement Activities	\$137	\$140	\$143	\$147	\$10

7
8 Table DSR-22

9 Upon retirement, the company gives the employee a retirement gift and hosts a
 10 retirement breakfast in recognition of past service and contribution to the company’s
 11 success.

12 The cost of retirement activities is expected to increase slightly from \$137
 13 thousand in 2009 to \$147 thousand in 2012 due to inflation.

14 **6. Service Recognition**

15 As shown in Figure DSR-23 below, SCG’s forecasted Test Year 2012 expense for
 16 service recognition is \$200 thousand.

Service Recognition	Thousands of 2009 \$				2009-2012 Change
	2009	2010	2011	2012	
Service Recognition	\$158	\$217	\$252	\$200	\$42

17
18 Table DSR-23

19 Service recognition awards are given to employees on their fifth anniversary and
 20 every five years thereafter. Employees select a specific item from a group of awards that
 21 vary depending on years of service.

22 Most employers have a service recognition program, with five years being the
 23 standard milestone for length of service designs. Recognizing service supports our goals
 24 of demonstrating appreciation for and retaining a high quality, tenured and
 25 knowledgeable work force.

1 The 2009 through 2012 increase is based on the actual number of service
2 anniversary dates occurring in 2012, which is greater than the actual number of service
3 anniversary dates that occurred in 2009.

4 **7. Special Events**

5 As shown in Figure DSR-24 below, SCG's forecasted Test Year 2012 expense for
6 special events is \$452 thousand.

Special Events	Thousands of 2009 \$				2009-2012 Change
	2009	2010	2011	2012	
Special Events	\$362	\$415	\$440	\$452	\$90

7
8 Table DSR-24

9 Special Events night is a long-standing benefit highly valued by employees at all
10 levels. It is the one time a year when employees from union and management ranks from
11 all around the company gather in one place. The event site varies each year and has
12 included Knott's Berry Farm, Disneyland or Sea World.

13 **VI. COMPENSATION CONTROLS**

14 SCG continuously evaluates the external labor market to ensure that its
15 compensation and benefits package is competitive and cost-effective. The company's
16 pay structure and guidelines used by human resources and managers to administer pay
17 support this objective. This section describes how the company uses external market data
18 and internal controls to maintain a competitive compensation and benefits package
19 necessary to attract, motivate and retain its workforce.

20 **A. External Compensation Surveys**

21 **1. Non-Executive Jobs:**

22 To ensure that total compensation is reflective of the external labor markets,
23 Sempra Energy's compensation and benefits departments participate in a number of
24 professional surveys. Survey databases purchased from major consulting firms include:
25 Towers Watson, Hewitt Associates, Organization Resource Counselors, EAPDIS and
26 Radford. On occasion, third-party consultants are utilized to supplement standard
27 databases for additional survey information or to obtain information not readily available
28 from standard databases.

1 **2. Executive Jobs:**

2 SCG also uses external survey data to monitor pay for executive jobs. The
3 primary survey sources for executive compensation are the Hewitt Associates Total
4 Compensation Database and the Towers Watson executive compensation database. The
5 company also reviews executive compensation and benefits data for S&P Utilities Index
6 companies as reported in each company’s annual proxy statement.

7 **B. External Benefits Surveys:**

8 **1. Methodology for BENVAL Study**

9 SCG participates in the Towers Watson BENVAL database. This database was
10 the source of the benefits data used in the Total Compensation Study. BENVAL
11 determines values for the benefits provided by participating companies by applying a
12 standard set of actuarial methods.

13 For purposes of the Total Compensation Study, each benefit was valued
14 individually and then combined to create an overall benefits value. This overall benefits
15 value was added to cash compensation to determine a total compensation and benefits
16 value for each job in the study. A more detailed description of the benefits valuation
17 methodology is found on in the Towers Study.

18 **2. Other External Benefits Data:**

19 SCG also participates in the Kaiser Foundation’s annual benefits survey and
20 subscribes to the Corporate Leadership Council’s Benefits Roundtable.

21 **C. Internal Review**

22 In addition to conducting and reviewing salary surveys, adequate internal controls
23 are in place to maintain competitive and equitable pay. SCG provides salary and
24 incentive compensation planning budget guidelines, and pay administration guidelines
25 for managers to use to administer employee pay. The compensation staff conducts job
26 studies to review new and existing jobs for placement in pay ranges, reviews jobs for
27 compliance with Fair Labor Standards Act (FLSA) and California State Wage and Hour
28 laws, and conducts annual pay equity reviews of total compensation for Office of Federal
29 Contract Compliance Programs (OFCCP) compliance. Policies and procedures are
30 established to conform to the Sarbanes-Oxley Act.

1 Pay for SCG executives is reviewed and approved by the SCG Board of
2 Directors. The SCG Board of Directors sets the ICP performance measures for all
3 executive and non-executive ICP. The board reviews and approves ICP results after the
4 results are audited by the Sempra Energy Audit Services department. Results for
5 financial measures are also audited by the company's external auditor, Deloitte.

6 The Compensation Committee of the Sempra Energy Board of Directors reviews
7 and approves pay and incentive plan performance measures for top Corporate Center
8 executive jobs with assistance from its independent external consultant, Exequity.

9 **VII. SEMPRA ENERGY CORPORATE CENTER - COMPENSATION &**
10 **BENEFITS**

11 The compensation and benefit programs provided to employees at Sempra Energy
12 Corporate Center (SECC) are comparable with those provided to SCG employees. As
13 previously discussed, compensation and benefits were evaluated in conjunction with
14 Towers Watson's Total Compensation Study (see Appendix I) and found to be within
15 market. Consequently, the discussion presented in Sections I thru VI is directly
16 applicable to SECC. As noted in the Towers study, an allocation of SECC jobs was
17 included in the SCG evaluation of total compensation. Allocated SECC positions were
18 consolidated in the various job categories (i.e., Professional/Technical, Clerical,
19 Professional/Technical, Managerial/Supervisory and Executive).

20 Corporate Center compensation and benefits expenses and the allocations of these
21 expenses to SCG using labor overhead rates are discussed in Bruce Folkmann's
22 Corporate Center testimony (SCG-17).

23 This concludes my prepared direct testimony.
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VIII. QUALIFICATIONS

A. Witness Debbie S. Robinson – Compensation Services Manager

My name is Debbie S. Robinson. My business address is 101 Ash Street, San Diego, California. My current position is Compensation Services Manager for Sempra Energy. My present responsibilities include managing Sempra Energy’s overall broad-based compensation programs and executive compensation and benefit programs. Prior to my current position, I was responsible for management of the company’s health and welfare benefit programs.

Sempra Energy’s Compensation and Benefits department supports the Sempra Energy Corporate Center and Sempra Energy’s other business units including San Diego Gas & Electric and the Southern California Gas Company.

I have Bachelor of Arts degrees in International Business, Spanish and French from Baker University in Baldwin City, Kansas. I also have an International Masters in Business Administration degree with a concentration in finance from the University of South Carolina in Columbia, South Carolina.

I hold the Certified Employee Benefits Specialist (CEBS), Certified Compensation Professional (CCP), Certified Benefits Professional (CBP), and Global Remuneration Professional (GRP) designations.

I joined Sempra Energy in 2000 and have held various positions within the Compensation and Benefits and Corporate Financial Planning areas. Prior to being employed by Sempra Energy, I held various finance and compensation positions with Sprint in Kansas City, Missouri.

I have not previously testified before the Commission.

APPENDIX I

TOWERS WATSON TOTAL COMPENSATION STUDY



2012 General Rate Case Total Compensation
Study

Southern California Gas
Company

August 3, 2010

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IX. Introduction

Towers Watson was selected by Sempra Energy (on behalf of Southern California Gas Company) and the California Public Utilities Commission, Division of Ratepayer Advocates (DRA), to conduct a total compensation study (“study”) of selected representative jobs at Southern California Gas Company (SCG) for the purpose of assessing the competitiveness of SCG’s total compensation. The study was conducted as part of SCG’s 2012 General Rate Case (GRC) filing.

The approach for conducting the study and reporting the results involved representatives from Sempra Energy Compensation and Benefits Department, DRA, and Towers Watson working together as a study team (Study Team). Study Team decisions concerning methodology, the rationale for making these decisions, and various points of view are referenced in this report and in the Study Team meeting notes (Appendix F).

Members of the Study Team included:

- Marek Kanter, Energy Cost of Service and Natural Gas Branch, Program and Project Supervisor
- David Sarkaria, Sempra Energy Director Compensation and Benefits
- Debbie Robinson, Sempra Energy Compensation Services Manager
- Ann Gallagher, Sempra Energy Principal Compensation Advisor
- Chuck Manzuk, SDG&E/SoCalGas Regulatory Case Manager
- Lane Ringlee, Towers Watson
- Dean Stoutland, Towers Watson
- Marizu Madu, Towers Watson
- Maggie Tang, Towers Watson
- Tina Gay, Towers Watson
- John Goudelias, Towers Watson.

The results of the study and background on the process, methodology, assumptions, and information used to conduct this study are included in this report.

X. Scope of Study

This study evaluates the competitiveness of total compensation provided by SCG to its employees based on a selection of SCG jobs (“benchmark jobs”). Benchmark jobs are those positions that are common across comparable organizations and for which total compensation data are available from published surveys. 241 benchmark jobs at SCG are covered by the study, representing 5,026 SCG employees (68% percent of 7,391 total SCG employees⁶) as of April 1, 2010. The employee categories represented by the benchmark jobs selected by SCG, DRA, and Towers Watson are:

- Executive
- Manager/Supervisor
- Professional/Technical
- Physical/Technical
- Clerical.

Total compensation is defined as total direct compensation (base salary, short-term incentives, the annualized expected value of long-term incentives (i.e., stock options, restricted stock, performance share, and cash long-term incentive plans, if applicable), plus the value of employee benefits. The methodology examines each of the elements of total direct compensation and benefits separately, and then combines the values to obtain total compensation. The total compensation valuations and comparisons in the study were based on the following components of total compensation:

- Actual and target total direct compensation
 - Base salary
 - Actual short-term incentives (actual amounts paid in 2010) and target awards
 - Actual annualized expected values of long-term incentives (actual awards in 2010)
- Employee benefits
 - Defined benefit pension and defined contribution retirement plans
 - Supplemental non-qualified retirement plans (restoration and supplemental retirement plans)
 - Pre-retirement and post-retirement medical, dental and vision plans
 - Long-term disability plans
 - Pre-retirement and post-retirement life insurance (group life and accidental death and dismemberment).

To determine competitive standing, total compensation levels for SCG benchmark jobs were compared to total compensation levels for similar positions at comparable employers. A group of utility industry and general industry companies was selected as comparable employers (“peer companies”). These peer companies are referred to as the “competitive market” in the comparison of total compensation. See pages 12 and 14 for the list of the peer companies used in the study.

XI. Overview of Study Results

Towers Watson concludes that SCG’s total compensation level for all SCG jobs is estimated to be 3.2 percent above the average (mean) of the competitive market. The study results are presented below in Table IA. The table shows SCG’s competitive standing for each element of total compensation.

⁶ Excludes temporary and contract workforce employees. Includes Sempra Energy Corporate Center employees.

1. Table IA: SCG (Including Corporate Center¹) versus Market — Competitive Summary

SCG Employee Category	SCG Total # of Employees (EEs) ²	SCG EEs in Study	SCG Target Total Cash ³ (\$000s)	SCG Target Total Cash Weighting	Variance — SCG Benchmark Jobs vs. Competitive Market Average						
					Base Salary	Actual Total Cash ⁴	Target Total Cash ⁴	Benefits	Long-Term Incentives	Actual Total Comp. ⁵	Target Total Comp. ⁵
Executive	11	5	\$4,858	0.9%	-13.2%	-2.1%	-15.0%	17.7%	-10.4%	-2.7%	-10.8%
Manager/ Supervisor	878	633	\$98,367	18.1%	-1.7%	7.1%	1.4%	12.8%	-22.2%	7.8%	3.1%
Professional/ Technical	1,042	579	\$97,786	18.0%	-2.8%	9.0%	3.1%	14.1%	-18.7%	9.0%	4.1%
Physical/ Technical	3,212	2,068	\$220,868	40.7%	8.1%	4.4%	1.5%	10.6%	N/A	5.9%	3.3%
Clerical	2,350	1,822	\$120,430	22.2%	1.9%	-0.7%	0.6%	11.5%	N/A	2.3%	2.9%
Total⁶	7,492	5,107	\$542,309	100.0%	2.8%	4.5%	1.4%	11.9%	-7.5%	5.9%	3.2%

¹ Includes 20.2% of total Corporate Center employees, actual and target compensation dollars and results, based on a formula related to Corporate Center operation and maintenance expense.

² SCG's population, including distribution of Corporate Center employees.

Reflects post-reorganization structure for Executives and pre-reorganization structure for all other employee categories.

³ For Executives, target total cash reflects base pay and target annual incentives following Sempra Energy's reorganization; for all other employees, target total cash reflects base pay and target annual incentives prior to Sempra Energy's reorganization.

⁴ Actual total cash reflects base pay plus short-term (annual) incentives; target total cash reflects base pay plus target short-term incentive opportunity.

⁵ Actual total compensation is defined as actual total cash plus benefits and long-term incentives;

target total compensation is defined as target total cash plus benefits and long-term incentives.

B. ⁶ Results weighted by SCG target total cash compensation for all jobs, both benchmark and non-benchmark.

A portion of the results for Corporate Center jobs that serve SCG has been distributed to it for study purposes and are included in Table IA. The team decided to include a portion of the Corporate Center results. The team recognized that if the functions performed by the Corporate Center did not exist, SCG would have to hire new employees to perform those tasks.

The methodology used to distribute Sempra Energy Corporate Center jobs was based on the aggregate 2009 Operation and Maintenance expense from all of the various Corporate Center functions (i.e., Human Resources, External Affairs, Finance, and Legal). The distribution factor included labor and non-labor expenses (including those parent company costs that are not distributable). The expense factors used to distribute Sempra Energy Corporate Center results were: SDG&E (20.4%) and SCG (20.2%).

Based on these factors, SCG study results shown in Table IA include 20.2% of the Sempra Energy Corporate Center employees, payroll, and percentage relationship to market for each element of compensation.

For reference, Table IB shows study results for SCG before Corporate Center distribution. SCG target total compensation before Corporate Center distribution is 3.0 percent above market. See Appendix B for full Corporate Center results.

C. Table IB: SCG (Excluding Corporate Center) versus Market — Competitive Summary

SCG Employee Category	SCG Total # of Employees (EEs) ¹	SCG EEs in Study	SCG Target Total Cash ² (\$000s)	SCG Target Total Cash Weighting	Variance — SCG Benchmark Jobs vs. Competitive Market Average						
					Base Salary	Actual Total Cash ³	Target Total Cash ³	Benefits	Long-Term Incentives	Actual Total Comp. ⁴	Target Total Comp. ⁴
Executive	9	4	\$3,654	0.7%	-17.4%	-6.3%	-18.8%	11.3%	-23.0%	-10.5%	-17.9%
Manager/Supervisor	857	621	\$94,447	17.9%	-1.9%	6.9%	1.3%	12.5%	-52.1%	7.6%	3.0%
Professional/Technical	983	530	\$90,469	17.1%	-3.6%	8.6%	2.5%	13.5%	N/A	8.3%	3.3%
Physical/Technical	3,211	2,068	\$220,821	41.8%	8.1%	4.4%	1.5%	10.6%	N/A	5.9%	3.3%
Clerical	2,331	1,803	\$119,237	22.6%	2.0%	-0.7%	0.6%	11.5%	N/A	2.2%	2.9%
Total⁵	7,391	5,026	\$528,628	100.0%	2.8%	4.3%	1.3%	11.6%	-9.5%	5.7%	3.0%

¹ SCG's population; reflects post-reorganization structure for Executives and pre-reorganization structure for all other employee categories.

² For Executives, target total cash reflects base pay and target annual incentives following Sempra Energy's reorganization; for all other employees, target total cash reflects base pay and target annual incentives prior to Sempra Energy's reorganization.

³ Actual total cash reflects base pay plus short-term (annual) incentives; target total cash reflects base pay plus target short-term incentive opportunity. for all other employees, target total cash reflects base pay and target annual incentives prior to Sempra Energy's reorganization.

⁴ Actual total compensation is defined as actual total cash plus benefits and long-term incentives;

target total compensation is defined as target total cash plus benefits and long-term incentives.

D. ⁵ Results weighted by SCG target total cash compensation for all jobs, both benchmark and non-benchmark.

Competitive positioning by employee category for SCG including Corporate Center (see Table IA) are as follows:

E. Executive

Target total compensation for the Executive jobs is 10.8 percent below the average of the competitive market.

F. Manager/Supervisor

Target total compensation for the Manager/Supervisor jobs is 3.1 percent above the average of the competitive market.

G. Professional/Technical

Target total compensation for the Professional/Technical jobs is 4.1 percent above the average of the competitive market.

H. Physical/Technical

Target total compensation for the Physical/Technical jobs is 3.3 percent above the average of the competitive market.

I. Clerical

Target total compensation for the Clerical jobs is 2.9 percent above the average of the competitive market.

J. INTERPRETATION OF RESULTS BY TOWERS WATSON

Towers Watson considers +/- 10 percent of the average or mean of the competitive market to be the range of competitiveness. This range is generally considered by compensation professionals to be a standard of competitiveness. For certain components of compensation, such as long-term incentives and benefits, larger variances are common. Because of the variables involved — matching benchmark jobs to survey information, matching career levels, sample size, and data quality issues — in a study such as this, a range should be considered in evaluating the competitiveness of compensation. As a result, we conclude that SCG's total compensation is competitive.

K. STUDY COVERAGE OF SCG POPULATION

This competitive study is an analysis of total compensation levels for a significant sample of SCG's total employee population. Due to the large number of SCG employees in the benchmark jobs selected for this study, Towers Watson is confident that this study accurately represents the competitive positioning for the organization.

Table IIA and IIB summarize the percentage of the total SCG employee population represented by the benchmark jobs ("coverage") that this study provides. They show the number of SCG employees that are in benchmark jobs compared to the total number of SCG employees in each employee category. Please note that the total number of employees excludes part-time (except for part-time meter readers), contract, and employees on leave of absence. Overall, this study covers 68 percent of SCG's total employee population, compared to 73 percent coverage in the 2008 GRC study. Towers Watson believes that the study coverage is sufficiently high to obtain an accurate representation of the competitive positioning for SCG's total employee population.

XII. Summary of Population Coverage

1. Table IIA: Study Coverage of SCG Population (Including Corporate Center)

SCG Employee Category	Total SCG Employee Population¹	Total Employees in Benchmark Jobs	% of Total Population Represented by Benchmark Jobs
Executive	11	5	47%
Manager/Supervisor	878	633	72%
Professional/Technical	1,042	579	56%
Physical/Technical	3,212	2,068	64%
Clerical	2,350	1,822	78%
Total¹	7,492	5,107	68%

¹ Includes 20.2% of Corporate and all SCG employees as of April 1, 2010.

2. Table IIB: Study Coverage of SCG Population (Excluding Corporate Center)

SCG Employee Category	Total SCG Employee Population¹	Total Employees in Benchmark Jobs	% of Total Population Represented by Benchmark Jobs
Executive	9	4	44%
Manager/Supervisor	857	621	72%
Professional/Technical	983	530	54%
Physical/Technical	3,211	2,068	64%
Clerical	2,331	1,803	77%
Total¹	7,391	5,026	68%

¹ Includes all SCG employees as of April 1, 2010.

XIII. Supporting Documentation

The appendices to this report provide additional information that supports the study's results:

- Appendix A is a list of the SCG benchmark jobs organized by SCG employee category and includes jobs that were initially selected as benchmark jobs but were not included in the final study due to insufficient survey data. Benchmark jobs that were reviewed by DRA are also indicated.
- Appendix B is a detailed competitive summary that provides the results for each SCG benchmark job within each SCG employee category. Subtotals are provided at the end of each employee category.
- Appendix C provides the average total compensation dollars for each SCG employee category by compensation component.
- Appendix D provides the aggregate total compensation dollars for each SCG employee category by compensation component.
- Appendix E is a detailed summary of the methodology used to value employee benefits in the study.
- Appendix F provides summaries of each of the Study Team meetings. All decisions concerning methodology and the rationale for making these decisions are referenced in the Study Team meeting notes.
- Appendix G is a glossary of compensation-related terms used throughout this report.

XIV. Study Methodology

A. SCG EMPLOYEE CATEGORIES

For purposes of this study, SCG placed benchmark jobs into one of five employee categories that were defined by the Study Team. The employee categories are as follows:

- *Executive* — This category includes the limited group of officers who are responsible for the overall direction of the company. Officers of Sempra Energy who have some responsibility for utility matters were included. The Sempra Energy Chairman and Chief Executive Officer and President and Chief Operating Officer positions were excluded from the study since compensation expense for these positions is not shared by the utilities.
- *Manager/Supervisor* — Benchmark jobs in this category are classified as exempt under the Fair Labor Standards Act⁷ (FLSA). This category contains different levels of leadership jobs with primary responsibility for directing the work of others and for the final work product in a unit of the company.
- *Professional/Technical* — These benchmark jobs are individual contributors that are typically classified as exempt under the FLSA. These benchmark jobs usually require a college degree and the nature of the work involves extensive analysis and independent judgment. Most benchmark jobs in this category are not covered by a collective bargaining agreement.
- *Physical/Technical* — Benchmark jobs in this category are nonexempt under the FLSA. This category contains both field jobs requiring physical activities that are repetitive in nature and individual contributor technical jobs, such as Estimators. Physical (field) jobs are found more frequently in utility companies and are usually covered by a collective bargaining agreement. They often have formal apprenticeship programs and typically do not require college study. Technical jobs may require some college study, but a college degree is not required. Many have formal training programs in the company.
- *Clerical* — These benchmark jobs are nonexempt under the FLSA. Jobs in this group usually are located in an office environment (although there are exceptions, such as meter readers) and require activities that are generally administrative or clerical in nature. These jobs may require some college study, but a college degree is not required. Most clerical jobs at SCG are covered by a collective bargaining agreement, unlike most clerical jobs in the competitive market.

⁷ The Fair Labor Standards Act (“FLSA”) of 1938 is a federal law that governs minimum wage, overtime pay, child labor and record-keeping requirements. The law also determines the type of positions that are exempt from minimum wage and overtime provisions. Under FLSA, “nonexempt” employees must be paid one-and-a-half times their normal wage rates for all hours worked in excess of 40 in any work week. Some states, including California, require overtime pay for nonexempt positions for hours exceeding 8 worked in one day.

B. COMPETITIVE MARKET ANALYSIS

To determine competitive standing, total compensation levels for SCG's benchmark jobs were evaluated against total compensation levels for a group of comparable employers ("peer groups," "peer companies" or "competitive market") by Towers Watson. The peer group approach allowed the Study Team to target a specific group of companies that represent SCG's competitive market for labor and business.

The Study Team agreed that utility companies should be included in the peer group for benchmark jobs that require utility industry-specific knowledge, skills, and experience. Utility industry peer companies were selected as the appropriate source for benchmarking ("utility peer group").

For SCG benchmark jobs that are not specific to the utility industry, a cross section of companies with representation in SCG's local geographic labor market were selected from various industries ("general industry peer group"). The utility peer group and general industry peer group were selected as the appropriate sources for benchmarking.

C. PEER GROUPS

Relevant utility and general industry peer companies were selected based on size, industry segment, and geography parameters to develop the most accurate assessment of SCG's compensation relative to the competitive labor market's compensation.

The Study Team's goal was to identify a combined peer group of 40 to 50 companies (large utilities nationwide and large Southern California-based general industry companies) and to utilize an appropriate subset of the peer group to benchmark each employee category.

As the first step of the peer group selection process, Towers Watson provided the Study Team with preliminary lists of companies that represent the labor market within which SCG competes. The preliminary lists included utility and general industry peer group companies that were used in Pacific Gas and Electric Company's (PG&E) 2011 GRC study, and contained information on business background, types of operations, geographic scope of operations, financial results, number of employees, and whether the companies participated in Towers Watson's Compensation and Benefits Data Bank and other relevant survey sources. The peer companies used in the PG&E study are relevant to the SCG rate case study since both companies have similar business operations.

As part of the decision-making process, the Study Team reviewed these preliminary lists and selected both utility and general industry peer companies using a set of selection criteria, as detailed in Table III on the following page. These selection criteria were developed based upon SCG's size, its industry characteristics, and primary geographic labor market. The Study Team determined that it was not necessary for all of the peers to meet all of the selection criteria, but that the criteria were to be used as a guide for selection.

1. Table III: Peer Group Selection Criteria

Utility Industry Company Criteria		Screens
1	Financial scope	> \$3 billion in revenue
2	Industry segment	Electric and/or gas utilities
3	Geography/Location	Major U.S. metropolitan areas
4	Structure	Regulated public and private utilities

General Industry Company Criteria		Screens
1	Financial scope	\$5.5 Billion to \$27.5 Billion
2	Industry segment	All
3	Geography/Location	Southern California; major concentration of employees in Southern California Area
a) 4	Structure	Public and private companies

b) Utility Industry Peer Companies

The utility industry peer group consists of 31 companies. While 24 of the 27 utility industry peer companies from the 2008 GRC study have been included in the current peer group, nearly 25 percent are new peer companies. The large utility peer group ensures coverage of gas-, electric- and nuclear-specific positions. A minimum of five companies matching an SCG benchmark job is needed to yield data for the study⁸.

Hawaiian Electric Industries (HEI), NW Natural, and Portland General Electric have smaller revenues that fall outside of the revenue parameters for the peer group. The Study Team included HEI in the peer group due to its operation in a high-cost area and being a competitor for talent in the utility industry. HEI is a holding company; its utility business yields \$2 billion of the company's \$2.4 billion revenue and has approximately 2,085 employees and 440,000 customers. The Study Team included NW Natural and Portland General Electric since they are west coast utilities. Portland General Electric has 2,708 employees and 819,739 customers. NW Natural has 1,018 employees and 668,000 customers.

The utility industry peer companies used for comparison across the Sempra organization are listed in Table IV on the following page.

⁸ Statement 6A from the September 1994 Statements of Antitrust Enforcement Policies issued by the Department of Justice and the Federal Trade Commission. The Statement indicates that the following conditions must be satisfied: "there are at least five providers reporting data upon which each disseminated statistic is based, no individual provider's data represents more than 25 percent on a weighted basis of that statistic, and any information disseminated is sufficiently aggregated such that it would not allow recipients to identify the prices charged or compensation paid by any particular provider."

Table IV: Utility Industry Peer Companies

Company	Headquarters	FY 09 Revenue (Millions)
1 Ameren	St. Louis, MO	\$7,839
2 American Electric Power	Columbus, OH	\$14,400
3 CenterPoint Energy	Houston, TX	\$11,322
4 Consolidated Edison	New York, NY	\$13,583
5 Constellation Energy	Baltimore, MD	\$19,818
6 Dominion Resources	Richmond, VA	\$16,290
7 DTE Energy	Detroit, MI	\$9,329
8 Duke Energy	Charlotte, NC	\$13,207
9 Edison International/Southern California Edison	Rosemead, CA	\$14,112
10 Energy Future Holdings	Dallas, TX	\$11,364
11 Entergy	New Orleans, LA	\$13,094
12 Exelon	Chicago, IL	\$17,318
13 FirstEnergy	Akron, OH	\$13,627
14 FPL Group (Florida Power & Light Company)	Juno Beach, FL	\$16,410
15 Hawaiian Electric	Honolulu, HI	\$2,055
16 Integrys Energy Group ¹	Chicago, IL	\$14,048
17 Los Angeles Department of Water and Power	Los Angeles, CA	\$3,540
18 National Grid USA ²	Westborough, MA	N/A
19 NV Energy ³	Reno, NV	\$3,528
20 NW Natural ⁴	Portland, OR	\$1,038
21 Pacific Gas & Electric	San Francisco, CA	\$14,628
22 PacifiCorp	Portland, OR	\$4,498
23 Pinnacle West Capital	Phoenix, AZ	\$3,367
24 Portland General Electric	Portland, OR	\$1,745
25 PPL	Allentown, PA	\$8,044
26 Progress Energy	Raleigh, NC	\$9,167
27 Public Service Enterprise Group	Newark, NJ	\$13,222
28 Puget Energy ⁵	Bellevue, WA	N/A
29 Questar	Salt Lake City, UT	\$3,465
30 Southern Company Services	Atlanta, GA	\$17,127
31 Xcel Energy	Minneapolis, MN	\$11,203
	Mean (Average)	\$10,427
	Median	\$11,364

¹ People's Energy merged with Wisconsin Public Service to form Integrys Energy Group in 2007.

² National Grid USA acquired Keyspan, a 2008 Sempra GRC peer, in 2007.

National Grid USA is a subsidiary of National Grid plc. Precise annual revenue is not available (N/A).

³ NV Energy was formerly known as Sierra Pacific Resources.

⁴ NW Natural was formerly known as Northwest Natural Gas Company.

⁵ Puget Energy is a subsidiary of Puget Holding Co., LLC. Precise annual revenue is not available (N/A).

2.

c) General Industry Peer Companies

The general industry peer group consists of 31 companies. Of the 28 general industry peer companies from the 2008 GRC study, 20 are included in the peer group and 11 (35 percent) are new for this study. The composition of this group differs from the 2008 study due to acquisition of peer companies and companies not participating in Towers Watson's Compensation and Benefits Data Bank, as well as new companies added to Towers Watson's database with a presence of employees in California.

This group included companies that are key competitors for labor in the Southern California area. These companies are either headquartered, or have significant concentrations of employees, in Southern California.

The general industry peer companies used for comparison across the Sempra organization are listed in Table V on the following page.

Table V: General Industry Peer Companies

Company	Headquarters	FY 09 Revenue (Millions)
1 AECOM Technologies	Los Angeles, CA	\$6,119
2 Alcatel-Lucent	New Providence, NJ	\$23,942
3 Allergan	Irvine, CA	\$4,403
4 Amgen	Thousand Oaks, CA	\$15,003
5 AT&T*	Dallas, TX	\$124,028
6 Avery Dennison	Pasadena, CA	\$6,710
7 BAE Systems	Rockville, MD	\$17,000
8 Bank of America*	Charlotte, NC	\$124,132
9 Beckman Coulter	Fullerton, CA	\$3,099
10 Boeing*	Chicago, IL	\$68,281
11 Calpine	Houston, TX	\$9,937
12 Chevron*	San Ramon, CA	\$273,005
13 DIRECTV	El Segundo, CA	\$19,693
14 Fluor	Irving, TX	\$22,325
15 Genentech	South San Francisco, CA	\$13,418
16 Hewlett-Packard*	Palo Alto, CA	\$114,552
17 Jacobs Engineering	Pasadena, CA	\$11,467
18 Kaiser Foundation Health Plan*	Oakland, CA	\$40,300
19 Life Technologies	Carlsbad, CA	\$1,620
20 Mattel	El Segundo, CA	\$5,918
21 McKesson*	San Francisco, CA	\$106,632
22 Nestle USA	Glendale, CA	\$10,000
23 Occidental Petroleum	Los Angeles, CA	\$24,480
24 Qualcomm	San Diego, CA	\$10,416
25 SAIC	McLean, VA	\$10,070
26 Sun Microsystems (acquired by Oracle)	Santa Clara, CA (Redwood City, CA)	\$11,449
27 Tribune	Chicago, IL	\$5,063
28 Walt Disney*	Burbank, CA	\$36,149
29 Wellpoint*	Indianapolis, IN	\$61,251
30 Wells Fargo*	San Francisco, CA	\$52,389
31 Western Digital	Lake Forest, CA	\$7,453
Full Group		Mean (Average) \$40,010
		Median \$15,003
Group Excluding Large Peers*		Mean (Average) \$11,409
		Median \$10,070

3. *Larger peers to be excluded from executive benchmarking.

For each SCG employee category, the Study Team agreed to use the following peer groups to define the competitive market to the extent survey matches are available:

d) Executive

- For utility-specific benchmark jobs (e.g., CEO – SCG, Pres & COO – SCG): utility peer group.
- For non-utility-specific benchmark jobs (e.g., EVP and Chief Financial Officer, SVP – HR Diversity & Inclusion): utility and general industry peer groups.
- General industry peer companies that significantly exceeded (greater than about two and a half times) Sempra Energy's revenue were excluded from executive benchmarking. No exclusions were made for the utility peer group due to a narrower revenue range among the utility peer companies relative to the general industry peer companies.

e) Manager/Supervisor and Professional/Technical

- For utility-specific benchmark jobs (e.g., Electric Distribution Engineering Manager): utility peer group.
- For non-utility-specific benchmark jobs (e.g., benchmark jobs in Human Resources, Finance, and Information Technology): utility and general industry peer groups.

f) Physical/Technical

- Only the utility peer group was used for Physical/Technical benchmark jobs, with a few exceptions for jobs that are found in general industry.

g) Clerical

- For utility-specific benchmark jobs (e.g., Dispatcher Specialist): utility peer group.
- For non-utility-specific benchmark jobs (e.g., Paralegal, Executive Assistant): utility and general industry peer groups.

D. SCG BENCHMARK JOB SELECTION PROCESS

241 benchmark jobs at SCG were included in the study, representing 5,026 SCG employees as of April 1, 2010 (see Appendix A for the complete list of the SCG benchmark jobs). Benchmark jobs identified by the Study Team were selected from the following five SCG employee categories:

- Executive
- Manager/Supervisor
- Professional/Technical
- Physical/Technical
- Clerical.

SCG provided the Study Team with an SCG job list with the following:

- All SCG job classifications with one or more incumbents as of April 1, 2010

- All SCG jobs initially identified for the 2008 SCG General Rate Case Study, including jobs excluded from the study due to lack of sufficient survey data.

Jobs chosen by the Study Team to be benchmark jobs met all or most of the following criteria:

- Jobs that were usually found in existing surveys that provide reliable competitive market data
- Jobs that, in aggregate, represented the largest number of SCG incumbents to provide a representative cross-section of the SCG population
 - Across the entire company
 - Across organization levels within the company
- Jobs that were representative of a job category or job family
- Jobs for which SCG had clearly definable scope of position, required education/experience, skills, and abilities.

E. JOB MATCHING PROCESS

Towers Watson and SCG worked together and conducted the benchmark job matching for this study over several weeks. 2008 GRC study benchmark positions were used as an initial starting point to maximize efficiency and help manage overall study costs. SCG and Towers Watson began the job matching process by reviewing benchmark jobs that met the criteria established by the Study Team. SCG and Towers Watson also identified new survey positions that were comparable to benchmark jobs at SCG (“matching process”).

Survey positions were selected for benchmark jobs based on:

- Matches of benchmark jobs to survey positions that were validated and used in the prior SCG GRC study
- Knowledge of the benchmark job scope and function by Sempra Energy Human Resources and line operations
- Towers Watson’s experience and knowledge of the survey positions
- Comparable survey position matches selected by SCG and Towers Watson from compensation surveys conducted by reputable consulting firms.

A survey position was deemed to be an effective match to a benchmark job if the composition (e.g., scope, duties or function) of a survey job reflected 80 percent of the SCG benchmark composition. The 80 percent guideline is a standard guideline for compensation professionals. For executive benchmark jobs, survey positions also reflected the reporting level of the benchmark jobs in the organization.

A custom survey conducted by Dembrowsky and Associates and used in the 2008 GRC study was not available for this study. The Watson Wyatt Technician and Skilled Trades Personnel Compensation Survey was used in place of the Dembrowsky survey to provide benchmarks for a number of jobs in the Physical/Technical employee category.

F. SURVEY POSITION MATCH REVIEW PROCESS

After job matches were identified by Towers Watson and Sempra Energy, DRA selected a sample of 11 SCG benchmark jobs to validate the accuracy of matches to survey positions before Towers Watson began analyzing compensation and benefits data. DRA selected benchmark jobs with high number of incumbents that represented different functions within each employee category.

Eleven benchmark jobs covering 2,550 employees (51 percent of the SCG benchmark jobs population) were included in the review process. In addition, one corporate center job, covering 53 incumbents, was included in this process. The information provided by SCG to DRA for the review process included SCG and survey job descriptions; DRA used this information to determine if survey matches for selected jobs should be modified. DRA used this information to compare the survey positions with the sample benchmark jobs. Based on its review, DRA concluded that all sample benchmark jobs were matched appropriately.

1. Table VI A: Summary of Reviewed Jobs Included in the Study (SCG Only)

SCG Employee Category	Jobs Reviewed	Jobs Reviewed as % of Benchmark Jobs ¹	Incumbents in Jobs Reviewed	Incumbents Reviewed as % of Benchmark Incumbents	Total Benchmark Jobs ¹	Total Benchmark Incumbents ¹	Total SCG Employee Population
Executive	0	0%	0	0%	4	4	9
Manager/Supervisor	3	3%	268	43%	92	621	857
Professional/Technical	0	0%	0	0%	101	530	983
Physical/Technical	5	24%	1,666	81%	21	2,068	3,211
Clerical	3	13%	616	34%	23	1,803	2,331
Total	11	5%	2,550	51%	241	5,026	7,391

¹ Included in the study.

2. Table VI B: Summary of Reviewed Jobs Included in the Study (Corporate Only)

Sempra Employee Category	Jobs Reviewed	Jobs Reviewed as % of Benchmark Jobs ¹	Incumbents in Jobs Reviewed	Incumbents Reviewed as % of Benchmark Incumbents	Total Benchmark Jobs ¹	Total Benchmark Incumbents ¹	Total Sempra Employee Population
Executive	0	0%	0	0%	6	6	10
Manager/Supervisor	0	0%	0	0%	38	60	102
Professional/Technical	1	2%	53	22%	64	241	291
Physical/Technical	0	N/A	0	N/A	0	0	3
Clerical	0	0%	0	0%	27	92	96
Total	1	1%	53	13%	135	399	502

¹ Included in the study.

G. SURVEY SOURCES

The Study Team selected multiple survey sources to ensure relevant and representative total compensation data were used for SCG's benchmark jobs. The survey sources^{9,10} were:

Survey/Data Source	Data
Towers Perrin Compensation and Benefits Data Bank	
-Energy Services Survey: Executive and Middle Management & Professional Surveys -General Industry Survey: Executive and Middle Management & Professional Surveys	Compensation and benefits data
Edward A. Powell Data Information Solutions (EAPDIS) Energy Technical Craft Clerical Survey	Compensation data
Organization Resource Counselors: Salary Information Retrieval System (ORC-SIRS)	Compensation data
Radford Benchmark Salary Survey	Compensation data
Hewitt Associates Total Compensation Measurement™ (TCM™) Database	Compensation data
Watson Wyatt Technician & Skilled Trades Personnel Compensation Survey	Compensation data
Los Angeles Department of Water & Power (LADWP)	Publicly available compensation data

⁹ Information on employee benefit plans for all study companies was obtained from Towers Watson's Employee Benefit Information Center (EBIC) Data Bank.

¹⁰ Since Los Angeles Department of Water and Power (LADWP) did not participate in any of the survey sources used in this study, publicly available LADWP data were used for certain positions in the study.

The compensation data sources used for each SCG employee category are shown below in Table VII.

1. Table VII: Compensation Data Sources

SCG Employee Category	Utility Industry	General Industry
Executive	<p>Primary:</p> <ul style="list-style-type: none"> -Towers Perrin Energy Services Executive Compensation Survey <p>Secondary:</p> <ul style="list-style-type: none"> -Hewitt Associates Total Compensation Measurement™ (TCM™) Executive Database 	<p>Primary:</p> <ul style="list-style-type: none"> -Towers Perrin General Industry Executive Compensation Survey <p>Secondary:</p> <ul style="list-style-type: none"> -Hewitt Associates Total Compensation Measurement™ (TCM™) Executive Database
Manager/Supervisor	<p>Primary:</p> <ul style="list-style-type: none"> -Towers Perrin Energy Services Middle Management Compensation Survey <p>Secondary:</p> <ul style="list-style-type: none"> -ORC SIRS -Radford Benchmark Salary Survey -Hewitt TCM™ Database -LADWP 	<p>Primary:</p> <ul style="list-style-type: none"> -Towers Perrin General Industry Middle Management Compensation Survey <p>Secondary:</p> <ul style="list-style-type: none"> -ORC SIRS -Radford Benchmark Salary Survey -Hewitt TCM™ Database -LADWP
Professional/Technical	<p>Primary:</p> <ul style="list-style-type: none"> -Towers Perrin Energy Services Middle Management Compensation Survey <p>Secondary:</p> <ul style="list-style-type: none"> -ORC SIRS -Radford Benchmark Salary Survey -Hewitt TCM™ Database -LADWP 	<p>Primary:</p> <ul style="list-style-type: none"> -Towers Perrin General Industry Middle Management Compensation Survey <p>Secondary:</p> <ul style="list-style-type: none"> -ORC SIRS -Radford Benchmark Salary Survey -Hewitt TCM™ Database -LADWP
Physical/Technical	<p>Primary:</p> <ul style="list-style-type: none"> -Towers Perrin Energy Services Middle Management Compensation Survey -EAPDIS <p>Secondary:</p> <ul style="list-style-type: none"> -ORC SIRS -Radford Benchmark Salary Survey -Watson Wyatt Technician & Skilled Trades Personnel Compensation Survey -LADWP 	<p>Primary:</p> <ul style="list-style-type: none"> -Towers Perrin General Industry Middle Management Compensation Survey -EAPDIS <p>Secondary:</p> <ul style="list-style-type: none"> -ORC SIRS -Radford Benchmark Salary Survey -Watson Wyatt Technician & Skilled Trades Personnel Compensation Survey -LADWP
Clerical	<p>Primary:</p> <ul style="list-style-type: none"> -Towers Perrin Energy Services Middle Management Compensation Survey -EAPDIS <p>Secondary:</p> <ul style="list-style-type: none"> -ORC SIRS -Radford Benchmark Salary Survey -Hewitt TCM™ Database -LADWP 	<p>Primary:</p> <ul style="list-style-type: none"> -Towers Perrin General Industry Middle Management Compensation Survey -EAPDIS <p>Secondary:</p> <ul style="list-style-type: none"> -ORC SIRS -Radford Benchmark Salary Survey -Hewitt TCM™ Database -LADWP

For certain SCG benchmark jobs, there were insufficient compensation data reported by the peer group of companies. If there were not at least five companies reporting data for a survey position, Towers Watson did not use the data in the study. This threshold is consistent with the antitrust safety zone established by the Department of Justice and Federal Trade Commission¹¹ regarding surveys of salaries, wages, and benefits. In cases where data from the peer group of companies were insufficient, data from other/secondary survey sources were used.

Appendix A contains a list of SCG benchmark jobs and corresponding employee counts, by employee category:

- Included in the study

- Not included in the study as a result of insufficient data

The total employee count in table IB (page 5) includes the following employee counts:

- Benchmark jobs included in the study

- Benchmark jobs not included in the study as a result of insufficient data

- Non-benchmark jobs (unique jobs not matched within available surveys) not included in the study

Appendix A does not include a list of non-benchmark jobs that are not included in the study.

The resulting coverage of SCG employees in the final results ranged from 78 percent for the Clerical employee category to 47 percent for the Executive employee category. Overall, there was 68 percent coverage of the total SCG population by benchmark jobs (see Tables IIA and IIB on page 7).

To provide the most accurate assessment of the competitive labor market, in most cases peer companies selected by the Study Team were included in the total direct compensation and benefits data. For certain non-utility specific survey positions, general industry data from Radford, ORC/SIRS, and Hewitt surveys were included to supplement the peer group data in these cases. Publicly available data for Los Angeles Department of Water & Power was also utilized in certain cases.

Third-party survey sources (e.g., Radford and EAPDIS) have agreements with participants in their surveys to not disclose individual company data for purposes of maintaining confidentiality. All third-party survey sources reported data in aggregate form to Towers Watson and, as a result, Towers Watson cannot obtain nor does it know the specific data for any benchmark job by company.

¹¹ op. cit., page 9.

H. COMPONENTS OF TOTAL COMPENSATION

The compensation elements included in the study were:

- Base salary (annualized rate)
 - SCG executives: Base salaries reflective of post-reorganization structure to capture the most recent compensation structure; Sempra Energy's reorganization was effective April 1, 2010
 - SCG non-executives: Base salaries reflective of pre-reorganization structure, since the changes in employee jobs and compensation were not finalized at the time of the study
- Actual short-term incentives
 - Reflective of SCG bonuses paid in 2010 for 2009 performance
 - For SCG executives who had a change in target bonus as a result of the reorganization, their new target bonus adjusted by a 2009 performance factor was used in lieu of actual bonus paid
- Target short-term incentives
 - Reflective of SCG target bonuses
- Value of long-term incentives (i.e., stock options, restricted stock, performance share and performance cash incentive plans)
 - Reflective of SCG awards granted on January 4, 2010
 - SCG defines eligibility for long-term incentive awards by job level and title; all executives, directors and attorneys are eligible for long-term incentive awards
- Employee benefits
 - Defined benefit pension and defined contribution (money purchase, profit-sharing, and savings plans) retirement plans
 - Non-qualified restoration retirement plans
 - Pre-retirement and post-retirement medical, dental, and vision plans
 - Long-term disability plans
 - Life insurance (group life and accidental death and dismemberment).

The Study Team agreed that the following components of compensation should be excluded from the study since either most survey sources do not include such data or the value of the benefit is included in base salary:

- Overtime pay and shift differentials
- Paid time off (vacation and holidays)
- Special recognition awards or spot bonuses.

I. **CASH COMPENSATION VALUATION METHODOLOGY**

1. **Data Collection**

Towers Watson and the other managers of databases and surveys used in this study collect compensation data directly from companies participating in the databases and surveys. The surveys collected base salary, short-term incentive and long-term incentive data (where applicable) for actual incumbents at the companies participating in the surveys. Base salary, short-term incentive, and long-term incentive data (where applicable) were collected from the various data sources and from Sempra Energy for each survey position, and then combined at the position level to obtain total compensation. The Study Team agreed that both actual and target data for short-term incentives should be presented in this report. These short-term incentives were awarded in 2009 for 2008 performance. In addition, cash profit sharing bonuses, when used as a short-term incentive, were included in total cash compensation for the competitive market job matches. In certain cases where companies do not offer a short-term incentive or profit sharing plan for selected or all employees, base salary represents the entire total cash compensation package.

For certain benchmark job matches, Towers Watson aggregated survey data from multiple data sources. In these cases, the average (mean) data for each component of cash compensation were averaged across the data sources, and then the components of compensation were combined to obtain total compensation. A minimum of five companies¹² must report data for a survey position match to be included in the study as noted earlier. For nonexempt jobs, the Study Team agreed that if an hourly rate of pay was reported by a data source, it would be multiplied by 2,080 hours to obtain an annualized rate of base compensation. For exempt jobs, Towers Watson used an annual rate of salary. As part of the review process, Towers Watson collected data and assessed the accuracy of peer group employee compensation data aggregated in the survey positions in the Towers Watson compensation surveys by validating for each survey position:

- Organization structure
- Reporting relationships
- Scope of function, responsibility, and impact
- Title.

J. **LONG-TERM INCENTIVE VALUATION METHODOLOGY**

Long-term incentive (LTI) compensation programs include such plans as:

- Stock options
- Stock appreciation rights
- Performance shares/units
- Restricted stock
- Phantom stock
- Other long-term incentive arrangements.

The FAS 123R values for long-term incentives used for accounting purposes were utilized in the study to align compensation valuation with accounting accruals used for financial reporting purposes.

The stock option component of LTI from the Hewitt compensation survey is valued using full-term Black-Scholes versus FAS 123R values (based on expected-term valuation) used in the other data sources. Towers Watson adjusted

¹² op. cit., page 9.

the LTI value from the Hewitt survey to align with the expected-term valuation approach. The adjustment factor is based on the observed variance in value between full-term and expected-term options within Towers Watson's Compensation Databank, as well as the relative weight of stock options in a typical LTI portfolio.

1. Effective Date

The survey and database sources used in the study collect base pay, short-term incentive and in some cases long-term incentive data that are in effect at a certain date from participating companies. Those sources and the effective dates are listed below.

Survey/Data Source	Effective Date
Towers Perrin Compensation and Benefits Data Bank	
-Energy Services Survey: Executive and Middle Management & Professional Surveys	March 1, 2009
-General Industry Survey: Executive and Middle Management & Professional Surveys	March 1, 2009
Edward A. Powell Data Information Solutions (EAPDIS) Energy Technical Craft Clerical Survey	April 1, 2009
Organization Resource Counselors: Salary Information Retrieval System (ORC SIRS)	April 1, 2009
Radford Benchmark Salary Survey	April 9, 2010
Hewitt Associates Total Compensation Measurement™ (TCM™) Database	
-Executive Survey	April 1, 2009
-Management & Professional Survey	September 18, 2009
Watson Wyatt Technician & Skilled Trades Personnel Compensation Survey	January 1, 2009
Los Angeles Department of Water & Power (LADWP)	October 1, 2008

To provide a common reference date for cash compensation data, the salary data from the surveys and databases were aged to a common effective date of April 1, 2010 to align with the effective date of the SCG data. Salary data is aged since salary compensation is paid over a year of employment and salaries are generally increased once per year, if at all. Incentives are generally paid once per year. As a result, incentive awards are not aged.

The effective date of the competitive salary data to be aged varied by survey source since survey providers collect data at different times. Aging compensation data using general or specific rates of salary increase to provide current competitive market compensation levels is a generally accepted practice of major consulting firms. Typically, consultants and practitioners will age salary data up to two years from the effective date of the data. Aging factors are based on general salary and wage increases that represent the actual experience of companies or represent the companies' budgeted increases.

The Study Team decided to apply a single aging factor of 2.1 percent to all jobs in all of SCG employee categories for surveys with effective dates in 2009. This 2.1 percent factor was applied on a prorated basis depending on the effective date of the data. This factor was determined by using multiple sources of publicly available, governmental, and proprietary sources of information on national and western region hourly and salaried wage increases for the utility and general industries. In addition, the Study Team researched wage increases at other major California utilities including Southern California Edison. The data sources used to determine the aging factor are shown below in Table VIII:

2. Table VIII: Actual Wage Increase Data Sources

Source	Actual Wage Increase
WorldatWork 2009/2010 Salary Increase Budget Survey (National and U.S. West Region)	Utility Industry: 2.6% All Industries: 2.1%
September 2008 - September 2009 Average Hourly Earnings Increase for Production and Nonsupervisory Workers, U.S. Department of Labor, Bureau of Labor Statistics	4.4%
2009 Southern California Edison General Rate Case: Compensation Aging Factor	3.5%
2011 PG&E General Rate Case: Compensation Aging Factor	3.9%
SCG Aging Factor	2.1%

As is typical practice, short-term incentives, long-term incentives, and employee benefit values were not aged. Benefit values will reflect any aging applied to base salaries for salary-related components of pay.

XV. Benefits Valuation Methodology

Towers Watson's benefit valuation methodology, BENVAL®, was used to determine the benefits value delivered by each peer company to its employees. This valuation methodology applies a standard set of actuarial methods and assumptions to employee demographic profiles which have been customized based on the demographics of employee categories within SCG (i.e., age, service and gender). Towers Watson's methodology measures the value of benefits to the employee, not the cost of benefits to the company. Towers Watson selected the methods and assumptions on the basis of a number of factors:

- Consistency with Generally Accepted Accounting Principals (GAAP)
- Conformance with Employee Retirement Income Security Act (ERISA) and other employee benefits standards
- Consistency with actuarial standards set by the American Academy of Actuaries and the Actuarial Standards Board
- Consistency with other studies done for other Towers Watson clients
- Experience within utility and general industries.

The Study Team agreed that employee benefit values would be calculated for the following benefit plans:

- Defined benefit pension and defined contribution retirement plans (including non-qualified restoration plans)
- Long-term disability plans
- Medical plans
- Dental plans
- Vision plans
- Life insurance (group life and accidental death and dismemberment).

As is typical practice, benefit values that were excluded from this analysis are:

- Paid time off (vacation and holidays)
- Short-term disability
- Social Security
- Other government-mandated benefits.

Employee benefit values were based on detailed descriptions of employee benefit programs for the peer companies that are contained in Towers Watson's Employee Benefit Information Center (EBIC) database and were updated to reflect changes in plan provisions. The values were also based upon actual compensation for each survey position. For the study, a limited number of peer companies had incomplete or unavailable benefits data. In these instances, the average benefits for the total peer group was applied to these companies to develop total compensation values. Benefit values based on the calculations were added to total cash compensation values to develop total compensation values.

A more detailed explanation of the employee benefits valuation methodology is provided in Appendix E.

XVI. APPENDIX A —
Benchmark Jobs

SCG Executive Benchmark Jobs Included in Study

2012 GRC Study Position #	SCG Benchmark Job Title	Number of SCG Employees
31	Pres & CEO - SoCalGas	1
33	VP - Customer Operations	1
37	VP - HR Diversity & Inclusion	1
38	VP - Information Technology	1
TOTAL:		4

SCG Executive Jobs Not Included Due to Insufficient Survey Data

2012 GRC Study Position #	SCG Benchmark Job Title	Number of SCG Employees
N/A	N/A	N/A

SCG Manager/Supervisor Benchmark Jobs Included in Study

2012 GRC Study Position #	SCG Benchmark Job Title	Number of SCG Employees
448	Accounts Payable Manager	1
449	Accounts Payable Operations Supervisor	1
450	Accounts Payable Services Supervisor	1
453	Affiliate Billing & Costing Manager	1
459	Bill Delivery & Payment Operations Manager	1
460	Billing Manager	2
461	Branch Office Manager	1
462	Branch Office Supervisor	8
463	Business Planning & Budget Manager	1
464	Commercial / Industrial Markets Manager	1
465	Commercial / Industrial MM Segment Manager	1
469	CARE & Assistance Programs Manager	1
472	Customer Contact Center Resource & Service Level Manager	1
473	Customer Contact Center Site Manager	2
474	Customer Contact Center Special Services Manager	1
475	Customer Contact Center Supervisor	33
478	Collections Supervisor	3
480	Contract Administrator - Gas	12
482	Cost Accounting Manager	1
486	Customer Assistance Programs Supervisor	1
487	Customer Billing Services Supervisor	6
491	Customer Remittance Processing Supervisor	2
500	DAP Office Supervisor	1
502	Design Supervisor	1
503	Design Team Leader	1
509	Director - Customer Operations	1
511	Director - Finance	1
517	Director - Human Resource Services & Analysis	1
519	Director - Labor Relations	1
525	Director - Transmission	1
527	Distribution Dispatch Supervisor	1
528	District Operations Manager	32
529	District Operations Manager I	13
533	Emergency Services Program Manager	1
535	Engineering Design Manager	1
539	Energy Programs Manager	2
540	Energy Programs Supervisor	1
542	Environmental Specialist Team Leader	1
543	Environmental Services Manager	1
544	Environmental Specialist Team Leader - Air	1
547	Facilities Manager	8
550	Financial Planning Manager	2
551	Financial Systems Client Support Manager	1
555	Field Operations Supervisor - Transmission	6

SCG Manager/Supervisor Benchmark Jobs Included in Study

2012 GRC Study Position #	SCG Benchmark Job Title	Number of SCG Employees
556	Field Operations Supervisor I	53
557	Field Operations Supervisor II	164
559	Field Supervisor	11
561	Fleet Supervisor	6
566	Gas Control Manager	1
567	Gas Control Supervisor	5
568	Gas Demand & Tariffs Manager	1
569	Gas Rates Manager	1
580	Infrastructure Technology Manager	1
583	Logistics Supervisor	5
585	Maintenance Operations Manager	1
587	Material & Distribution Supervisor	1
604	Major Markets Credit & Collection Manager	1
607	Mass Markets Credit & Collection Manager	1
609	Meter Reading Operations Manager	1
610	Meter Reading Operations Support Supervisor	2
611	Meter Reading Supervisor	29
614	New Business Accounting Supervisor	1
615	New Business Project Manager	20
618	Operations Technology Manager	1
619	Operations Training Supervisor	3
624	Principal Accountant - Supervisor	3
625	Principal Engineer - Supervisor	2
629	Project Manager - Business Planning & Budget	1
630	Project Manager - I	34
631	Project Manager - II	51
632	Project Manager - III	10
634	Project Manager - Measurement / Regulation & Control	1
635	Project Manager - Operations Technology	1
636	Project Manager - Operations Technology	5
637 & 638	Project Manager - Planning & Development; Project Manager - Research Dev & Design Equity Investments	3
641	Portfolio Manager	1
644	Regulatory Case Manager - II	3
645	Regulatory Policy Manager	1
646	Region Engineering Supervisor	3
647	Regional Branch Office Supervisor	1
649	Regional Public Affairs Manager	3
652	Safety & Health Manager	2
655	Senior Account Manager	1
658	Staffing Supervisor	1
665	Strategic Projects Manager	1
666	Sundry Billing Supervisor	1
668	Support Services Supervisor	2
673	Team Leader	2

SCG Manager/Supervisor Benchmark Jobs Included in Study

2012 GRC Study Position #	SCG Benchmark Job Title	Number of SCG Employees
676	Technical Supervisor	14
681	Telecommunications Supervisor	2
682	Web Group Manager	1
683	Welding Training Supervisor	1
TOTAL:		621

SCG Manager/Supervisor Jobs Not Included Due to Insufficient Survey Data

2012 GRC Study Position #	SCG Benchmark Job Title	Number of SCG Employees
466	Commercial / Industrial Mass Markets Segment Supervisor	4
467	Commercial / Industrial Services Manager	4
477	Claims Supervisor	2
504	Director - Commercial / Industrial Services - SoCalGas	1
512	Director - Fleet Services	1
524	Director - Storage	1
532	Employee Relations Manager	1
536	Energy Efficiency - Engineering Supervisor	2
554	Field Operations Manager	9
570	Gas Scheduling Manager	1
572	Gas Transmission Operations Manager	1
573	Gas Transmission Planning Manager	1
590	Measurement & Control Supervisor	6
599	Manager - Meter Reading	1
603	Major Customer Industrial Services Manager	1
616	Office Administrative Supervisor	1
617	Office Supervisor	2
648	Regional Pipeline Project Manager	1
650	Residential New Construction Manager	1
651	Residential New Construction Supervisor	1
656	Senior Project Manager	1
659	Station Maintenance Supervisor	9
660	Station Operations Supervisor	5
661	Storage Engineering Manager	1
663	Storage Operations Manager - II	4
669	Systems Protection Supervisor	3
670	Team Lead - Account Executive	1
671	Team Lead - Industrial Hygiene	1
TOTAL:		67

SCG Professional/Technical Benchmark Jobs Included in Study

2012 GRC Study Position #	SCG Benchmark Job Title	Number of SCG Employees
1166	Accountant - II	2
1167	Account Executive	23
1168	Account Executive - New Construction	1
1172	Affiliate Compliance Advisor	2
1176	Associate Accountant - Rotation	6
1177	Associate Contracting Agent	1
1178	Associate Engineer	11
1179	Associate Environmental Specialist	1
1182	Billing Analyst - II	6
1185	Business Analyst - I	4
1186	Business Analyst - II	14
1187	Business Planning Project Manager	1
1188 & 1338	Business Systems Advisor; Senior Business System Analyst	6
1189, 1190 & 1191	Business Systems Analyst - I & II	26
1192	Business Technologist	2
1193	Buyer I	2
1194	Buyer II	3
1200	Claims Analyst	1
1201	Claims Representative - Liability	1
1202	Claims Specialist	2
1203	Communications Advisor	3
1206	Contracting Agent	2
1215	DART System Analyst	1
1216	DART Technical Advisor	4
1218	Distribution Dispatch Analyst	1
1220	Employee Development Advisor	2
1221	Emergency Services Coordinator	2
1222	Engineer I	21
1223	Engineer II	25
1226	Energy Programs Advisor	9
1229	Environmental Specialist	8
1235	Field Environmental Specialist	1
1236 & 1237	Field Instructor	12
1239	Field Safety Advisor	5
1240	Fleet Administration Specialist	1
1241	Fleet Analyst	1
1242	Fleet Compliance & Quality Assurance Specialist	1
1247	Forecasting Advisor	3
1252	Governmental Affairs Manager Los Angeles City & County	1
1253	Human Resources Analyst	5
1254	Industrial Hygienist	1
1256	Instructional Designer - II	4
1261	Labor Relations Analyst	1
1266	Market Advisor	3

SCG Professional/Technical Benchmark Jobs Included in Study

2012 GRC Study Position #	SCG Benchmark Job Title	Number of SCG Employees
1268	Market Advisor - I	2
1269	Market Advisor - II	3
1270	Market Advisor - II	2
1271	Market Analyst - II	1
1280	Operations Training Instructor	33
1287	Principal Accountant	2
1288	Principal Business Analyst	7
1289	Principal Credit & Collections Analyst	3
1290	Principal Engineer	5
1291	Principal Engineer - Commercial / Industrial Customer Services	2
1292	Principal Environmental Spec	4
1293	Principal Environmental Specialist - Air Quality	1
1294	Principal Labor Relations Advisor	1
1297	Project Engineer	1
1299	Project Manager - Energy Markets	1
1300	Project Manager - Fleet Environmental	1
1301	Project Manager - Planning & Development	1
1302	Project Manager - Project & Construction	9
1303	Project Manager - Project & Construction	3
1304	Project Manager - Transmission	6
1310	Project Specialist - Operations Technology	3
1312	Public Affairs Manager	21
1320	Region Associate Engineer	8
1324	Research Analyst	1
1325	SCADA Advisor	4
1327	Safety & Health Business Advisor	3
1329	Supply Chain Advisor	1
1332, 1333 & 1334	Senior Accountant - I & II	7
1335	Senior Account Executive	27
1336 & 1337	Senior Business Analyst - I & II	13
1339	Senior Claims Advisor	3
1342	Senior Credit / Collections Analyst	10
1346	Senior Designer	6
1348	Senior Engineer	10
1349	Senior Engineer - Chemical / Environmental	3
1350	Senior Engineer - Compressor Services	3
1351	Senior Engineer - Materials & Equipment	2
1352	Senior Engineer - Measurement	1
1353	Senior Engineer - Mechanical	2
1356	Senior Environmental Specialist	3
1357	Senior Field Instructor	1
1358	Senior Financial Systems Analyst	2
1363	Senior Human Resources Advisor	4
1365	Senior Industrial Hygienist	1

SCG Professional/Technical Benchmark Jobs Included in Study

2012 GRC Study Position #	SCG Benchmark Job Title	Number of SCG Employees
1367	Senior Labor Relations Advisor	3
1369	Senior Market Advisor - I	20
1370	Senior Market Advisor - II	3
1371	Senior Program Manager	1
1373	Senior Quality Assurance Specialist	2
1375	Senior Research Analyst	1
1377	Senior Staffing Advisor	4
1381	Staff Accountant - I	6
1382	Staff Accountant - II	12
1394	Technical Advisor - II - Environmental	8
1405	Telecommunications Field Site Advisor	1
1408	Training Advisor - Instrumentation	1
1409	Training Specialist	9
TOTAL:		530

SCG Professional/Technical Jobs Not Included in Study Due to Insufficient Survey Data

2012 GRC Study Position #	SCG Benchmark Job Title	Number of SCG Employees
1169	Account Manager - Energy Markets	6
1170	Account Manager I - Storage Products	1
1171	Account Manager II - Energy Markets	1
1199	Claims Advisor - Workers Compensation	1
1217	Designer	2
1245	Fleet Parts Specialist	1
1248	Gas Scheduling Advisor	1
1249	Gas Scheduling Analyst	1
1251	Graphics Design Specialist	1
1278	Occupational Health Nurse	1
1295	Principal Regulatory Economic Advisor	3
1309	Project Specialist - Credit & Collections	7
1313	Quality Assurance Inspector - New Vehicle	2
1315	Quality Observation Spec	9
1316	Regulatory Accounts Analyst	1
1317	Regulatory Case Manager - I	1
1322	Regional Pipeline Project Specialist	1
1323	Revenue Protection Coordinator	1
1340	Senior Collection Advisor	1
1368	Senior Land Advisor	1
1378	Senior Storage Field Engineer	6
1385	Storage Field Engineer - I	1
1390	Systems Gas Controller	4
1395	Technical Advisor / Senior Engineer	5
1400	Technical Specialist - Engineer	1
1401	Technical Specialist - I	7
1402	Technical Specialist - I	7
1403	Technical Specialist - II	18
TOTAL:		92

SCG Physical/Technical Benchmark Jobs Included in Study

2012 GRC Study Position #	SCG Benchmark Job Title	Number of SCG Employees
1551	Dispatch Specialist	105
1554	Energy Technician - Distribution	193
1555	Energy Technician - Residential	986
1556, 1570 & 1579	Facility Mechanic, Journey Facility Mechanic, and Lead Facility Mechanic	37
1557	Field Collector	79
1562	Fleet Technician	42
1566	Instrument Shop Mechanic -2	1
1567	Instrument Specialist	51
1569	Journey Electrician	3
1576	Lead Construction Technician	254
1587	Lead Meter Mechanic	5
1590	Lead Systems Protection Specialist	11
1593	Logistics Representative	50
1595	Mapping Assistant	11
1602	Meter & Regulator Technician #1	76
1611	Planning Associate	67
1617	Senior Logistics Representative	12
1618 & 1626	Senior Telecommunication Technician; Telecommunications Technician	18
1622	Systems Gas Dispatcher - 7	1
1624	Systems Protection Specialist	62
1629	Transportation Logistic Representative	4
TOTAL:		2068

SCG Physical/Technical Jobs Not Included Due to Insufficient Survey Data

2012 GRC Study Position #	SCG Benchmark Job Title	Number of SCG Employees
1558	Field Planning Associate	128
1588	Lead Planning Associate	16
1610	Pipeline Technician	40
1627	Transmission Pipeline Spec	14
TOTAL:		198

SCG Clerical Benchmark Jobs Included in Study

2012 GRC Study Position #	SCG Benchmark Job Title	Number of SCG Employees
1746 & 1747	Administrative Associate - 3 & 4 Los Angeles	32
1748, 1749 & 1750	Administrative Associate - 5 & 6 Los Angeles	47
1751 & 1752	Administrative Clerk - 2 & 3	6
1753 - 1758	Administrative Clerk - 3 & 4 (Typists)	120
1765	Claims Associate	4
1766	Claims Coordinator	4
1770	Customer Billing Analyst - 5	54
1771	Customer Contact Representative - 4	32
1772	Customer Contact Representative - Bilingual - 4	33
1774	Customer Service Representative - 2	6
1775	Customer Service Representative - 4	335
1776	Customer Service Representative - Bilingual - 2	3
1777	Customer Service Representative - Bilingual - 4	194
1780	Executive Assistant - I & II	4
1784	Human Resources Coordinator	1
1785	Instructional Design Coordinator	1
1787	Labor Relations Coordinator	1
1792	Lead Computer Operator - 4	6
1793	Lead Customer Billing Analysis - 6	8
1604	Meter Reader-R	87
1829	Meter Reader-PT	823
1819	Regulatory Affairs Coordinator	1
1826	Wellness Programs Coordinator	1
TOTAL:		1803

SCG Clerical Jobs Not Included Due to Insufficient Survey Data

2012 GRC Study Position #	SCG Benchmark Job Title	Number of SCG Employees
1805	Mail Payment Clerk - 1	16
TOTAL:		16

Corporate Center Executive Benchmark Jobs Included in Study

2012 GRC Study Position #	Corporate Center Benchmark Job Title	Number of Corporate Center Employees
1	Exec VP & CFO	1
2	Exec VP & General Counsel	1
5	SVP - HR Diversity & Inclusion	1
7	VP - Audit Services	1
8	VP - Corp Tax & Chief Tax Csl	1
9	VP - Corporate Planning	1
TOTAL:		6

Corporate Center Executive Jobs Not Included Due to Insufficient Survey Data

2012 GRC Study Position #	Corporate Center Benchmark Job Title	Number of Corporate Center Employees
12	VP - Risk Analysis & Mgmt	1
TOTAL:		1

Corporate Center Manager/Supervisor Benchmark Jobs Included in Study

2012 GRC Study Position #	Corporate Center Benchmark Job Title	Number of Corporate Center Employees
39	Accounting Research & Policy Manager	1
41	Assistant Controller	1
42	Assistant General Counsel	6
43	Audit Services Manager	1
44	Bank Reconciliation Supervisor - C10814	1
46	Benefit Services Manager	1
48	Business Planning Manager	1
55	Corporate Development Manager	3
57	Corporate Secretary & Assistant General Counsel	1
58	Director - Audit Service	1
60	Director - Cash Management	1
67	Director - Corporate Financial Accounting	1
69	Director - Corporate Planning	1
71	Director - Corporate Tax	4
73	Director - Development	1
75	Director - Executive & Organizational Development	1
77	Director - Finance	1
78	Director - Financial Reporting	1
81	Director - Issues Management & Environmental Communications	1
83	Director - Pension & Trust Investments	1
86	Director - Risk Management	1
89	ERISA Compliance Manager	1
90	Executive Projects Manager	1
91	Executive Security Supervisor	1
92	Financial Leadership Program Mgr	1
93	Financial Planning Manager	1
94	Financial Reporting Manager	1
95	Financial Systems & Reporting Manager	1
97	Information Technology Audit Manager	1
98	Legal Administration Manager	1
99	Legislative Analysis Manager	1
100	Managing Attorney	3
109	Risk Manager	1
110	Security Manager	2
111	Sempra Accounting Manager	2
113	SOX Compliance & Policies Manager	1
114	Senior Communications Manager - C11078	3
116	Tax Manager	7
TOTAL:		60

Corporate Center Manager/Supervisor Jobs Not Included Due to Insufficient Survey Data

2012 GRC Study Position #	Corporate Center Benchmark Job Title	Number of Corporate Center Employees
47	Business Continuity Manager - C11059	1
51	Cheif Gas Strategist - C11053	1
59	Director - Business Conduct	1
TOTAL:		3

Corporate Center Professional/Technical Benchmark Jobs Included in Study

2012 GRC Study Position #	Corporate Center Benchmark Job Title	Number of Corporate Center Employees
758 & 759	Senior Accountant	8
760	Senior Applications Support Advisor	1
761	Senior Auditor	8
763	Senior Business Analyst - II	4
765	Senior Compensation Advisor	2
768	Senior Diversity Advisor - C10859	1
770	Senior Executive Assistant	3
771	Senior Executive Compensation & Benefits Advisor	1
772	Senior Financial Analyst	9
777	Senior Paralegal	5
778	Senior Research Analyst	1
779	Senior Software Developer	3
781	Senior Tax Advisor	11
115	Senior Tax Counsel	2
782	Principal Tax Advisor	5
783	Senior Trust Accountant	1
784	Staff Accountant	11
785	Staff Accountant - Rotation	4
786	Staff Accountant Rotation - II	13
788	Tax Advisor	8
TOTAL:		241

Corporate Center Professional/Technical Jobs Not Included Due to Insufficient Survey Data

2012 GRC Study Position #	Corporate Center Benchmark Job Title	Number of Corporate Center Employees
694	Business Conduct Education Manager	1
730	Legal Fiscal Support Supervisor	1
752	Security Compliance Manager	1
753	Security Operations Analyst	1
762	Senior Benefits Advisor	1
767	Senior Diversity & Human Resources Advisor - C10932	1
780	Senior Special Agent	2
789	Tax Project Manager	3
TOTAL:		11

Corporate Center Physical/Technical Benchmark Jobs Included in Study

2012 GRC Study Position #	Corporate Center Benchmark Job Title	Number of Corporate Center Employees
N/A	N/A	N/A

Corporate Center Physical/Technical Jobs Not Included Due to Insufficient Survey Data

2012 GRC Study Position #	Corporate Center Benchmark Job Title	Number of Corporate Center Employees
1412	Executive Security Specialist	2
TOTAL:		2

Corporate Center Clerical Benchmark Jobs Included in Study

2012 GRC Study Position #	Corporate Center Benchmark Job Title	Number of Corporate Center Employees
1630	Accounting Associate	1
1631	Accounting Clerk - C10002	1
1632	Administrative Associate	5
1633	Administrative Associate	16
1634	Administrative Associate	1
1635	Advertising & Research Coordinator - C11024	1
1637	Cash Management Associate	1
1638	Compensation Coordinator	1
1639	Corporate Relations Coordinator	1
1640	Diversity Coordinator	1
1642	Executive Assistant - I & II	14
1643	Government Affairs Coordinator - C11061	1
1644	Human Resources Coordinator	2
1645	Investor Relations & Shareholder Services Associate	1
1646	iTAX Coordinator	1
1647	Legal Administrative Associate	10
1648	Legal Fiscal Support Associate	2
1649	Legal Support Associate	1
1650	Mergers & Acquisitions Coordinator	1
1651	Organizational Development Coordinator - C11047	1
1652	Paralegal	8
1653	Communications Coordinator - C11048	1
1654	Risk Management Coordinator	1
1655	Security Operations Coordinator	1
1656	Senior Administrative Associate	1
1657	Senior Legal Administrative Associate	11
1658	Tax Coordinator	6
TOTAL:		92

Corporate Center Clerical Jobs Not Included Due to Insufficient Survey Data

2012 GRC Study Position #	Corporate Center Benchmark Job Title	Number of Corporate Center Employees
N/A	N/A	N/A

XVII. APPENDIX B —
Detailed Competitive Summary by Employee Category — SCG

2012 GRC Study		SCG	# of SCG EEs	SCG Average						Competitive Market Average						Variance - SCG +/- Market								
				Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary %	Total Cash %	Target Total Cash %	Benefits %	LTI %	Total Comp. %	Target Total Comp. %
31	Pres & CEO - SoCalGas		1	\$394	\$837	\$631	\$125	\$713	\$1,675	\$1,442	\$520	\$921	\$864	\$120	\$896	\$1,937	\$1,860	-24.2%	-9.1%	-27.0%	4.0%	-20.4%	-13.5%	-22.5%
33	VP - Customer Operations		1	\$191	\$267	\$239	\$53	\$61	\$381	\$350	\$235	\$334	\$314	\$52	\$137	\$515	\$477	-18.7%	-20.2%	-23.8%	2.2%	-55.3%	-26.1%	-26.6%
37	VP - HR Diversity & Inclusion		1	\$205	\$350	\$297	\$64	\$56	\$470	\$410	\$257	\$387	\$367	\$56	\$193	\$614	\$608	-20.2%	-9.4%	-19.1%	13.4%	-71.2%	-23.5%	-32.5%
38	VP - Information Technology		1	\$221	\$371	\$320	\$67	\$201	\$638	\$581	\$212	\$306	\$286	\$49	\$113	\$467	\$446	4.3%	21.3%	11.8%	36.7%	78.5%	36.7%	30.2%
	Benchmark Incumbents		4	\$1,011	\$1,825	\$1,487	\$308	\$1,031	\$3,163	\$2,783	\$1,223	\$1,947	\$1,831	\$277	\$1,339	\$3,532	\$3,391	-17.4%	-6.3%	-18.8%	11.3%	-23.0%	-10.5%	-17.9%
	Total Incumbents		9																					
	Coverage		44.4%																					

APPENDIX B — Detailed Competitive Summary by Employee Category — SCG

Manager/Supervisor		SCG Average								Competitive Market Average						Variance - SCG +/- Market							
2012 GRC Study Pos.	SCG Benchmark Job Title	# of SCG EEs	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary %	Total Cash %	Target Total Cash %	Benefits %	LTI %	Total Comp. %	Target Total Comp. %
448	Accounts Payable Manager	1	\$103	\$133	\$124	\$33		\$167	\$156	\$96	\$104	\$106	\$28		\$137	\$137	6.9%	28.1%	16.8%	19.8%		21.9%	13.6%
449	Accounts Payable Operations Supervisor	1	\$80	\$99	\$92	\$30		\$129	\$121	\$81	\$90	\$89	\$26		\$117	\$116	-0.6%	10.3%	3.3%	13.1%		10.7%	4.7%
450	Accounts Payable Services Supervisor	1	\$77	\$95	\$89	\$29		\$125	\$118	\$81	\$90	\$89	\$26		\$117	\$116	-4.2%	5.8%	-0.4%	11.4%		6.9%	1.6%
453	Affiliate Billing & Costing Manager	1	\$113	\$148	\$135	\$35		\$183	\$169	\$110	\$127	\$123	\$30		\$156	\$153	2.7%	17.2%	9.7%	18.0%		17.3%	10.5%
459	Bill Delivery & Payment Operations Manager	1	\$108	\$133	\$124	\$33		\$166	\$156	\$98	\$117	\$111	\$29		\$146	\$140	9.9%	13.7%	11.2%	16.5%		13.7%	11.3%
460	Billing Manager	2	\$110	\$136	\$127	\$34		\$169	\$160	\$107	\$127	\$125	\$30		\$160	\$157	3.1%	6.5%	1.8%	13.7%		5.7%	1.5%
461	Branch Office Manager	1	\$104	\$128	\$120	\$33		\$161	\$151	\$102	\$122	\$118	\$29		\$154	\$151	1.7%	5.4%	0.9%	12.9%		4.6%	0.6%
462	Branch Office Supervisor	8	\$80	\$98	\$92	\$30		\$127	\$121	\$71	\$78	\$78	\$25		\$103	\$103	12.0%	25.4%	18.1%	17.1%		23.3%	17.2%
463	Business Planning & Budget Manager	1	\$131	\$171	\$157	\$39		\$210	\$194	\$113	\$131	\$130	\$30		\$167	\$166	15.4%	30.6%	20.2%	29.6%		26.0%	16.8%
464	Commercial / Industrial Markets Manager	1	\$112	\$138	\$129	\$34		\$172	\$162	\$107	\$126	\$125	\$29		\$159	\$158	5.4%	10.0%	3.7%	15.0%		8.1%	2.6%
465	Commercial / Industrial MM Segment Manager	1	\$111	\$137	\$128	\$34		\$171	\$160	\$107	\$126	\$125	\$29		\$159	\$158	4.0%	9.0%	2.4%	14.5%		7.3%	1.4%
469	CARE & Assistance Programs Manager	1	\$114	\$142	\$131	\$34		\$176	\$164	\$113	\$135	\$130	\$30		\$166	\$161	1.4%	5.0%	1.3%	13.2%		5.8%	2.4%
472	Customer Contact Center Resource & Service Level Manager	1	\$112	\$139	\$129	\$34		\$173	\$162	\$113	\$135	\$130	\$30		\$166	\$161	-0.5%	3.4%	-0.6%	12.4%		4.4%	0.6%
473	Customer Contact Center Site Manager	2	\$104	\$130	\$120	\$33		\$162	\$152	\$102	\$122	\$118	\$29		\$154	\$151	2.0%	6.6%	1.2%	13.5%		5.6%	0.8%
474	Customer Contact Center Special Services Manager	1	\$119	\$151	\$137	\$37		\$187	\$171	\$113	\$135	\$130	\$30		\$166	\$161	5.7%	11.8%	5.6%	20.9%		12.7%	6.2%
475	Customer Contact Center Supervisor	33	\$77	\$93	\$88	\$29		\$123	\$117	\$71	\$78	\$78	\$25		\$103	\$103	7.4%	20.1%	13.2%	15.4%		18.9%	13.2%
478	Customer Collections Supervisor	3	\$86	\$105	\$99	\$30		\$136	\$128	\$76	\$83	\$83	\$26		\$111	\$111	12.6%	26.0%	18.3%	17.9%		22.0%	15.6%
480	Contract Administrator - Gas	12	\$83	\$97	\$95	\$30		\$99	\$106	\$99	\$106	\$111	\$28		\$156	\$153	-16.8%	-8.4%	-14.5%	5.9%		23.2%	16.1%
482	Cost Accounting Manager	1	\$119	\$155	\$143	\$37		\$193	\$178	\$110	\$127	\$123	\$30		\$156	\$153	8.5%	22.8%	16.0%	25.2%		23.2%	16.1%
486	Customer Assistance Programs Supervisor	1	\$82	\$101	\$95	\$30		\$131	\$124	\$85	\$94	\$94	\$27		\$121	\$121	-3.4%	7.5%	0.4%	11.9%		8.3%	2.2%
487	Customer Billing Services Supervisor	6	\$76	\$92	\$87	\$29		\$121	\$116	\$81	\$91	\$90	\$26		\$117	\$116	-6.5%	1.4%	-3.0%	10.0%		3.3%	-0.5%
491	Customer Remittance Processing Supervisor	2	\$73	\$90	\$84	\$29		\$93	\$88	\$71	\$74	\$80	\$25		\$121	\$121	3.2%	22.2%	5.5%	15.0%			
500	DAP Office Supervisor	1	\$81	\$98	\$93	\$30		\$128	\$123	\$85	\$94	\$94	\$27		\$121	\$121	-4.7%	4.7%	-1.0%	10.9%		5.9%	1.1%
502	Design Supervisor	1	\$102	\$125	\$118	\$32		\$160	\$151	\$103	\$108	\$113	\$28		\$156	\$153	-0.9%	15.7%	4.3%	14.3%			
503	Design Team Leader	1	\$121	\$150	\$139	\$36		\$193	\$178	\$103	\$108	\$113	\$28		\$156	\$153	17.2%	39.2%	23.3%	28.7%			
509	Director - Customer Operations	1	\$150	\$204	\$188	\$43		\$297	\$279	\$153	\$202	\$187	\$37		\$251	\$235	-1.6%	1.0%	0.2%	14.7%		18.3%	18.4%
511	Director - Finance	1	\$175	\$242	\$219	\$47		\$331	\$301	\$162	\$198	\$200	\$37		\$251	\$235	7.8%	22.5%	9.5%	25.7%			
517	Director - Human Resource Services & Analysis	1	\$148	\$205	\$186	\$43		\$297	\$279	\$161	\$194	\$198	\$37		\$251	\$235	-7.7%	5.8%	-6.2%	15.2%			
519	Director - Labor Relations	1	\$165	\$234	\$206	\$46		\$331	\$301	\$166	\$204	\$201	\$38		\$273	\$269	-0.5%	14.4%	2.8%	21.3%		21.4%	11.8%
525	Director - Transmission	1	\$153	\$214	\$191	\$44	\$50	\$307	\$283	\$178	\$201	\$226	\$39	\$104	\$301	\$326	-13.8%	6.2%	-15.2%	13.9%	-52.1%	2.3%	-13.4%
527	Distribution Dispatch Supervisor	1	\$81	\$99	\$93	\$30		\$129	\$122	\$93	\$103	\$103	\$28		\$131	\$131	-12.9%	-4.0%	-9.7%	7.9%		-1.6%	-6.5%
528	District Operations Manager	32	\$100	\$124	\$115	\$32		\$156	\$146	\$107	\$126	\$123	\$29		\$157	\$153	-6.7%	-1.9%	-6.3%	9.6%		-0.5%	-4.5%
529	District Operations Manager I	13	\$105	\$129	\$120	\$33		\$162	\$152	\$107	\$126	\$123	\$29		\$157	\$153	-2.5%	2.3%	-2.1%	11.5%		3.2%	-0.8%
533	Emergency Services Program Manager	1	\$106	\$130	\$122	\$33		\$160	\$151	\$102	\$106	\$117	\$28		\$156	\$153	3.7%	22.3%	4.3%	16.9%			
535	Engineering Design Manager	1	\$135	\$178	\$162	\$40		\$210	\$194	\$126	\$137	\$146	\$31		\$167	\$166	7.3%	29.8%	10.9%	27.9%			

APPENDIX B — Detailed Competitive Summary by Employee Category — SCG

Manager/Supervisor		SCG Average								Competitive Market Average						Variance - SCG +/- Market							
2012 GRC Study Pos.	SCG Benchmark Job Title	# of SCG EEs	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary %	Total Cash %	Target Total Cash %	Benefits %	LTI %	Total Comp. %	Target Total Comp. %
539	Energy Programs Manager	2	\$110	\$136	\$126	\$34		\$169	\$159	\$113	\$135	\$130	\$30		\$166	\$161	-2.7%	0.7%	-2.8%	11.1%		1.9%	-1.3%
540	Energy Programs Supervisor	1	\$91	\$114	\$105	\$31		\$145	\$135	\$85	\$94	\$94	\$27		\$121	\$121	7.0%	22.0%	11.2%	16.9%		20.7%	11.5%
542	Environmental Specialist Team Leader	1	\$95	\$117	\$109	\$32		\$148	\$140	\$89	\$95	\$95	\$27		\$123	\$122	6.9%	22.1%	14.7%	16.7%		20.9%	14.5%
543	Environmental Services Manager	1	\$125	\$162	\$150	\$38		\$200	\$185	\$118	\$139	\$137	\$31		\$172	\$171	5.6%	17.0%	9.1%	23.4%		16.3%	8.3%
544	Leader - Air	1	\$103	\$125	\$119	\$32		\$158	\$151	\$105	\$115	\$118	\$29		\$147	\$148	-1.5%	8.9%	1.1%	12.7%		7.4%	1.7%
547	Facilities Manager	8	\$82	\$99	\$95	\$30		\$129	\$124	\$87	\$98	\$97	\$27		\$125	\$124	-4.9%	0.7%	-2.4%	10.9%		2.9%	-0.1%
550	Financial Planning Manager	2	\$126	\$165	\$151	\$38		\$203	\$187	\$124	\$150	\$146	\$32		\$187	\$183	1.1%	10.3%	3.0%	20.8%		8.8%	2.2%
551	Financial Systems Client Support Manager	1	\$99	\$126	\$118	\$33				\$103	\$111	\$117	\$29				-4.3%	13.1%	1.6%	14.1%			
555	Field Operations Supervisor - Transmission	6	\$88	\$107	\$101	\$31		\$137	\$131	\$75	\$81	\$87	\$26		\$108	\$115	16.2%	31.4%	15.4%	19.2%		27.0%	14.1%
556	Field Operations Supervisor I	53	\$88	\$107	\$101	\$31		\$138	\$131	\$84	\$93	\$92	\$27		\$120	\$119	4.8%	14.9%	9.0%	14.8%		14.8%	9.8%
557	Field Operations Supervisor II	164	\$81	\$97	\$93	\$30		\$127	\$122	\$84	\$93	\$92	\$27		\$120	\$119	-3.4%	3.9%	0.5%	11.4%		5.6%	2.5%
559	Field Supervisor	11	\$74	\$86	\$85	\$29		\$114	\$114	\$84	\$93	\$92	\$27		\$120	\$119	-11.3%	-8.3%	-7.7%	8.0%		-4.7%	-4.6%
561	Fleet Supervisor	6	\$87	\$107	\$100	\$31		\$137	\$129	\$83	\$92	\$92	\$27		\$119	\$119	4.0%	15.7%	8.1%	15.0%		15.5%	9.1%
566	Gas Control Manager	1	\$111	\$146	\$133	\$35		\$181	\$167	\$120	\$148	\$140	\$31		\$183	\$175	-7.2%	-1.3%	-4.9%	10.8%		-1.3%	-4.7%
567	Gas Control Supervisor	5	\$92	\$113	\$106	\$31		\$144	\$136	\$90	\$101	\$100	\$27		\$128	\$127	2.6%	11.9%	6.0%	13.9%		12.3%	7.2%
568	Gas Demand & Tariffs Manager	1	\$117	\$149	\$140	\$35		\$184	\$174	\$118	\$145	\$140	\$31		\$182	\$177	-1.6%	3.2%	-0.1%	12.8%		1.3%	-1.8%
569	Gas Rates Manager	1	\$118	\$144	\$135	\$35		\$179	\$169	\$118	\$145	\$140	\$31		\$182	\$177	-0.7%	-0.3%	-3.5%	11.1%		-1.8%	-4.8%
580	Infrastructure Technology Manager	1	\$124	\$166	\$149	\$38		\$204	\$184	\$127	\$143	\$141	\$31		\$182	\$180	-2.4%	16.2%	5.6%	22.0%		11.9%	2.4%
583	Logistics Supervisor	5	\$79	\$97	\$91	\$30		\$127	\$120	\$79	\$85	\$87	\$26		\$116	\$118	0.1%	14.5%	5.1%	13.7%		8.9%	2.2%
585	Maintenance Operations Manager	1	\$110	\$135	\$127	\$34		\$169	\$160	\$107	\$124	\$124	\$29		\$157	\$156	2.9%	8.7%	2.4%	14.1%		7.8%	2.3%
587	Material & Distribution Supervisor	1	\$79	\$97	\$91	\$30				\$71	\$74	\$77	\$25				10.9%	30.9%	17.8%	17.7%			
604	Major Markets Credit & Collection Manager	1	\$132	\$164	\$151	\$38		\$202	\$188	\$111	\$132	\$129	\$30		\$164	\$161	18.9%	24.3%	17.1%	27.0%		23.3%	16.8%
607	Mass Markets Credit & Collection Manager	1	\$110	\$135	\$127	\$34		\$169	\$159	\$107	\$127	\$125	\$30		\$160	\$157	2.8%	6.0%	1.5%	13.5%		5.3%	1.2%
609	Meter Reading Operations Manager	1	\$122	\$152	\$140	\$37		\$188	\$174	\$104	\$117	\$117	\$29		\$147	\$148	17.3%	29.9%	19.3%	27.2%		28.1%	17.9%
610	Meter Reading Operations Support Supervisor	2	\$74	\$91	\$85	\$29		\$120	\$113	\$73	\$80	\$80	\$26		\$106	\$105	0.9%	13.9%	6.5%	13.5%		13.8%	7.6%
611	Meter Reading Supervisor	29	\$69	\$84	\$80	\$28		\$113	\$107	\$73	\$80	\$80	\$26		\$106	\$105	-5.6%	5.4%	-0.4%	10.7%		6.7%	1.8%
614	New Business Accounting Supervisor	1	\$75	\$91	\$86	\$29				\$71	\$75	\$78	\$25				5.3%	21.9%	11.2%	15.2%			
615	New Business Project Manager	20	\$87	\$107	\$100	\$31		\$137	\$130	\$94	\$100	\$102	\$28		\$131	\$133	-7.4%	6.3%	-2.0%	11.1%		4.6%	-2.2%
618	Operations Technology Manager	1	\$125	\$156	\$144	\$37		\$194	\$178	\$114	\$120	\$123	\$29		\$155	\$159	9.8%	30.4%	16.8%	26.4%		24.6%	12.3%
619	Operations Training Supervisor	3	\$93	\$115	\$106	\$31		\$146	\$137	\$82	\$86	\$87	\$26		\$116	\$116	12.6%	33.5%	22.4%	19.4%		25.8%	18.4%
624	Principal Accountant - Supervisor	3	\$89	\$108	\$102	\$31		\$138	\$132	\$86	\$91	\$94	\$27		\$115	\$117	3.7%	18.1%	8.5%	14.7%		20.3%	12.9%
625	Principal Engineer - Supervisor	2	\$123	\$154	\$142	\$37		\$191	\$176	\$119	\$131	\$131	\$30		\$163	\$163	3.7%	17.9%	8.3%	22.0%		17.5%	8.1%
629	Project Manager - Business Planning & Budget	1	\$102	\$125	\$117	\$32		\$157	\$149	\$105	\$119	\$118	\$29		\$149	\$147	-2.6%	4.3%	-0.7%	11.6%		5.6%	1.2%
630	Project Manager - I	34	\$89	\$108	\$102	\$31		\$139	\$132	\$88	\$97	\$98	\$27		\$125	\$126	1.0%	11.3%	4.3%	13.5%		11.0%	5.0%
631	Project Manager - II	51	\$99	\$120	\$114	\$32		\$152	\$145	\$105	\$119	\$118	\$29		\$149	\$147	-5.5%	0.7%	-3.7%	10.2%		2.5%	-1.5%

APPENDIX B — Detailed Competitive Summary by Employee Category — SCG

Manager/Supervisor		SCG Average								Competitive Market Average						Variance - SCG +/- Market							
2012 GRC Study Pos.	SCG Benchmark Job Title	# of SCG EEs	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary %	Total Cash %	Target Total Cash %	Benefits %	LTI %	Total Comp. %	Target Total Comp. %
632	Project Manager - III	10	\$119	\$146	\$137	\$35		\$181	\$171	\$119	\$138	\$137	\$31		\$169	\$169	-0.2%	5.8%	-0.4%	12.9%		6.6%	1.0%
634	Project Manager - Measurement / Regulation & Control	1	\$113	\$140	\$130	\$34		\$174	\$163	\$112	\$132	\$130	\$30		\$166	\$163	1.0%	5.6%	0.6%	13.2%		4.5%	0.0%
635	Project Manager - Operations Technology	1	\$87	\$106	\$100	\$31		\$137	\$130	\$88	\$92	\$88	\$27		\$120	\$116	-1.0%	15.7%	13.5%	13.9%		14.3%	12.2%
636	Project Manager - Operations Technology	5	\$97	\$118	\$111	\$32		\$150	\$142	\$104	\$110	\$106	\$29		\$142	\$138	-7.4%	7.3%	5.0%	11.3%		5.4%	3.2%
637 & 638	Project Manager - Planning & Development; Project Manager - Research Dev & Design Equity Investments	3	\$116	\$140	\$133	\$34		\$174	\$167	\$122	\$134	\$135	\$31		\$170	\$171	-5.0%	4.8%	-1.1%	11.2%		2.8%	-2.3%
641	Portfolio Manager	1	\$113	\$148	\$136	\$35		\$183	\$170	\$107	\$117	\$120	\$29		\$164	\$167	5.9%	26.7%	13.2%	20.6%		11.4%	1.7%
644	Regulatory Case Manager - II	3	\$110	\$135	\$127	\$34		\$169	\$159	\$117	\$139	\$137	\$31		\$176	\$173	-6.1%	-3.0%	-7.5%	9.1%		-4.0%	-7.9%
645	Regulatory Policy Manager	1	\$132	\$165	\$152	\$38		\$203	\$189	\$134	\$158	\$161	\$34		\$207	\$210	-1.4%	4.0%	-5.5%	13.1%		-2.0%	-10.0%
646	Region Engineering Supervisor	3	\$96	\$118	\$110	\$32		\$150	\$141	\$94	\$104	\$103	\$28		\$131	\$131	2.2%	13.6%	6.9%	14.4%		13.7%	7.9%
647	Regional Branch Office Supervisor	1	\$92	\$115	\$106	\$31				\$77	\$84	\$86	\$26				19.3%	37.1%	22.6%	21.1%			
649	Regional Public Affairs Manager	3	\$121	\$150	\$140	\$36		\$187	\$174	\$106	\$125	\$121	\$29		\$158	\$154	14.3%	20.5%	15.3%	24.2%		18.1%	12.5%
652	Safety & Health Manager	2	\$110	\$136	\$127	\$34		\$170	\$160	\$116	\$136	\$135	\$30		\$169	\$168	-4.7%	0.1%	-5.9%	10.4%		0.6%	-4.8%
655	Senior Account Manager	1	\$117	\$143	\$135	\$34		\$177	\$168	\$105	\$124	\$121	\$29		\$156	\$152	11.4%	15.2%	11.4%	17.3%		13.8%	10.3%
658	Staffing Supervisor	1	\$86	\$106	\$99	\$31		\$136	\$129	\$86	\$93	\$93	\$27		\$119	\$119	0.1%	14.4%	7.4%	14.0%		14.3%	8.3%
665	Strategic Projects Manager	1	\$115	\$140	\$132	\$34		\$175	\$165	\$113	\$131	\$129	\$30		\$163	\$161	1.6%	7.1%	2.1%	13.5%		7.0%	2.5%
666	Sundry Billing Supervisor	1	\$77	\$94	\$88	\$29		\$123	\$117	\$81	\$90	\$89	\$26		\$117	\$116	-5.0%	4.4%	-1.3%	10.9%		5.7%	0.9%
668	Support Services Supervisor	2	\$74	\$91	\$85	\$29				\$63	\$66	\$69	\$24				17.1%	37.6%	23.7%	19.1%			
673	Team Leader	2	\$83	\$103	\$95	\$30				\$90	\$94	\$100	\$27				-7.9%	9.2%	-4.5%	11.7%			
676	Technical Supervisor	14	\$88	\$108	\$101	\$31				\$103	\$111	\$115	\$28				-14.8%	-2.8%	-12.2%	7.4%			
681	Telecommunications Supervisor	2	\$95	\$116	\$109	\$31		\$147	\$140	\$95	\$104	\$104	\$28		\$144	\$143	-0.7%	11.2%	4.3%	13.2%		2.0%	-2.5%
682	Web Group Manager	1	\$108	\$132	\$124	\$33		\$165	\$156	\$116	\$134	\$134	\$30		\$169	\$169	-6.9%	-1.3%	-7.6%	9.5%		-2.2%	-7.6%
683	Welding Training Supervisor	1	\$94	\$116	\$108	\$32				\$77	\$79	\$85	\$26				22.3%	46.7%	27.5%	22.9%			
	Benchmark Incumbents	621	\$55,323	\$67,573	\$63,777	\$19,193	\$50	\$80,757	\$76,815	\$56,393	\$63,200	\$62,959	\$17,058	\$104	\$75,045	\$74,548	-1.9%	6.9%	1.3%	12.5%	-52.1%	7.6%	3.0%
	Total Incumbents	857																					
	Coverage	72.5%																					

APPENDIX B — Detailed Competitive Summary by Employee Category — SCG

2012 GRC Study		SCG Average									Competitive Market Average					Variance - SCG +/- Market							
		SCG Benchmark Job Title	# of SCG EEs	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary %	Total Cash %	Target Total Cash %	Benefits %	LTI %	Total Comp. %
1166	Accountant - II	2	\$50	\$55	\$58	\$19		\$74	\$77	\$44	\$48	\$47	\$17		\$65	\$64	12.4%	15.4%	21.8%	12.6%		14.6%	19.7%
1167	Account Executive	23	\$73	\$89	\$84	\$22		\$111	\$106	\$79	\$82	\$85	\$20		\$104	\$106	-6.5%	8.0%	-0.2%	12.7%		7.1%	0.1%
1168	Account Executive - New Construction	1	\$75	\$81	\$86	\$22		\$103	\$108	\$79	\$82	\$85	\$20		\$104	\$106	-4.5%	-0.8%	1.9%	9.3%		-0.5%	2.0%
1172	Affiliate Compliance Advisor	2	\$84	\$103	\$96	\$23		\$126	\$119	\$77	\$84	\$84	\$20		\$104	\$103	8.3%	21.9%	15.0%	18.1%		21.1%	15.0%
1176	Associate Accountant - Rotation	6	\$50	\$55	\$58	\$20		\$74	\$77	\$49	\$50	\$51	\$17		\$67	\$68	2.2%	8.7%	12.1%	12.1%		10.2%	13.9%
1177	Associate Contracting Agent	1	\$59	\$73	\$67	\$21		\$94	\$88	\$59	\$61	\$62	\$18		\$77	\$77	-0.1%	20.0%	8.9%	14.8%		21.3%	13.7%
1178	Associate Engineer	11	\$62	\$72	\$71	\$21		\$93	\$92	\$63	\$66	\$67	\$19		\$85	\$86	-1.1%	9.3%	6.4%	13.4%		9.9%	7.3%
1179	Associate Environmental Specialist	1	\$50	\$53	\$57	\$19				\$56	\$58	\$60	\$18				-10.8%	-9.0%	-4.5%	6.9%			
1182	Billing Analyst - II	6	\$75	\$91	\$86	\$22		\$114	\$108	\$69	\$76	\$75	\$19		\$96	\$94	7.8%	19.4%	14.4%	16.8%		18.9%	14.5%
1185	Business Analyst - I	4	\$61	\$72	\$70	\$21		\$93	\$90	\$64	\$69	\$69	\$19		\$88	\$87	-6.0%	3.6%	1.3%	11.0%		5.2%	3.2%
1186	Business Analyst - II	14	\$66	\$80	\$76	\$22		\$102	\$97	\$64	\$69	\$69	\$19		\$88	\$87	2.4%	16.3%	10.3%	14.9%		16.0%	10.9%
1187	Business Planning Project Manager	1	\$109	\$137	\$125	\$26		\$163	\$150	\$112	\$129	\$128	\$23		\$155	\$155	-3.0%	6.3%	-1.9%	14.6%		5.0%	-2.9%
1188 & 1190	Business Systems Advisor; Senior Business System Analyst	6	\$86	\$105	\$98	\$24		\$129	\$121	\$99	\$107	\$108	\$22		\$128	\$130	-13.9%	-2.1%	-9.0%	9.5%		0.3%	-6.4%
1189 & 1191	Business Systems Analyst - I & II	26	\$73	\$88	\$84	\$22		\$110	\$106	\$83	\$90	\$90	\$20		\$109	\$110	-12.4%	-1.9%	-6.7%	9.7%		0.8%	-4.0%
1192	Business Technologist	2	\$92	\$112	\$106	\$24		\$137	\$130	\$99	\$107	\$108	\$22		\$128	\$130	-6.9%	4.8%	-1.5%	12.3%		6.5%	0.3%
1193	Buyer I	2	\$61	\$73	\$70	\$21		\$94	\$91	\$53	\$59	\$57	\$18		\$77	\$75	15.1%	23.1%	23.7%	16.5%		21.4%	21.6%
1194	Buyer II	3	\$66	\$80	\$76	\$22		\$101	\$97	\$62	\$66	\$66	\$19		\$84	\$84	7.5%	21.4%	15.5%	16.2%		20.3%	15.2%
1200	Claims Analyst	1	\$65	\$65	\$75	\$20				\$55	\$57	\$60	\$18				18.5%	14.6%	24.4%	13.1%			
1201	Claims Representative - Liability	1	\$72	\$89	\$82	\$22		\$111	\$104	\$71	\$74	\$75	\$19		\$98	\$98	1.1%	19.2%	9.6%	15.9%		13.6%	6.0%
1202	Claims Specialist	2	\$53	\$63	\$61	\$20		\$83	\$81	\$58	\$60	\$60	\$18		\$79	\$80	-8.2%	6.3%	0.9%	11.0%		5.4%	1.5%
1203	Communications Advisor	3	\$72	\$80	\$83	\$22		\$101	\$105	\$62	\$65	\$66	\$18		\$85	\$85	17.2%	22.8%	25.9%	17.8%		19.5%	23.5%
1206	Contracting Agent	2	\$77	\$95	\$88	\$23		\$118	\$110	\$77	\$83	\$83	\$20		\$103	\$103	-0.5%	14.8%	5.6%	15.3%		14.9%	6.8%
1215	DART System Analyst	1	\$62	\$74	\$71	\$21		\$95	\$92	\$64	\$66	\$66	\$19		\$85	\$85	-3.7%	12.2%	7.8%	12.8%		11.6%	7.9%
1216	DART Technical Advisor	4	\$75	\$92	\$87	\$23		\$115	\$109	\$81	\$85	\$85	\$20		\$106	\$106	-7.4%	9.0%	2.2%	12.7%		8.4%	2.5%
1218	Distribution Dispatch Analyst	1	\$72	\$88	\$83	\$22		\$110	\$105	\$65	\$70	\$70	\$19		\$89	\$89	11.3%	25.1%	18.9%	17.9%		23.6%	18.2%
1220	Employee Development Advisor	2	\$81	\$98	\$93	\$23		\$122	\$115	\$86	\$94	\$95	\$21		\$114	\$115	-6.5%	5.0%	-2.2%	12.3%		6.3%	-0.1%
1221	Emergency Services Coordinator	2	\$78	\$96	\$90	\$23				\$79	\$82	\$89	\$20				-1.7%	17.0%	0.5%	15.4%			
1222	Engineer I	21	\$84	\$101	\$96	\$23		\$125	\$119	\$92	\$99	\$99	\$21		\$120	\$121	-8.9%	2.3%	-3.4%	11.3%		3.5%	-1.6%
1223	Engineer II	25	\$73	\$88	\$84	\$22		\$111	\$106	\$75	\$80	\$81	\$20		\$100	\$100	-2.6%	10.0%	4.2%	13.7%		10.5%	5.3%
1226	Energy Programs Advisor	9	\$79	\$96	\$90	\$23		\$118	\$113	\$77	\$84	\$84	\$20		\$104	\$104	2.6%	13.6%	7.3%	15.3%		14.0%	8.4%
1229	Environmental Specialist	8	\$68	\$82	\$78	\$22		\$104	\$99	\$70	\$75	\$75	\$19		\$94	\$94	-3.1%	9.2%	3.7%	13.0%		9.9%	5.3%
1235	Field Environmental Specialist	1	\$90	\$110	\$104	\$24		\$134	\$127	\$91	\$101	\$100	\$21		\$122	\$121	-1.2%	8.6%	3.9%	14.2%		9.6%	5.3%
1236 & 1237	Field Instructor	12	\$72	\$84	\$83	\$22		\$107	\$105	\$78	\$80	\$81	\$20		\$102	\$103	-7.2%	5.3%	2.4%	12.2%		4.2%	2.5%
1239	Field Safety Advisor	5	\$86	\$104	\$99	\$24		\$128	\$122	\$83	\$92	\$91	\$20		\$112	\$112	3.0%	13.8%	8.0%	15.8%		14.2%	9.0%
1240	Fleet Administration Specialist	1	\$74	\$92	\$85	\$23		\$114	\$107	\$70	\$76	\$76	\$19		\$96	\$95	5.4%	20.3%	12.3%	16.9%		19.4%	12.4%

APPENDIX B — Detailed Competitive Summary by Employee Category — SCG

Professional/Technical

2012 GRC Study Pos.	SCG Benchmark Job Title	# of SCG EEs	SCG Average						Competitive Market Average						Variance - SCG +/- Market									
			Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary %	Total Cash %	Target Total Cash %	Benefits %	LTI %	Total Comp. %	Target Total Comp. %	
1241	Fleet Analyst	1	\$74	\$91	\$85	\$22		\$113	\$107	\$70	\$76	\$76	\$19		\$96	\$95	5.9%	19.2%	12.8%	16.6%			18.4%	12.9%
1242	Fleet Compliance & Quality Assurance Specialist	1	\$66	\$80	\$76	\$22		\$102	\$97	\$70	\$76	\$76	\$19		\$96	\$95	-6.0%	5.2%	0.2%	11.8%			6.3%	2.0%
1247	Forecasting Advisor	3	\$93	\$112	\$107	\$24				\$101	\$109	\$117	\$22				-8.0%	2.8%	-8.8%	11.6%				
1252	Governmental Affairs Manager	1	\$120	\$145	\$138	\$27				\$126	\$146	\$149	\$24				-5.1%	-0.6%	-7.4%	11.4%				
1253	Los Angeles City & County Human Resources Analyst	5	\$61	\$75	\$70	\$21		\$96	\$91	\$65	\$70	\$69	\$19		\$89	\$88	-5.4%	7.3%	1.9%	12.1%		7.8%	3.2%	
1254	Industrial Hygienist	1	\$71	\$86	\$81	\$22		\$108	\$103	\$79	\$82	\$83	\$20		\$101	\$101	-10.8%	4.9%	-2.7%	11.2%		7.3%	1.8%	
1256	Instructional Designer - II	4	\$74	\$90	\$85	\$22		\$113	\$107	\$78	\$81	\$82	\$20		\$104	\$105	-4.1%	11.4%	3.7%	13.6%		8.9%	2.6%	
1261	Labor Relations Analyst	1	\$57	\$66	\$66	\$20				\$59	\$61	\$67	\$18				-3.1%	8.0%	-1.7%	11.5%				
1266	Market Advisor	3	\$85	\$102	\$98	\$23		\$126	\$121	\$80	\$86	\$86	\$20		\$108	\$108	6.7%	18.7%	14.1%	16.9%		16.5%	12.6%	
1268	Market Advisor - I	2	\$71	\$79	\$81	\$22		\$101	\$103	\$80	\$86	\$86	\$20		\$108	\$108	-11.6%	-8.1%	-5.4%	10.8%		-6.0%	-4.3%	
1269	Market Advisor - II	3	\$90	\$109	\$104	\$24		\$133	\$127	\$80	\$86	\$86	\$20		\$108	\$108	12.9%	26.1%	20.7%	19.5%		23.0%	18.3%	
1270	Market Advisor - II	2	\$87	\$106	\$100	\$24		\$130	\$123	\$80	\$86	\$86	\$20		\$108	\$108	8.8%	23.0%	16.3%	18.5%		20.3%	14.5%	
1271	Market Analyst - II	1	\$62	\$76	\$71	\$21				\$63	\$65	\$68	\$19				-1.4%	17.6%	4.4%	14.4%				
1280	Operations Training Instructor	33	\$81	\$97	\$93	\$23		\$120	\$116	\$76	\$78	\$79	\$20		\$102	\$102	6.8%	23.9%	18.1%	18.3%		17.2%	13.0%	
1287	Principal Accountant	2	\$89	\$108	\$103	\$24		\$132	\$126	\$81	\$87	\$88	\$20		\$108	\$109	10.0%	25.0%	17.2%	18.9%		22.0%	15.4%	
1288	Principal Business Analyst	7	\$96	\$117	\$110	\$25		\$142	\$134	\$95	\$102	\$103	\$21		\$127	\$128	0.7%	15.0%	6.7%	16.2%		11.6%	5.1%	
1289	Principal Credit & Collections Analyst	3	\$93	\$116	\$107	\$25		\$141	\$131	\$91	\$103	\$99	\$21		\$130	\$126	2.8%	12.2%	7.6%	16.3%		8.1%	3.9%	
1290	Principal Engineer	5	\$110	\$135	\$126	\$26		\$161	\$151	\$119	\$131	\$131	\$23		\$156	\$156	-7.9%	3.2%	-3.8%	12.3%		3.5%	-2.9%	
1291	Principal Engineer - Commercial / Industrial Customer Services	2	\$98	\$120	\$112	\$25		\$145	\$136	\$112	\$119	\$123	\$23		\$153	\$155	-13.1%	1.0%	-8.9%	10.4%		-5.3%	-11.7%	
1292	Principal Environmental Spec	4	\$94	\$116	\$108	\$25		\$140	\$132	\$101	\$115	\$114	\$22		\$138	\$137	-7.2%	1.0%	-5.6%	11.7%		1.9%	-4.0%	
1293	Principal Environmental Specialist - Air Quality	1	\$94	\$117	\$109	\$25		\$141	\$132	\$101	\$115	\$114	\$22		\$138	\$137	-6.5%	2.0%	-4.9%	12.1%		2.8%	-3.4%	
1294	Principal Labor Relations Advisor	1	\$111	\$136	\$127	\$26				\$110	\$113	\$126	\$22				1.0%	20.4%	1.0%	18.4%				
1297	Project Engineer	1	\$83	\$103	\$95	\$23				\$88	\$91	\$96	\$21				-6.1%	13.1%	-1.1%	14.4%				
1299	Project Manager - Energy Markets	1	\$129	\$160	\$148	\$30		\$190	\$176	\$122	\$134	\$135	\$24		\$163	\$164	5.7%	19.7%	10.0%	25.8%		16.8%	7.4%	
1300	Project Manager - Fleet Environmental	1	\$100	\$125	\$115	\$25		\$151	\$139	\$104	\$110	\$111	\$22		\$136	\$136	-4.5%	13.5%	3.2%	15.8%		10.9%	1.8%	
1301	Project Manager - Planning & Development	1	\$104	\$126	\$119	\$25		\$152	\$144	\$104	\$110	\$111	\$22		\$136	\$136	-0.6%	14.4%	7.5%	16.1%		11.6%	5.6%	
1302	Project Manager - Project & Construction	9	\$88	\$108	\$101	\$24		\$132	\$125	\$88	\$92	\$92	\$21		\$113	\$114	0.5%	17.8%	9.9%	16.2%		16.4%	9.5%	
1303	Project Manager - Project & Construction	3	\$102	\$125	\$117	\$25		\$150	\$142	\$104	\$110	\$111	\$22		\$136	\$136	-2.5%	12.9%	5.4%	15.5%		10.3%	3.8%	
1304	Project Manager - Transmission Project Specialist - Operations	6	\$80	\$97	\$92	\$23		\$120	\$114	\$88	\$92	\$92	\$21		\$113	\$114	-9.1%	5.9%	-0.6%	11.9%		6.0%	0.3%	
1310	Technology	3	\$63	\$77	\$72	\$21		\$98	\$93	\$66	\$68	\$69	\$19		\$87	\$88	-5.2%	13.2%	4.7%	13.3%		12.6%	5.4%	
1312	Public Affairs Manager	21	\$97	\$117	\$111	\$25		\$142	\$136	\$102	\$111	\$111	\$22		\$133	\$133	-4.7%	6.1%	0.7%	13.5%		7.1%	2.2%	
1320	Region Associate Engineer	8	\$63	\$75	\$73	\$21		\$96	\$93	\$71	\$76	\$77	\$19		\$95	\$96	-10.6%	-1.8%	-5.5%	9.3%		0.4%	-2.7%	
1324	Research Analyst	1	\$70	\$85	\$81	\$22		\$107	\$103	\$69	\$73	\$76	\$19		\$92	\$95	1.8%	16.5%	6.9%	15.0%		16.1%	8.0%	
1325	SCADA Advisor	4	\$84	\$103	\$97	\$23		\$126	\$120	\$83	\$91	\$91	\$20		\$111	\$111	1.2%	13.0%	6.5%	15.4%		13.4%	7.6%	
1327	Safety & Health Business Advisor	3	\$98	\$121	\$112	\$25		\$146	\$137	\$86	\$95	\$94	\$21		\$115	\$115	13.6%	27.3%	19.3%	21.0%		26.1%	18.9%	

Professional/Technical		SCG Average								Competitive Market Average						Variance - SCG +/- Market										
		2012 GRC Study Pos.	SCG Benchmark Job Title	# of SCG EEs	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary %	Total Cash %	Target Total Cash %	Benefits %	LTI %	Total Comp. %	Target Total Comp. %	
1329	Supply Chain Advisor	1	\$83	\$102	\$96	\$23		\$125	\$119	\$83	\$92	\$91	\$20		\$112	\$111	0.0%	11.5%	5.8%	14.8%			12.1%	7.0%		
1332, 1333 & 1334	Senior Accountant - I & II	7	\$76	\$88	\$90	\$22		\$110	\$112	\$91	\$105	\$101	\$21		\$126	\$122	-16.3%	-16.6%	-11.5%	4.6%			-12.6%	-8.1%		
1335	Senior Account Executive	27	\$87	\$107	\$100	\$24		\$131	\$124	\$80	\$84	\$88	\$20		\$104	\$106	8.6%	27.8%	14.7%	19.4%			26.4%	16.2%		
1336 & 1337	Senior Business Analyst - I & II	13	\$86	\$105	\$99	\$24		\$129	\$122	\$94	\$105	\$104	\$21		\$127	\$125	-8.0%	-0.2%	-4.6%	11.1%			1.5%	-2.5%		
1339	Senior Claims Advisor	3	\$86	\$105	\$99	\$24		\$129	\$122	\$96	\$108	\$108	\$22		\$130	\$129	-10.0%	-2.8%	-8.3%	10.1%			-0.6%	-5.6%		
	Senior Credit / Collections																									
1342	Analyst	10	\$77	\$92	\$88	\$23		\$114	\$110	\$95	\$105	\$105	\$21		\$126	\$126	-19.6%	-12.7%	-15.9%	5.5%			-9.7%	-12.7%		
1346	Senior Designer	6	\$78	\$95	\$90	\$23		\$118	\$112	\$91	\$95	\$95	\$21		\$117	\$118	-14.7%	0.7%	-6.1%	9.9%			0.7%	-5.3%		
1348	Senior Engineer	10	\$100	\$122	\$115	\$25		\$147	\$140	\$107	\$117	\$118	\$22		\$140	\$141	-6.2%	4.8%	-2.0%	12.8%			5.6%	-0.5%		
	Senior Engineer - Chemical / Environmental																									
1349	Senior Engineer - Compressor Services	3	\$98	\$120	\$113	\$25		\$145	\$137	\$107	\$117	\$118	\$22		\$140	\$141	-8.5%	3.0%	-4.4%	12.0%			4.0%	-2.7%		
1350	Senior Engineer - Materials & Equipment	2	\$102	\$124	\$117	\$25		\$149	\$142	\$107	\$117	\$118	\$22		\$140	\$141	-4.8%	5.8%	-0.5%	13.2%			6.5%	0.8%		
1352	Senior Engineer - Measurement	1	\$96	\$117	\$110	\$25		\$142	\$134	\$107	\$117	\$118	\$22		\$140	\$141	-10.7%	0.2%	-6.7%	10.7%			1.4%	-4.8%		
1353	Senior Engineer - Mechanical	2	\$104	\$128	\$120	\$26		\$153	\$145	\$107	\$117	\$118	\$22		\$140	\$141	-2.7%	9.4%	1.7%	14.9%			9.8%	2.8%		
1356	Senior Environmental Specialist	3	\$81	\$100	\$94	\$23		\$123	\$116	\$83	\$91	\$91	\$20		\$112	\$111	-1.9%	9.1%	3.0%	13.9%			9.8%	4.4%		
1357	Senior Field Instructor	1	\$72	\$89	\$82	\$22		\$111	\$104	\$77	\$80	\$80	\$20		\$101	\$101	-7.5%	10.2%	2.5%	13.0%			9.9%	3.2%		
	Senior Financial Systems																									
1358	Analyst	2	\$72	\$87	\$83	\$22		\$109	\$105	\$91	\$96	\$98	\$21		\$128	\$129	-20.8%	-9.1%	-15.1%	6.3%			-14.7%	-18.7%		
	Senior Human Resources																									
1363	Advisor	4	\$103	\$127	\$118	\$25		\$152	\$143	\$95	\$104	\$105	\$21		\$127	\$128	8.2%	21.4%	12.8%	19.5%			19.8%	12.2%		
1365	Senior Industrial Hygienist	1	\$96	\$118	\$111	\$25		\$142	\$135	\$94	\$103	\$103	\$21		\$124	\$124	2.0%	14.1%	7.9%	16.3%			14.5%	8.8%		
1367	Senior Labor Relations Advisor	3	\$104	\$128	\$120	\$26		\$153	\$145	\$104	\$123	\$118	\$22		\$145	\$140	0.3%	4.3%	1.8%	14.0%			5.5%	3.1%		
1369	Senior Market Advisor - I	20	\$95	\$116	\$110	\$25		\$141	\$134	\$101	\$113	\$112	\$22		\$135	\$134	-5.9%	3.2%	-2.2%	12.2%			4.5%	-0.4%		
1370	Senior Market Advisor - II	3	\$110	\$135	\$126	\$26		\$162	\$152	\$101	\$113	\$112	\$22		\$135	\$134	8.4%	20.2%	12.8%	19.8%			20.0%	13.2%		
1371	Senior Program Manager	1	\$80	\$101	\$92	\$23		\$124	\$114	\$97	\$111	\$109	\$22		\$133	\$130	-18.0%	-9.0%	-15.6%	7.5%			-6.3%	-12.3%		
	Senior Quality Assurance																									
1373	Specialist	2	\$85	\$103	\$97	\$24		\$127	\$120	\$86	\$92	\$92	\$20		\$112	\$113	-1.7%	12.8%	5.6%	14.8%			12.9%	6.6%		
1375	Senior Research Analyst	1	\$88	\$109	\$101	\$24		\$133	\$124	\$80	\$91	\$86	\$20		\$111	\$106	9.8%	19.9%	17.0%	18.4%			20.5%	17.8%		
1377	Senior Staffing Advisor	4	\$83	\$101	\$95	\$23		\$124	\$118	\$80	\$89	\$86	\$20		\$108	\$106	3.4%	14.1%	9.9%	15.8%			15.0%	11.0%		
1381	Staff Accountant - I	6	\$55	\$68	\$64	\$21		\$88	\$84	\$63	\$67	\$67	\$19		\$86	\$86	-12.8%	1.1%	-5.5%	10.0%			2.6%	-2.9%		
1382	Staff Accountant - II	12	\$59	\$73	\$68	\$21		\$94	\$89	\$77	\$82	\$83	\$20		\$102	\$103	-22.9%	-11.4%	-17.7%	5.8%			-8.0%	-13.7%		
	Technical Advisor - II - Environmental																									
1394	Telecommunications Field Site	8	\$88	\$107	\$101	\$24				\$84	\$88	\$91	\$20				4.4%	22.2%	10.2%	17.7%						
1405	Advisor	1	\$92	\$110	\$106	\$24		\$134	\$130	\$84	\$91	\$91	\$20		\$111	\$111	10.7%	21.0%	16.8%	18.2%			20.5%	16.8%		
	Training Advisor - Instrumentation																									
1408	Instrumentation	1	\$82	\$101	\$94	\$23		\$112	\$109	\$76	\$78	\$82	\$20		\$102	\$102	7.5%	29.7%	15.0%	19.3%			10.2%	6.4%		
1409	Training Specialist	9	\$76	\$90	\$87	\$23				\$76	\$78	\$79	\$20				-0.3%	15.4%	10.2%	15.3%						
			\$42,599	\$51,591	\$49,008	\$12,209	\$0	\$61,178	\$58,465	\$44,182	\$47,518	\$47,824	\$10,757	\$0	\$56,478	\$56,619	-3.6%	8.6%	2.5%	13.5%	N/A		8.3%	3.3%		
Benchmark Incumbents			530																							
Total Incumbents			983																							
Coverage			53.9%																							

<i>Physical/Technical</i>		SCG Average								Competitive Market Average						Variance - SCG +/- Market							
2012 GRC Study Pos.	SCG Benchmark Job Title	# of SCG EEs	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary %	Total Cash %	Target Total Cash %	Benefits %	LTI %	Total Comp. %	Target Total Comp. %
1551	Dispatch Specialist	105	\$66	\$66	\$66	\$23		\$89	\$89	\$75	\$78	\$76	\$22		\$100	\$98	-12.1%	-14.9%	-12.8%	4.4%		-10.5%	-8.8%
1554	Energy Technician - Distribution	193	\$66	\$66		\$23		\$90		\$59	\$61		\$21		\$82		12.4%	8.0%		11.3%		8.9%	
1555	Energy Technician - Residential Facility Mechanic, Journey	986	\$66	\$66		\$23		\$90		\$59	\$61		\$21		\$82		12.1%	7.8%		11.5%		8.8%	
1556, 1570 & 1579	Facility Mechanic, and Lead	37	\$73	\$73	\$73	\$24		\$96	\$96	\$64	\$67	\$64	\$21		\$88	\$86	13.0%	8.5%	12.8%	11.7%		9.3%	12.7%
1557	Field Collector	79	\$61	\$61	\$61	\$23		\$84	\$84	\$61	\$62	\$62	\$21		\$84	\$83	0.6%	-1.7%	-1.8%	8.8%		1.0%	0.8%
1562	Fleet Technician	42	\$66	\$66	\$66	\$23		\$89	\$89	\$68	\$70	\$70	\$22		\$92	\$91	-2.4%	-5.4%	-5.0%	7.4%		-2.4%	-2.0%
1566	Instrument Shop Mechanic -2	1	\$58	\$58		\$23		\$81		\$53	\$54		\$20		\$74		10.7%	8.4%		10.8%		9.1%	
1567	Instrument Specialist	51	\$82	\$82	\$82	\$25		\$107	\$107	\$73	\$76	\$74	\$22		\$98	\$96	12.3%	8.5%	11.5%	12.2%		9.3%	11.7%
1569	Journey Electrician	3	\$76	\$76	\$76	\$24		\$101	\$101	\$71	\$72	\$72	\$22		\$94	\$94	8.2%	5.8%	6.2%	10.8%		6.9%	7.3%
1576	Lead Construction Technician	254	\$77	\$77	\$77	\$24		\$101	\$101	\$73	\$75	\$75	\$22		\$98	\$97	4.4%	1.7%	2.1%	9.8%		3.6%	3.8%
1587	Lead Meter Mechanic	5	\$66	\$66	\$66	\$23		\$89	\$89	\$70	\$72	\$71	\$22		\$94	\$93	-6.1%	-8.7%	-7.4%	6.3%		-5.2%	-4.1%
1590	Lead Systems Protection Specialist	11	\$80	\$82	\$80	\$25		\$107	\$105	\$69	\$72	\$71	\$22		\$94	\$92	17.1%	13.7%	13.6%	13.7%		13.7%	13.5%
1593	Logistics Representative	50	\$62	\$62	\$62	\$23		\$85	\$85	\$57	\$59	\$59	\$21		\$80	\$80	8.1%	4.6%	5.1%	10.2%		6.1%	6.4%
1595	Mapping Assistant	11	\$67	\$67	\$67	\$23		\$90	\$90	\$56	\$59	\$56	\$21		\$79	\$77	19.6%	14.1%	19.1%	12.9%		13.8%	17.6%
1602	Meter & Regulator Technician #1	76	\$71	\$71	\$71	\$24		\$95	\$95	\$68	\$70	\$70	\$22		\$92	\$92	4.1%	1.1%	0.9%	9.4%		3.1%	2.9%
1611	Planning Associate	67	\$77	\$77	\$77	\$24		\$101	\$101	\$69	\$72	\$71	\$22		\$94	\$93	11.0%	7.1%	8.7%	11.4%		8.1%	9.4%
1617	Senior Logistics Representative	12	\$67	\$67	\$67	\$23		\$90	\$90	\$65	\$67	\$67	\$21		\$89	\$88	2.6%	-1.2%	-0.5%	8.8%		1.2%	1.7%
1618 & 1626	Senior Telecommunication Technician; Telecommunications Technician	18	\$84	\$84	\$84	\$25		\$110	\$110	\$73	\$76	\$74	\$22		\$98	\$96	15.5%	11.7%	13.9%	13.2%		12.0%	13.8%
1622	Systems Gas Dispatcher - 7	1	\$77	\$77	\$77	\$24		\$102	\$102	\$74	\$77	\$76	\$22		\$99	\$98	5.1%	1.0%	2.5%	9.6%		2.9%	4.1%
1624	Systems Protection Specialist	62	\$72	\$72	\$72	\$24		\$95	\$95	\$69	\$72	\$71	\$22		\$94	\$92	4.6%	-0.4%	1.4%	9.2%		1.8%	3.3%
1629	Transportation Logistic Representative	4	\$57	\$57	\$57	\$22		\$79	\$79	\$61	\$63	\$64	\$21		\$84	\$85	-7.4%	-9.9%	-11.5%	6.2%		-5.8%	-7.2%
	Benchmark Incumbents	2,068	\$141,873	\$141,933	\$63,778	\$48,767	\$0	\$190,700	\$84,960	\$131,200	\$135,992	\$62,854	\$44,112	\$0	\$180,104	\$82,218	8.1%	4.4%	1.5%	10.6%	N/A	5.9%	3.3%
	Total Incumbents	3,211																					
	Coverage	64.4%																					

APPENDIX B — Detailed Competitive Summary by Employee Category — SCG

2012 GRC Study Pos.		SCG Benchmark Job Title	# of SCG EEs	SCG Average						Competitive Market Average						Variance - SCG +/- Market							
				Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary %	Total Cash %	Target Total Cash %	Benefits %	LTI %	Total Comp. %
1746 & 1747	Administrative Associate - 3 & 4 Los Angeles	32	\$48	\$55	\$53	\$18		\$73	\$70	\$48	\$50	\$49	\$16		\$66	\$65	-0.2%	8.8%	7.2%	13.1%		9.8%	8.4%
1748, 1749 & 1750 & 1751 & 1752	Administrative Associate - 5 & 6 Los Angeles	47	\$53	\$61	\$59	\$18		\$79	\$77	\$54	\$56	\$57	\$16		\$72	\$73	-1.4%	9.4%	3.5%	13.7%		10.3%	5.4%
1753 - 1758	Administrative Clerk - 2 & 3 Administrative Clerk - 3 & 4 (Typists)	120	\$58	\$59	\$58	\$18		\$77	\$76	\$57	\$59	\$60	\$16		\$75	\$76	3.1%	0.0%	-2.7%	14.1%		3.1%	0.1%
1765	Claims Associate	4	\$44	\$47	\$49	\$17		\$64	\$66	\$53	\$54	\$54	\$16		\$70	\$70	-16.7%	-12.7%	-10.2%	7.1%		-8.2%	-6.3%
1766	Claims Coordinator	4	\$57	\$65	\$62	\$19		\$84	\$81	\$62	\$64	\$64	\$17		\$81	\$81	-8.2%	1.7%	-2.6%	11.4%		3.7%	0.0%
1770	Customer Billing Analyst - 5 Customer Contact	54	\$66	\$66	\$66	\$19		\$85	\$85	\$61	\$62	\$63	\$16		\$79	\$79	9.1%	6.5%	5.9%	12.9%		7.8%	7.3%
1771	Representative - 4 Customer Contact	32	\$62	\$62	\$62	\$18		\$80	\$80	\$57	\$60	\$61	\$16		\$77	\$77	8.7%	2.6%	1.7%	11.9%		4.6%	3.9%
1772	Representative - Bilingual - 4 Customer Service	33	\$62	\$62	\$62	\$18		\$80	\$80	\$57	\$60	\$61	\$16		\$77	\$77	8.6%	2.6%	1.7%	11.9%		4.6%	3.8%
1774	Representative - 2 Customer Service	6	\$51	\$51	\$51	\$17		\$69	\$69	\$51	\$55	\$55	\$16		\$70	\$70	0.2%	-5.9%	-5.9%	9.1%		-2.5%	-2.6%
1775	Representative - 4 Customer Service	335	\$61	\$61	\$61	\$19		\$80	\$79	\$57	\$60	\$61	\$16		\$77	\$77	7.5%	1.6%	0.7%	17.0%		4.9%	3.0%
1776	Representative - Bilingual - 2 Customer Service	3	\$51	\$51	\$51	\$17		\$69	\$69	\$51	\$55	\$55	\$16		\$70	\$70	0.2%	-5.9%	-5.9%	9.1%		-2.5%	-2.6%
1777	Representative - Bilingual - 4	194	\$61	\$61	\$61	\$18		\$79	\$79	\$57	\$60	\$61	\$16		\$77	\$77	7.5%	1.6%	0.7%	11.6%		3.7%	3.0%
1780	Executive Assistant - I & II	4	\$68	\$84	\$78	\$20		\$105	\$98	\$75	\$79	\$79	\$18		\$96	\$97	-9.6%	7.6%	-1.3%	14.2%		8.8%	0.9%
1784	Human Resources Coordinator	1	\$57	\$66	\$63	\$19		\$84	\$81	\$55	\$56	\$57	\$16		\$72	\$73	4.4%	17.4%	10.8%	16.0%		17.1%	11.6%
1785	Instructional Design Coordinator	1	\$56	\$64	\$62	\$18		\$82	\$80	\$60	\$62	\$63	\$16		\$79	\$79	-7.1%	2.3%	-2.0%	11.6%		4.3%	0.5%
1787	Labor Relations Coordinator	1	\$60	\$69	\$66	\$19		\$88	\$84	\$60	\$62	\$63	\$16		\$78	\$79	-0.3%	11.7%	5.1%	14.8%		12.4%	6.7%
1792	Lead Computer Operator - 4 Lead Customer Billing Analysis - 6	6	\$61	\$61	\$61	\$18		\$80	\$80	\$57	\$59	\$59	\$16		\$75	\$75	8.4%	4.5%	4.6%	12.2%		6.2%	6.2%
1793	Meter Reader-R	8	\$71	\$71	\$71	\$19		\$90	\$90	\$69	\$70	\$70	\$17		\$87	\$88	3.8%	1.2%	1.0%	11.2%		3.2%	3.0%
1604	Meter Reader-PT	87	\$42	\$42	\$42	\$16		\$59	\$59	\$43	\$44	\$44	\$15		\$59	\$59	-0.7%	-2.9%	-3.3%	9.2%		0.2%	-0.1%
1829	Regulatory Affairs Coordinator	1	\$55	\$63	\$60	\$18		\$81	\$78	\$62	\$64	\$64	\$17		\$81	\$81	-11.3%	-1.7%	-5.9%	10.2%		0.7%	-2.9%
1819	Wellness Programs Coordinator	1	\$55	\$63	\$60	\$18		\$81	\$78	\$62	\$64	\$64	\$17		\$81	\$81	-11.1%	-1.3%	-5.8%	10.4%		1.1%	-2.8%
	Benchmark Incumbents	1,803	\$86,141	\$86,902	\$57,892	\$31,019	\$0	\$117,921	\$75,512	\$84,415	\$87,539	\$57,555	\$27,831	\$0	\$115,370	\$73,407	2.0%	-0.7%	0.6%	11.5%	N/A	2.2%	2.9%
	Total Incumbents	2,331																					
	Coverage	77.3%																					

XVIII. APPENDIX B —
Detailed Competitive Summary by Employee Category — Corporate Center

2012 GRC Study Pos.		Corporate Center Average								Competitive Market Average						Variance - Corporate Center +/- Market							
		Corporate Center Benchmark Job Title	# of Corp. EEs	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary %	Total Cash %	Target Total Cash %	Benefits %	LTI %	Total Comp. %
1	Exec VP & CFO	1	\$595	\$1,279	\$1,012	\$179	\$1,670	\$3,128	\$2,828	\$604	\$1,151	\$1,097	\$122	\$1,531	\$2,752	\$2,756	-1.4%	11.1%	-7.7%	46.0%	9.1%	13.7%	2.6%
2	Exec VP & General Counsel	1	\$517	\$1,019	\$854	\$147	\$1,114	\$2,279	\$2,094	\$507	\$913	\$874	\$103	\$934	\$1,889	\$1,896	2.0%	11.6%	-2.3%	43.2%	19.3%	20.7%	10.5%
5	SVP - HR Diversity & Inclusion	1	\$355	\$646	\$533	\$101	\$573	\$1,320	\$1,193	\$388	\$659	\$626	\$81	\$595	\$1,291	\$1,289	-8.5%	-1.9%	-14.9%	25.1%	-3.7%	2.3%	-7.5%
7	VP - Audit Services	1	\$250	\$402	\$362	\$70	\$194	\$667	\$621	\$247	\$360	\$349	\$54	\$140	\$545	\$543	1.2%	11.9%	3.9%	30.1%	38.8%	22.2%	14.4%
8	VP - Corp Tax & Chief Tax Csl	1	\$285	\$491	\$414	\$81	\$261	\$833	\$746	\$299	\$458	\$437	\$63	\$224	\$732	\$728	-4.5%	7.2%	-5.4%	28.9%	16.3%	13.8%	2.5%
9	VP - Corporate Planning	1	\$229	\$392	\$333	\$69	\$211	\$673	\$605	\$238	\$361	\$336	\$54	\$131	\$546	\$519	-3.5%	8.7%	-0.9%	28.8%	61.2%	23.3%	16.7%
Benchmark Incumbents		6	\$2,232	\$4,229	\$3,507	\$648	\$4,023	\$8,900	\$8,088	\$2,282	\$3,901	\$3,718	\$477	\$3,555	\$7,754	\$7,732	-2.2%	8.4%	-5.7%	35.8%	13.2%	14.8%	4.6%
Total Incumbents		10																					
Coverage		60.0%																					

APPENDIX B — Detailed Competitive Summary by Employee Category — Corporate Center

Manager/Supervisor		Corporate Center Average								Competitive Market Average							Variance - Corporate Center +/- Market							
2012 GRC Study Pos.	Corporate Center Benchmark Job Title	# of Corp. EEs	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary %	Total Cash %	Target Total Cash %	Benefits %	LTI %	Total Comp. %	Target Total Comp. %	
39	Accounting Research & Policy Manager	1	\$114	\$133	\$131	\$34		\$167	\$165	\$103	\$113	\$114	\$29		\$138	\$138	10.4%	17.5%	14.5%	18.6%		21.1%	19.3%	
41	Assistant Contoller	1	\$173	\$249	\$217	\$49	\$56	\$354	\$318	\$152	\$197	\$188	\$37	\$27	\$254	\$244	13.7%	26.4%	15.1%	33.5%	104.7%	39.6%	30.1%	
42	Assistant General Counsel	6	\$257	\$386	\$347	\$66		\$231	\$325	\$231	\$325	\$302	\$48		\$201	\$210	11.5%	18.8%	15.1%	37.6%		9.5%	-2.9%	
43	Audit Services Manager Bank Reconciliation Supervisor - C10814	1	\$137	\$179	\$165	\$41		\$220	\$204	\$142	\$158	\$166	\$34		\$201	\$210	-3.2%	13.7%	-0.8%	19.7%		9.5%	-2.9%	
44	Benefit Services Manager	1	\$91	\$109	\$105	\$31		\$140	\$136	\$81	\$90	\$89	\$26		\$117	\$116	12.9%	20.8%	17.3%	18.6%		20.1%	17.2%	
46	Business Planning Manager	1	\$132	\$169	\$159	\$40		\$208	\$197	\$111	\$129	\$128	\$30		\$161	\$161	19.7%	31.1%	24.2%	32.7%		29.0%	22.8%	
48	Corporate Development Manager	1	\$123	\$163	\$148	\$39		\$202	\$184	\$128	\$150	\$151	\$33		\$188	\$189	-3.9%	8.8%	-2.1%	18.0%		7.8%	-2.6%	
55	Corporate Secretary & Assistant	3	\$125	\$151	\$144	\$37		\$188	\$179	\$132	\$145	\$150	\$32		\$187	\$191	-5.0%	3.6%	-3.9%	17.5%		0.6%	-6.4%	
57	General Counsel	1	\$243	\$391	\$328	\$64	\$77	\$532	\$463	\$219	\$294	\$285	\$46	\$120	\$455	\$451	11.2%	33.1%	15.0%	40.0%	-35.5%	17.0%	2.8%	
58	Director - Audit Service	1	\$145	\$199	\$181	\$43	\$45	\$288	\$267	\$156	\$183	\$190	\$36	\$47	\$233	\$240	-7.4%	9.0%	-5.0%	19.2%	-2.7%	23.5%	11.3%	
60	Director - Cash Management	1	\$160	\$227	\$200	\$47	\$50	\$324	\$293	\$160	\$205	\$200	\$38	\$46	\$262	\$276	-0.1%	11.0%	0.0%	23.6%	9.0%	15.0%	6.0%	
67	Director - Corporate Financial	1	\$157	\$210	\$196	\$45	\$50	\$304	\$289	\$152	\$197	\$188	\$37	\$27	\$254	\$244	2.8%	6.4%	4.1%	20.6%	83.8%	20.0%	18.2%	
69	Director - Corporate Planning	1	\$141	\$199	\$177	\$43	\$44	\$287	\$262	\$164	\$206	\$204	\$38	\$62	\$289	\$287	-13.9%	-3.4%	-13.3%	13.5%	-29.1%	-0.8%	-8.7%	
71	Director - Corporate Tax	4	\$177	\$248	\$221	\$49	\$54	\$338	\$307	\$189	\$245	\$236	\$42	\$58	\$325	\$319	-6.5%	1.4%	-6.3%	18.2%	-6.7%	3.8%	-3.7%	
73	Director - Development	1	\$180	\$260	\$225	\$51		\$311	\$271	\$159	\$182	\$193	\$36		\$242	\$254	13.3%	42.7%	16.3%	38.9%		28.4%	7.0%	
75	Director - Executive & Organizational Development	1	\$134	\$134	\$167	\$34		\$212	\$251	\$152	\$184	\$178	\$36		\$227	\$225	-11.9%	-27.4%	-6.2%	-5.8%		-6.7%	11.3%	
77	Director - Finance	1	\$194	\$275	\$243	\$52	\$61	\$389	\$352	\$164	\$206	\$204	\$38	\$62	\$289	\$287	18.1%	33.2%	18.9%	37.3%	-1.7%	34.4%	23.0%	
78	Director - Financial Reporting	1	\$160	\$228	\$200	\$47	\$50	\$325	\$293	\$164	\$206	\$204	\$38	\$62	\$289	\$287	-2.6%	10.3%	-1.9%	22.7%	-20.0%	12.2%	2.3%	
81	Director - Issues Management & Environmental Communications	1	\$124	\$173	\$155	\$40	\$39	\$252	\$231	\$127	\$157	\$155	\$33	\$26	\$199	\$198	-2.1%	10.6%	0.0%	20.6%	48.1%	26.3%	17.0%	
83	Investments	1	\$167	\$232	\$209	\$47	\$51	\$330	\$304	\$153	\$185	\$183	\$36	\$40	\$238	\$241	9.1%	25.4%	14.2%	30.3%	26.6%	38.7%	26.4%	
86	Director - Risk Management	1	\$133	\$157	\$167	\$38		\$195	\$206	\$153	\$185	\$183	\$36		\$238	\$241	-12.8%	-15.0%	-8.7%	5.1%		-18.0%	-14.4%	
89	ERISA Compliance Manager	1	\$128	\$149	\$145	\$36		\$184	\$180	\$112	\$123	\$127	\$30		\$160	\$164	12.5%	21.1%	14.1%	21.1%		15.4%	9.7%	
90	Executive Projects Manager	1	\$107	\$130	\$123	\$34		\$164	\$156	\$111	\$119	\$120	\$29		\$154	\$155	-3.2%	9.3%	3.0%	14.9%		6.3%	0.9%	
91	Executive Security Supervisor Financial Leadership Program	1	\$82	\$82	\$94	\$28		\$111	\$124	\$76	\$78	\$78	\$26		\$106	\$105	8.3%	4.7%	21.0%	11.4%		4.5%	17.8%	
92	Mgr	1	\$139	\$182	\$167	\$41		\$223	\$206	\$130	\$158	\$158	\$34		\$200	\$200	6.9%	14.8%	5.5%	22.7%		11.4%	3.1%	
93	Financial Planning Manager	1	\$128	\$168	\$153	\$39		\$207	\$191	\$139	\$172	\$168	\$35		\$217	\$212	-8.3%	-2.4%	-8.4%	13.1%		-4.5%	-10.0%	
94	Financial Reporting Manager Financial Systems & Reporting	1	\$117	\$153	\$140	\$38		\$190	\$175	\$107	\$118	\$119	\$29		\$148	\$149	9.1%	29.3%	17.4%	29.5%		28.7%	17.6%	
95	Manager Information Technology Audit	1	\$110	\$141	\$132	\$35		\$176	\$166	\$130	\$158	\$158	\$34		\$200	\$200	-15.6%	-10.9%	-16.7%	4.0%		-12.1%	-17.2%	
97	Manager	1	\$144	\$144	\$173	\$35		\$180	\$213	\$130	\$149	\$153	\$32		\$164	\$168	11.0%	-3.0%	13.1%	10.6%		9.3%	27.0%	
98	Legal Administration Manager	1	\$112	\$148	\$135	\$36		\$183	\$169	\$103	\$113	\$113	\$29		\$146	\$147	9.2%	30.9%	19.4%	24.7%		25.2%	15.3%	
99	Legislative Analysis Manager	1	\$114	\$136	\$131	\$34		\$170	\$165	\$134	\$158	\$161	\$34		\$207	\$210	-15.0%	-13.9%	-18.5%	1.8%		-17.6%	-21.4%	
100	Managing Attorney	3	\$210	\$288	\$262	\$54		\$231	\$325	\$231	\$325	\$302	\$48		\$201	\$210	-9.1%	-11.3%	-13.1%	12.0%				
109	Risk Manager	1	\$110	\$110	\$127	\$31		\$141	\$160	\$98	\$113	\$111	\$28		\$141	\$140	11.9%	-2.4%	13.5%	10.7%		0.0%	14.1%	
110	Security Manager	2	\$108	\$142	\$130	\$35		\$177	\$164	\$109	\$125	\$123	\$29		\$156	\$155	-0.5%	13.5%	5.6%	18.5%		13.1%	5.6%	
111	Sempra Accounting Manager SOX Compliance & Policies	2	\$123	\$157	\$148	\$38		\$195	\$183	\$111	\$132	\$129	\$30		\$164	\$161	11.1%	18.9%	14.2%	27.0%		19.0%	13.9%	
113	Manager Senior Communications	1	\$121	\$156	\$145	\$38		\$194	\$180	\$113	\$130	\$132	\$30		\$163	\$164	6.8%	19.8%	10.0%	26.7%		19.1%	9.6%	
114	Manager - C11078	3	\$105	\$135	\$126	\$34		\$169	\$159	\$106	\$125	\$121	\$29		\$158	\$154	-1.4%	8.4%	3.8%	16.4%		7.1%	2.9%	
116	Tax Manager	7	\$128	\$165	\$154	\$39		\$204	\$191	\$108	\$121	\$123	\$29		\$156	\$158	18.3%	37.1%	25.1%	33.9%		30.9%	21.0%	
Benchmark Incumbents			60	\$9,048	\$12,165	\$11,230	\$2,599	\$740	\$11,759	\$11,047	\$8,767	\$10,883	\$10,638	\$2,112	\$752	\$10,368	\$10,352	3.2%	11.8%	5.6%	23.1%	-1.7%	13.4%	6.7%
Total Incumbents			102																					
Coverage			58.8%																					

APPENDIX B — Detailed Competitive Summary by Employee Category — Corporate Center

<i>Professional/Technical</i>																							
		Corporate Center Average								Competitive Market Average								Variance - Corporate Center +/- Market					
2012 GRC Study Pos.	Corporate Center Benchmark Job Title	# of Corp. EEs	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary %	Total Cash %	Target Total Cash %	Benefits %	LTI %	Total Comp. %	Target Total Comp. %
684	Applications Support Advisor	4	\$77	\$92	\$88	\$23		\$115	\$111	\$78	\$87	\$84	\$20		\$106	\$103	-1.7%	6.0%	5.7%	14.8%		8.6%	8.1%
685	Associate Benefits Analyst	1	\$45	\$52	\$52	\$20		\$71	\$72	\$54	\$59	\$58	\$18		\$77	\$76	-16.8%	-11.6%	-10.9%	8.5%		-6.9%	-6.3%
686	Associate Business Analyst	2	\$57	\$66	\$66	\$21		\$87	\$86	\$52	\$54	\$54	\$18		\$72	\$71	9.0%	23.1%	22.1%	17.0%		21.3%	21.1%
687 & 766	Senior Counsel	54	\$192	\$254	\$241	\$40	\$44	\$331	\$317	\$172	\$208	\$209	\$30	\$56	\$268	\$271	11.9%	22.0%	14.9%	31.9%	-20.1%	23.6%	16.7%
688	Auditor I	2	\$54	\$56	\$62	\$20		\$76	\$82	\$57	\$59	\$60	\$18		\$81	\$82	-5.5%	-4.1%	2.9%	11.3%		-6.5%	-0.6%
689	Auditor II	7	\$80	\$89	\$92	\$23		\$112	\$115	\$80	\$85	\$86	\$20		\$105	\$106	0.1%	4.7%	7.2%	14.2%		6.5%	8.6%
690	Benefits Analyst	2	\$61	\$72	\$70	\$21		\$93	\$92	\$60	\$64	\$64	\$18		\$82	\$82	1.7%	12.8%	9.9%	15.4%		13.4%	11.0%
691	Benefits Plan Advisor	2	\$74	\$90	\$85	\$23		\$113	\$108	\$77	\$83	\$82	\$20		\$101	\$101	-3.5%	8.4%	3.3%	15.2%		11.8%	6.8%
692	Business Analyst	1	\$63	\$74	\$72	\$21		\$92	\$92	\$62	\$64	\$67	\$18		\$101	\$101	0.8%	15.5%	7.4%	15.9%			
693	Business Analyst - II	1	\$67	\$78	\$77	\$22		\$100	\$98	\$64	\$69	\$69	\$19		\$88	\$87	3.4%	13.3%	11.4%	16.1%		13.9%	12.2%
695	Business Continuity Advisor - C11084	1	\$84	\$101	\$97	\$24		\$115	\$111	\$79	\$82	\$89	\$20		\$106	\$106	6.3%	22.9%	8.7%	19.6%			
696	Cash Management Specialist	2	\$57	\$66	\$66	\$21		\$88	\$87	\$52	\$56	\$56	\$18		\$74	\$74	10.0%	20.0%	17.2%	17.0%		19.1%	16.8%
700	Communications Advisor	2	\$65	\$77	\$75	\$22		\$99	\$96	\$62	\$65	\$67	\$18		\$85	\$86	5.1%	19.4%	12.3%	17.3%		16.8%	12.2%
701	Communications Manager	2	\$88	\$100	\$101	\$24		\$123	\$125	\$89	\$96	\$100	\$21		\$133	\$138	-0.5%	3.7%	1.1%	13.8%		-7.5%	-9.5%
702	Compensation Advisor	1	\$82	\$98	\$94	\$24		\$122	\$117	\$84	\$92	\$92	\$20		\$112	\$112	-2.7%	6.9%	2.3%	15.2%		9.1%	4.7%
707	Corporate Regulatory Policy Manager	1	\$113	\$135	\$130	\$27		\$161	\$156	\$116	\$134	\$131	\$23		\$158	\$155	-2.3%	0.7%	-0.8%	14.4%		2.2%	0.8%
709	Director - Federal Energy Regulatory Commission	1	\$189	\$263	\$236	\$40	\$61	\$364	\$335	\$176	\$231	\$224	\$31	\$48	\$299	\$292	7.1%	13.7%	5.2%	28.9%	27.8%	21.6%	14.6%
710	Diversity Advisor	1	\$91	\$106	\$105	\$24		\$130	\$129	\$83	\$96	\$92	\$21		\$117	\$113	9.5%	10.6%	13.3%	17.7%		11.5%	13.7%
714	Environmental & Safety Compliance Manager	1	\$112	\$133	\$129	\$27		\$160	\$155	\$117	\$127	\$131	\$23		\$154	\$158	-4.1%	4.5%	-1.8%	15.2%		3.8%	-1.8%
715	Environmental Initiatives Manager	1	\$77	\$92	\$88	\$23		\$115	\$111	\$77	\$80	\$80	\$20		\$101	\$101	-0.6%	14.6%	9.9%	16.6%		14.1%	10.1%
717	Events Administrator	1	\$69	\$83	\$79	\$22		\$105	\$101	\$67	\$70	\$72	\$19		\$92	\$95	3.0%	17.9%	9.1%	17.3%		13.5%	6.5%
718	Finance Manager	2	\$128	\$156	\$147	\$30		\$186	\$175	\$111	\$123	\$125	\$23		\$142	\$142	15.5%	26.7%	17.6%	31.9%		31.4%	23.1%
720	Financial Analyst	4	\$69	\$80	\$79	\$22		\$101	\$101	\$64	\$69	\$69	\$19		\$88	\$88	6.8%	16.1%	14.9%	16.8%		15.9%	14.9%
721	Government Affairs Manager - C10884	2	\$105	\$126	\$120	\$26		\$152	\$146	\$98	\$109	\$109	\$22		\$131	\$131	6.9%	15.7%	10.7%	19.9%		15.9%	11.4%
724	Governmental Affairs Manager	4	\$119	\$137	\$137	\$27		\$163	\$164	\$116	\$134	\$131	\$23		\$158	\$155	3.2%	2.0%	4.8%	15.1%		3.4%	6.0%
725	Human Resources Manager	1	\$126	\$155	\$145	\$30		\$185	\$173	\$129	\$144	\$147	\$24		\$172	\$178	-2.3%	7.3%	-1.2%	22.5%		7.4%	-3.0%
726	Internet Communications Manager	1	\$104	\$126	\$119	\$26		\$152	\$144	\$97	\$109	\$102	\$22		\$130	\$124	6.8%	15.9%	16.3%	20.2%		16.7%	16.8%
727	Investor Relations Manager	1	\$122	\$147	\$140	\$28		\$175	\$168	\$124	\$151	\$148	\$25		\$186	\$182	-1.3%	-2.4%	-4.9%	9.7%		-6.2%	-8.0%
728	Information Technology Architect	2	\$124	\$153	\$143	\$30		\$182	\$171	\$127	\$143	\$144	\$24		\$171	\$172	-2.1%	7.0%	-0.3%	22.4%		6.3%	-1.0%
729	Lead Software Developer	1	\$113	\$136	\$129	\$27		\$162	\$156	\$104	\$115	\$114	\$22		\$135	\$134	7.8%	17.5%	13.5%	21.1%		20.7%	16.0%
733	MyInfo Advisor	1	\$72	\$86	\$83	\$22		\$109	\$105	\$78	\$87	\$84	\$20		\$106	\$103	-8.0%	-0.7%	-1.0%	12.3%		2.6%	2.1%
734	MyInfo Business Planning & Project Manager	1	\$108	\$132	\$124	\$26		\$159	\$150	\$122	\$134	\$138	\$24		\$163	\$167	-11.7%	-1.2%	-10.1%	12.4%		-2.4%	-10.3%
735	Payroll Analyst	2	\$71	\$85	\$82	\$22		\$107	\$104	\$64	\$70	\$70	\$19		\$89	\$89	11.0%	20.4%	16.8%	18.8%		20.1%	16.9%
738	Principal Accountant	7	\$97	\$116	\$111	\$25		\$141	\$136	\$81	\$87	\$89	\$20		\$108	\$111	19.0%	34.1%	25.0%	24.7%		30.4%	22.6%
740	Principal Auditor	2	\$106	\$127	\$122	\$26		\$153	\$148	\$116	\$123	\$119	\$23		\$155	\$151	-8.0%	3.8%	2.8%	14.1%		-1.3%	-2.4%

APPENDIX B — Detailed Competitive Summary by Employee Category — Corporate Center

Professional/Technical

2012 GRC Study Pos.	Corporate Center Benchmark Job Title	# of Corp. EEs	Corporate Center Average						Competitive Market Average						Variance - Corporate Center +/- Market									
			Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary %	Total Cash %	Target Total Cash %	Benefits %	LTI %	Total Comp. %	Target Total Comp. %	
741	Principal Business Analyst	1	\$97	\$116	\$111	\$25		\$142	\$136	\$95	\$102	\$103	\$21		\$127	\$127	1.8%	14.6%	8.3%	18.3%			11.6%	6.9%
742	Principal Compensation Advisor	1	\$112	\$134	\$129	\$27				\$130	\$145	\$144	\$24				-13.7%	-8.0%	-10.4%	9.2%				
743	Principal Financial Analyst	4	\$97	\$116	\$111	\$25	\$141	\$136	\$115	\$131	\$131	\$23		\$159	\$159	-15.7%	-12.0%	-15.1%	7.8%			-11.4%	-14.8%	
746	Public Relations Manager	4	\$92	\$109	\$106	\$24	\$134	\$130	\$80	\$85	\$86	\$20		\$105	\$106	15.1%	28.6%	23.5%	22.4%			27.4%	23.0%	
749	Risk Management Administrator	2	\$93	\$110	\$106	\$25	\$135	\$131	\$82	\$90	\$90	\$20		\$111	\$112	13.0%	22.6%	17.7%	21.0%			21.3%	17.0%	
751	Research Analyst - C11029	1	\$69	\$83	\$79	\$22	\$105	\$101	\$69	\$73	\$76	\$19		\$92	\$95	-0.7%	13.5%	4.4%	16.2%			14.0%	6.2%	
754	SempraNet Manager	1	\$99	\$118	\$114	\$25	\$143	\$139	\$91	\$101	\$99	\$21		\$122	\$120	8.8%	16.5%	14.5%	19.8%			17.0%	15.2%	
756	Software Developer	1	\$92	\$111	\$106	\$25	\$136	\$130	\$92	\$95	\$96	\$21		\$122	\$122	-0.2%	16.7%	10.6%	18.1%			10.8%	7.0%	
757	Special Agent	4	\$79	\$93	\$90	\$23	\$116	\$113	\$93	\$102	\$102	\$21		\$123	\$124	-16.0%	-8.7%	-11.8%	9.0%			-5.7%	-8.5%	
758 & 759	Senior Accountant	8	\$76	\$91	\$87	\$23	\$114	\$110	\$91	\$105	\$101	\$21		\$126	\$122	-16.6%	-13.8%	-13.9%	7.8%			-9.7%	-10.0%	
	Senior Applications Support																							
760	Advisor	1	\$92	\$110	\$105	\$25	\$135	\$129	\$96	\$107	\$104	\$21		\$125	\$124	-4.5%	3.6%	0.9%	14.4%			8.0%	4.5%	
761	Senior Auditor	8	\$93	\$108	\$106	\$25	\$133	\$131	\$94	\$102	\$102	\$21		\$123	\$123	-1.6%	6.1%	4.3%	15.8%			7.7%	6.0%	
763	Senior Business Analyst - II	4	\$81	\$97	\$94	\$23	\$121	\$117	\$94	\$105	\$104	\$21		\$127	\$125	-13.0%	-7.9%	-9.8%	9.8%			-5.1%	-6.8%	
765	Senior Compensation Advisor	2	\$102	\$122	\$117	\$26	\$148	\$142	\$100	\$115	\$111	\$22		\$133	\$130	1.1%	6.4%	5.6%	16.5%			10.9%	9.0%	
	Senior Diversity Advisor -																							
768	C10859	1	\$93	\$114	\$107	\$25	\$139	\$132	\$104	\$126	\$121	\$23		\$151	\$145	-10.6%	-9.4%	-11.1%	10.0%			-7.8%	-9.4%	
770	Senior Executive Assistant	3	\$82	\$94	\$95	\$24	\$118	\$118	\$84	\$88	\$87	\$20		\$112	\$110	-1.9%	6.5%	8.4%	16.8%			4.6%	7.3%	
	Senior Executive Compensation																							
771	& Benefits Advisor	1	\$101	\$122	\$116	\$26	\$147	\$141	\$92	\$98	\$102	\$21		\$112	\$115	9.0%	24.3%	13.7%	22.0%			31.4%	22.5%	
772	Senior Financial Analyst	9	\$87	\$97	\$100	\$24	\$121	\$124	\$95	\$104	\$105	\$21		\$127	\$128	-8.5%	-6.9%	-4.6%	11.9%			-4.7%	-3.0%	
777	Senior Paralegal	5	\$80	\$95	\$92	\$23	\$119	\$115	\$76	\$80	\$80	\$20		\$98	\$98	6.3%	19.0%	16.2%	18.5%			20.5%	17.3%	
778	Senior Research Analyst	1	\$91	\$109	\$105	\$24	\$134	\$129	\$80	\$91	\$86	\$20		\$111	\$106	13.4%	19.9%	20.9%	20.7%			21.0%	21.7%	
779	Senior Software Developer	3	\$92	\$110	\$106	\$24	\$134	\$130	\$104	\$115	\$114	\$22		\$135	\$134	-11.6%	-5.0%	-6.9%	10.6%			-0.3%	-2.9%	
781	Senior Tax Advisor	11	\$88	\$104	\$101	\$24	\$128	\$125	\$90	\$96	\$99	\$21		\$116	\$118	-1.8%	8.5%	2.6%	16.2%			11.1%	6.2%	
115	Senior Tax Counsel	2	\$174	\$233	\$218	\$37	\$41	\$312	\$295	\$170	\$199	\$207	\$29	\$38	\$241	\$249	2.6%	17.4%	5.1%	27.2%	7.8%	29.8%	18.7%	
782	Principal Tax Advisor	5	\$105	\$123	\$120	\$26	\$149	\$146	\$101	\$111	\$111	\$22		\$126	\$126	3.8%	11.5%	8.1%	17.9%			18.2%	15.5%	
783	Senior Trust Accountant	1	\$78	\$92	\$90	\$23	\$114	\$112	\$91	\$105	\$101	\$21		\$126	\$122	-14.3%	-13.1%	-11.5%	8.0%			-9.1%	-7.9%	
784	Staff Accountant	11	\$57	\$67	\$65	\$21	\$88	\$86	\$63	\$67	\$67	\$19		\$86	\$86	-10.2%	0.3%	-2.8%	11.7%			2.4%	-0.2%	
785	Staff Accountant - Rotation	4	\$53	\$56	\$58	\$20	\$76	\$78	\$49	\$50	\$51	\$17		\$67	\$68	7.3%	12.2%	12.6%	13.9%			13.3%	14.9%	
786	Staff Accountant Rotation - II	13	\$55	\$63	\$63	\$21	\$84	\$83	\$54	\$55	\$56	\$18		\$76	\$77	1.1%	13.9%	11.4%	15.1%			9.8%	8.7%	
788	Tax Advisor	8	\$72	\$83	\$83	\$22	\$105	\$105	\$74	\$77	\$78	\$19		\$94	\$94	-2.2%	7.3%	5.7%	14.9%			11.9%	11.6%	
	Benchmark Incumbents	241	\$26,029	\$32,182	\$31,015	\$6,567	\$2,542	\$40,555	\$39,269	\$25,134	\$28,565	\$28,658	\$5,455	\$3,124	\$35,427	\$35,601	3.6%	12.7%	8.2%	20.4%	-18.7%	14.5%	10.3%	
	Total Incumbents	291																						
	Coverage	82.8%																						

<i>Physical/Technical</i>		Corporate Center Average								Competitive Market Average						Variance - Corporate Center +/- Market								
2012 GRC Study Pos.	Corporate Center Benchmark Job Title	# of Corp. EES	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary %	Total Cash %	Target Total Cash %	Benefits %	LTI %	Total Comp. %	Target Total Comp. %	
	Benchmark Incumbents	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Total Incumbents	3																						
	Coverage	0.0%																						

<i>Clerical</i>		Corporate Center Average								Competitive Market Average						Variance - Corporate Center +/- Market								
2012 GRC Study Pos.	Corporate Center Benchmark Job Title	# of Corp. EEs	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary	Total Cash	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Comp.	Base Salary %	Total Cash %	Target Total Cash %	Benefits %	LTI %	Total Comp. %	Target Total Comp. %	
1630	Accounting Associate	1	\$44	\$49	\$48	\$17		\$67	\$65	\$44	\$44	\$45	\$15		\$60	\$60	0.2%	11.0%	6.5%	15.3%		12.1%	8.4%	
1631	Accounting Clerk - C10002	1	\$36	\$41	\$40	\$17		\$58	\$57	\$41	\$42	\$43	\$15		\$57	\$58	-11.7%	-2.9%	-6.5%	11.6%		0.9%	-2.0%	
1632	Administrative Associate	5	\$46	\$51	\$51	\$18		\$69	\$68	\$47	\$48	\$49	\$15		\$63	\$64	-0.9%	6.4%	4.6%	14.5%		8.3%	6.9%	
1633	Administrative Associate	16	\$48	\$54	\$53	\$18		\$72	\$71	\$50	\$52	\$52	\$16		\$67	\$68	-3.5%	5.5%	1.4%	14.5%		7.6%	4.2%	
1634	Administrative Associate Advertising & Research Coordinator - C11024	1	\$53	\$60	\$58	\$18		\$78	\$76	\$59	\$61	\$62	\$16		\$78	\$79	-11.3%	-3.1%	-6.9%	12.1%		0.1%	-3.1%	
1635	Cash Management Associate	1	\$49	\$56	\$54	\$18		\$74	\$72	\$49	\$50	\$50	\$16		\$65	\$66	1.0%	11.9%	8.4%	16.2%		12.9%	10.0%	
1637	Compensation Coordinator	1	\$60	\$68	\$66	\$19		\$87	\$85	\$61	\$64	\$64	\$17		\$80	\$80	-2.6%	6.7%	3.1%	15.6%		8.5%	5.4%	
1638	Corporate Relations Coordinator	1	\$58	\$65	\$63	\$19		\$84	\$82	\$62	\$64	\$64	\$17		\$81	\$81	-6.6%	1.9%	-1.0%	13.9%		4.4%	1.9%	
1640	Diversity Coordinator	1	\$52	\$59	\$57	\$18		\$78	\$76	\$60	\$62	\$63	\$16		\$78	\$79	-12.8%	-4.4%	-8.1%	11.7%		-1.0%	-4.2%	
1642	Executive Assistant - I & II	14	\$63	\$74	\$73	\$20		\$94	\$92	\$75	\$79	\$79	\$18		\$96	\$97	-16.0%	-5.1%	-8.3%	12.4%		-1.9%	-4.9%	
1643	Government Affairs Coordinator - C11061	1	\$52	\$59	\$58	\$18		\$77	\$76	\$62	\$64	\$64	\$17		\$81	\$81	-15.0%	-8.0%	-9.9%	10.4%		-4.2%	-5.8%	
1644	Human Resources Coordinator	2	\$50	\$55	\$55	\$18		\$73	\$73	\$53	\$55	\$56	\$16		\$71	\$72	-6.2%	-0.9%	-1.1%	12.7%		2.1%	2.0%	
1645	Investor Relations & Shareholder Services Associate	1	\$47	\$54	\$52	\$18		\$72	\$70	\$49	\$50	\$50	\$16		\$65	\$66	-2.7%	8.2%	4.4%	15.1%		9.8%	6.7%	
1646	iTAX Coordinator	1	\$52	\$59	\$57	\$18		\$77	\$75	\$57	\$59	\$60	\$16		\$75	\$76	-9.0%	-0.7%	-4.3%	12.9%		2.3%	-0.8%	
1647	Legal Administrative Associate	10	\$56	\$61	\$61	\$19		\$80	\$80	\$54	\$56	\$57	\$16		\$73	\$73	2.4%	8.0%	7.2%	16.4%		9.9%	9.0%	
1648	Legal Fiscal Support Associate	2	\$52	\$59	\$57	\$18		\$77	\$75	\$50	\$51	\$51	\$16		\$67	\$67	4.0%	15.6%	11.0%	17.4%		16.0%	12.2%	
1649	Legal Support Associate Mergers & Acquisitions Coordinator	1	\$51	\$56	\$56	\$18		\$74	\$74	\$47	\$49	\$49	\$15		\$64	\$64	8.1%	14.4%	14.4%	17.0%		15.1%	15.0%	
1650	Organizational Development Coordinator - C11047	1	\$45	\$48	\$50	\$17		\$66	\$67	\$52	\$54	\$54	\$16		\$70	\$70	-13.2%	-9.9%	-8.1%	9.8%		-5.4%	-3.9%	
1651	Paralegal	8	\$53	\$61	\$58	\$19		\$79	\$76	\$62	\$64	\$64	\$17		\$81	\$81	-14.3%	-4.7%	-9.2%	11.6%		-1.4%	-5.2%	
1652	Communications Coordinator - C11048	1	\$66	\$78	\$76	\$20		\$98	\$95	\$65	\$69	\$68	\$17		\$86	\$85	1.4%	13.1%	10.9%	18.6%		14.2%	12.2%	
1653	Risk Management Coordinator	1	\$53	\$59	\$58	\$18		\$78	\$76	\$59	\$61	\$62	\$16		\$78	\$79	-11.2%	-3.7%	-6.7%	11.9%		-0.5%	-3.0%	
1654	Security Operations Coordinator	1	\$51	\$58	\$57	\$18		\$77	\$75	\$57	\$59	\$60	\$16		\$75	\$76	-9.8%	-1.1%	-5.1%	12.7%		1.8%	-1.5%	
1655	Senior Administrative Associate	1	\$52	\$60	\$57	\$18		\$78	\$75	\$50	\$52	\$52	\$16		\$67	\$68	3.5%	15.9%	8.8%	17.6%		16.3%	10.4%	
1657	Senior Legal Administrative Associate	11	\$64	\$72	\$70	\$20		\$92	\$90	\$64	\$66	\$67	\$17		\$83	\$83	0.4%	8.9%	5.2%	16.6%		10.5%	7.2%	
1658	Tax Coordinator	6	\$49	\$54	\$54	\$18		\$72	\$72	\$57	\$59	\$60	\$16		\$75	\$76	-13.3%	-8.7%	-8.8%	10.7%		-4.5%	-4.7%	
Benchmark Incumbents			92	\$5,091	\$5,788	\$5,671	\$1,727	\$0	\$7,514	\$7,383	\$5,386	\$5,600	\$5,641	\$1,507	\$0	\$7,108	\$7,150	-5.5%	3.3%	0.5%	14.6%	N/A	5.7%	3.3%
Total Incumbents			96																					
Coverage			95.8%																					

XIX. APPENDIX C —
Competitive Summary by Average Total Compensation Dollars

Table C-1: SCG Study Summary (Excluding Corporate Center): Average Compensation Dollars (\$000s)

SCG Employee Category	# of SCG Employees in Study	SCG							Market						
		Base Salary	Actual Total Cash	Target Total Cash	Benefits	Long-Term Incentives	Actual Total Comp.	Target Total Comp.	Base Salary	Actual Total Cash	Target Total Cash	Benefits	Long-Term Incentives	Actual Total Comp.	Target Total Comp.
Executive	4	\$253	\$456	\$372	\$77	\$258	\$791	\$696	\$306	\$487	\$458	\$69	\$335	\$883	\$848
Manager/Supervisor	621	\$89	\$109	\$103	\$31	\$0	\$130	\$124	\$91	\$102	\$101	\$27	\$0	\$121	\$120
Professional/Technical	530	\$80	\$97	\$92	\$23	\$0	\$115	\$110	\$83	\$90	\$90	\$20	\$0	\$107	\$107
Physical/Technical	2,068	\$69	\$69	\$31	\$24	\$0	\$92	\$41	\$63	\$66	\$30	\$21	\$0	\$87	\$40
Clerical	1,803	\$48	\$48	\$32	\$17	\$0	\$65	\$42	\$47	\$49	\$32	\$15	\$0	\$64	\$41
Total	5,026														

Table C-2: SCG Study Summary (Including Corporate Center): Average Compensation Dollars (\$000s)

SCG Employee Category	# of SCG Employees in Study	SCG							Market						
		Base Salary	Actual Total Cash	Target Total Cash	Benefits	Long-Term Incentives	Actual Total Comp.	Target Total Comp.	Base Salary	Actual Total Cash	Target Total Cash	Benefits	Long-Term Incentives	Actual Total Comp.	Target Total Comp.
Executive	5	\$280	\$514	\$421	\$84	\$354	\$952	\$848	\$323	\$525	\$495	\$72	\$395	\$978	\$950
Manager/Supervisor	633	\$90	\$111	\$104	\$31	\$0	\$131	\$125	\$92	\$103	\$103	\$28	\$0	\$122	\$121
Professional/Technical	579	\$83	\$100	\$96	\$23	\$1	\$120	\$115	\$85	\$92	\$93	\$20	\$1	\$110	\$110
Physical/Technical	2,068	\$69	\$69	\$31	\$24	\$0	\$92	\$41	\$63	\$66	\$30	\$21	\$0	\$87	\$40
Clerical	1,822	\$48	\$48	\$32	\$17	\$0	\$66	\$42	\$47	\$49	\$32	\$15	\$0	\$64	\$41
Total	5,107														

XX. APPENDIX D —
Competitive Summary by Aggregate Total Compensation Dollars

Table D-1: SCG Study Summary (Excluding Corporate Center): Aggregate Compensation Dollars (\$000s)

SCG Employee Category	# of SCG Employees in Study	SCG							Market						
		Base Salary	Actual Total Cash	Target Total Cash	Benefits	Long-Term Incentives	Actual Total Comp.	Target Total Comp.	Base Salary	Actual Total Cash	Target Total Cash	Benefits	Long-Term Incentives	Actual Total Comp.	Target Total Comp.
Executive	4	\$1,011	\$1,825	\$1,487	\$308	\$1,031	\$3,163	\$2,783	\$1,223	\$1,947	\$1,831	\$277	\$1,339	\$3,532	\$3,391
Manager/Supervisor	621	\$55,323	\$67,573	\$63,777	\$19,193	\$50	\$80,757	\$76,815	\$56,393	\$63,200	\$62,959	\$17,058	\$104	\$75,045	\$74,548
Professional/Technical	530	\$42,599	\$51,591	\$49,008	\$12,209	\$0	\$61,178	\$58,465	\$44,182	\$47,518	\$47,824	\$10,757	\$0	\$56,478	\$56,619
Physical/Technical	2,068	\$141,873	\$141,933	\$63,778	\$48,767	\$0	\$190,700	\$84,960	\$131,200	\$135,992	\$62,854	\$44,112	\$0	\$180,104	\$82,218
Clerical	1,803	\$86,141	\$86,902	\$57,892	\$31,019	\$0	\$117,921	\$75,512	\$84,415	\$87,539	\$57,555	\$27,831	\$0	\$115,370	\$73,407
Total	5,026														

Table D-2: SCG Study Summary (Including Corporate Center): Aggregate Compensation Dollars (\$000s)

SCG Employee Category	# of SCG Employees in Study	SCG							Market						
		Base Salary	Actual Total Cash	Target Total Cash	Benefits	Long-Term Incentives	Actual Total Comp.	Target Total Comp.	Base Salary	Actual Total Cash	Target Total Cash	Benefits	Long-Term Incentives	Actual Total Comp.	Target Total Comp.
Executive	5	\$1,462	\$2,679	\$2,195	\$439	\$1,844	\$4,961	\$4,417	\$1,684	\$2,735	\$2,582	\$373	\$2,057	\$5,099	\$4,952
Manager/Supervisor	633	\$57,150	\$70,030	\$66,046	\$19,718	\$199	\$83,132	\$79,047	\$58,164	\$65,398	\$65,108	\$17,485	\$256	\$77,139	\$76,639
Professional/Technical	579	\$47,857	\$58,092	\$55,274	\$13,535	\$513	\$69,370	\$66,398	\$49,260	\$53,288	\$53,612	\$11,859	\$631	\$63,634	\$63,810
Physical/Technical	2,068	\$141,873	\$141,933	\$63,778	\$48,767	\$0	\$190,700	\$84,960	\$131,200	\$135,992	\$62,854	\$44,112	\$0	\$180,104	\$82,218
Clerical	1,822	\$87,170	\$88,072	\$59,038	\$31,367	\$0	\$119,439	\$77,003	\$85,503	\$88,670	\$58,695	\$28,136	\$0	\$116,806	\$74,851
Total	5,107														

XXI. APPENDIX E —
Detailed Benefits Methodology

A. Employee Benefits Methodology and Assumptions

The methodology to calculate the benefits values for a total compensation study involves applying a standard set of actuarial methods and assumptions to the employee benefit plans provided by companies for a common employee population. These standard actuarial methods and assumptions are developed and used by actuaries at Towers Watson for valuing benefits for Sempra Energy and the peer companies. The assumptions are used consistently for Sempra Energy and the peer companies. To develop such values, benefits are initially analyzed in terms of when they become payable — for example, retirement benefit amounts payable at retirement or long-term disability benefits beginning at a time in the future and continuing until retirement. Towers Watson's methodology measures the value of benefits to the employee, not the cost of benefits to the company.

Those benefits payable in the future — post-retirement income and death benefits — are valued in terms of anticipated prospective benefit payments being allocated over the employee's entire working history.

Those benefits potentially payable immediately — pre-retirement death and disability benefits — are valued based on the probabilities of the various events occurring within the year, multiplied by the value of the benefit.

1.

2. The following details the actuarial assumptions used:

3. Demographic

The following Sempra-specific demographic profiles (effective 4/1/10) were used to value peer benefits:

	Average Age	Average Years of Service	Percent Male
Executive	53	14	70%
Manager/Supervisor	50	18	74%
Professional/Technical	46	11	59%
Physical/Technical	46	17	94%
Clerical	44	13	20%

The following details the Towers Watson actuarial assumptions used:

4. Economic

Discount rate	7.5%	
Cash balance plan accumulation	1-year Treasury	4.4%
	5-year Treasury	5.1%
	10-year Treasury	5.3%
	30-year Treasury	5.5%
	Long Corporate Bond	6.5%
Compensation increase	4.5%	

Wage index (SSWB)	3.5%
Inflation (CPI)	2.5%
Health care cost trend (for post-retirement medical)	8% graded to 5% over 6 years

Retirement

Incidence varies by the age at which retirement benefits are available on an unreduced basis; illustrative rates are shown below:

Age at retirement	Age for unreduced benefit			
	65	62	60	55
50	2%	2%	2%	2%
55	4%	4%	4%	15%
60	10%	10%	15%	15%
62	20%	30%	30%	30%
65	100%	100%	100%	100%

Example: for a plan that provides an unreduced benefit at age 62, 30% of employees are expected to retire upon reaching that age.

Turnover

Illustrative rates are shown below:

Age	Rate
25	13.2%
35	8.1%
45	5.2%
55	2.2%
56+	0%

Mortality

RP 2000 table (reflecting projected mortality improvements consistent with 2012 funding valuations), applied on a sex-distinct basis; illustrative rates are shown below:

Age	Deaths per 10,000 lives	
	Male	Female
25	3	1
35	7	4
45	11	7
55	23	22
65	97	88
75	288	240

Disability (Long-Term Disability or LTD)

1987 Commissioner's Group Disability Table, with six month elimination period; adjusted where more restrictive LTD requirements apply

Termination of Disability

1987 Commissioner's Group Disability Table (adjusted +11% to remove insurer margin)

Disabled Mortality

PBGC mortality for disabled participants

Morbidity (STD)

Developed based on (1) large company experience, (2) Society of Actuaries STD, (3) 1987 Commissioner's Disability Table

Family Composition

Based on 1980 census data — wives assumed to be three years younger than husbands; illustrative rates are shown below:

Percentage Married

Age	Male	Female
25	20%	30%
35	77%	70%
45	88%	74%
55	92%	74%
65	93%	66%
75	90%	48%

Percentage with Dependent Children

Age	Male	Female
25	39%	40%
35	82%	51%
45	85%	31%
55	41%	26%

B. Plan-Specific Methodology

1. Defined Benefit Plans

The present value of the annual benefit accrual (PUC service cost) is developed, reflecting projected pay and the plan's provisions for normal or early retirement (including any early retirement supplements), vesting, disability, pre- or post-retirement death (where benefits are subsidized), and refund of employee contributions.

Plan values are indexed based on the employer's stated policy. In addition, breakpoints in step-rate formulas at levels near the Social Security Taxable Wage Base are assumed to increase with the wage index. Modified career pay formulas that have been periodically updated with respect to prior service periods are presumed to be updated periodically into the future, reflecting the company's historical practice.

For cash balance plans, the assumed rate of interest credited on accumulated account balances is set to reflect the plan provisions.

2. Defined Contribution Plans

Included in this category are money purchase plans, profit-sharing plans and any type of savings plan (thrift or stock purchase). Plan values are determined as an estimate of current year contributions less expected forfeitures during the year.

For savings plans, expected participation and contribution levels are determined based on the level of matching contributions. The table below differentiates, for example, between the total value of a profit sharing plan with an average annual contribution of 9% of pay and a savings plan which allows the employee to contribute 6% of pay with a company match of 50% of matched employee contributions. It is expected that even for the most generous matched plans, some percentage of employees will not elect to join the savings plan or contribute the full matched amount.

**Assumed Participation Rates for Savings Plans
(other than stock purchase plans)**

Match	Up to 8% of pay	Over 8% of pay
None	40%	0%
1% - 24%	50%	25%
25% - 49%	60%	30%
50% - 74%	70%	35%
75% - 99%	80%	40%
100% and over	90%	45%

For example, a savings plan that matches 50% up to 6% of pay for an employee earning \$50,000 and contributing 8% of pay would have the following result:

$$\text{Employee Contribution} = (\$50,000 \times .06 \times .70) + (\$50,000 \times .02 \times .40) = \$2,500$$

$$\text{Employer Contribution} = (\$50,000 \times .06 \times .50 \times .70) = \$1,050$$

The assumed value of a stock purchase plan is determined by the purchase period, the level of price discount and the assumed participation rates – see below.

Assumed Participation Rates for Stock Purchase Plans

Combined discount/ option value	Up to 8% of pay	Over 8% of pay
None	0%	0%
1% - 24%	35%	17.5%

25% - 29%	38%	19%
30% - 39%	42%	21%
40% - 49%	46%	23%
50% and over	50%	25%

Note: The assumed subsidy reflects the discount applied to the stock price along with the value of the fixed price option determined based on the Black Scholes method. (For a typical plan, the option value is generally in the range of 10% - 15%.)

For profit sharing plans and employee stock option plans, assumed contribution levels reflect the average of the past five years' actual contributions to the plan or the company's projected future contributions (if provided).

3. Death Benefit Plans

Values of the following benefits are calculated: pre-retirement group life, survivor income, accidental death and dismemberment, dependent's life insurance, and post-retirement group life and survivor income benefits. Insurance coverage provided under a Group Universal Life Plan (GULP) is also included.

The level of optional insurance elected is determined by a formula that reflects the level of contributions required along with the amount of basic company-provided coverage and the employee's salary and marital status.

Life insurance coverage continuing after retirement is valued on a projected unit credit basis. Retired employees are assumed to cease election of GULP coverage at age 65.

Flat dollar death benefits are assumed to remain constant.

Occupational coverage (business travel accident) is not valued due to its assumed negligible value.

4. Disability Plans

Employer-sponsored long-term disability benefits are valued. Long-term disability values reflect the level and duration of benefits, the plan's definition of disability, and the plan's benefit integration provisions (e.g., coordination with Social Security or pension benefits).

Differentiation is made between plans with varying definitions of disablement.

5. Medical and Dental Plans

Where multiple plans or options are available, it is assumed that all employees will elect the most prevalent choice as reported by the plan sponsor, i.e., the plan with the highest enrollment. Medical benefit values reflect such factors as: type of plan, deductibles and coinsurance, stop loss provisions, type and level of benefits provided, benefit limits, and the level of required employee contributions.

Values for prescription drug, psychiatric care and substance abuse coverages are reflected in the health care plan value even if covered under a separate plan.

Employees with eligible dependents are assumed to elect dependent coverage. Continuation of medical coverage is valued for survivors and disabled employees.

Separate values are calculated for active employee coverage (term cost) and for post-retirement coverage (projected unit credit service cost). The value for post-retirement coverage reflects the plan's coordination with Medicare benefits at age 65.

Values for POS (Point of Service) plans and HMOs are adjusted to reflect restrictions on provider choice. POS plans are adjusted by a factor of 0.96. HMO plans are adjusted by a factor of 0.92. PPO and comprehensive plan values are not adjusted.

The level of medical and dental benefit values are calibrated to reflect average national claims levels, as determined by Towers Watson's annual Health Care Cost Survey.

The following table illustrates the assumed participation rates for medical and dental plans — which are based on the level of required employee contributions:

Contributions as % of plan value	Active	Retiree
0%	100%	100%
20%	95%	97.5%
40%	93%	96.5%
60%	92%	96%
80%	90%	95%
100%	88%	94%
Over 100%	86%	93%

C. Benefit Value Calculations

For third-party sources and peer companies where benefits information was unavailable, the average benefits methodology was applied using demographic profiles for benefits valuation. Average demographic profiles for each of Sempra Energy's five employee categories are used for all benefits components. Towers Watson calculated an average benefits value and applied this value to the cash compensation data. The approach is explained in greater detail in the following paragraph.

Average Benefits Methodology: Average benefits methodology approach averages the benefit plan design for each segment of the peer group companies (utility industry or general industry) and applies the segment average to the average cash compensation data for that segment of the peer group. Average calculations were created for each of the benefit programs (defined benefit, defined contribution, long-term disability, death, medical, dental and vision). The calculations were based on how the benefits were determined — base salary or total cash compensation — and category of company — total sample (utilities and general industry), only utilities, and only those utilities for which union plan information was available.

XXII. APPENDIX F —
Study Team Meeting Notes

Memorandum

Meeting Date: November 5, 2009
Time: 10:00 a.m. to 1:00 p.m.
Subject: November 5, 2009 Meeting Notes

MEETING ATTENDEES

TOWERS PERRIN

Lane Ringlee
Dean Stoutland
Hidi Suen
Maggie Tang

DRA

Marek Kanter
Martin Lyons

SEMPRA ENERGY

Chuck Manzuk
Debbie Robinson
David Sarkaria

A. MEETING PURPOSE/AGENDA

Towers Perrin was selected by Sempra Energy (on behalf of Southern California Gas Company) and DRA to conduct a total compensation study to assess the competitiveness of Southern California Gas Company (SCG) total compensation levels for the 2012 General Rate Case (“2012 GRC”). This was the first project planning meeting for the Study Team. Towers Perrin provided a guide with detailed information to facilitate the discussion for this meeting.

The agenda was as follows:

- Discuss project steps and timing
- Discuss the methodology and processes that will be used, including cash compensation and benefit components that should be included or excluded in total compensation
- Review and select peer companies
- Discuss survey data sources
- Discuss the benchmarking methodology and process
- Discuss the study positions to be included; and
- Set an agenda for meeting #2.

B. KEY DISCUSSION ITEMS/DECISIONS

1. A. Background and Introductions

The Study Team made introductions and described their respective roles in the 2012 GRC. The study will be led by Lane, with Hidi as the project manager and primary point of contact, and Dean responsible for benefits-related

questions. The Study Team agreed to have Maggie record minutes at all of the meetings, send draft meeting notes to all Study Team members for comments, and incorporate any necessary edits prior to finalizing the meeting notes. David described the process by which Towers Perrin was selected to conduct the 2012 GRC. In response to Sempra's RFP, Hewitt and Watson Wyatt had declined to bid for the work, while Mercer required higher fees, but had no experience with rate cases in California. Towers Perrin, on the other hand, has relevant experience given that it has recently completed Pacific Gas & Electric (PG&E)'s 2011 General Rate Case. Towers Perrin is also SCG's principal actuary and has a history of providing valuations on Sempra's pension plans and post-retirement health plans.

2. B. Project Steps and Timing

The next meeting, to be held at SCG's San Francisco office, is scheduled to be from 10:00am to 2:00pm on Tuesday, December 8, 2009.

Lane discussed the tentative timeline with the rest of the project team:

- **November:** planning and preparation
- **December:** confirm methodology, peer groups, and data sources
- **January:** finalize benchmarks and survey jobs
- **February:** last meeting to confirm study approach before valuation process begins
- **March:** Towers Perrin calculates total compensation values; Study Team to review, revise, and finalize meeting notes
- **April:** Study Team to review draft report (without total compensation data) and preliminary data
- **May:** Study Team to review draft report (with total compensation data)
- **Early June:** Study Team to review final report

Chuck explained that an NOI is scheduled to be filed in August 2010. However, DRA and SCG are considering petitioning for a delay of the 2012 GRC. It may be a one-year delay, in which case the test year will be 2013. The Study Team agreed, however, to continuing assuming that early June of 2010 will be the deadline. The Study Team also agreed that the existing contract for the GRC shall remain even if timing shifts back.

3. C. Methodology

Lane discussed, and the Study Team agreed on, the following methodology for the 2012 GRC:

- **Cash compensation:** base salary and actual short-term incentives (paid in 2009 for 2008 performance) will be included. Marty agrees that actual short-term incentives are easier to compare across utilities.
- **Long-term incentive compensation** will be included for those positions that are eligible for long-term incentive awards, as SCG will be seeking rate relief. Despite having used Black Scholes values in the last General Rate Case, the Study Team agreed that FAS 123(R) values will be more appropriate for the 2012 GRC as they are now the standard adopted by many (e.g., PG&E in its 2011 GRC). FAS 123(R) values are also consistent with numbers published in other sources, such as companies' income statements.
- **Benefits:**

The following will be included:

- Defined benefit pension and defined contribution retirement plans

- Supplemental non-qualified retirement plans (restoration and supplemental retirement plans)
- Pre-retirement and post-retirement medical, dental and vision plans
- Life insurance (group life and accidental death and dismemberment)
- Long-term disability (David explained that SCG's short-term, and to some extent long-term, disability programs very much resemble sick leave, which is already reflected in base salary. However, this is not the case for most peer companies, so long-term disability programs will still need to be valued and included in the benefits portion when analyzing peer data.)

The following will be excluded:

- Overtime pay and shift differentials
- Paid time off (already reflected in base salary)
- Special recognition awards or spot bonuses
- Short-term disability (already reflected in base salary)

Lane explained, and the Study Team agreed, that the data collection methodology will remain the same as the 2008 GRC:

- Base salary and actual short-term incentive data will be collected from various data sources and from SCG and SoCalGas for each survey position
- Then, data will be combined at the position level to obtain total cash compensation.
- For certain benchmark job matches, Towers Perrin will aggregate survey data from multiple data sources:
 - The average of each component of cash compensation will be averaged across the data sources
 - Then, the components of cash compensation will be combined to obtain total cash compensation
- Towers Perrin will rely on Sempra to obtain and provide third-party sources

The Study Team agreed to age Sempra's compensation data, as well as all survey compensation data, to a common effective date of December 31, 2009.

Lane reviewed the various sources of aging factors, including WorldatWork, the U.S. Department of Labor – Bureau of Labor Statistics, Southern California Edison's 2009 General Rate Case, and PG&E's 2011 General Rate Case. Lane reviewed the WorldatWork salary increase budget surveys in detail, and noted that the Study Team should focus more on 2009 planned increases as opposed to the 2008 ones, as the study is looking to age data collected in the first half of 2009 to the end of 2009. Lane also noted that there is a slight differential between utilities nationally and those located in the west; across all industries, however, national and west region data are consistent. Debbie asked if the WorldatWork salary increase budget surveys include companies with no increases, and Hidi confirmed that they do.

In PG&E's 2011 GRC, an aging factor of 3.9% was used to age data to December 31, 2008. Given this, the Study Team agreed that Sempra should use WorldatWork's 2009 average west region all-industries aging factor of 2.1% to age data to December 31, 2009.

Dean then reviewed the benefits methodology in detail for the 2012 GRC. He explained that the BENVAL methodology will be used to determine the value of benefits to employees for each peer company. The BENVAL methodology uses a standard set of assumptions and valuation methods and uses a common data set, so that the only differences in values are driven by plan provisions.

Using the BENVAL methodology for the 2012 GRC, the following will be included:

- Defined benefit pension and defined contribution retirement plans (including supplemental and non-qualified plans)
- Long-term disability plans
- Medical plans
- Dental plans
- Vision plans
- Life insurance (group life and accidental death and dismemberment)

Using the BENVAL methodology for the 2012 GRC, the following will be excluded:

- Paid time off (typically included in BENVAL when benefit values are isolated and examined separate from compensation; however, it is excluded in rate cases as the value is already reflected in base salary)
- Short-term disability (same as paid time off, value is already reflected in base salary)
- Social security
- Other government-mandated benefits

David asked what the effective date for all benefits data is in Towers Perrin's EBIC database. Dean responded that the EBIC database is a rolling database where data is continuously updated. Most data in EBIC are less than a year old; any data not updated for 18 months would be removed.

Marek initiated a discussion over the demographic data on which BENVAL assumptions are based. He was concerned that the mortality tables are based on rather dated census data. Dean explained that while updates to the demographic data and assumptions are made from time to time, they are not made frequently, as the costs associated with such updates tend to outweigh the incremental benefits of using more current demographic data and assumptions. Additionally, there is value in preserving the same set of demographic data and assumptions in the database because year-over-year and/or study-over-study comparisons can be made between one rate case and another. Dean also explained that the driver of benefits values should be the plan provisions, rather than the demographic data and assumptions. Since any updates to the demographic data and assumptions will be applied to all companies in the database, and that the effects on each company will generally move in the same direction, the impact of any updates should not have a significant impact on the benefit valuation results. Based on Dean's explanation, the Study Team agreed that the current demographic data on which BENVAL assumptions are based are appropriate, and that the BENVAL methodology shall be used for the 2012 GRC.

Lane then reviewed the average benefits methodology. Consistent with prior rate cases, the average benefits methodology will add average benefit values to average total cash compensation values to develop total compensation values. The Study Team agreed with this methodology.

4. D. Peer Group Development

Hidi reviewed the peer company selection criteria. The targeted comparator group will consist of large utilities and Southern California general industry companies and will be represented by about 40-60 companies, varying by each employee group. Lane pointed out that the criteria serve as guiding parameters, and that not every peer company must meet every criterion. Some companies that fail one or more of the selection criteria may still be included provided that there are strong supporting reasons (e.g., major competitor for talent).

For utilities, the criteria were as follows:

- **Size:** Greater than 3 billion in revenue
- **Segment:** Electric and/or gas utilities
- **Geography:** Major metropolitan areas
- **Structure:** Regulated public and private utilities

For general industry companies, the criteria were as follows:

- **Size:** 0.5x – 2x Sempra’s revenue size (slightly wider scope than for utilities)
- **Segment:** All
- **Geography:** Headquartered in Southern California, or have major concentrations of employees in Southern California area
- **Structure:** Public and private companies

Marty asked what “public and private companies” refer to under the general industry peer company selection criteria. Lane explained that “public” means “publicly-traded on an exchange but non government-owned,” and “private” means companies that are not listed.

Debbie asked if the Study Team would look at a broader cut of national data as opposed to just Southern California. Marty recognized that companies do recruit nationwide for upper management positions and special positions such as linemen, but noted that companies have typically adhered closely to their peer groups for rate cases, as there are too many utilities and general industry companies to consider across the country. As a reference, Marty noted that the approach of focusing on a certain geographical region worked for PG&E on their selection of general industry peers in their 2011 GRC. For utilities, PG&E did include some out-of-state companies that were highly comparable. Lane then explained that Towers Perrin had begun its preliminary peer group selection process by preserving most of the peers in the previous study (i.e., Sempra’s 2008 GRC) unless they had been acquired. If the Study Team wishes to consider companies outside of California or the west coast region, it should focus on other high-cost metropolitan areas.

David asked why the revenue selection criterion was 0.5x – 2x as opposed to 0.5x – 1.5x. Lane explained that 0.5x – 2x served only as a range of reasonableness, and that a 0.5x – 1.5x range may be too narrow to capture companies that are otherwise highly comparable. Marty agreed and pointed out that the size of an organization does not significantly impact compensation for positions at the lower levels. David also agreed, stating that companies on the small side represent a very different market. Marty and Lane noted that in PG&E’s 2011 GRC, a number of larger peers were excluded from executive benchmarking to prevent the skewing of data.

Hidi then reviewed the lists of potential and preliminary peers for the 2012 GRC. The preliminary utility peer group consists of 29 companies, 23 of which were also in the 2008 GRC’s utility peer group of 27 companies. The other 4 utility peers from the 2008 GRC (i.e., KeySpan, Los Angeles Department of Water & Power (LADWP), Sacramento Municipal Utility District, and Southwest Gas) could not be included into the 2012 utility peer group either because they have been acquired or are no longer participants of Towers Perrin’s compensation and benefits databases. The preliminary general industry peer group consists of 26 companies, 25 of which were also in the 2008 GRC’s general industry peer group of 28 companies. The other 3 general industry peers from the 2008 GRC (i.e., Hilton Worldwide, Nissan Motor Company, and UCLA) could not be included into the 2012 general industry peer group either because they were acquired, have moved away from California, or are no longer a participant of Towers Perrin’s compensation and benefits databases.

Lane noted that because both the preliminary utility and preliminary general industry peer groups already contain the targeted range of 20-30 companies, there is no critical need to add more peers. Marty agreed and stated that as long as the peer groups contain around 23 or 24 companies, coverage should be sufficient.

Of the preliminary utility peers, Hidi identified a number of them that were missing components of compensation or benefits data, and discussed the possible methods by which the data could be obtained (e.g., Towers Perrin or Sempra could reach out to their contacts at the various companies and request the missing information). Lane and Hidi stated

that they would continue reaching out to colleagues and other contacts over the next few weeks, but noted that previous attempts to obtain benefits data from Dominion Resources, Duke Energy, and Portland General Electric have been unsuccessful. David stated that he would like to include Edison International/ Southern California Edison's benefits data, and that he would reach out to his contact at Edison. David would also like to have complete data from all other California-based utility peers.

Hidi also identified a list of preliminary general industry peers with missing compensation or benefits data. David stated that SCG had difficulty obtaining data from Clorox for the 2008 GRC as well. David also stated that he has a contact at AECOM, and that if AECOM is selected as a peer, he could likely obtain data. David then stated that he would like to obtain DIRECTV's missing all-employee benefits data; Dean responded that he would pursue this by reaching out to his contact at DIRECTV.

David asked if there were other companies, such as Wells Fargo, that could be added to the list of preliminary general industry peers. Lane and Hidi noted that Bank of America may be a possible choice, given its prominence in California.

David and Chuck discussed including General Dynamics, but decided to leave it out because the company was no longer as major of a player in San Diego relative to the 1980-1990 timeframe. David, Chuck and Debbie then discussed including biotechnology companies, but dismissed the idea because most biotechnology companies tend to be significantly smaller in size.

David then asked the Study Team to consider adding the University of California, San Diego (UCSD), as it is a major employer in San Diego, just after SAIC and Qualcomm. David believed that having a major university in the peer group would be meaningful and would also mirror the fact that UCLA was included in the 2008 peer group. Lane agreed and stated that Towers Perrin would explore the feasibility of obtaining data from UCSD.

Lane also noted that Towers Perrin would look into including Life Technologies, a \$3.5 million company in Carlsbad. Lane has a contact who can help request and obtain broad-based compensation data from the company.

The Study Team agreed that they would reach out to their respective contacts to obtain as much of the missing data as possible over the next few weeks, and review the peer groups again at the next meeting. The goal is to finalize the utility and general industry peer groups by the third team meeting in mid December.

5. E. Survey Sources

Lane reviewed the various survey sources used in Sempra's 2008 GRC, as follows:

- Radford Benchmark Salary Survey: compensation data
- Edward A. Powell Data Information Solutions (EAPDIS) Energy Technical Craft Clerical Survey: compensation data
- Hewitt Associates: compensation data
- Organization Resource Counselors (ORC) Salary Information Retrieval System (SIRS): compensation data
- Towers Perrin Compensation and Benefits Data Bank: compensation and benefits data
- Dembrowsky and Associates Custom Compensation Survey for SDG&E and SoCalGas

The actual sources used in the 2008 GRC varied by employee category. Lane noted that Dembrowsky and Associates no longer exists as a firm, and only publicly-available salary ranges can be obtained from LAWDP. Thus, for the Physical/Technical and Clerical groups, which used data from the Dembrowsky custom survey in 2008, there will now be one less data source. The Study Team understood and agreed to proceed with using only Radford, EADPIS, and SIRS data for these 2 employee groups. The Study Team also agreed to use the same data sources as in the 2008 GRC for the other employee categories.

Lane then explained that in the 2008 GRC, benchmark jobs with utility-specific functions were matched to the utility peer group; similarly, non-utility-specific jobs were matched to the general industry peer group. For some benchmark

jobs, a combination of utility and general industry matches were used. The Study Team agreed to use the same approach for the 2012 GRC.

6. F. Benchmarking Methodology and Process

Hidi stated that the competitive analysis will cover:

- Approximately 325 (150-175 for each company) unique benchmark jobs across 5 employee categories
- At least 60% of SDG&E and SoCalGas's workforce (slightly higher than prior GRC studies)

Hidi reviewed the benchmark job selection and job matching process with the Study Team:

Benchmark Job Selection

- Sempra will suggest benchmark jobs for SDG&E and SoCalGas to DRA and Towers Perrin based on the following criteria:
 - Jobs found in existing surveys that provide reliable competitive market data
 - Jobs that, in aggregate, represent the largest number of SDG&E and SoCalGas incumbents to provide a representative cross section of the SDG&E and SoCalGas population
 - Jobs across the entire company and across organization levels within the company
 - Jobs that are representative of a job category or job family
 - Jobs for which SDG&E and SoCalGas has clearly definable scope of position, required education/experience, skills and abilities
 - Benchmark jobs that were included in the 2008 GRC
 - Jobs with typically 5 or more incumbents as of the effective date (except in the case of Director and Executive level jobs, which typically have only one incumbent per job)

Job Matching Process

- Sempra will suggest the survey matches to the benchmark positions to DRA and Towers Perrin:
 - Representing job matches that:
 - SDG&E and SoCalGas regularly uses for surveys
 - Are established based on formal job matching exercises, reviews of job documentation and discussions with line management and outside consultants
 - Survey matches will be selected for benchmark jobs based on the following:
 - Knowledge of the benchmark job scope and function by SD&G and SoCalGas Human Resources and line operations
 - Matches of benchmark jobs to survey positions that were validated and used in the prior SDG&E and SoCalGas GRC studies
 - Comparable survey matches selected by SDG&E and SoCalGas from compensation surveys conducted by reputable consulting firms
 - SDG&E and SoCalGas Human Resources' discussions with SDG&E and SoCalGas line management
 - 80 percent comparability in scope of jobs duties or function to the benchmark job

- Executive benchmark jobs will be matched to group or subsidiary level survey positions (survey positions will reflect the reporting level of the benchmark jobs in the organization)

Job Audit Process

- After job matches are identified, DRA will select a sample of 20-25 survey matches for the SDG&E and SoCalGas benchmark jobs and validate the sample matches before Towers Perrin begins analyzing the compensation and benefits data
- Sempra will provide SDG&E and SoCalGas as well as survey job descriptions to DRA and Towers Perrin

For benchmark positions that were not included in the 2008 GRC due to insufficient survey data, Hidi pointed out that there may be insufficient data again for the 2012 GRC. Lane noted that it may be easiest and most efficient for SCG to start with benchmark jobs included in the 2008 GRC; David agreed, stating that lots of the physical/technical jobs are union jobs and have not changed since the last study. Lane noted that the SCG should try to combine and include any high-population jobs that were excluded from the 2008 GRC — this would help enhance coverage.

Debbie asked what the Study Team should do for jobs included last time whose only data source was the Dembrowsky survey. Lane responded that it would depend on the job, and that Sempra may wish to carve out such jobs and look for other sources. He cited that the gas service representative position would be an example of a tough job to match without the Dembrowsky survey.

Marek asked if Sempra is retiring its meter readers. David responded that yes, SCG intends for meter reading to become automatic over the short term (perhaps within the next 3 to 4 years); Chuck agreed and stated that implementation will take a number of years. SoCalGas has an application pending with the CPUC seeking authority to install advanced meters by 2015.

Hidi stated that Towers Perrin's perspective on the benchmarking process is to start with more jobs to ensure 60% coverage overall and for each employee category. The process will happen within a short time frame, beginning and also ending in January 2010. There will be 3-4 meetings in January to complete this process.

Lane stated that Towers Perrin had worked collaboratively with PG&E on the benchmarking process of PG&E's 2011 GRC, and asked how DRA and Sempra felt about Towers Perrin taking on a similar role for Sempra's 2012 GRC. The Study Team expressed that they were comfortable with this process, since all parties within the Study Team will have agreed on a common set of benchmarking guidelines.

David asked if DRA will select a specific 20-25 positions to audit, or if the audit process is random. Marty answered that DRA will select specific positions; Lane supplemented Marty's response by noting that the 20-25 range is a placeholder, and that the number of positions to audit is ultimately DRA's decision.

7. G. Study Positions

David asked the Study Team how corporate jobs (e.g., positions in compensation and benefits) should be accounted for between SDG&E and SoCalGas. He explained that in past studies, corporate center jobs were allocated between the two based on costs. Lane asked if most corporate jobs are truly at corporate and thus belong in the "shared services" category; David responded yes, except in a few cases (such as general HR functions), where there are different employees handling the functions separately at each utility. Lane and Marty stated that the methodology used in past studies was reasonable, and can be used again for the 2012 GRC, as long as it is clearly documented in the report. David agreed, but stated that the Study Team can decide later. His preference would be for this year's methodology to be consistent with what was used in the last GRC. David added that SCG never asks for recovery of CEO and COO costs, so the 2 positions can be excluded.

Lane asked for, and David and Debbie stated that they would provide, the following items, which would help facilitate the study position selection and benchmarking processes:

- A list of all jobs at Sempra (corporate, SDG&E and SoCalGas)
- A list of all benchmarks used ("study positions") and the sources used for each benchmark (based on the last GRC)

- Any other high-population job excluded in the prior study, as there may be a survey match this time
- A list of shared-services jobs
- Organizational charts

8. H. Timeline

Lane reviewed the proposed timeline again, stating that benchmarks are targeted to be finalized by the end of January, and that a meeting should be held in February to sign off on any questions before the valuation process begins.

During the valuation process, there will be a formal meeting to review meeting notes, as well as opportunities for Sempra and DRA to review a draft report (without data) so that Towers Perrin can incorporate any comments and necessary edits to the report language. The Study Team decided that meeting minutes will be e-mailed to everyone throughout the course of the study and updated to incorporate comments from all parties.

The Study Team agreed that early December will be a good time for meeting #2. Thus, it was decided that the next meeting will be held at on Tuesday, December 8, 2009, at 10:00am at Sempra's San Francisco office. The Study Team also stated that they would like to explore the possibility of shifting some of January's workload up to December at the next meeting.

9. I. Open Discussion Items

- Valuation methodology for long-term disability programs
- Revised work plan and deadlines

Memorandum

Meeting Date: January 25, 2010

Time: 10:00 a.m. to 12:00 p.m.

Subject: January 25, 2010 Meeting Notes

CONFERENCE CALL PARTICIPANTS

TOWERS WATSON

Marizu Madu
Lane Ringlee
Dean Stoutland
Maggie Tang

DRA

Marek Kanter

SEMPRA

Chuck Manzuk
Debbie Robinson
David Sarkaria

C. CALL PURPOSE/AGENDA

Meeting #2 took place via conference call. The main purpose of this call was to discuss Sempra's recently-announced plans to restructure and its impact on the study's timeline and approach. The Study Team also revisited the total rewards valuation assumptions and methodology, preliminary peer groups, and data sources.

The agenda was as follows:

- Address outstanding questions regarding overall study methodology;
- Discuss Sempra's restructuring announcement ;
- Discuss revised project plan and timing;
- Review/confirm objectives for peer company selection;
- Discuss preliminary utility and general industry peer groups (additions & exclusions); and
- Review progress on obtaining data for potential utility and general industry peers.

D. KEY DISCUSSION ITEMS/DECISIONS

1. A. Question Re: Grandfathered Benefits

Marek asked whether there are any grandfathered benefits at Sempra, and if so, how they will be accounted for in the Study.

David answered that there are no grandfathered benefits for any of SCG's active employees, except in one pension area, where impact of funding is already accounted for in the actuarial assumptions. SCG did have a traditional defined benefits pension plan for those hired before July 1998; however, the plan was frozen in 2003. All SCG employees now participate in a cash balance plan.

Dean added that there will be other testimonies for the purposes of examining the aforementioned grandfathered pension awards. For purposes of the study, we do not directly measure grandfathered benefits; rather, the preferred

approach is to measure benefits by plan provisions on a go-forward basis. Dean and Lane stated this go-forward approach should be used as the preferred comparison formula, as details around grandfathered awards cannot be obtained from companies' current plan provisions alone. For comparisons to be meaningful, details on grandfathered awards would need to be obtained by job, by level, and by company, which may be extremely difficult and time-consuming to obtain. Furthermore, the level of details obtained from each company may also differ significantly. Based on the Study Team's discussion, Marek and the Study Team agreed that grandfathered benefits will not be sufficient or meaningful enough of an issue to focus on for the purposes of this GRC.

2. B. Question Re: Demographic Data on Which BENCAL is Based

Marek was concerned about the data profiles used in the BENCAL analysis and asked whether Towers Watson could base the valuation assumptions on Sempra's current employee demographics instead.

Lane answered that Towers Watson had outlined this alternative approach in the original GRC proposal; though, this alternative approach would not produce significant change in results overall to warrant the required additional time and fees. Dean agreed and explained that while a change in the standard demographic data set would potentially change the dollar amounts for each company's total benefit values, it would not change the relative differences in benefit values between organizations. The standard demographic data set serves only as a constant in the comparison equation so that only the differences in plan provisions are measured and compared amongst different organizations. Marek asked if it would be difficult to go on with this alternative approach and replace the standard demographic data set with Sempra's current employee demographics. Lane answered that while it would not be difficult, the process would be very time-consuming and costly. Lane and Dean estimated that this alternative, customized approach would lead to an additional \$20,000 to \$30,000 in fees.

The Study Team then reviewed Towers Watson's set of standard demographic data. David stated that in order to assess the necessity of this customized approach, he would first obtain a random sample of SCG's data for all of the same fields and examine the extent of differences between SCG's demographics and Towers Watson's standard set of demographic data. If significant differences are in fact observed, the Study Team may then consider moving forward with the customized approach and applying SCG's demographics to the peer companies.

David then asked Marek if the customized approach was used on the PG&E 2011 GRC. Marek answered that it was not, however he was not the DRA lead on PG&E's GRC. The Study Team agreed that it was best to wait for David's test run of data before concluding on a benefits valuation methodology. As such, the topic will be revisited at Meeting #3.

3. C. Sempra's Reorganization Announcement & Impact on Study Methodology

David explained that in the second quarter of this year, Sempra Energy will reorganize its business units to adopt a more decentralized model. The reorganization would result in various corporate shared functions (e.g., legal) shifted into business units, rather than having them centralized at the corporate level. As a result, Sempra Energy's corporate structure will be diminished; approximately 50% of the jobs will move away from corporate center into the business units.

While the restructuring should not impact the study's overall methodology and peer groups, it will affect Sempra Energy's existing shared services jobs and, in turn, the GRC study's job matching and benchmarking process. David stated that there will likely be more clarity around Sempra Energy's new organizational structure by the end of March; in the meantime, the Study Team should focus on components of the study that will not be impacted by the reorganization.

Lane asked if the Study Team should wait to get the most current organizational structure and jobs before continuing on the benchmarking portion of the study. The Study Team agreed, and David stated that it was in fact of best interest to reflect in the GRC Sempra's newest organizational structure, as the reorganization will have an impact on Sempra Energy's Shared Services Testimony.

To align data with the new timing of the study, the Study Team proposed and agreed to age all survey data to April 1, 2010 as opposed to December 31, 2009, which was agreed upon at the last meeting and prior to Sempra Energy's announcement of the restructuring. The trend factor used will be the same as before.

Dean asked the Study Team to consider whether there would still be enough time to complete the study if Sempra is not granted a filing extension. Since majority of the incumbents covered in the GRC belong in categories that will not

be impacted by the reorganization (e.g. physical/technical category consists of mostly union jobs), the Study Team may move forward on a number of analyses without duplicating work. The Study Team agreed and will focus on peer group development and addressing any outstanding methodological questions at the next meeting.

4. D. Peer Group Development

Maggie reviewed Towers Watson's progress on obtaining compensation and benefits data for the preliminary utility peer companies. Per the Study Team's discussion at the last meeting, LADWP and Southwest Gas have been added back into the preliminary utility peer group; as such, the preliminary peer group now has a total of 31 companies (up from 29 at the last meeting).

Since the last meeting, Towers Watson has successfully obtained:

- All-employee and executive benefits data for Southern California Edison;
- All-employee benefits data for FirstEnergy;
- Executive benefits data for Portland General Electric; and
- All-employee benefits data for Puget Energy.

As such, progress on obtaining data for preliminary utility peers is as follows:

- 24 of 31 utilities: complete benefits and compensation data
- 4 utilities: complete compensation data only
- 0 utilities: complete benefits data only

Marizu reviewed Towers Watson's progress on obtaining compensation and benefits data for the preliminary general industry peer companies. Per the Study Team's discussion at the last meeting, AECOM, Bank of America, and Life Technologies have been added to the preliminary general industry peer group. Marizu noted that the Study Team had also discussed including UCLA and UCSD in the peer group; data were not available, however, and due to the lack of contacts at the universities, it is unlikely that Towers Watson will be able to obtain it. As such, UCLA and UCSD have not been added; the preliminary general industry peer group now has a total of 29 companies (up from 26 at the last meeting).

Since the last meeting, Towers Watson has successfully obtained:

- All-employee benefits data for Fluor;
- Executive benefits data for McKesson;
- Middle Management & Professional compensation data for Qualcomm;
- All-employee and executive benefits data for Life Technologies; and
- Middle Management & Professional compensation data for Wells Fargo.

As such, progress on obtaining data for preliminary general industry peers is as follows:

- 12 of 29 companies: complete benefits and compensation data
- 9 companies: complete compensation data only
- 5 companies: complete benefits data only

The Study Team then discussed the likelihood of obtaining data from certain companies. Dean was confident about obtaining data from Beckman Coulter and DIRECTV. Dean noted that Towers Watson is DIRECTV's Health & Welfare and Retirement consultant and should have the company's benefits data — next step would be to collect data for DIRECTV and have them reviewed and signed off by Towers Watson's EBIC team. Dean also noted that Nestle is a Towers Watson client and there should be internal contacts the Study Team can reach out to for data. As for Clorox, Lane and David agreed that it would be unlikely to receive data given similar, unsuccessful attempts in the past.

David stated that he would like to finalize the list of peer companies at the next meeting. For comparison purposes and to help facilitate this process, David would like to see which utility and general industry companies were selected by PG&E as peers in its 2011 GRC, and how many of those the Study Team has captured in SCG's preliminary peer group lists thus far. Towers Watson agreed to prepare this information in the form of a matrix, so that data availability within the Towers Watson databases can also be noted for each potential peer.

Debbie added that she would like to see data availability from other surveys as well, since a number of jobs in the last study were matched only to non-Towers Watson survey sources. The Study Team agreed to have Towers Watson and Debbie incorporate this information — Towers Watson will need to obtain participant lists of the non-Towers Watson survey sources (i.e., Hewitt, Radford, SIRS and EADPIS) from Debbie to complete this last section of the peer group matrix.

5. E. Next Steps

- Sempra and DRA will need to provide Towers Watson with comments on November 5th's meeting notes ("Meeting Notes #1")
- Towers Watson will prepare a peer group matrix before the next meeting
- The Study Team will utilize the peer group matrix at the next meeting to discuss and finalize peer groups
- Discussions around the study's benchmarking methodology and process will be deferred to the next meeting, if not later, in response to Sempra's restructuring announcement.
- Finalize BENCVAL demographic profile assumptions approach.

Memorandum

Meeting Date: February 19, 2010

Time: 12:00 p.m. to 1:30 p.m.

Subject: February 19, 2010 Meeting Notes

CONFERENCE CALL PARTICIPANTS

TOWERS WATSON

Marizu Madu
Lane Ringlee
Dean Stoutland
Maggie Tang

DRA

Marek Kanter

SEMPRA

Chuck Manzuk
Debbie Robinson

E. CALL PURPOSE/AGENDA

Meeting #3 took place via conference call. The agenda for the meeting included:

- Discuss preliminary utility and general industry peer groups (identify overlaps with PG&E's peer groups);
- Review progress on obtaining data for potential utility and general industry peers; and
- Address outstanding questions regarding valuation of benefits and total rewards (use of Sempra vs. Towers Watson's standard demographic profiles).

F. KEY DISCUSSION ITEMS/DECISIONS

1. A. Peer Group Development

Per the Study Team's discussion at the last meeting, Towers Watson prepared a peer group matrix outlining i) overlaps between Sempra's preliminary peer groups and PG&E's 2011 GRC peer groups and ii) compensation and benefits data availability (for each company) within the Towers Watson databases. Maggie reviewed the matrix with the Study Team and explained that peer participation in the other surveys sources (i.e., Hewitt, Radford, SIRS, and EADPIS) can also be noted in the last four columns. Towers Watson will work with Debbie to obtain lists of participants for each of the non-Towers Watson surveys and complete this last section of the matrix.

Since the last meeting, National Grid USA has been added to the preliminary utility peer group. As such, the preliminary utility peer group now has a total of 32 companies (up from 31 at the last meeting). National Grid USA was previously not included in the preliminary list of utility peers as it did not submit compensation or benefits data to the Towers Watson databases until after the last team meeting. Given that it was also selected as a peer by PG&E, and that it had acquired KeySpan, a 2008 Sempra GRC peer, Towers Watson believed that the company would be an appropriate addition to the preliminary utility peer group. Marek asked where National Grid USA is based, and Debbie answered that the company is based in Massachusetts, with significant operations in New York, Rhode Island, and New Hampshire areas.

Maggie then noted that 24 of the 32 preliminary utility peers were also in PG&E's peer group — a significant overlap. Of the remaining 8 companies, most were not selected by PG&E due to one of two reasons: i) difference in organization size or ii) lack of complete compensation and benefits data in Towers Watson's 2008 databases. Since the last meeting, Towers Watson has successfully obtained:

- Complete data for National Grid USA; and
- All-employee and executive benefits data for Questar.

Dominion Resources, Duke Energy, and NW Natural have not been responsive to Towers Watson's recruitment efforts. Lane noted that Towers Watson had also examined the feasibility of purchasing third-party compensation and benefits data for LAWDP from IEDA survey, but the data available were not extensive enough for the purposes of the GRC.

Given the above, progress on obtaining data for preliminary utility peers is as follows:

- 25 of 32 utilities: complete benefits and compensation data
- 4 utilities: complete compensation data only
- 1 utility: complete benefits data only

Maggie then reviewed Towers Watson's progress on obtaining compensation and benefits data for the preliminary general industry peer companies. The preliminary general industry peer group has remained at a total of 29 companies.

Since the last meeting, Towers Watson has successfully obtained all-employee and executive benefits data for:

- SAIC;
- WellPoint;
- Wells Fargo; and
- Clorox.

As such, progress on obtaining data for preliminary general industry peers is as follows:

- 15 of 29 companies: complete benefits and compensation data
- 5 companies: complete compensation data only
- 6 companies: complete benefits data only

Maggie stated that Towers Watson will focus its recruitment efforts on companies missing only one or two components of data. Lane reminded the Study Team that for companies that already have complete compensation data, but do not have complete benefit plan data (e.g., Tribune and Western Digital); the average benefits methodology¹³ can be applied in the total rewards calculations.

The Study Team also reviewed a list of PG&E general industry peers that have not already been included in Sempra's preliminary peer group. Maggie noted that most of these companies have not been included because they are based in or primarily compete for talent in Northern California (as opposed to Southern California). The Study Team discussed and Towers Watson agreed to provide additional details at the next meeting on the headquarters location

¹³ For each position, average values across peer companies with complete data are calculated for each component of the benefit programs (defined benefit, defined contribution, long-term disability, death, medical, dental and vision). These averages are then assumed to be the actual benefit values at companies without benefit data so that a total reward value can be calculated. This average benefits methodology enables inclusion of additional compensation data points while preventing the skewing of benefit data.

and size of Southern California employee base and operations for each of the preliminary general industry peers. Towers Watson will also revisit the selection criteria for general industry peers at the next team meeting.

2. B. Valuation of Benefits and Total Rewards

The Study Team revisited the topic of using Towers Watson’s standard demographic profiles vs. Sempra specific demographic profiles for benefit valuation purposes. Previously, the Study Team had discussed testing the differences between the two approaches by valuing a select number of Sempra positions using both methods and then comparing the resulting benefits values. After consulting with Towers Watson’s EBIC group, Dean noted that the time and cost for such a sample study may approach the levels required for a complete benefits valuation of all positions using Sempra specific demographic profiles. For this reason, Dean recommended that the Study Team forgo this intermediary step and proceed directly to valuing all positions using Sempra specific demographic profiles. Marek asked that Lane and Dean describe, in detail, Towers Watson’s total rewards valuation methodology using standard demographic profiles. Lane and Dean explained that Towers Watson would first capture the actual pay level for each position. Then, when valuing benefit packages for positions in the same employee category (e.g., clerical), Towers Watson would use a standard demographic profile (which consists of average age, average years of service, and gender distribution data from Towers Watson’s EBIC database) for all incumbents in the given employee category. This simplifying approach (in conjunction with using a consistent set of actuarial assumptions and methodologies) captures the benefit value differences solely due to the differences in benefit provisions across the comparator group. Individual cash compensation is then combined with the individual benefit values to obtain individual total rewards.

Dean explained that the logic will be the same if the Study Team decides to proceed with a methodology that uses Sempra specific demographic profiles. That is, Towers Watson will use the average age, average years of service, and gender distribution data from Sempra for each of Sempra’s five employee categories. Then, rather than using Towers Watson’s standard demographic averages when calculating benefit values for Sempra and peer data, Towers Watson will use Sempra’s categorical profiles when calculating benefit values for Sempra and peer data. Again, while using the Sempra specific profiles, the only differences that will exist in benefit values will be due to the differences in the benefit provisions offered by the comparator group companies. Individual cash compensation will then be combined with individual benefit values to obtain individual total rewards.

Marek then questioned how relevant Sempra’s average demographics (by category) may be to each individual within that employee category. Rather than applying averages, he asked if Sempra would have a formula in which individual age, gender, and years of service data can be entered and multiplied by the price of benefit plans to calculate individual benefit “values.”

Dean suggested that such an approach will not produce relevant numbers, as the purchase price of insurance plans is not necessarily representative of the value of benefits to employees. Dean stated that to answer Marek’s question about the differences between using Sempra’s average demographics (by category) and actual demographic data by position, Towers Watson could gather individual demographic data from Sempra for a sample of positions within each category, run the benefit valuations, and assess the difference (if any) between benefit values calculated by individual and the benefit values calculated by assuming a unified set of demographics across a given employee category. Dean believes there will not be material differences between the two approaches, and that this validity check should provide DRA and the Study Team with the assurance to move forward with the study using Sempra’s average, by-category demographic profiles. The Study Team agreed and plans to revisit this topic at the next meetings.

3. C. Upcoming Meetings

The Study Team agreed to hold the next 2 meetings via conference call, with Towers Watson SF hosting DRA at its office location of 525 Market St, Suite 2900. The next meeting dates will be as follows:

- Meeting #4: Wednesday, March 3rd, 1:30pm-3:30pm (revised to Friday, March 5th, 12:30pm-2pm)
- Meeting #5: Wednesday, March 17th, 10:00am-12:00pm

A separate, 2-day meeting in San Diego will need to be scheduled with Sempra later to complete the job matching and benchmarking process.

4. D. Next Steps

- Given that Sempra has withdrawn its petition for a GRC extension, the Study Team must discuss a revised work plan and timeline at the next meeting (e.g., benchmarking positions unaffected by the restructuring first)
- The Study Team will revisit the peer group selection criteria at the next meeting
- Towers Watson will update the peer group matrix with headquarters information; for preliminary general industry peers, Towers Watson will also provide details around the companies' Southern California operations
- Towers Watson will obtain lists of participants from Sempra for the Hewitt, Radford, SIRS, and EADPIS surveys and update the peer group matrix to reflect peer group participation in these surveys
- Towers Watson will continue to pursue missing compensation and benefits data for the preliminary peer companies
- To run the benefit valuation validity test, Towers Watson will obtain individual demographic data from Sempra for a select number of Sempra positions within each Sempra employee category
- Sempra and DRA will provide Towers Watson with comments on the meeting notes from November 5th, 2009 ("Meeting #1") and January 25th, 2010 ("Meeting #2").

Memorandum

Meeting Date: March 5, 2010

Time: 12:30 p.m. to 2:00 p.m.

Subject: March 5, 2010 Meeting Notes

CONFERENCE CALL PARTICIPANTS

TOWERS WATSON

Marizu Madu
Lane Ringlee
Dean Stoutland
Maggie Tang

DRA

Marek Kanter

SEMPRA

Chuck Manzuk
Debbie Robinson

G. CALL PURPOSE/AGENDA

Meeting #4 took place via conference call. The agenda for the meeting included:

- Discuss and begin to finalize preliminary utility and general industry peer groups;
- Address outstanding questions regarding valuation of benefits and total rewards; and
- Discuss revised project plan and timing.

H. KEY DISCUSSION ITEMS/DECISIONS

1. A. Peer Group Development

Based on data availability and previous discussions with the Study Team, Towers Watson has arrived at a list of recommended utility and general industry peers. Lane reviewed the recommended peer groups and the Study Team discussed final company additions and exclusions.

Recommended Utility Peer Group

The recommended utility peer group consists of 25 companies, all of which have complete compensation and benefits data in Towers Watson's databases. Lane noted that there are 7 potential additions that are still lacking compensation and/or benefits data: Dominion Resources, Duke Energy, Los Angeles Department of Water and Power (LADWP), NW Natural, Puget Energy, Questar, and Southwest Gas Corporation.

Marek asked if Questar could be included in the utility peer group despite the fact that it lacks executive compensation data in Towers Watson's databases. Lane and Debbie answered yes, as a number of third party surveys used in the study may already include Questar's compensation data for its executive positions. The Study Team therefore agreed to add Questar to the final recommended utility peer group.

The Study Team then discussed and agreed to add Dominion Resources, Duke Energy, NW Natural, and Puget Energy to the utility peer group and to account for their lack of benefits data using the Average Benefits Methodology. The Study Team also agreed to add LADWP to the utility peer group using publicly available salary ranges for compensation data and the Average Benefits Methodology for benefits.

The final recommended utility peer group thus has 31 companies total. Towers Watson will prepare a revised peer group matrix, send to Sempra for a final round of review and discussions, and finalize at the next team meeting.

Recommended General Industry Peer Group

The recommended general industry peer group consists of 20 companies, 15 of which have complete compensation and benefits data in Towers Watson's databases; the remaining 5 companies have complete compensation data and can be included in the total rewards study by applying the Average Benefits Methodology. Lane noted that there are 9 potential additions that are still lacking compensation and/or benefits data: AECOM Technologies, Amgen, Automobile Club of Southern California, BAE Systems, Beckman Coulter, Clorox, Life Technologies, Mattel, and Northrop Grumman.

Given that Northrop Grumman lacks middle management and professional compensation data, Debbie asked if the Study Team could include the company for executive benchmarking only. She then suggested that the same could be done to those potential peers that have executive compensation data but lack middle management and professional compensation data.

Lane answered that for PG&E's 2011 General Rate Case study, Towers Watson had created a general industry executive peer group by leveraging existing the general industry peer group and excluding only those companies that were significantly larger in size (i.e., greater than 2.5x PG&E's revenue). Lane explained that company size has a strong correlation to executive pay, so using scope, as opposed to executive compensation data availability, as the criterion for executive peer group development would be the most appropriate.

Debbie asked whether the data of larger companies could be regressed as opposed to excluded altogether. Lane and Marizu answered that regression is certainly an option, and that Towers Watson is experienced in using regression data for competitive assessments of executive pay.

Marek stated that his preference would be for the Study Team to follow the methodology used in PG&E's 2011 General Rate Case (i.e., include only peer companies less than or equal to 2.5x Sempra's revenue in the executive peer group). Marek believed that a regression analysis may bring about additional complexities (e.g. the Study Team must discuss the methodology in detail and may need to run a number of validity tests before moving forward on the compensation and benefit valuations).

The Study Team then discussed applying a 2.5x revenue ceiling to Sempra's corporate revenue. Sempra's corporate revenue in fiscal 2008 was approximately \$11 billion; as such, the Study Team agreed to proceed with using 2.5 times \$11 billion (i.e., \$27.5 billion) as the screening criterion for the general industry executive peer group.

The Study Team discussed and decided to add the following companies to the general industry peer group: AECOM, Amgen, BAE Systems, Beckman Coulter, Life Technologies, Mattel, Alcatel-Lucent, Calpine, Hewlett-Packard, Kaiser, and Sun Microsystems.

With the 11 additions above, there are now 31 companies in the general industry peer group.

Using the \$27.5 billion revenue ceiling as a screening criterion, the Study Team then excluded 10 of the 31 peers to create the general industry executive peer group. The 10 companies excluded were: AT&T, Bank of America, Boeing, Chevron, McKesson, Walt Disney, WellPoint, Wells Fargo, Hewlett-Packard, and Kaiser.

As such, there are a total of 21 companies in the general industry executive peer group,

As with the utility peer group, Towers Watson will prepare revised exhibits for the general industry peer group and general industry executive peer group for Sempra to discuss and conduct a final review.

2. B. Valuation of Benefits and Total Rewards

At the last meeting, Marek requested an analysis from Towers Watson that would assess the difference (if any) between benefit values calculated by individual at Sempra and benefit values calculated by assuming a unified set of demographics across each Sempra employee category. Dean stated that Towers Watson and Sempra are in the process of conducting this analysis and have chosen Sempra's clerical group as the sample to test in this validity check. Marek agreed to revisit this topic at the next meeting; he also requested that Towers Watson revise the last set of meeting notes to more clearly reflect that this analysis contains actual benefit valuations and does not simply approximate benefit values based on purchase price of the benefit plans.

Marek then pointed out that because the study will benchmark only a portion of all positions, another validity check would be to take the average total compensation and benefit values of these sample positions and compare it to the averages of all positions in each employee category. Lane explained that while such an analysis can be conducted for Sempra, it cannot be conducted for the peer companies. Additionally, there will be significant additional time and

costs involved in conducting the analysis. Given the time and fee constraints, the Study Team agreed to defer the analysis until after benchmarking is complete and coverage percentages have been determined.

3. C. Revised Project Plan and Timeline

Marizu reviewed the revised project plan and timeline with the team. At the next meeting (currently scheduled to be on March 17th, 2010), the Study Team is to finalize the peer groups and benefits valuation methodology. Sempra is to send new organizational charts and job titles to Towers Watson by late March to early April; benchmarking can then take place throughout the month, with the final step being DRA's auditing selected benchmarks at the end of April. By late April, Sempra will have also sent their data, along with third party survey data, to Towers Watson. The Study Team will review and confirm the study approach and also finalize all meeting notes prior to beginning the total compensation and benefit calculations in early May. Approximately 6 weeks will be required for the completion of such calculations.

Lane added that while total compensation and benefit values are being calculated, Towers Watson will also be working on the structure of the report and will gather comments from the Study Team before finalizing. There will also be opportunities for the Study Team to review the compensation data before calculation of benefit values and the aggregation of compensation and benefit values takes place. A draft report (including total compensation and benefits data) will be ready by mid July; a final report will be delivered in late July.

Chuck stated that the revised project plan and timeline appear reasonable and, provided that the review of the final report takes place not too late in July, it should enable Sempra to file their NOI on the target date of August 1, 2010.

Lane responded that Towers Watson will speed up the process wherever possible; for example, the benchmarking of certain Sempra jobs can begin now rather than after the final organizational structure at Sempra is determined.

Debbie asked how much time will be required for the two benchmarking meetings. Lane responded that it would require approximately two days between the two, but that it would also depend on how much data can be gathered ahead of the meetings. Lane also stated that follow-ups can be conducted over the phone if needed. Marek stated aside from the audit in the end, his participation in the benchmarking process will be minimal. Debbie and Chuck agreed to send Towers Watson a few possible dates on which these benchmarking meetings can take place.

4. D. Next Steps

- Towers Watson will continue to pursue executive compensation data from Questar and provide an update at the next meeting
- Towers Watson will create revised peer group exhibits for Sempra to review
- Sempra will conduct a final review of the recommended peer groups and the Study Team will finalize at the next meeting
- Towers Watson and Sempra will continue to work on the benefit valuation validity test and provide an update to the Study Team at the next meeting
- Sempra and DRA will provide Towers Watson with comments on the last 3 sets of meeting notes and Towers Watson will revise the notes accordingly.

Memorandum

Meeting Date: May 6, 2010
Time: 11:00 a.m. to 12:00 p.m.
Subject: May 6, 2010 Meeting Notes

CONFERENCE CALL PARTICIPANTS

TOWERS WATSON

Marizu Madu
Lane Ringlee
Dean Stoutland
Maggie Tang

DRA

Marek Kanter

SEMPRA

Chuck Manzuk
Debbie Robinson

I. CALL PURPOSE/AGENDA

Meeting #5 took place via conference call. The agenda for the meeting included:

- Discuss and finalize benefits valuation methodology

J. BENEFITS VALUATION ANALYSIS

Marek articulated the following objective for determining the appropriate benefits valuation methodology:

- The goal is to determine benefits and pay are reasonable compared to market given labor force and composition. To determine the reasonableness, the use of Sempra demographics will be used rather than standard demographics from the Towers Watson database. The rationale is that the competitiveness of compensation and benefits values will be extrapolated from a selection of benchmark jobs and sample of employees at Sempra to the entire population. To avoid potential bias in the extrapolation of the results, we are using the demographic assumptions for the entire Sempra population.

Dean gave the following summary of the analysis conducted by the Towers Watson benefits valuation team:

Towers Watson took a subset of the clerical job classification population for SCG and valued the benefits two ways:

- First using a standard profile (age and service) for the clerical group and their actual pay and bonus
- Second using the actual age and service, along with actual pay and bonus.

We chose to examine the clerical group because it has the lowest average pay which, in turn, would have the largest potential affect on the total compensation. (Because some of the benefit components are not pay related-- most notably the medical benefits-- any variation in benefit values would have a potentially larger affect on the total compensation values of a lower paid group.)

The results are summarized below. In total, the two different approaches produce benefit values that come within 1.3% of each other-- when combined with the pay elements (base and bonus), the resulting difference is less that 0.4%. The value of some benefits are more dependent on age and service, so the values vary more widely by benefit. However, as you can see, the benefit that typically carries the largest value (medical), is almost spot on-- 0.4% variation. The benefits whose values vary the most (e.g., LTD) have values so small to begin with that even a small dollar variation can translate into a sizable percentage change, but it has an insignificant effect on the total benefit value.

The Study Team agreed that the results are comparable and it would be more efficient to use average/standard profiles for each of the five employee categories that are reflective of Sempra's population.

	PENSION ER Value	SAVINGS ER Value	DTH ER Value	LTD ER Value	MED ER Vlaue	DENTAL ER Value	Entire Benefit ER Value	Base Pay	Bonus	Total Compensation
AVERAGE PROFILES	\$ 2,611	\$ 1,610	\$ 113	\$ 134	\$ 13,628	\$ 1,081	\$ 19,178	\$ 46,548	\$ 6,148	\$ 71,874
AVERAGE ACTUAL AGE/SVC	\$ 2,767	\$ 1,610	\$ 158	\$ 203	\$ 13,689	\$ 1,012	\$ 19,439	\$ 46,548	\$ 6,148	\$ 72,135
	-5.6%	0.0%	-28.5%	-34.0%	-0.4%	6.8%	-1.3%	--	--	-0.4%

Towers Watson will use the following Sempra-based demographic profiles to value peer benefits:

	Average Age	Average Years of Service	Percent Male
Executive	53	14	70%
Manager/Supervisor	50	18	74%
Professional/Technical	46	11	59%
Physical/Technical	46	17	94%
Clerical	44	13	20%

Memorandum

Meeting Date: Decisions made from March through May 2010

Subject: Notes on Study Methodology

PARITES INVOLVED IN METHODOLOGY DISCUSSIONS

TOWERS WATSON

Marizu Madu
Lane Ringlee
Dean Stoutland
Maggie Tang

DRA

Marek Kanter

SEMPRA

David Sarkaria
Debbie Robinson
Ann Gallagher

K. *CALL PURPOSE/AGENDA*

This memorandum documents the Study Team's additional discussions and conclusions regarding benchmarking, benefits valuation, and peer groups.

L. *KEY DISCUSSION ITEMS/DECISIONS*

1. A. BENCHMARKING

Sempra and Towers Watson agreed to reflect the following organizational structures in the GRC study:

Sempra Data

Base Salary

- Executives: reflective of post-reorg structure (i.e., after 4/1/2010)
- Non-executives: reflective of pre-reorg structure (i.e., before 4/1/2010)

Bonus

- Executives: reflective of post-reorg structure
 - If not promoted or had no change in bonus targets: use bonus paid in 2010 for 2009 performance
 - If promoted or changed jobs: use new bonus targets adjusted by FY 2009 performance
- Non-executives: reflective of pre-reorg structure.
 - Bonus paid in 2010 for 2009 performance

LTI

- Use 1/4/2010 grants for all eligible employees

Survey Data

For both executives and non-executives, the intent is to use only custom peer data as primary data source and supplement with other broader data sources where data is unavailable from custom peer group sources.

Custom peer group sources include:

1. CDB Energy Executive and Middle Management Surveys
2. CDB General Industry Executive and Middle Management Surveys
3. EAPDIS

Data Cuts To Be Used As Needed**EAPDIS**

- Used to benchmark: Non-executives
- Custom energy peers cut, otherwise use total sample

Hewitt executive data

- Used to supplement: Executives
- Revenue cut: \$10B to \$24.99B, otherwise use total sample

Hewitt non-executive data

- Used to supplement: Non-executives
- Total sample

Radford data

- Used to supplement: Non-executives
- All employee data for TCC and TDC, Total Sample

SIRS/ORC

- Used to supplement: Non-executives
- General Industry, total sample

WW Technical & Skilled Trades Personnel

- Used to supplement: Non-executives (Physical/Technical job category only)
- General industry, total sample

Los Angeles Department of Water and Power

- Used to benchmark: Non-executives
- Top end of publicly available salary ranges selected by Towers Watson and approved by Sempra's SEU team (annual rate calculated by multiplying the hourly rates as shown on LADWP website by 2,080 hours/year)

Towers Watson Compilation Methodology

Age data to 4/1/10

Aging factor: 2.1%

Report will have the following compensation elements:

- Base
- Actual Total Cash
- Total Direct Compensation (includes LTI based on accounting value methodology)
- Benefits
- Total Compensation

We will include LTI for all positions that are eligible to receive LTI.

Hewitt Survey LTI Methodology

The stock option component of LTI from the Hewitt compensation survey is valued using full term Black-Scholes versus expected-term Black-Scholes used in the other data sources. Towers Watson adjusted the LTI value from the Hewitt survey to align with the expected-term valuation approach. The adjustment factor is based on the observed variance in value between full term and expected term options within Towers Watson's Compensation Databank, as well as the relative weight of stock options in a typical LTI portfolio.

Benchmarking Audit

On 5/13/2010, the DRA selected 23 study positions for review based on the following criteria:

- Executive: none
- Manager/Supervisor: all jobs with greater than or equal to 36 incumbents (6 jobs)
- Professional/Technical: all jobs with greater than or equal to 40 incumbents (6 jobs)
- Physical/Technical: all jobs with greater than or equal to 80 incumbents (8 jobs)
- Clerical: all jobs with greater than or equal to 80 incumbents (3 jobs)

The positions selected were as follows:

- Manager/Supervisor:
 - Study Position 150: SDG&E 07014 – Construction Supervisor - Electric
 - Study Position 374: SDG&E 05151 – Project Manager - II
 - Study Position 307: SDG&E 10206 – Information Technology Project Lead
 - Study Position 557: SCG 850013 – Field Operations Supervisor II
 - Study Position 556: SCG 850033 – Field Operations Supervisor I
 - Study Position 631: SCG 877508 – Project Manager - II
- Professional/Technical:
 - Study Position 766: Corp C10898, C90006, C90013, C90243, C90318, C90004 – Senior Counsel
 - Study Position 1125: SDG&E 10537 – Senior Software Developer

- Study Position 869: SDG&E 06385 – Customer Project Planner
 - Study Position 1059: SDG&E 10536 – Software Developer
 - Study Position 943: SDG&E 10202 – Infrastructure Technologist
 - Study Position 831: SDG&E 07855 – Business Systems Analyst - II
- Physical/Technical:
- Study Position 1467: SDG&E 03615 – Lineman
 - Study Position 1516: SDG&E 03837 – Service Technician
 - Study Position 1555: SCG 070102 – Energy Technician - Residential
 - Study Position 1576: SCG 070140 – Lead Construction Technician
 - Study Position 1554: SCG 070101 – Energy Technician - Distribution
 - Study Position 1558: SCG 022773 – Field Planning Associate
 - Study Position 1551: SCG 050050 – Dispatch Specialist
 - Study Position 1604: SCG 070220 – Meter Reader - Regular
- Clerical: study positions 1680, 1775, 1777
- Study Position 1680: SDG&E 01017 – Customer Service Representative
 - Study Position 1775: SCG 050280 – Customer Service Representative - 4
 - Study Position 1777: SCG 050340 – Customer Service Representative - Bilingual- 4

M. PEER GROUPS

The Study Team agreed on the Utility, General Industry, and General Industry – Executive peer groups on 4/23/2010 via conference call. Marek (DRA) accepted the peer groups via email.

Memorandum

Meeting Date: July 8, 2010
Time: 10:30 a.m. to 12:00 p.m.
Subject: July 8, 2010 Meeting Notes

MEETING PARTICIPANTS

TOWERS WATSON

Marizu Madu
Lane Ringlee
Dean Stoutland
Maggie Tang

DRA

Marek Kanter

SEMPRA

Chuck Manzuk
David Sarkaria
Debbie Robinson

CALL PURPOSE/AGENDA

Meeting #6 took place at Towers Watson's San Francisco office, with Dean Stoutland joining via conference call. The agenda for the meeting is as follows:

- Review draft report and meeting notes; and
- Review benchmarking results (compensation data only) for the Executive, Manager/Supervisor, Professional/Technical and Physical/Technical categories.

KEY DISCUSSION ITEMS/DECISIONS

A. Review of Draft Report and Meeting Notes

The Study Team conducted a preliminary, high-level review of the draft report prepared by Towers Watson. Sempra asked that all headers currently labeled "Sempra" be changed to "SDG&E" and "SCG", respectively, when the final reports for the two utilities are developed. Sempra also asked that language be added to reflect the GRC's inclusion of part-time meter reader jobs. Towers Watson agreed to make these changes in the revised draft report. Sempra and DRA also agreed to send additional report and meeting notes edits to Towers Watson the following week.

The Study Team then revisited the outcome of a comparative study on benefits valuation, as documented in Meeting Notes #5. Pursuant to Marek's request in a prior meeting, Towers Watson previously calculated the benefit and total compensation (i.e., pay plus benefits) values for Sempra's clerical employees using two different methods. The first method used a standard Sempra clerical employee group demographic profile (age, years of service and gender) to value benefits for all clerical employees; the second method used each clerical employee's actual age, years of service and gender to value benefits. The purpose of the study was to examine whether the first approach, which is more efficient, would generate similar results as the ones obtained using the second, more extensive but time-consuming approach. The Clerical group was chosen as the test group for the following reasons:

- The Clerical group at Sempra has a large employee population and there is significant peer group data
- Benefit values for the typically lower paid Clerical group are generally a greater percentage of total compensation (as compared to other segments of the workforce) because a significant portion of benefits are fixed in value and unrelated to cash compensation levels.

The results of the study show that the two approaches produce benefit values that come within 1.3% of each other. When combined with pay elements (base salary and bonus), the resulting difference in total compensation values is about 0.4%. The Study Team agreed that the results were comparable and that it would be more efficient to use the average/standard Sempra profiles for each of the five employee categories.

B. Review of Benchmarking Results (Compensation Data Only) for the Executive, Manager/Supervisor, Professional/Technical and Physical/Technical Categories

The Study Team reviewed the compensation data results for the Executive, Manager/Supervisor, Professional/Technical and Physical/Technical categories. All four groups have a significant percentage of the total employee population of each segment included in the study ("coverage").; SDG&E and SCG's compensation data also generally fall within a competitive range around the market results. The Study Team signed off on the compensation data for these four groups and agreed to have Towers Watson move forward with aggregating benefits to calculate total compensation values.

Marek noted that SDG&E and SCG's market positioning tends to be higher for actual total cash than for target total cash. Sempra explained that this was due to high corporate performance in the 2008 year compared to target performance, which led to higher 2009 payouts of short-term incentives. Sempra noted that they will be seeking recovery on target cash incentive compensation only, so the results and conclusions of this study should be based on

target compensation. Lane agreed and added that target compensation, which does not take into account performance, is a better reflection of a company's compensation policy relative to peers. The Study Team agreed that the study's conclusions should be based on target compensation; results based on actual compensation will also be shown for greater transparency.

The Study Team then further discussed the layouts of the exhibits. In addition to aggregate variances, Towers Watson will show aggregate compensation dollar amounts for SDG&E and SCG versus market for each employee category in the final reports. At the end of the study, these results, which are currently based on benchmark jobs only, will also be weighted by target total cash compensation amounts (i.e., base salary plus target short-term incentives) for all SDG&E and SCG employees to produce final results and conclusions. Corporate center jobs will also be split between the two utilities based on an allocation Sempra will send to Towers Watson.

C. Next Steps

- Sempra and DRA will provide Towers Watson with additional comments to the draft report and meeting notes
- Sempra will provide Towers Watson with the appropriate allocation of corporate center jobs between SGG&E and SCG
- Towers Watson will continue to incorporate edits to the draft reports
- The Study Team will review benchmarking results (compensation data only) for the Clerical group on Tuesday, July 13th, 2010

Memorandum

Meeting Date: July 13, 2010
Time: 12:00 p.m. to 12:30 p.m.
Subject: July 13, 2010 Meeting Notes

MEETING PARTICIPANTS

TOWERS WATSON

Marizu Madu
Lane Ringlee
Maggie Tang

DRA

Marek Kanter

SEMPRA

Ann Gallagher
David Sarkaria
Debbie Robinson

CALL PURPOSE/AGENDA

Meeting #7 took place via conference call. The agenda for the meeting is as follows:

- Address any outstanding questions; and
- Review benchmarking results (actual compensation data only) for Clerical employees.

KEY DISCUSSION ITEMS/DECISIONS

A. Outstanding Questions

The Study Team discussed and agreed again that since SDG&E and SCG will be seeking recovery on target compensation only, the results and conclusions of this study should be based on target compensation. Actual compensation will also be shown for transparency.

Marek asked what the study will define as a competitive range. His understanding is that the PUC has historically looked at a range of +/- 5% from market, whereas compensation professionals typically look at a +/- 10% range. Lane explained that the variability involved in benchmark data warranted a 10% range as more appropriate. Furthermore, a 10% range is consistent with the method used in PG&E's 2011 GRC. The Study Team thus agreed to define the competitive range as "+/- 10% of market" for this study

B. Review of Benchmarking Results (Actual Compensation Data Only) for Clerical Employees

The Study Team reviewed the actual compensation data results for the Clerical employees. Lane noted that Towers Watson is still working through the target compensation data, but that the actual compensation data should provide an overview of where SDG&E and SCG are positioned with respect to market.

There is significant coverage for both SDG&E and SCG. Lane noted that there are variations in market positioning from one job to another, but aggregate compensation data fall within a competitive range of the market results overall. Marek stated that he was comfortable with the individual variations in market positioning; Sempra had no further questions or comments. Thus, the Study Team signed off on the benchmarks used and actual compensation data for the Clerical group and agreed to have Towers Watson move forward with aggregating benefits to calculate actual total compensation values.

C. Next Steps

- DRA will provide Towers Watson with comments to the draft report and meeting notes
- Sempra will provide Towers Watson with the appropriate allocation of corporate center jobs between SDG&E and SCG

- Towers Watson will finalize target total cash compensation data
- Towers Watson will continue to incorporate edits to the draft reports and have two versions (one for SDG&E and one for SCG) ready for the next meeting
- The Study Team will set a date during the week of July 19th, 2010 to review benchmarking results (compensation and benefits data)

Memorandum

Meeting Date: July 23, 2010
Time: 2:30 p.m. to 3:30 p.m.
Subject: July 23, 2010 Meeting Notes

MEETING PARTICIPANTS

TOWERS WATSON

Marizu Madu
Lane Ringlee
Dean Stoutland
Maggie Tang

DRA

Marek Kanter

SEMPRA

Chuck Manzuk
David Sarkaria
Debbie Robinson

MEETING PURPOSE/AGENDA

Meeting #8 took place at Sempra Energy's San Francisco office, with Lane Ringlee joining via conference call. The agenda for the meeting is as follows:

- Review benchmarking results (total compensation) for the Manager/Supervisor, Professional/Technical, Physical/Technical and Clerical categories; and
- Review revised draft reports containing total compensation benchmarking results.

KEY DISCUSSION ITEMS/DECISIONS

A. Review of Total Compensation Benchmarking Results and Revised Draft Reports

The Study Team reviewed the revised draft reports and total compensation benchmarking results for the Manager/Supervisor, Professional/Technical, Physical/Technical and Clerical employee categories. Towers Watson noted that total compensation benchmarking results for Executives will become available early next week and will be incorporated into the final draft reports, which Towers Watson will send to Sempra for review on Tuesday, July 27th, 2010.

The Study Team agreed to a number of changes to language flow and exhibit layouts. Per Marek's suggestion, the Study Team also agreed to add language to the reports to more clearly explain LTI eligibility at Sempra's Corporate Center, SDG&E and SCG—that it is determined by job level and title (all executives, directors and attorneys are eligible for LTI), rather than by individual.

B. Next Steps

Towers Watson will provide final drafts of the reports for Sempra's review on Tuesday, July 27, 2010. The final drafts will contain total compensation benchmarking results for all employee categories and incorporate all formatting changes as discussed.

XXIII. APPENDIX G —
Glossary of Terms

Annuity

A series of regular periodic payments comprising principal and interest. In the case of retirement, an annuity usually is purchased from an insurance company that pays the purchaser a monthly amount while still alive. Annuities may also be payable to a spouse or beneficiary after death of the employee.

Average

The sum of all values of a data set divided by the number of values in that set. Equivalent to the mean.

Base Pay

The fixed compensation paid (hourly, weekly, monthly or annual) to an employee for performing specific job responsibilities. Usually, these amounts are guaranteed.

Base Salary

Compensation paid by the week, month or year rather than hourly. A salary is usually a guaranteed amount that is not reduced for time not worked.

Benchmark Job

A job that is commonly found and defined, used to make pay comparisons, either within the organization or to comparable jobs outside the organization. Pay data for these jobs are readily available in published surveys.

Black-Scholes Model

A mathematical model originally developed by Fisher Black and Myron Scholes to value stock options traded on public markets. It estimates the theoretical price an individual would pay for a traded option and considers stock price on grant date, option exercise price, number of years until exercise, dividend yield, risk free rate of return, and stock price volatility.

Career Level

A series of defined levels within a job family where the nature of the work is similar (e.g., accounting, engineering). The levels represent the organization's requirements for increased skill, knowledge and responsibility as the employee moves through a career.

Collective Bargaining Agreements

Agreements between employee groups and employers detailing work conditions including working hours, vacation and holiday entitlements, termination of service provisions, and sometimes benefit entitlements. These agreements may be specific to one company or industry or apply nationally.

Defined Benefit (DB) Pension Plan

Defined by the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code (IRC) as any retirement plan that provides for future income and is not an individual account plan. It is a pension plan that specifies the benefits, or the methods of determining the benefits, but not the level or rate of contribution. Contributions are determined actuarially on the basis of the benefits expected to become payable.

Defined Contribution (DC) Pension Plan

Defined by the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code (IRC) as a plan that provides for future income from an individual account for each participant with benefits based solely on (1) the amount contributed to the participant's account plus (2) any income, expenses, gains and losses, and forfeitures of accounts of other

participants that may be allocated to the participant's account. The benefit amount to be received by the participant at retirement is unknown until retirement.

Dividend

Payment to shareholders by a corporation that is paid from the company's retained earnings. Not all companies pay dividends. Dividends may be in cash or in shares of stock.

Dividend Equivalents

In some incentive plans, participants are paid an amount of money equal to the dividends that are paid per share of common stock.

Exempt Employees

Employees who are exempt from the Fair Labor Standards Act of 1938 (FLSA) minimum wage and overtime provisions due to the type of duties performed. Includes executives, administrative employees, professional employees, and those engaged in outside sales as defined by the FLSA.

Fair Labor Standards Act of 1938 (FLSA)

A federal law governing minimum wage, overtime pay, child labor, and record-keeping requirements.

Incumbent

A person occupying and performing a job.

Long-Term Disability (LTD)

A form of long-term income protection that provides for some continuation of income in the event of disability. Definitions of disability become increasingly narrow in LTD plans (e.g., disabled from engaging in one's own occupation or from any occupation).

Long-Term Incentive

Any incentive plan that requires sustained performance of the firm for a period longer than one fiscal year for maximum benefit to the employee. Some plans are based on capital shares (i.e., stock) of the organization and may require investment by the employee (i.e., Employee Stock Purchase Plan), while others are based on financial performance (i.e., profit sharing cash plans).

Marketable Securities

Securities that are easily convertible to cash.

Mean

A simple arithmetic average obtained by adding a set of numbers and then dividing the sum by the number of items in the set.

Nonexempt Employees

Employees who are not exempt from the minimum wage and overtime pay provisions of the Fair Labor Standards Act of 1938 (FLSA), for example, employees in clerical jobs.

Paid Time Off (PTO)

Refers to vacation, holidays, sick leave, lunch periods, and other miscellaneous leave for which an employee is compensated.

Performance Share/Performance Unit/Cash Awards

A stock (or stock unit) grant/award plan in which the payout is contingent upon achievement of certain predetermined external or internal performance goals during a specified period (e.g., three to five years) before the recipient has rights to the stock. The employee receiving the shares pays ordinary income tax on the value of the award at the time of earning it.

Profit Sharing Plan

An employee benefit plan established and maintained by an employer whereby the employees

receive a share of the profits of the business. The plan normally includes a predetermined and defined formula for allocating profit shares among participants, and for distributing funds accumulated under the plan. However, some plans are discretionary. Funds may be distributed in cash, deferred as a qualified retirement program or distributed in a cash/deferred combination.

Restoration Plan

A U.S. plan designed to restore pension benefits not payable because of limitations (i.e., amount of benefits paid under, and contributions made to, tax qualified pension plans) imposed by ERISA, Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) and the Tax Reform Act of 1986. This term may be applied to both defined benefit and defined contribution plans.

Restricted Stock

Stock that is given (or sold at a discount) to an employee, who is restricted from selling or transferring it for a specified time period (usually three to five years). The executive receives dividends, but must forfeit the stock if he/she terminates employment before the restriction period ends. If the employee remains in the employ of the company through the restricted period, the shares vest, irrespective of employee or company performance.

Shift Differential

Extra pay allowance made to employees who work on a shift other than a regular day shift (e.g., 9 a.m. to 5 p.m., Monday through Friday) if the shift is thought to represent a hardship, or if competitive organizations provide a similar premium. Shift differentials usually are expressed as a percentage or in cents per hour.

Short-Term Disability (STD)

A benefits plan designed to provide income during absences due to nonoccupational-related illness or injury, when the employee is expected to return to work within a specified time, usually within six months. Usually coordinated or integrated with sick leave at the beginning and with long-term disability (LTD) at the end of STD.

Short-Term Incentive

Usually a lump-sum payment (cash) made once a year in addition to an employee's normal salary or wage for a fiscal or calendar year. Generally based on predetermined performance criteria or standards.

Spot Bonus

A one-time discretionary bonus given to key contributors. Spot bonuses are performance related, not for length of service or equity.

Stock Option

A right to purchase company shares at a specified price during a specified period of time.

Supplemental Non-qualified Retirement Plan

An unfunded, non-qualified pension plan that provides a select group of key executives with pension benefits above and beyond those provided by a company's qualified pension plan. Unlike Restoration Plans, these plans go beyond simply restoring benefits that the qualified plan cannot pay because of U. S. IRC 415 limits. For example, while qualified plans typically base benefits on base salary alone, these plans can take bonuses and other incentive pay into account. Such plans are typically offset by income from the employer's qualified plans and Social Security, and may be offset as well by retirement benefits from previous employers. Can be either a defined benefit or a defined contribution plan.

Third-Party Survey

For purposes of this study, this term refers to all other survey sources used in the study other than Towers Watson's surveys, such as the EAPDIS Energy Technical Craft Clerical Survey.

Total Cash Compensation

Total annual cash compensation (base salary plus annual/short-term incentives).

Target Total Cash Compensation

Target total annual cash compensation (base salary plus target annual/short-term incentives).

Total Direct Compensation

Total cash compensation plus the annualized expected value of long-term incentives.

Target Total Direct Compensation

Target total cash compensation plus the annualized expected value of long-term incentives.

Total Compensation

The sum of all elements of compensation provided by an employer to an employee. For this study, the Study Team defined total compensation to include base salary, short-term incentives, long-term incentives and the value of employee benefits.

Vesting

A term typically used in conjunction with a pension or stock plan. For a stock option, vesting refers to the point in time when stock options or stock appreciation rights become exercisable or when a pension benefit becomes a nonforfeitable benefit.

Note: Selected definitions included in this glossary were obtained from WorldatWork's Glossary of Compensation & Benefits Terms.