

Company: San Diego Gas & Electric Company (U 902 M)
Proceeding: 2016 General Rate Case
Application: A.14-11-____
Exhibit: SDG&E-22

SDG&E

DIRECT TESTIMONY OF DEBBIE ROBINSON

COMPENSATION, HEALTH, & WELFARE

November 2014

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



TABLE OF CONTENTS

I. INTRODUCTION, SCOPE OF TESTIMONY AND SUMMARY 1

II. OVERVIEW OF TOTAL COMPENSATION PHILOSOPHY 2

III. SUMMARY OF TOWERS TOTAL COMPENSATION STUDY 3

IV. COMPENSATION 5

 A. Base Pay 6

 B. Variable Pay 6

 1. Non-Executive Variable Pay: 7

 2. Executive Variable Pay: 7

 3. Variable Pay / ICP Costs: 7

 C. Long-Term Incentive Compensation 10

 D. Special Recognition Awards 11

 E. Summary 13

V. EMPLOYEE BENEFITS 13

 A. Overview 13

 B. Health Benefits 14

 1. Medical 14

 2. Dental 22

 3. Vision 23

 4. Wellness 24

 5. Employee Assistance Plan (“EAP”) and Mental Health and Substance Abuse 26

 C. Welfare Benefits 27

 1. Accidental Death and Dismemberment 28

 2. Business Travel Insurance 28

 3. Life Insurance 28

 D. Retirement Plans 28

 1. Retirement Savings 29

 2. Nonqualified Savings Plan: 30

 3. Supplemental Pension 30

 E. Other Benefit Program Expenses 31

 1. Benefit Administration Fees and Services 32

2.	Educational Assistance	33
3.	Emergency Day Care	34
4.	Mass Transit Incentive	34
5.	Retirement Activities	35
6.	Service Recognition	35
VI.	COMPENSATION CONTROLS	36
A.	External Compensation Surveys	36
1.	Non-Executive Jobs:	36
2.	Executive Jobs:	36
B.	External Benefits Surveys –BENVAL Study:	36
C.	Internal Review	37
VII.	SEMPRA ENERGY CORPORATE CENTER - COMPENSATION & BENEFITS	37
VIII.	QUALIFICATIONS	38
A.	Witness Debbie S. Robinson – Director - Compensation & Payroll Services	38

LIST OF APPENDICES

APPENDIX A: 2016 TOTAL COMPENSATION STUDY	DSR-A-1
---	---------

1 **SDG&E DIRECT TESTIMONY OF DEBBIE ROBINSON**
2 **COMPENSATION, HEALTH, & WELFARE**

3 **I. INTRODUCTION, SCOPE OF TESTIMONY AND SUMMARY**

4 My testimony provides an overview of the total compensation and benefits program at
5 San Diego Gas & Electric Company (“SDG&E”). It includes a description of SDG&E’s total
6 compensation philosophy; a discussion of pay components that make up the total compensation
7 program; a detailed review of various benefit programs; and a review of internal compensation
8 controls.

9 It also includes the results of the Total Compensation Study (“Towers Study”) jointly
10 sponsored with the Office of Ratepayer Advocates (“ORA”) and conducted by Towers Watson, a
11 nationally recognized compensation and benefits consulting firm.

12 SDG&E’s compensation and benefits program includes the following components:

- 13 • Base Pay;
- 14 • Variable Pay (short-term incentives);
- 15 • Long-term incentives;
- 16 • Special recognition awards;
- 17 • Health and welfare benefits;
- 18 • Retirement benefits; and
- 19 • Other benefit programs.

20 Certain benefits are covered by other witnesses. Long-term disability and workers
21 compensation are covered by Sarah Edgar (Ex. SDG&E-24) and broad-based pension benefits
22 and post-retirement benefits are covered by David Sarkaria (Ex. SDG&E-23). Post-test year
23 medical cost escalation is covered by Sandra Hrna (Ex. SDG&E-37).

24 As summarized in Table DSR-1 below, SDG&E’s Test Year 2016 (“TY2016”) expense
25 for compensation and benefit programs (excluding base pay and benefits covered in other
26 witness areas) is \$140.921 million.

TABLE DSR-1

Compensation and Benefits Programs	Thousands of 2013 \$				
	Recorded	Projected			2013-2016 Change
	2013	2014	2015	2016	
Compensation:					
Variable Pay (ICP)	\$50,977	\$49,126	\$49,834	\$50,351	(\$626)
Long-Term Incentive Plan (LTIP)	\$9,143	\$9,490	\$9,870	\$10,265	\$1,122
Spot Cash program	\$1,200	\$1,423	\$1,423	\$1,423	\$223
Employee Recognition program	\$121	\$358	\$362	\$366	\$245
<i>Subtotal</i>	<i>\$61,441</i>	<i>\$60,397</i>	<i>\$61,489</i>	<i>\$62,405</i>	<i>\$964</i>
Health Benefits:					
Medical	\$47,929	\$46,815	\$46,018	\$50,179	\$2,250
Dental	\$3,236	\$3,915	\$3,954	\$4,094	\$858
Vision	\$322	\$322	\$338	\$350	\$28
Wellness	\$535	\$1,551	\$1,113	\$1,169	\$634
EAP	\$322	\$311	\$323	\$335	\$13
Mental Health	\$1,198	\$1,310	\$1,449	\$1,579	\$381
<i>Subtotal</i>	<i>\$53,542</i>	<i>\$54,224</i>	<i>\$53,195</i>	<i>\$57,706</i>	<i>\$4,164</i>
Welfare Benefits:					
AD&D Insurance	\$90	\$86	\$89	\$93	\$3
Business Travel Insurance	\$24	\$24	\$24	\$24	\$0
Life Insurance	\$746	\$733	\$761	\$790	\$44
<i>Subtotal</i>	<i>\$860</i>	<i>\$843</i>	<i>\$874</i>	<i>\$907</i>	<i>\$47</i>
Retirement Benefits:					
Retirement Savings Plan	\$12,250	\$13,254	\$13,766	\$14,287	\$2,037
Nonqualified Retirement Savings Plan	\$253	\$259	\$267	\$274	\$21
Supplemental Pension	\$5,466	\$5,400	\$3,470	\$3,360	(\$2,106)
<i>Subtotal</i>	<i>\$17,969</i>	<i>\$18,913</i>	<i>\$17,503</i>	<i>\$17,921</i>	<i>(\$48)</i>
Other Benefit Programs and Fees:					
Benefits Administration Fees	\$894	\$1,143	\$982	\$1,005	\$111
Educational Assistance	\$462	\$495	\$514	\$536	\$74
Emergency Childcare	\$141	\$121	\$127	\$133	(\$8)
Mass Transit Incentive	\$62	\$57	\$57	\$58	(\$4)
Retirement Activities	\$108	\$111	\$114	\$117	\$9
Service Recognition	\$118	\$107	\$120	\$133	\$15
<i>Subtotal</i>	<i>\$1,785</i>	<i>\$2,034</i>	<i>\$1,914</i>	<i>\$1,982</i>	<i>\$197</i>
Total	\$135,597	\$136,411	\$134,975	\$140,921	\$5,324

2

3 II. OVERVIEW OF TOTAL COMPENSATION PHILOSOPHY

4 SDG&E's employees are critical to providing safe, efficient and reliable service to its
5 customers. SDG&E's total rewards program is structured to attract, motivate and retain a high-

1 performing workforce. SDG&E offers a competitive, market-driven total rewards program that
2 includes base pay, variable pay (short-term incentives), long-term incentives, and benefits.

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

9 This competitive approach to total rewards has allowed SDG&E to maintain an
10 experienced, productive workforce while maintaining a labor cost structure that is in line with
11 the market. The same approach to total rewards extends to the Sempra Energy Corporate Center
12 (“SECC”), ensuring that total compensation costs for the services provided to SDG&E by the
13 SECC are reasonable and competitive.

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

15 A total compensation study was conducted as part of SDG&E’s 2016 General Rate Case
16 (“GRC”) submission in compliance with Commission decisions D.87-12-066, D.89-12-057, and
17 D.96-01-011. The study was conducted to evaluate SDG&E’s total compensation relative to the
18 external labor market. It includes a detailed analysis of “total compensation” which is defined as
19 the aggregate value of annualized base pay, incentive compensation (short-term and long-term)
20 and benefits programs. For short-term incentive compensation, both actual and target data were
21 analyzed.

22 The ORA and SDG&E jointly selected Towers Watson to conduct the competitive
23 compensation and benefits analysis. The project team for the 2016 total compensation study
24 (“Towers Study”)¹ included representatives of ORA, Sempra Energy (representing SDG&E) and
25 Towers Watson.

26 The methodology used for the Towers Study was generally consistent with the
27 methodology applied in SDG&E’s 2012 Total Compensation Study. The most significant
28 difference in the methodology was the market comparator data used to benchmark cash
29 compensation and long-term incentive compensation. In the 2012 Towers Study, SDG&E’s cash
30 and long-term incentive compensation was compared to general industry and utility peer groups.

¹ 2016 General Rate Case Total Compensation Study, SDG&E Report, Towers Watson (June 26, 2014).

1 Each of the peer groups used in the 2012 Towers Study contained 31 companies, which were
2 selected based on size, industry segment, and, for the general industry peer group, substantial
3 presence in Southern California. In contrast, the 2016 Towers Study compared SDG&E's
4 compensation levels to nationwide energy industry and general industry surveys. The 2016
5 Towers Study did not apply a geographic differential to take into account the higher costs and
6 pay levels of the Southern California market compared to the nationwide average. The 2016
7 Towers Study, which includes a detailed description of the study methodology, is included as
8 Appendix A.

9 SDG&E's total compensation (defined as base salaries, target short-term incentives, long-
10 term incentives and benefits), as reported in Table DSR-2 below, is within 5.3 percent of market.

11 Compensation professionals, including Towers Watson, typically consider a range of plus
12 or minus 10 percent of the average of the external market data to be competitive and broader
13 ranges are common and expected for long-term incentive plans and benefits:

14 Towers Watson considers +/- 10 percent of the average or mean of the
15 competitive market to be the range of competitiveness. A range such as
16 this is generally considered by compensation professionals to be a
17 standard of competitiveness due to variances in employee performance
18 levels, years of experience, and tenure within and across organizations.
19 For certain components of compensation, such as long-term incentives and
20 benefits, larger variances are common. Because of the variables involved
21 – matching benchmark jobs to survey information, matching career levels,
22 sample size, and data quality issues – in a study such as this, a range
23 should be considered in evaluating the competitiveness of compensation.²

24 Per the *World at Work Handbook of Compensation, Benefits and Total Rewards*, as a rule
25 of thumb, salary information is expected to be reflective of the marketplace within plus or minus
26 10 percent.³ As discussed above, using this competitive range takes into account differences in
27 employee tenure, experience and performance, as well as potential job matching, sample size and
28 data quality issues. The relationship between pay and tenure is particularly pertinent, as SDG&E
29 tends to have more longer-service employees and lower employee turnover than the average
30 employer.

² Towers Study, p. 5.

³ *The World at Work Handbook of Compensation, Benefits & Total Rewards*, (John Wiley & Sons, Inc. 2007) ("*World at Work*"), p. 148.

As shown in Table DSR-2 below, both Target Total Compensation and Actual Total Compensation fall within plus or minus ten percent of the competitive market data. SDG&E is requesting recovery of variable pay based on **target** performance. For this reason, Target Total Compensation is the relevant metric.

TABLE DSR-2

Summary of SDG&E Total Compensation vs. Market						
Base Pay	Actual Total Cash Compensation	Target Total Cash Compensation	Benefits	Long-Term Incentives	Actual Total Compensation	Target Total Compensation
1.9%	4.9%	4.8%	8.6%	-17.0%	5.4%	5.3%

Table DSR-3 below presents SDG&E’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 SECC jobs that support SDG&E. SECC jobs were included in the Towers Study because, if the SECC did not exist, SDG&E would have to hire employees to perform the tasks.

TABLE DSR-3

Job Category	Total Employees	Total Benchmark Incumbents	Target Total Compensation (\$000s)	SDG&E (Including Corporate Center Allocations) vs. Market				
				Base Pay	Target Total Cash Compensation	Benefits	Long-Term Incentives	Target Total Compensation
Executive	17	6	\$8,492	-0.7%	-1.7%	6.2%	-3.2%	-1.5%
Manager/Supervisor	632	329	\$92,468	8.4%	11.9%	18.7%	-1.9%	13.1%
Professional/Technical	1,958	1,212	\$210,334	-4.8%	-0.7%	7.3%	-36.5%	0.8%
Physical/Technical	1,377	937	\$113,917	13.9%	14.1%	6.1%	N/A	11.9%
Clerical	646	394	\$37,257	-12.2%	-9.1%	-1.3%	N/A	-7.1%
Total	4,629	2,878	\$462,469	1.9%	4.8%	8.6%	-17.0%	5.3%

IV. COMPENSATION

SDG&E’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 SDG&E 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 SDG&E, 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.

1 **A. Base Pay**

2 Base pay is the foundation of SDG&E’s compensation program. It is the most visible
3 element of pay to employees. SDG&E’s base pay program is structured to be competitive,
4 internally equitable, and cost effective. Pay structures for non-represented jobs provide for
5 individual differentiation based on an employee’s performance, skills and experience. SDG&E
6 targets base pay at the 50th percentile of the external labor market for non-represented
7 employees, although pay may vary for certain high-demand jobs.

8 Base pay and pay grades for represented jobs are subject to collective bargaining
9 agreements and are adjusted consistent with contract negotiations. Like non-represented jobs,
10 pay for certain jobs may be higher than others due to demand and labor shortages. For example,
11 SDG&E’s Lineman classification and other related job classifications have been heavily
12 impacted by increasing wages paid for comparable jobs at other California utilities, out-of-state
13 utilities, and contractors. In order to retain these highly skilled employees, negotiated increases
14 for these classifications have been higher than the average wage increase for other represented
15 jobs.

16 To ensure market pay ranges reflect the markets in which SDG&E competes for labor,
17 the company participates in several survey databases sponsored by major national consulting
18 firms. Additional details related to external surveys are provided in Section VI.

19 The results of the Towers Study indicate that SDG&E’s overall market position for base
20 pay is within 1.9 percent of the market average.

21 **B. Variable Pay**

22 Variable pay is an essential component of a competitive total compensation package for a
23 number of reasons including: creating focus on desired results, improving performance and
24 facilitating ideas and improvements. According to Aon Hewitt’s 2013 U.S. Salary Increase
25 Survey⁴, variable pay (short-term incentive plans) has become the primary mechanism to pay for
26 performance with 90 percent of companies offering a broad-based variable pay plan.

27 Variable pay plans have been a part of SDG&E’s total compensation strategy since 1988.
28 The variable pay plans are commonly referred to as the Incentive Compensation Plans (“ICP”).
29 The ICP places a portion of employee compensation at-risk, subject to achievement of the plan’s

⁴ “Aon Hewitt Survey Shows 2014 Salary Increases to Reach Highest Levels Since 2008”, Aon Hewitt Press Release, August 29, 2013, Lincolnshire, IL.

1 performance measures, motivating employees to meet or exceed important customer service,
2 safety, supplier diversity, reliability, financial, and project completion goals.

3 **1. Non-Executive Variable Pay:**

4 All non-represented employees participate in the ICP. Performance measures are
5 reviewed and updated annually. The current (2014) plan includes operating and financial
6 measures and an individual performance component. Operating measures focus employees on a
7 common set of safety, customer satisfaction, supplier diversity and major project completion
8 goals. Financial measures are based on earnings goals, rewarding employees for controlling
9 costs and maintaining the financial strength of the company. Financially strong companies
10 typically have lower financing costs, reducing the costs of new utility projects that benefit
11 ratepayers. An individual performance measure is used to recognize employees for their
12 individual contributions to meeting these goals.

13 **2. Executive Variable Pay:**

14 Consistent with the non-executive ICP, the SDG&E's executive ICP plan includes
15 operating and financial performance measures. The executive plan does not include an individual
16 performance measure, although the SDG&E Board of Directors may adjust individual executive
17 ICP awards in consideration of individual performance.

18 **3. Variable Pay / ICP Costs:**

19 SDG&E is requesting recovery of ICP based on target performance. If actual ICP
20 performance exceeds target performance, the differential is funded by shareholders and is not
21 recoverable in rates. Because actual payouts have exceeded target in each of the past ten years,
22 shareholders have funded the portion of the ICP above target. Target and actual ICP payouts for
23 2009 through 2013 are shown in Table DSR-4.

24 **TABLE DSR-4**

SDG&E Target vs. Actual ICP (\$ Thousands)				
Year	Actual ICP	Target ICP	Difference (Funded by Shareholders)	Difference as a % of Actual ICP
2009	\$ 62,930	\$ 41,755	\$ 21,175	34%
2010	67,783	48,037	19,746	29%
2011	72,295	48,295	24,000	33%
2012	74,640	49,117	25,523	34%
2013	50,977	46,841	4,136	8%
5-Yr. Average	\$ 65,725	\$ 46,809	\$ 18,916	29%

1 The entire difference between actual and target performance is funded by shareholders.
2 As shown in Table DSR-4, over the past five years this difference between actual and target ICP
3 resulted in shareholders funding an average of 29%, or \$18.9M per year, of actual ICP payouts.

4 SDG&E's forecast of short-term incentive costs based on target performance differs
5 from the approach used by Southern California Edison, which was based on actual historical
6 performance.⁵ In D.12-11-051, the Commission found reasonable and provided for rate recovery
7 of 90 percent of Southern California Edison's non-executive short-term incentive costs⁶ and 50
8 percent of short-term incentive costs for executive officers.⁷ SDG&E's request already includes
9 a shareholder contribution to its actual ICP payments (i.e. the entire difference between actual
10 and target payout). Thus, this comparison further demonstrates the reasonableness of SDG&E's
11 requested ratepayer funding of 100% of target ICP costs.

12 The Towers Study, jointly sponsored by SDG&E and the ORA, found that total
13 compensation was "at market." SDG&E's total compensation is within 5.3 percent of market,
14 which is within the guideline of plus or minus ten percent typically used by compensation
15 professionals. Because compensation costs are reasonable, full recovery of SDG&E's forecasted
16 revenue requirement for target ICP is justified. Variable pay is an important part of a
17 competitive compensation package. As such, it should be treated no differently than base pay for
18 recovery purposes. The Commission held in D.03-02-035 that "the utility is entitled to all of its
19 reasonable costs and expenses, as well as an opportunity to earn a rate of return on the utilities
20 rate base."

21 In past decisions (*e.g.*, D.92-12-057, D.04-07-022 and D.93-12-043), the Commission
22 concluded that "... incentive pay is part and parcel of the overall compensation scheme," that
23 "... the allocation of total cash compensation between salaries and incentives should be left to
24 each utility's discretion."⁸

⁵ A.13-11-003 (Southern California Edison TY2015 GRC), Ex.SCE-06, Vol. 02, Pt. 1, Nov. 2013, p. 22.

⁶ D.12-11-051, p. 458.

⁷ D.12-11-051, p. 450.

⁸ D.92-12-057, Cal. PUC LEXIS 971 at *126 (quoting consensus report of workshops conducted by Commission staff).

1 D.04-07-022 supported this result, quoting D.92-12-057 for the conclusion that it is
2 “clear how the issue of incentive compensation programs should be handled.”⁹ This point is
3 further illustrated in D.04-07-022 for Southern California Edison (p. 217):

4 We also note that it would be within SCE’s managerial discretion to offer all cash
5 compensation to employees in the form of base pay instead of a mix of base pay
6 and incentive pay. In the event SCE were to do so, we would not take issue with
7 ratepayer funding of the resulting compensation as long as total compensation is
8 reasonable. If total compensation does not exceed market levels, a disallowance
9 of reasonable expenses for the Results Sharing program would in effect be a
10 substitution of our judgment for that of SCE managers regarding the appropriate
11 mix of base and incentive pay. That is the sort of micromanagement that the
12 Commission rejected in D.92-12-057, and that we reject here.

13 Projected 2016 target ICP expense is shown in Table DSR-5 below:

14 **TABLE DSR-5**

Variable Pay At Target	Thousands of 2013 \$				
	2013*	2014	2015	2016	2013- 2016 Change
Non-Executive Variable Pay	\$48,322	\$46,599	\$47,307	\$47,824	(\$498)
Executive Variable Pay	\$2,655	\$2,527	\$2,527	\$2,527	(\$128)
Total Variable Pay	\$50,977	\$49,126	\$49,834	\$50,351	(\$626)

15 **Recorded expense based on actual performance.*

16 The amount shown in Table DSR-5 for 2013 reflects recorded expense based on actual
17 performance, which exceeded target. Forecasted expense for 2014 through 2016 is based on
18 target performance.

19 For the Towers Study, the study project team agreed to include both actual and target
20 short-term incentives. The results of the Towers Study indicate that SDG&E’s overall market
21 position for total target cash compensation, which includes both base pay and target ICP, is 4.8
22 percent above market. This falls within both the plus or minus 5 percent range considered to be
23 “at market” in D. 95-12-055 and the range of plus or minus 10 percent typically used by
24 compensation professionals.

25 In its decision on SDG&E’s 2008 General Rate Case (D.08-07-046), the Commission
26 ruled that incentive compensation should be funded by ratepayers if it is part of a reasonable total
27 compensation package (p. 22, emphasis added):

⁹ D.04-07-022, p. 206 (quoting D.92-12-057, 1992 Cal. PUC LEXIS 971 at *126).

1 Because total compensation is reasonable, (defined as prevailing market
2 rates for comparable skills) the ratepayers should reasonably fund a
3 revenue requirement that includes the full market-based employee
4 compensation for the adopted levels of staff. Thus, there is no basis to
5 exclude the incentive component and force shareholders to assume a
6 portion of the reasonable cost of employee compensation. *We find no*
7 *merit in DRA's argument that shareholders should fund any portion of the*
8 *incentive portion of market-based employee compensation. We do not*
9 *agree that incentives solely benefit the company: if employees work*
10 *harder or smarter to earn incentives (even just to achieve the target*
11 *incentives) then ratepayers should benefit too.*

12 Further (Finding of Fact 23, p. 92):

13 The incentive compensation of certain employees is an integral part of
14 employee total compensation. Total compensation studies show both
15 SDG&E and SoCalGas are at-market. Incentive compensation is
16 reasonably included in the test year forecast.

17 Variable pay, or ICP, is part of a reasonable, market-based total compensation package
18 and SDG&E should receive full cost recovery for this program.

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

20 Long-term incentives are an integral component of a competitive compensation program
21 for key management and executive employees. Consistent with the external labor market,
22 SDG&E's compensation philosophy ties a greater portion of pay to company performance at
23 higher levels of responsibility. Long-term incentives make up 12 percent to 51 percent of total
24 target compensation (which includes base pay, short-term incentive and long-term incentive) for
25 key management and executive employees. Long-term incentives are critical to the attraction,
26 motivation and retention of a skilled, experienced leadership team. The four-year performance
27 period for long-term incentives makes them a particularly powerful retention tool.

28 Long-term incentive awards promote strong, sustainable long-term performance. They
29 are performance-based or "at risk." The actual compensation realized by participants is
30 dependent on Sempra Energy's performance. Long-term incentives awards are granted under the
31 Sempra Energy Long Term Incentive Plan, in the form of performance-based restricted stock
32 units and service-based restricted stock units. Awards consist of three components:

- 33 • performance-based restricted stock units based on Sempra Energy's total shareholder
34 return relative to the utilities in the S&P Utilities index and the S&P 500 Index
- 35 • performance-based restricted stock units based on Sempra Energy's Earnings Per
36 Share growth over a four-year period

- service-based restricted stock units (does not apply to SDG&E’s Chief Executive Officer)

Award levels are set based on a review of total compensation for eligible employees compared to the external market. The Compensation Committee of the Sempra Energy Board of Directors approves participation and award levels. Long-term incentives are a powerful retention tool. Awards are forfeited upon termination of employment prior to vesting, unless such termination is by reason of death, disability or retirement.

Long-term incentive plan costs are shown in Table DSR-6 below:

TABLE DSR-6

Long-Term Incentive Plan (LTIP)	Thousands of 2013 \$				
	2013	2014	2015	2016	2013-2016 Change
Long-Term Incentive Plan	\$9,143	\$9,490	\$9,870	\$10,265	\$1,122

Long-term incentive plan costs are based on the accounting expense incurred for awards issued to SDG&E employees. Actual costs are shown for 2013 and 2014.

D. Special Recognition Awards

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

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

Recognition awards are an important component of a competitive compensation package. According to a 2013 *World at Work* survey “Trends in Employee Recognition”¹⁰, approximately 88 percent of companies offer recognition programs. Companies use these programs to motivate high performance and create a positive work environment.

¹⁰ Trends in Employee Recognition, A Report by World at Work and Underwritten by the ITA Group, June 2013, p. 3.

SDG&E maintains two special recognition programs, the Spot Cash Award program and the Employee Recognition program:

- The Spot Cash Awards program is used to provide cash awards. From 2011 through 2013, the average spot cash award was \$2,084. Awards typically range from \$250 to \$10,000.
- The Employee Recognition program is used to provide nominal non-cash awards, generally valued at \$100 or less. Typical awards include gift cards, movie tickets and tickets to sporting events.

Spot Cash awards are budgeted at one-half of a percent of eligible payroll and the Employee Recognition program is budgeted at \$75 annually per full-time equivalent employee (FTE). SDG&E overall budgeting for special recognition programs is in line with the competitive market. According to the *World at Work* survey¹¹, the average annual budget for these programs is 2 percent of payroll and the median is 1 percent. SDG&E has formal policies that govern both the Spot Cash Award program and the Employee Recognition program to monitor the budgeting and administration of the awards.

Projected 2016 expense for the Spot Cash Award and Employee Recognition programs is shown in Table DSR-7 below:

TABLE DSR-7¹²

Special Recognition Programs	Thousands of 2013 \$				
	2013	2014	2015	2016	2013-2016 Change
Spot Cash program	\$1,200	\$1,423	\$1,423	\$1,423	\$223
Employee Recognition program	\$121	\$358	\$362	\$366	\$245
Total	\$1,321	\$1,781	\$1,785	\$1,789	\$468

Spot cash awards are projected to remain flat, based on five-year historical data. Employee recognition awards are forecast at \$75 per employee.

¹¹ Trends in Employee Recognition, A Report by World at Work and Underwritten by the ITA Group, June 2013, p. 16.

¹² See explanation regarding Spot Cash Forecasting amounts for Table DSR-1.

1 **E. Summary**

2 SDG&E’s compensation programs have been very effective in controlling labor costs
3 through a combination of conservative base pay practices and effective, performance-based
4 incentive rewards.

5 SDG&E’ performance-based pay plans include variable pay / ICP plans, long-term
6 incentive plan (“LTIP”), and special recognition awards programs. Projected 2016 costs are
7 summarized in Table DSR-8 below:

8 **TABLE DSR-8¹³**

Summary of Pay Programs	Thousands of 2013 \$				2013-2016 Change
	2013	2014	2015	2016	
Variable Pay (ICP)	\$50,977	\$49,126	\$49,834	\$50,351	(\$626)
Long-Term Incentive Plan	\$9,143	\$9,490	\$9,870	\$10,265	\$1,122
Spot Cash program	\$1,200	\$1,423	\$1,423	\$1,423	\$223
Employee Recognition program	\$121	\$358	\$362	\$366	\$245
Total	\$61,441	\$60,397	\$61,489	\$62,405	\$964

9
10 **V. EMPLOYEE BENEFITS**

11 **A. Overview**

12 Benefit programs are a critical component of a competitive total rewards program.
13 SDG&E offers a comprehensive and balanced employee benefits program that includes:

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

21 Certain benefits are covered by other witnesses. Long-term disability and workers
22 compensation are covered by Sarah Edgar (Ex. SDG&E-24) and broad-based pension benefits
23 and post-retirement benefits are covered by David Sarkaria (Ex. SDG&E-23).

¹³ See explanation regarding Spot Cash Forecasting amounts for Table DSR-1.

1 The company monitors its benefit programs on an ongoing basis to insure the appropriate
2 balance between benefit cost and maintaining a competitive position in the market. Cost
3 projections for the various benefit components reflect increases or decreases attributable to
4 benefit cost inflation, legislative and regulatory requirements, changes in the size of the
5 workforce and plan design changes. Work papers containing supporting documentation for each
6 benefit category are included as Ex. SDG&E-22WP.

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

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

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

23 **B. Health Benefits**

24 SDG&E provides employees with group health benefits including medical, dental, vision,
25 employee assistance, mental health and substance abuse and wellness plans.

26 **1. Medical**

27 As shown in Table DSR-9 below, SDG&E’s forecasted Test Year 2016 medical expense
28 is \$50.179 million. The increase between 2013 and 2016 costs reflects forecasted medical rate
29 escalation as well as anticipated changes in headcount.

1 **TABLE DSR-9**

Medical	Thousands of 2013 \$				
	2013	2014	2015	2016	2013-2016 Change
Medical Expense	\$47,929	\$46,815	\$46,018	\$50,179	\$2,250

2
3 **a. Medical Plan Overview**

4 SDG&E offers several medical plan designs to meet the varying needs of employees and
5 their dependents and consistent with its collective bargaining agreements. These include:

- 6 • Health Maintenance Organizations (“HMOs”): Anthem HMO, Anthem HMO with
7 Scripps Health, and Kaiser Permanente HMO
- 8 • Health Care Plus⁺: Anthem high-deductible health plan with health savings account
- 9 • Anthem Point-of-Service plan
- 10 • Other plans: Anthem Out-of-Area

11 **b. Health Maintenance Organizations**

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

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

22 **c. Health Care Plus⁺ High-Deductible Health Plan with Health**
23 **Savings Account**

24 The Anthem Health Care Plus⁺ plan is a high-deductible health plan. The insured
25 employee or dependent is responsible for all healthcare costs until the annual deductible has been
26 met. Preventative care, such as annual physical exams and well-baby care is fully covered by the
27 plan and is not subject to the deductible. After the deductible has been met, the plan and the
28 participant share the cost of covered services. If total cost for covered services exceeds the plan’s

1 annual out of pocket maximums, the plan pays 100 percent. In order to encourage the use of
2 Anthem network providers, deductibles, coinsurance (participant cost sharing for claims), and
3 out of pocket maximums are lower for network providers and higher for non-network providers.

4 Participants in the Health Care Plus⁺ plan are eligible to participate in a health savings
5 account. A health savings account is a tax-advantaged combined checking and investment
6 account that may be used to reimburse participants for qualified medical expenses.

7 **d. Anthem Point of Service**

8 The Anthem Point of Service plan offers three tiers of coverage that allow the employee
9 and dependents to select how medical services are delivered:

- 10 • Tier One: Care is coordinated through the HMO primary care physician
- 11 • Tier Two: Care is accessed through the Anthem network
- 12 • Tier Three: Self-referral to any non-network provider

13 Beginning in 2014, the Anthem Point of Service plan is no longer offered to SDG&E
14 union employees.

15 **e. Anthem Out of Area Plan**

16 This plan provides coverage within the Anthem network or through non-network health
17 care facilities. Out-of-pocket costs are lower if a network provider is used. The plan is only
18 offered to employees who do not reside in an area covered by a HMO.

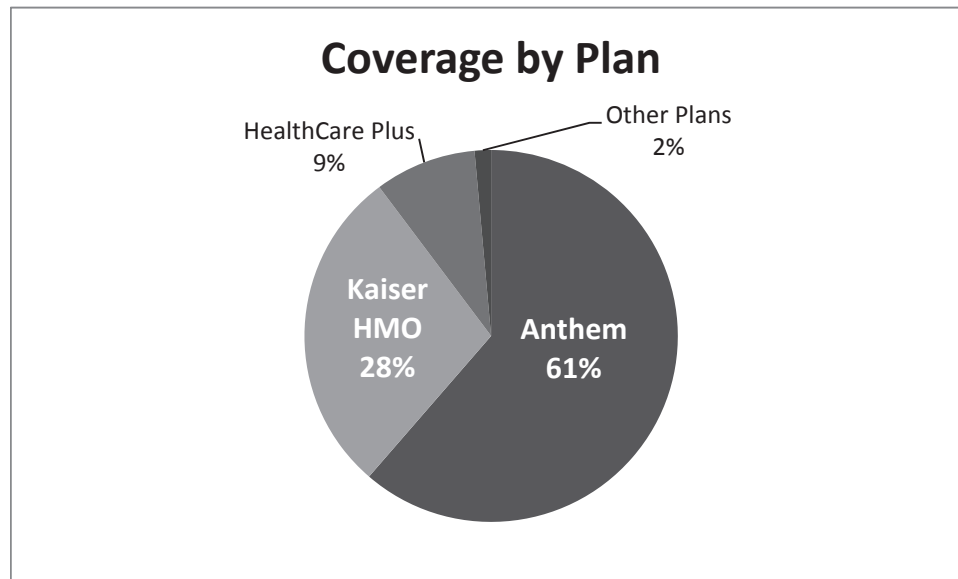
19 **f. Medical Plan Enrollment**

20 Ninety-two percent of SDG&E's employees are covered under the company's medical
21 plans. Enrollment for each medical plan is shown in Figure DSR-1 below. Ninety percent of
22 covered employees are enrolled in HMO plans. The high HMO enrollment level is indicative of
23 the cost-effectiveness of the plan design and the long-established network of managed care
24 facilities in California.

25
26 [Remainder of page intentionally left blank]

1

FIGURE DSR-1



2

3

SDG&E encourages employees to enroll in HMO plans through its cost sharing strategy.

4

SDG&E's HMO enrollment level of 90 percent far exceeds the nationwide average. According to the 2013 Kaiser Family Foundation Employee Health Benefits survey¹⁴, 14 percent of covered workers are enrolled in HMOs, while 57 percent are enrolled in preferred provider organizations, 20 percent in high deductible health plans, 9 percent in POS plans, and less than 1 percent in indemnity plans. Regional data for the Western U.S. reflects slightly higher HMO enrollment of 25 percent, but still falls far below SDG&E's HMO enrollment.

6

7

8

9

10

g. Medical Cost Trends

11

Healthcare costs continue to increase at rates much higher than general inflation.

12

According to the 2013 California Employer Health Benefits Survey, health insurance premiums increased by 185 percent between 2002 and 2013 – more than five times the state's overall cumulative inflation of 33 percent. Annual premium increases in California have averaged 8.8 percent per year from 2003 through 2013.

13

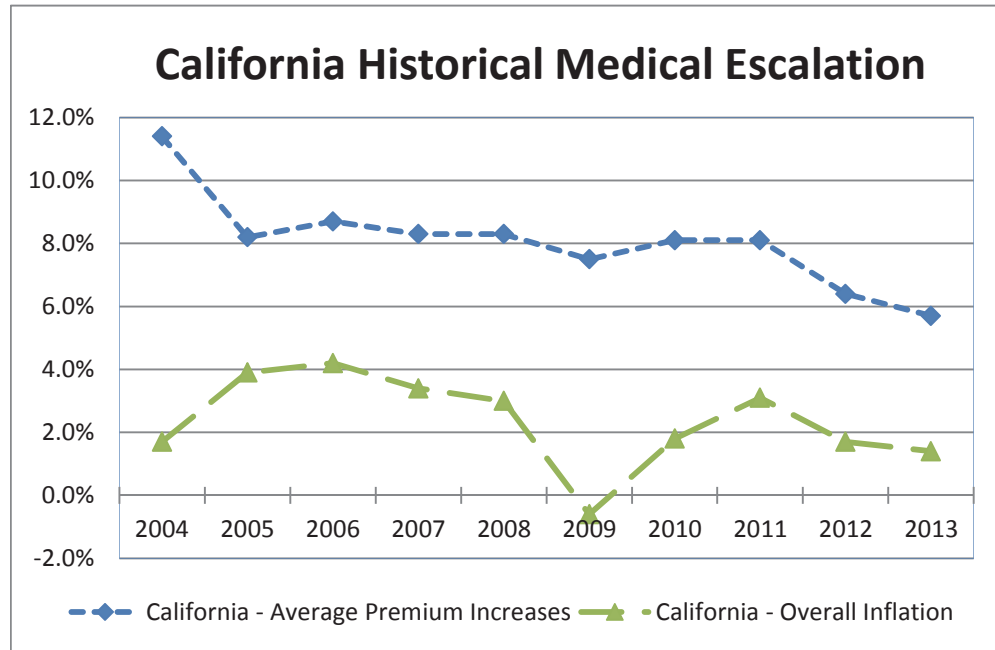
14

15

¹⁴ Employer Health Benefits Survey, The Kaiser Family Foundation and Health Research Educational Trust, 2013 Annual Survey, p. 63.

1

FIGURE DSR-2



Source: California Employer Health Benefits Survey, January 2014

2

3

4

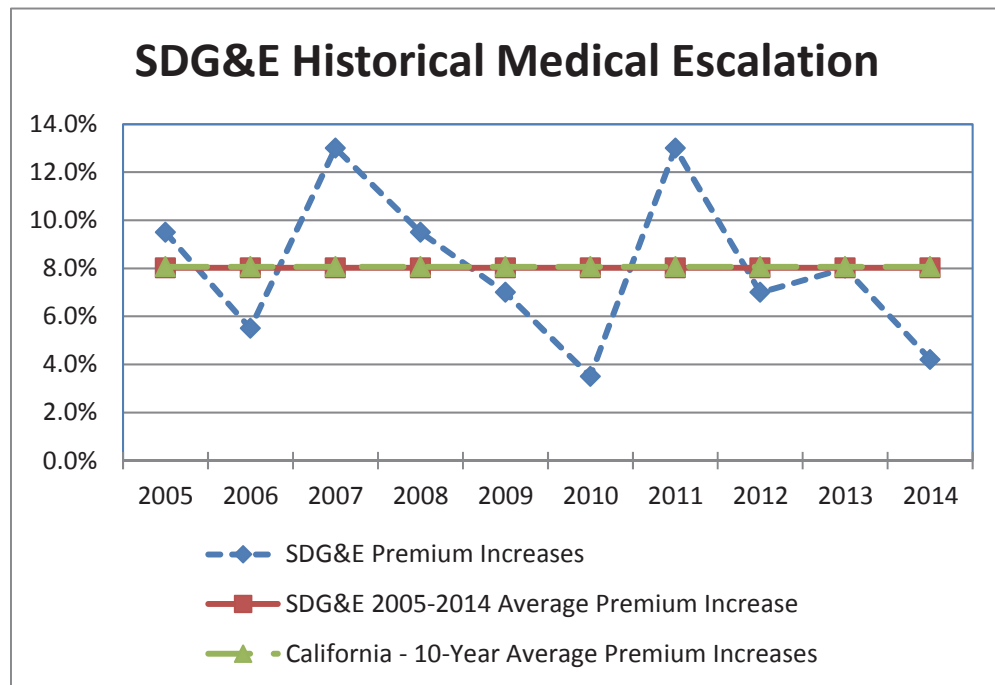
5

6

7

SDG&E's historical medical trend has followed a cyclical pattern. However, SDG&E's ten-year average medical escalation of 8.0 percent approximates California's ten-year historical average of 8.1 percent.

FIGURE DSR-3



8

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

5 Healthcare reform legislation, the Patient Protection and Affordable Care Act, includes
6 several provisions which place upward pressure on group health insurance premiums, including:

- 7 • Dependent coverage through age 26;
- 8 • Prohibition of annual and lifetime coverage limits; and
- 9 • Preventative services and immunizations must be provided with no cost sharing (*i.e.*
10 co-payments and deductibles).

11 SDG&E negotiates medical premium rates with its insurance carriers on an annual basis.
12 The 2014 and 2015 forecasts are based on final renewal rates negotiated with the health
13 insurance carriers.

14 The medical trend forecast was prepared by Towers Watson, SDG&E's actuary and
15 benefits broker. Towers Watson considered California and national data and prepared a forecast
16 specifically for SDG&E taking into account workforce demographics, historical utilization data,
17 and medical plan design. The projected aggregate rate increase for 2016 is 7.8 percent.

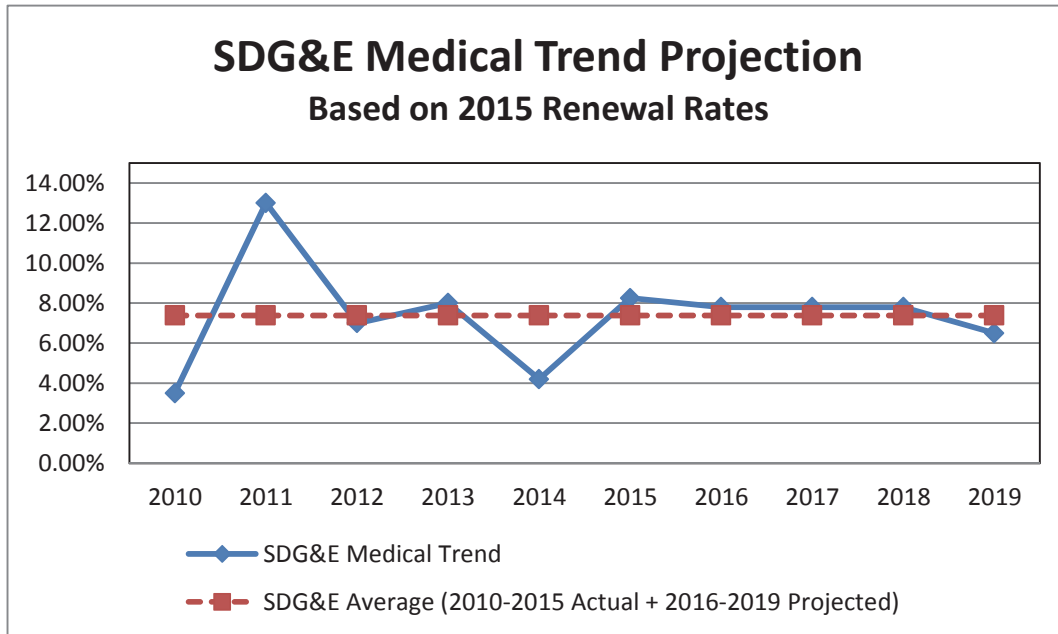
18 **h. Post-Test Year Medical Cost Escalation**

19 Projected post-test year increases decline from 7.8 percent in 2017 and 2018 to 6.5
20 percent in 2019. The same factors that contribute to cost increases in 2013 through 2016 will
21 continue to drive post-test year rate increases. Post-test year medical cost escalation is included
22 in the testimony of Sandra Hrna (Ex. SDG&E-37).

23
24 [Remainder of page intentionally left blank]

1

FIGURE DSR-4



2

3

i. Medical Cost Per Employee

4

5

6

7

8

9

10

11

12

13

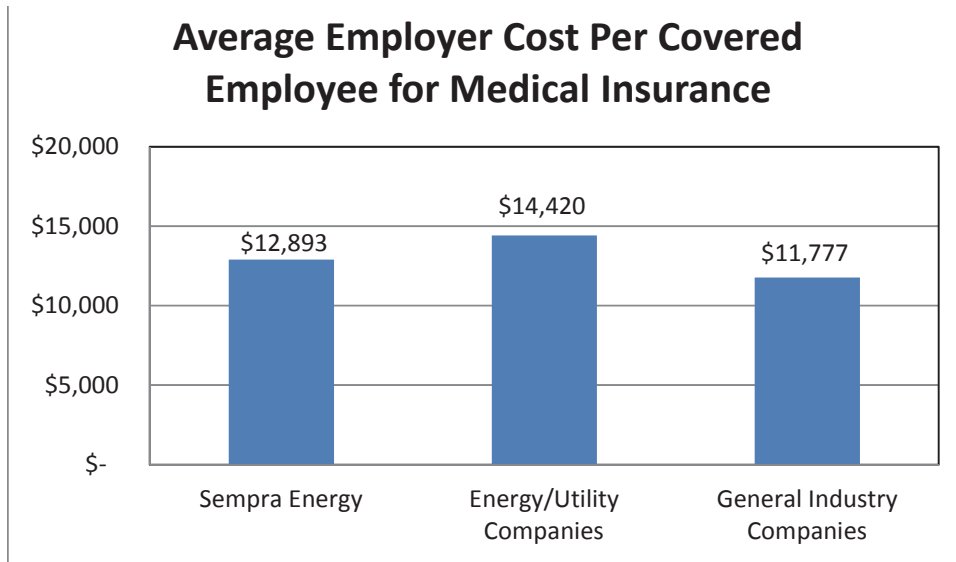
14

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 \$12,983, compared to \$14,420 for energy/utility companies and \$11,777 for general industry companies according to Towers Watson 2014 Health Care 360 Performance study. Compared to the average general industry employer in Towers Watson’s database, SDG&E’s workforce is slightly older and has a lower ratio of female employees versus male employees. Both of these factors tend to increase medical premium costs.

[Remainder of page intentionally left blank]

1

FIGURE DSR-5



2

j. Employee Contributions

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

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. SDG&E’s employees share in the cost of the medical plan. The Company’s contribution to the premium varies based on the plan selected by the employee. Specifically, the Company’s contribution is 85% of the low-cost HMO premium for all employees enrolled in the Kaiser HMO plan, all employees enrolled in the Anthem HMO plan excluding Scripps Health, non-represented employees enrolled in the Anthem HMO plan including Scripps Health, and for all employees enrolled in the Anthem Point of Service plan. The Company’s contribution is 75% of the total premium for represented employees enrolled in the Anthem HMO plan including Scripps Health, 80% of the total premium for all employees enrolled in the Anthem Out-of-Area plan, and 90% of the total premium for all employees enrolled in the Anthem Health Care+ plan.

Employees pay a portion of the medical premiums, co-payments for office visits and prescriptions, and in some plans, deductibles and coinsurance. 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.

1 **b. Dental Cost Trends**

2 Costs for dental coverage are summarized above in Table DSR-9. Costs for 2013-2015
3 reflect actual rates. 2016 costs are based on 2015 premiums adjusted for projected inflation and
4 changes in projected headcount.

5 **c. Dental Cost per Employee**

6 The company’s average dental cost of \$927 per covered employee is slightly higher than
7 the 2014 benchmark average cost of \$874 as reported by Towers Watson.

8 **d. Employee Contributions**

9 SDG&E pays 80 percent of the premium cost for the Delta Dental plan while employees
10 pay the remaining 20 percent. SDG&E pays the full cost of the SafeGuard and the Anthem Blue
11 Cross DentalNet plans.

12 **3. Vision**

13 As shown in Table DSR-11 below, SDG&E’s forecasted Test Year 2016 vision expense
14 is \$350 thousand.

15 **TABLE DSR-11**

Vision	Thousands of 2013 \$				
	2013	2014	2015	2016	2013-2016 Change
Vision Expense	\$322	\$322	\$338	\$350	\$28

16 **a. Vision Plan Overview:**

17 SDG&E offers employees vision coverage under the Vision Service Plan (VSP).
18 Employees enrolled in VSP may select any provider, but out-of-pocket costs are lower if the
19 employee selects a provider within VSP’s network. The plan provides a higher benefit if a
20 network provider is used, resulting in little or no expense above the co-payment.
21

22 **b. Vision Plan Costs:**

23 VSP is experience rated and future premiums are based on the prior year’s utilization
24 history. Costs for 2013-2015 reflect actual rates. 2016 costs are forecasted based on 2015
25 premiums adjusted for projected inflation and changes in projected headcount.

26 **c. Employee Contributions:**

27 SDG&E pays the full premium for employee-only coverage. Employees are responsible
28 for the full cost of dependent coverage.

1 **4. Wellness**

2 As shown in Table DSR-12 below, SDG&E’s forecasted Test Year 2016 wellness
3 program expense is \$1.169 million.

4 **TABLE DSR-12**

Wellness	Thousands of 2013 \$				
	2013	2014	2015	2016	2013-2016 Change
Wellness	\$535	\$1,551	\$1,113	\$1,169	\$634

5
6 **a. Wellness Programs Overview:**

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

- 14 • **Healthy Lifestyle and Illness Prevention:** SDG&E partners with health care providers
15 and non-profit agencies to offer classes and educational materials to promote healthy
16 behaviors to prevent illness. Current programs include safety stand down events and
17 health fairs, gym membership fitness subsidy, worksite fitness programs, weight
18 management, stress management, and smoking cessation. Annual onsite influenza
19 vaccinations greatly increase the number of employees protected from influenza,
20 resulting in reduced time off due to illness.
 - 21 ○ Linking wellness programs to employee safety programs through participation
22 in safety stand down events further reinforces a focus on healthy behaviors
23 and prevention of illnesses and injuries.
 - 24 ○ Based on data provided by the SDG&E’s medical benefit providers, a
25 significant number of employees and dependents exceed the national healthy
26 weight guideline. Individuals with a body mass index (BMI) score greater
27 than 25.0% are considered overweight or obese. In order to encourage
28 sustainable weight management, which directly impacts the severity and

1 duration of chronic medical conditions, the SDG&E has included the cost of
2 wireless pedometers, such as the Fitbit, in its funding request. Walking is a
3 common denominator shared by all participants in the SDG&E's medical
4 plans which provides a significant opportunity to improve levels of physical
5 activity and weight reduction. The Fitbit program will include: program
6 guidance and webinars, employee access to Fitbit.com to monitor activity
7 level and set goals and monitor progress on individual dashboards, company-
8 specific groups/challenges on Fitbit.com for participants.

- 9 • Early Detection and Disease Management: Educational worksite presentations
10 promote healthy lifestyle choices, such as good nutrition, and address management of
11 chronic conditions, such as asthma, diabetes, and cardiovascular disease. These
12 educational programs, combined with health risk assessments and onsite screenings,
13 facilitate early detection and intervention and help employees manage their health,
14 reducing the need for emergency treatment and preventing disease progression.
- 15 • Optimal and Effective Treatment of Serious Health Conditions: For employees and
16 dependents facing serious health conditions, the Best Doctors program provides a
17 comprehensive review of the diagnosis and treatment plan by a team of physicians
18 recognized by peers as the top specialists in their respective areas. As a result of Best
19 Doctors' review, in 2013, there were changes to the diagnosis in 34 percent of the
20 cases and changes to the original treatment plan in 80 percent of the cases. Ensuring
21 correct and appropriate treatments of illness and disease facilitates a quicker recovery
22 and return to work and reduces healthcare costs.

23 Wellness programs are a common benefit in the external marketplace. According to the
24 2013 Kaiser Family Foundation Employer Health Benefits survey¹⁵, virtually all companies with
25 200 or more employees offer a wellness program.

26 **b. Wellness Program Costs:**

27 Wellness program costs are projected to increase by \$636,000 from 2013 through 2016
28 due to headcount additions, additional onsite health screenings, and additional programs
29 promoting health and wellness. It should be noted that \$450 thousand in TY2016 costs relate to

¹⁵ Employer Health Benefits Survey, The Kaiser Family Foundation and Health Research Educational Trust, 2013 Summary of Findings, p. 5.

1 occupational health nurses. These are not new costs, but rather costs that were historically
 2 budgeted under Safety. In 2013, SDG&E realigned the contracted nurses under the Wellness
 3 department to allow for expanded education, consultation on non-occupational illness/injury,
 4 preventative care (e.g. blood pressure checks, diabetes education, injury/illness prevention
 5 presentations) along with continued first aid and treatment of occupational incidents. The
 6 partnership between Wellness and the occupational health nurses provides an onsite trusted
 7 resource for employees.

8 **5. Employee Assistance Plan (“EAP”) and Mental Health and Substance**
 9 **Abuse**

10 As shown in Table DSR-13 below, SDG&E’s forecasted Test Year 2016 EAP and mental
 11 health and substance abuse expense is \$1.914 million.

12 **TABLE DSR-13**

EAP and Mental Health	Thousands of 2013 \$				
	2013	2014	2015	2016	2013-2016 Change
Employee Assistance Plan	\$322	\$311	\$323	\$335	\$13
Mental Health	\$1,198	\$1,310	\$1,449	\$1,579	\$381
Total	\$1,520	\$1,621	\$1,772	\$1,914	\$394

13
 14 **a. EAP and Mental Health and Substance Abuse Programs**
 15 **Overview:**

16 EAP and mental health and substance abuse programs reflect SDG&E’s commitment to
 17 employee health and a safe workplace environment. SDG&E is required by the Drug Free
 18 Workplace Act of 1988 and the Department of Transportation (“DOT”) to have an EAP program
 19 available to its employees.

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

24 In addition, EAP vendors support managers and supervisors in handling sensitive
 25 employee issues such as workplace violence, substance abuse, crisis management and employee
 26 morale. Situations in which the EAP vendors have provided assistance include violence in the

1 workplace, realignment and downsizing, co-worker deaths, and mitigating workplace impacts of
2 events such as riots, earthquakes, fires and terrorism.

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

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

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

15 **b. EAP and Mental Health and Substance Abuse Program Costs**

16 EAP administrative fees for counseling sessions by a third-party provider are included in
17 monthly per capita rates. Also included are ten hours of training and four hours of Critical
18 Incident Stress Debriefing services. Fees are charged for any additional training programs
19 developed and presented by the EAP vendor, on an hourly basis, as needed.

20 Mental health and substance abuse administrative fees are also provided for in monthly
21 per capita rates. Additional fees are charged to the company, on a monthly basis, for individual
22 employee claims for inpatient, outpatient and substance abuse services.

23 The cost forecast, as shown in Table DSR-13 above, is based on actual 2013 claims paid
24 indexed for projected headcount changes and assuming that premiums follow the same escalation
25 trend as medical premiums.

26 **C. Welfare Benefits**

27 Welfare benefits provide financial resources to employees in the event of injury or
28 disability and to survivors in the event of the employee's death. This testimony focuses on
29 survivor benefits, which include life insurance, accidental death and dismemberment insurance
30 ("AD&D"), and business travel insurance. Disability and workers compensation benefits are

covered in the testimony of Sarah Edgar (Ex. SDG&E-24). A summary of projected Test Year 2016 welfare benefit expenses is shown below in Table DSR-14:

TABLE DSR-14

Welfare Benefits	Thousands of 2013 \$				
	2013	2014	2015	2016	2013-2016 Change
AD&D Insurance	\$90	\$86	\$89	\$93	\$3
Business Travel Insurance	\$24	\$24	\$24	\$24	\$0
Life Insurance	\$746	\$733	\$761	\$790	\$44
Total	\$860	\$843	\$874	\$907	\$47

1. Accidental Death and Dismemberment

SDG&E provides employees with basic AD&D insurance coverage equal to one times annual pay (base salary plus ICP, if applicable). Coverage is adjusted each year to reflect increases or decreases in employee pay. AD&D insurance provides a level of protection and additional security to employees and their families in the event of a tragic accident.

Premiums for AD&D coverage are projected to remain flat at \$0.192 per \$1,000 of coverage. Changes in total costs reflect projected headcount.

2. Business Travel Insurance

The company provides an additional life insurance benefit that covers employees while traveling for business purposes. The coverage amount is \$400,000. Projected premiums are adjusted for inflation and changes in headcount.

3. Life Insurance

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

The premium per \$1,000 of coverage is based on the actual 2014 rate. Projected 2015 and 2016 costs are adjusted for wage and headcount escalation.

D. Retirement Plans

SDG&E retirement benefits provided to all regular employees include a defined benefit pension plan, a defined contribution (401k) retirement savings plan, and postretirement health

1 and welfare benefits. Employees whose benefits or pay exceed Internal Revenue Service
 2 (“IRS”) limitations specified under the IRC also participate in the Cash Balance Restoration
 3 Plan, which maintains participation at the same percentage level as all other employees. Certain
 4 management employees participate in a nonqualified retirement savings plan, or deferred
 5 compensation plan.

6 This testimony focuses on the 401(k) retirement savings plan, the nonqualified deferred
 7 compensation plan and the supplemental pension plans. The defined benefit pension plan and
 8 postretirement health and welfare benefits are covered in the testimony of David Sarkaria (Ex.
 9 SDG&E-23).

10 **1. Retirement Savings**

11 As shown in Table DSR-15 below, SDG&E’s forecasted Test Year 2016 Retirement
 12 Savings Plan expense is \$14.287 million.

13 **TABLE DSR-15**

Retirement Savings Plan	Thousands of 2013 \$				
	2013	2014	2015	2016	2013-2016 Change
Retirement Savings Plan	\$12,250	\$13,254	\$13,766	\$14,287	\$2,037

14 **a. Retirement Savings Plan Overview**

15 The SDG&E Retirement Savings Plan (“RSP”) provides employees with a tax-
 16 advantaged means of saving for retirement. Approximately 90 percent of employees participate
 17 in the plan. Employees are eligible to participate in the plan upon hire. SDG&E encourages
 18 participation in the plan by providing a company matching contribution equal to 50 percent of
 19 employee contributions, up to six percent of eligible pay. Participation is further encouraged
 20 through auto-enrollment of new hires at a three percent employee contribution rate with auto-
 21 escalation of employee contributions by one percent per year until employee contributions reach
 22 six percent.
 23

24 Company matching contributions apply to pre-tax and after-tax contributions so
 25 employees may continue to save even after reaching the IRS pre-tax contribution limit (\$17,500
 26 in 2014 with an additional “catch-up” contribution limit of \$5,500 for employees age 50 and
 27 older). Employees may also receive an incentive contribution, based on company performance,

1 of 0 percent to one percent of base pay. Participants are fully vested in both employee and
2 company contributions and accumulated investment earnings.

3 **b. Retirement Savings Plan Costs**

4 Projected cost increases are due to wage and headcount escalation. The participation rate
5 is held constant at the actual 2013 participation rate. Company matching contributions for ICP
6 are forecasted assuming target performance.

7 **2. Nonqualified Savings Plan:**

8 As shown in Table DSR-16 below, SDG&E's forecasted Test Year 2016 expense for
9 4company matching contributions under the nonqualified retirement savings plan is \$274
10 thousand.

11 **TABLE DSR-16**

Nonqualified Retirement Savings Plan	Thousands of 2013 \$				
	2013	2014	2015	2016	2013-2016 Change
Nonqualified RSP	\$253	\$259	\$267	\$274	\$21

12 The nonqualified retirement savings plan, or deferred compensation plan, allows pre-tax
13 contributions for employees subject to IRS compensation and contribution limits. Company
14 matching contributions under the plan are identical to Company matching contributions under
15 the RSP.
16

17 **3. Supplemental Pension**

18 As shown in Table DSR-17 below, SDG&E's forecasted Test Year 2016 expense for
19 supplemental pension plans is \$3.36 million.

20 **TABLE DSR-17**

Supplemental Pension	Thousands of 2013 \$				
	2013	2014	2015	2016	2013-2016 Change
Supplemental Pension	\$5,466	\$5,400	\$3,470	\$3,360	(\$2,106)

21 SDG&E offers two supplemental pension plans, the Supplemental Executive Retirement
22 Plan, which covers a small number of senior executives, and the Cash Balance Restoration Plan.
23

24 The Cash Balance Restoration Plan restores benefits for employees whose earnings or
25 benefits exceed the limitations established by the Employee Retirement and Income Security
26 Act. Employees who earn in excess of \$260,000 per year (2014 earnings limit) continue to

1 accrue retirement benefits once they exceed the limits imposed by Employee Retirement Income
2 Security Act and Internal Revenue Service regulations. Benefits are accrued under the same
3 formula and are subject to the same vesting conditions as the broad-based retirement plan. The
4 plan merely restores benefits that would otherwise be lost due to statutory limits under broad-
5 based retirement plans.

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

10 Cost forecasts represent the projected benefit payments. These include future benefit
11 payments to current retirees receiving monthly annuity benefits or annual installments, vested
12 terminated employees entitled to future benefits, and active employees entitled to, or expected to
13 be entitled to, plan benefits. As with other contingent cash flows, the amount and timing of
14 future benefit payments are based on actuarial assumptions such as the lump sum rate, future
15 salary increases, and mortality and retirement rates.

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

21 **E. Other Benefit Program Expenses**

22 The company offers a number of benefit programs that are designed to provide
23 opportunities to enhance financial and technical knowledge through external education
24 programs, reduce lost time, and promote a collaborative team-oriented environment. In addition,
25 certain recognition programs are designed to engender a work environment that recognizes the
26 value of our most critical asset – the employees. A summary of projected costs to support
27 SDG&E’s other benefit programs is included in Table DSR-18:

1 **TABLE DSR-18**

Other Benefit Programs	Thousands of 2013 \$				
	2013	2014	2015	2016	2013-2016 Change
Benefits Administration Fees	\$894	\$1,143	\$982	\$1,005	\$111
Educational Assistance	\$462	\$495	\$514	\$536	\$74
Emergency Childcare	\$141	\$121	\$127	\$133	(\$8)
Mass Transit Incentive	\$62	\$57	\$57	\$58	(\$4)
Retirement Activities	\$108	\$111	\$114	\$117	\$9
Service Recognition	\$118	\$107	\$120	\$133	\$15
Total	\$1,785	\$2,034	\$1,914	\$1,982	\$197

2
3 **1. Benefit Administration Fees and Services**

4 As shown in Table DSR-19 below, SDG&E’s forecasted Test Year 2016 expense for
5 benefit administration and services fees is \$1.005 million.

6 **TABLE DSR-19**

Benefits Administration Fees	Thousands of 2013 \$				
	2013	2014	2015	2016	2013-2016 Change
Benefits Administration Fees	\$894	\$1,143	\$982	\$1,005	\$111

7
8 Benefit administration and service fees include fees for legally required audits, third-
9 party administrator and record-keeper fees, actuarial and other professional services and the cost
10 of benefit communication materials. These fees include:

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

1 The primary driver of the cost increase in 2014 was the one-time cost of the GRC Total
2 Compensation Study.

3 **2. Educational Assistance**

4 As shown in Table DSR-20 below, SDG&E’s forecasted Test Year 2016 expense for the
5 Professional Development Assistance Program is \$536 thousand.

6 **TABLE DSR-20**

Educational Assistance	Thousands of 2013 \$				2013-2016 Change
	2013	2014	2015	2016	
Educational Assistance	\$462	\$495	\$514	\$536	\$74

7
8 The Professional Development Assistance Program (“PDAP”) provides reimbursement of
9 tuition for degree and certificate programs that maintain or enhance the skills necessary to
10 perform current or prospective jobs within the company. The program is open to all regular full-
11 time employees and it is a key part of SDG&E’s efforts to develop employees and promote from
12 within the company to supervisory and management positions. Program participation reflects
13 SDG&E’s strong commitment to diversity. Approximately 50 percent of participants are
14 minorities.

15 Objectives of the program are as follows:

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

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

1 The 2013 through 2016 expense forecast assumes that the number of participants
 2 increases from 167 in 2013 to 179 in 2016. Projected costs are also indexed for inflation.

3 **3. Emergency Day Care**

4 As shown in Table DSR-21 below, SDG&E’s forecasted Test Year 2016 expense for the
 5 backup childcare program is \$133 thousand.

6 **TABLE DSR-21**

Emergency Childcare	Thousands of 2013 \$				2013-2016 Change
	2013	2014	2015	2016	
Emergency Childcare	\$141	\$121	\$127	\$133	(\$8)

7
 8 The backup childcare program provides emergency childcare services when an
 9 employee’s primary childcare resource is unavailable. This program reduces unplanned
 10 absences and work time lost due to breakdowns in childcare arrangements. This program is
 11 critical to employees who must report to work during emergencies such as wildfires and
 12 earthquakes when schools and day care centers are closed.

13 Employees with children from three months to 13 years old may access services through
 14 ChildrenFirst/Bright Horizons in both emergency situations and non-emergency situations
 15 including the business travel, relocation, school closings, and return from maternity or parental
 16 leave. This benefit is also available for emergency elder care.

17 Program costs are projected to increase by 5 percent per year from in 2015 and 2016.

18 **4. Mass Transit Incentive**

19 As shown in Table DSR-22 below, SDG&E’s forecasted Test Year 2016 expense for the
 20 mass transit incentive program is \$58 thousand.

21 **TABLE DSR-22**

Mass Transit Incentive	Thousands of 2013 \$				2013-2016 Change
	2013	2014	2015	2016	
Mass Transit Incentive	\$62	\$57	\$57	\$58	(\$4)

22
 23 The transportation program provides transit subsidies for employees who use public
 24 transportation, vanpools and carpools. The program supports the company’s compliance with
 25 South Coast Air Quality Management District Rule 2202 – Rideshare for sites with 250 or more
 26 employees. The objective of Rule 2202 is to offer a menu of flexible and cost-effective emission
 27 reduction strategies designed to meet emission reduction targets for targeted sites. SDG&E has

1 maintained traditional rideshare plans at four mandated sites and also purchases Mobile Source
2 Emission Reduction Credits to satisfy any shortfall in Rule 2202 requirements.

3 The cost forecast assumes that the participation ratio (number of participants as a
4 percentage of the total workforce) remains constant while the number of participants increases
5 from 91 employees to 98 employees due to increases in total headcount.

6 **5. Retirement Activities**

7 As shown in Table DSR-23 below, SDG&E's forecasted Test Year 2016 expense for
8 retirement activities is \$117 thousand.

9 **TABLE DSR-23**

Retirement Activities	Thousands of 2013 \$				2013-2016 Change
	2013	2014	2015	2016	
Retirement Activities	\$108	\$111	\$114	\$117	\$9

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

13 The cost of retirement activities is expected to increase slightly from \$108 thousand in
14 2013 to \$117 thousand in 2016 due to inflation.

15 **6. Service Recognition**

16 As shown in Table DSR-24 below, SDG&E's forecasted Test Year 2016 expense for
17 service recognition is \$133 thousand.

18 **TABLE DSR-24**

Service Recognition	Thousands of 2013 \$				2013-2016 Change
	2013	2014	2015	2016	
Service Recognition	\$118	\$107	\$120	\$133	\$15

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

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

26 The 2013 through 2016 increase is based on the actual number of service anniversary
27 dates occurring in 2016, which is greater than the actual number of service anniversary dates that
28 occurred in 2013.

1 **VI. COMPENSATION CONTROLS**

2 SDG&E continuously evaluates the external labor market to ensure that its compensation
3 and benefits package is competitive and cost-effective. The company’s pay structure and
4 guidelines used by human resources and managers to administer pay support this objective. This
5 section describes how the company uses external market data and internal controls to maintain a
6 competitive compensation and benefits package necessary to attract, motivate and retain its
7 workforce.

8 **A. External Compensation Surveys**

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

10 To ensure that total compensation is reflective of the external labor markets, Sempra
11 Energy’s compensation and benefits departments participate in a number of professional surveys.
12 Survey databases purchased from major consulting firms include: Towers Watson, Aon Hewitt,
13 Mercer SIRS, and EAPDIS. On occasion, third-party consultants are utilized to supplement
14 standard databases for additional survey information or to obtain information not readily
15 available from standard databases.

16 **2. Executive Jobs:**

17 SDG&E also uses external survey data to monitor pay for executive jobs. The primary
18 survey sources for executive compensation are the Aon Hewitt Total Compensation Database
19 and the Towers Watson executive compensation database. The company also reviews executive
20 compensation and benefits data for S&P Utilities Index companies as reported in each
21 company’s annual proxy statement.

22 **B. External Benefits Surveys –BENVAL Study:**

23 SDG&E participates in the Towers Watson BENVAL database. This database was the
24 source of the benefits data used in the Towers Study. BENVAL determines values for the
25 benefits provided by participating companies by applying a standard set of actuarial methods.

26 For purposes of the Towers Study, each benefit was valued individually and then
27 combined to create an overall benefits value. This overall benefits value was added to cash
28 compensation to determine a total compensation and benefits value for each job in the study. A
29 more detailed description of the benefits valuation methodology is found Appendix E of the
30 Towers Study.

1 **C. Internal Review**

2 In addition to conducting and reviewing salary surveys, adequate internal controls are in
3 place to maintain competitive and equitable pay. SDG&E provides salary and incentive
4 compensation planning budget guidelines, and pay administration guidelines for managers to use
5 to administer employee pay. The compensation staff conducts job studies to review new and
6 existing jobs for placement in pay ranges, reviews jobs for compliance with Fair Labor Standards
7 Act and California State Wage and Hour laws, and conducts annual pay equity reviews of total
8 compensation for Office of Federal Contract Compliance Programs compliance. Policies and
9 procedures are established to conform to the Sarbanes-Oxley Act.

10 Pay for SDG&E executives is reviewed and approved by the SDG&E Board of Directors.
11 The SDG&E Board of Directors sets the ICP performance measures for all executive and non-
12 executive ICP. The board reviews and approves ICP results after the results are audited by the
13 Sempra Energy Audit Services department. Results for financial measures are also audited by
14 the company’s external auditor, Deloitte.

15 The Compensation Committee of the Sempra Energy Board of Directors reviews and
16 approves pay and incentive plan performance measures for top SECC executive jobs with
17 assistance from its independent external consultant, Exequity.

18 **VII. SEMPRA ENERGY CORPORATE CENTER - COMPENSATION & BENEFITS**

19 The compensation and benefit programs provided to employees at SECC are comparable
20 with those provided to SDG&E employees. As previously discussed, compensation and benefits
21 were evaluated in conjunction with the Towers Study (see Appendix I) and found to be within
22 the range of plus or minus 10 percent of the market average typically used by compensation
23 professionals. Consequently, the discussion presented in Sections I thru VI is directly applicable
24 to SECC. As noted in the Towers Study, an allocation of SECC jobs was included in the
25 SDG&E evaluation of total compensation. Allocated SECC positions were consolidated in the
26 various job categories (i.e., Professional/Technical, Clerical, Professional/Technical,
27 Managerial/Supervisory and Executive).

28 SECC compensation and benefits expenses and the allocations of these expenses to
29 SDG&E using labor overhead rates are discussed in Peter Wall’s Corporate Center testimony
30 (Ex. SDG&E-20).

31 This concludes my prepared direct testimony.

1 **VIII. QUALIFICATIONS**

2 **A. Witness Debbie S. Robinson – Director - Compensation & Payroll Services**

3 My name is Debbie S. Robinson. My business address is 101 Ash Street, San Diego,
4 California. My current position is Director - Compensation & Payroll Services for Sempra
5 Energy. My present responsibilities include managing Sempra Energy’s overall broad-based
6 compensation programs, executive compensation and benefit programs, and interfacing with
7 Sempra’s outsourced payroll vendor. Prior to my current position, I was responsible for
8 management of the company’s health and welfare benefit programs.

9 Sempra Energy’s Compensation and Benefits department supports the Sempra Energy
10 Corporate Center and Sempra Energy’s business units including SDG&E and SCG.

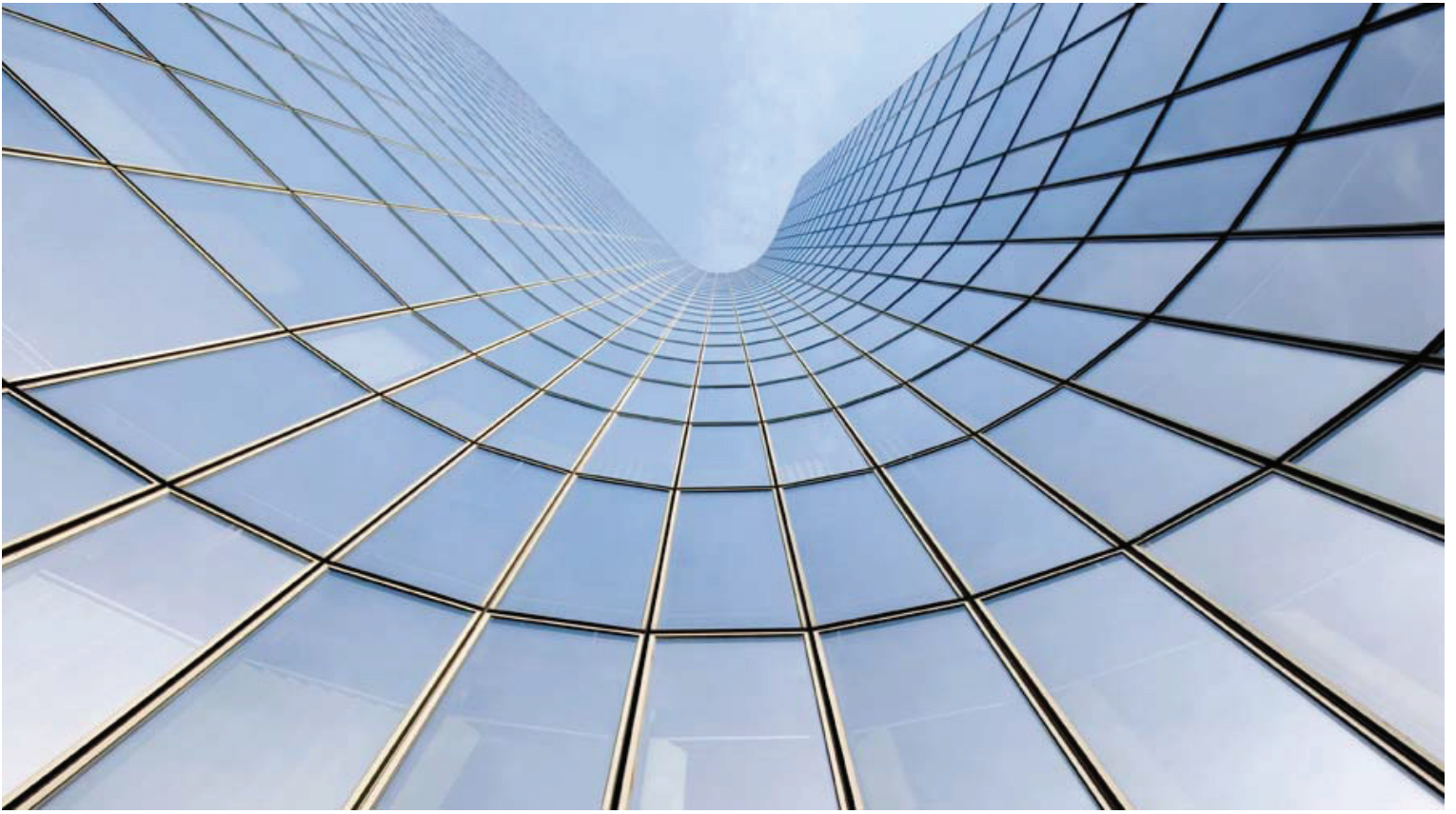
11 I have Bachelor of Arts degrees in International Business, Spanish and French from
12 Baker University in Baldwin City, Kansas. I also have an International Masters in Business
13 Administration degree with a concentration in finance from the University of South Carolina in
14 Columbia, South Carolina.

15 I hold the Certified Employee Benefits Specialist (“CEBS”), Certified Compensation
16 Professional (“CCP”), Certified Benefits Professional (“CBP”), Global Remuneration
17 Professional (“GRP”), and Senior Human Resources Professional (“SPHR”) designations.

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

Appendix A

2016 Total Compensation Study



2016 General Rate Case Total Compensation Study

**San Diego Gas & Electric
Company**

June 26, 2014

Table of Contents

Introduction	2
Scope of Study	3
Summary of Results	4
Summary of Population Coverage.....	8
Supporting Documentation	9
Study Methodology	10
Benefits Valuation Methodology	20
Appendices	
Appendix A - I — Employee Profiles	A - 1
Appendix A - II — Benchmark Jobs and Employee Profile Alignment.....	A - 3
Appendix B - I — Detailed Competitive Summary by Employee Category - SDG&E	B - 1
Appendix B - II — Detailed Competitive Summary by Employee Category - Corporate Center....	B - 10
Appendix C — Competitive Summary by Average Total Compensation Dollars.....	C - 1
Appendix D — Competitive Summary by Aggregate Total Compensation Dollars.....	D - 1
Appendix E — Detailed Benefits Methodology.....	E - 1
Appendix F — Project Team Meeting Notes	F - 1
Appendix G — Glossary of Terms.....	G - 1

Introduction

Towers Watson was selected by Sempra Energy on behalf of San Diego Gas & Electric Company, and the California Public Utility Commission's Office of Ratepayer Advocates (ORA), to conduct a total compensation study ("study") of selected representative jobs at San Diego Gas & Electric Company (SDG&E) for the purpose of assessing the competitiveness of SDG&E's total compensation. The study was conducted as part of SDG&E's 2016 General Rate Case (GRC) filing.

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

Members of the Project Team included:

- Debbie Robinson, Sempra Energy, Director - Compensation and Payroll Services
- Gregory Shimansky, Sempra Energy, Regulatory Program Manager
- Eric Bayona, Sempra Energy, Manager of Compensation Services
- David Sarkaria, Sempra Energy, Sr. Director - Compensation and Benefits Services
- Stacey Hunter, ORA, Regulatory Analyst
- Dean Stoutland, Towers Watson, Southwest Retirement Leader
- Catherine Hartmann, Towers Watson, Senior Consultant, Rewards, Talent Management and Communication
- Ragini Mathur, Towers Watson, Consultant, Rewards, Talent Management and Communication
- Paul Szilard, Towers Watson, Analyst, Rewards, Talent Management and Communication
- Tina Gay, Towers Watson, Director, North America Survey Operations
- John Goudelias, Towers Watson, Manager, BDS-US

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

Scope of Study

This study evaluates the competitiveness of total compensation provided by SDG&E to its employees based on a selection of SDG&E 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. The study covers 305 benchmark jobs at SDG&E, representing 2,823 SDG&E employees (62 percent of 4,537 total employees¹) as of April 8, 2014. Inclusive of Corporate Center, the study covers 2,878 employees². The employee categories represented by the benchmark jobs selected by SDG&E, ORA, and Towers Watson are:

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

Market total compensation is defined as total direct compensation (base salary, short-term incentives, and 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 for 2013 performance paid in 2014) and target awards
 - Actual annualized expected values of long-term incentives³
- Employee benefits
 - Defined benefit pension and defined contribution⁴ retirement plans
 - Disability plans
 - Medical plans (active and retiree)
 - Dental plans (active and retiree)
 - Life insurance (active and retiree group life and active accidental death and dismemberment)
 - Vacation

To determine competitive standing, total compensation levels for SDG&E 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”) for benefits analyses. See page 21 for the list of the peer companies used in the study.

¹ Excludes temporary and contract workforce employees.

² Includes 25.2% of Corporate and all SDG&E employees as of April 8, 2014.

³ Based on long-term incentive value as on grant date.

⁴ Inclusive of savings plans.

Overview of Study Results

Towers Watson concludes that SDG&E's target total compensation level for all SDG&E jobs, including Corporate Center, is estimated to be 5.3 percent above the average (mean) of the competitive market. SDGE's actual total compensation for all SDG&E jobs, including Corporate Center is estimated to be 5.4 percent above the average (mean) of the competitive market.

A portion of the results for Corporate Center jobs that serve SDG&E has been distributed to it for study purposes and are included in Table 1A.

The methodology used to distribute Sempra Energy Corporate Center jobs was based on the aggregate 2013 Operation and Maintenance expense from all of the various Corporate Center functions (i.e., Human Resources, External Affairs, Finance, and Legal) based on the allocation process as described in the testimony of Peter Wall. 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 (25.2%) and SCG (22.1%).

Based on these factors, SDG&E study results shown in Table 1A include 25.2% of the Sempra Energy Corporate Center employees, payroll, and percentage relationship to market for each element of compensation.

The study results are presented in Table 1A on the next page. The table shows SDG&E's competitive standing for each element of total compensation.

Table 1A: SDG&E (Including Corporate Center¹) versus Market — Competitive Summary

SDG&E Employee Category	SDG&E Total # of Employees (EEs) ²	SDG&E EEs in Study	SDG&E Target Total Cash (\$000s)	SDG&E Target Total Cash Weighting	Variance — SDG&E Benchmark Jobs vs. Competitive Market Average						
					Base Salary	Target Total Cash ³	Actual Total Cash ³	Benefits	Long-Term Incentives	Target Total Comp. ⁴	Actual Total Comp. ⁴
Executive	17	6	\$8,492	1.8%	-0.7%	-1.7%	10.6%	6.2%	-3.2%	-1.5%	4.7%
Manager/Supervisor	632	329	\$92,468	20.0%	8.4%	11.9%	15.9%	18.7%	-1.9%	13.1%	16.1%
Professional/Technical	1,958	1,212	\$210,334	45.5%	-4.8%	-0.7%	-1.1%	7.3%	-36.5%	0.8%	0.5%
Physical/Technical	1,377	937	\$113,917	24.6%	13.9%	14.1%	11.4%	6.1%	N/A	11.9%	10.0%
Clerical	645	394	\$37,257	8.1%	-12.2%	-9.1%	-9.5%	-1.3%	N/A	-7.1%	-7.4%
Total⁵	4,629	2,878	\$462,469	100.0%	1.9%	4.8%	4.9%	8.6%	-17.0%	5.3%	5.4%

¹ Includes 25.2% 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 SDG&E's population, including distribution of Corporate Center employees, as of April 8, 2014.

³ Actual total cash reflects base pay plus short-term (annual) incentives; target total cash reflects base pay plus target short-term incentive opportunity.

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.

⁵ Results weighted by SDG&E and allocated Corporate Center target total cash compensation for all jobs, both benchmark and non-benchmark.

Competitive positioning by employee category for SDG&E including Corporate Center (see Table 1A) are as follows:

Executive

Target total compensation for the Executive jobs is 1.5 percent below the average of the competitive market.

Manager/Supervisor

Target total compensation for the Manager/Supervisor jobs is 13.1 percent above the average of the competitive market, primarily due to base salaries being 8.4 percent above the market average.

Professional/Technical

Target total compensation for the Professional/Technical jobs is 0.8 percent above the average of the competitive market.

Physical/Technical

Target total compensation for the Physical/Technical jobs is 11.9 percent above the average of the competitive market, primarily due to base salaries being 13.9 percent above the market average.

Clerical

Target total compensation for the Clerical jobs is 7.1 percent below the average of the competitive market.

For reference, Table 1B shows study results for SDG&E before Corporate Center distribution. SDG&E target total compensation before Corporate Center distribution is 5.5 percent above market. SDG&E actual total compensation before Corporate Center distribution is 5.4 percent above market. See Appendix B - II for full Corporate Center results.

Table 1B: SDG&E (Excluding Corporate Center) versus Market — Competitive Summary

SDG&E Employee Category	SDG&E Total # of Employees (EEs) ¹	SDG&E EEs in Study	SDG&E Target Total Cash (\$000s)	SDG&E Target Total Cash Weighting	Base Salary	Variance — SDG&E Benchmark Jobs vs. Competitive Market Average						
						Target Total Cash ²	Actual Total Cash ²	Benefits	Long-Term Incentives	Target Total Comp. ³	Actual Total Comp. ³	
Executive	14	5	\$6,690	1.5%	0.4%	0.3%	14.2%	7.8%	-0.5%	0.8%	8.1%	
Manager/Supervisor	612	320	\$88,309	19.7%	8.4%	12.0%	15.5%	18.6%	-3.1%	13.2%	15.9%	
Professional/Technical	1,906	1,179	\$204,193	45.5%	-4.5%	-0.4%	-0.9%	7.4%	-35.7%	1.1%	0.7%	
Physical/Technical	1,377	937	\$113,917	25.4%	13.9%	14.1%	11.4%	6.1%	N/A	11.9%	10.0%	
Clerical	628	382	\$35,994	8.0%	-12.6%	-9.6%	-10.2%	-1.8%	N/A	-7.6%	-8.0%	
Total⁴	4,537	2,823	\$449,102	100.0%	2.1%	5.0%	4.9%	8.6%	-16.8%	5.5%	5.4%	

¹ SDG&E's population; as of April 8, 2014.

² Actual total cash reflects base pay plus short-term (annual) incentives; target total cash reflects base pay plus target short-term incentive opportunity.

³ 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.

⁴ Results weighted by SDG&E target total cash compensation for all jobs, both benchmark and non-benchmark.

Competitive positioning by employee category for SDG&E excluding Corporate Center (see Table 1B) are as follows:

Executive

Target total compensation for the Executive jobs is 0.8 percent above the average of the competitive market.

Manager/Supervisor

Target total compensation for the Manager/Supervisor jobs is 13.2 percent above the average of the competitive market, primarily due to base salaries being 8.4 percent above the market average.

Professional/Technical

Target total compensation for the Professional/Technical jobs is 1.1 percent above the average of the competitive market.

Physical/Technical

Target total compensation for the Physical/Technical jobs is 11.9 percent above the average of the competitive market, primarily due to base salaries being 13.9 percent above the market average.

Clerical

Target total compensation for the Clerical jobs is 7.6 percent below the average of the competitive market.

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. A range such as this is generally considered by compensation professionals to be a standard of competitiveness due to variances in employee performance levels, years of experience, and tenure within and across organizations. 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.

Summary of Population Coverage

Table 2A: Study Coverage of SDG&E Population (Including Corporate Center)

SDG&E Employee Category	Benchmark Jobs	Total SDG&E Employee Population ¹	Total Employees in Benchmark Jobs	% of Total Population Represented by Benchmark Jobs
Executive	10	17	6	37%
Manager/Supervisor	108	632	329	52%
Professional/Technical	185	1,958	1,212	62%
Physical/Technical	42	1,377	937	68%
Clerical	37	645	394	61%
Total¹	382	4,629	2,878	62%

¹ Includes 25.2% of Corporate and all SDG&E employees as of April 8, 2014.

Table 2B: Study Coverage of SDG&E Population (Excluding Corporate Center)

SDG&E Employee Category	Benchmark Jobs	Total SDG&E Employee Population ¹	Total Employees in Benchmark Jobs	% of Total Population Represented by Benchmark Jobs
Executive	5	14	5	36%
Manager/Supervisor	82	612	320	52%
Professional/Technical	154	1,906	1,179	62%
Physical/Technical	42	1,377	937	68%
Clerical	22	628	382	61%
Total¹	305	4,537	2,823	62%

¹ Includes all SDG&E employees as of April 8, 2014.

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

Tables 2A and 2B summarize the percentage of the total SDG&E employee population represented by the benchmark jobs ("coverage") that this study provides. They show the number of SDG&E employees that are in benchmark jobs compared to the total number of SDG&E employees in each employee category. Please note that the total number of employees excludes part-time (except for part-time customer service representatives, and meter readers), contract, and employees on leave of absence. Overall, this study covers 62 percent of SDG&E's total employee population. Towers Watson believes that the study coverage is sufficiently high to obtain an accurate representation of the competitive positioning for SDG&E's total employee population.

Supporting Documentation

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

- Appendix A - I is a list of the employee profiles that were developed for benefits analyses.
- Appendix A - II is a list of the SDG&E benchmark jobs organized by SDG&E employee category and includes profile numbers for each benchmark job.
- Appendix B - I is a detailed competitive summary that provides the results for each SDG&E benchmark job within each SDG&E employee category. Subtotals are provided at the end of each employee category.
- Appendix B - II is a detailed competitive summary that provides the results for each Corporate Center benchmark job within each Corporate Center employee category. Subtotals are provided at the end of each employee category.
- Appendix C provides the average total compensation dollars for each SDG&E employee category by compensation component.
- Appendix D provides the aggregate total compensation dollars for each SDG&E 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 project team meetings. All decisions concerning methodology and the rationale for making these decisions are referenced in the project team meeting notes.
- Appendix G is a glossary of compensation-related terms used throughout this report.

Study Methodology

SDG&E EMPLOYEE CATEGORIES

For purposes of this study, SDG&E placed benchmark jobs into one of five employee categories. The employee categories are as follows:

- 1) *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, as well as the Sempra Energy President positions were excluded from the study because compensation expense for these positions is not shared by the utilities.
- 2) *Manager/Supervisor* — Benchmark jobs in this category are classified as exempt under the Fair Labor Standards Act⁵ (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.
- 3) *Professional/Technical* — These benchmark jobs generally 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. The benchmark jobs in this category are not covered by a collective bargaining agreement.
- 4) *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.
- 5) *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. Some clerical jobs at SDG&E are covered by a collective bargaining agreement, unlike most clerical jobs in the competitive market.

⁵ 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.

SDG&E BENCHMARK JOB SELECTION PROCESS

This study includes 305 unique benchmark jobs at SDG&E representing 2,823 employees as of April 8, 2014. Additionally, when benchmark jobs from the Corporate Center were included in the study, the total SDG&E employee coverage came to 2,878 employees.

Benchmark jobs were selected from the following five SDG&E employee categories: 1) Executive, 2) Manager/Supervisor, 3) Professional/Technical, 4) Physical/Technical, and 5) Clerical.

SDG&E provided Towers Watson with an initial job list that included the following:

- All job classifications with one or more incumbents as of April 8, 2014
- All jobs initially identified for the 2012 GRC Study, including jobs excluded from that study due to lack of sufficient survey data

Jobs chosen 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 incumbents to provide a representative cross-section of the employee population
 - Across the entire company (SDG&E and Corporate Center)
 - Across organization levels within the company
- Jobs that were representative of a job category or job family for cross-coverage
- Jobs that had a clearly definable scope of position, required education/experience, skills, and abilities

JOB MATCHING PROCESS

The Project Team worked together and conducted the benchmark job matching for this study over several weeks. The 2012 GRC Study benchmark positions were used as an initial starting point to maximize efficiency and help manage overall study costs. The ORA, SDG&E and Towers Watson began the job matching process by reviewing benchmark jobs that met the criteria established. The Project Team also identified new survey positions that were comparable to benchmark jobs at SDG&E (this is referred to as the “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 SDG&E 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 and the survey job leveling guides
- Comparable survey position matches selected by the Project Team 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 SDG&E 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.

Appendix A- I contains a list of SDG&E benchmark jobs and corresponding employee counts, by employee category that were included in the study.

The resulting coverage of SDG&E (including Corporate Center) employees in the final results ranged from 68 percent for the Physical/Technical employee category to 37 percent for the Executive employee category. Overall, there was 62 percent coverage of the total SDG&E population by benchmark jobs (see Tables 2A and 2B on page 8).

SURVEY SOURCES

Multiple survey sources were selected to ensure relevant and representative total compensation data for SDG&E benchmark jobs. The survey sources are as follows:

Survey/Data Source	Data Type
Towers Watson Compensation Data Bank (CDB)	Compensation Data
<ul style="list-style-type: none"> ● Energy Services Survey: Executive and Middle Management & Professional Surveys ● General Industry Survey: Executive and Middle Management & Professional Surveys 	
Edward A. Powell Data Information Solutions (EAPDIS) Energy Technical Craft Clerical Survey	Compensation Data
Mercer SIRS Survey (formerly ORC SIRS Survey)	Compensation Data
Aon Hewitt Total Compensation Measurement (TCM) Executive Compensation Survey	Compensation Data
PG&E and International Brotherhood of Electrical Workers (IBEW) Custom Survey ⁶	Compensation Data
Towers Watson Benefits Database	Benefits Data

⁶ The PG&E and IBEW Custom Survey, conducted by Towers Watson was utilized for the study. This custom study was sponsored by PG&E and the IBEW in March, 2013 and covered three classifications – Electrical/ Relay Technician, Telecom Technician and Transmission Systems Operator. SDG&E was a participant in the study, and had received a copy of the participant report, and so it was decided to utilize this study and match to Sempra Energy benchmark jobs. The study was effective March 1, 2013.

COMPENSATION DATA SOURCES AND SCOPES

For each survey specific data cuts were used for each different employee category to ensure an accurate reflection of the labor market that SDG&E competes for talent. From our assessment of survey data, we concluded that revenue scope provides a compensation differential at the Executive and Manager/Supervisor level, for this reason within these employee categories we will scope the data by revenue size, where available, to provide the most relevant comparator group.

Employee Category	Survey	Industry Scope	Revenue Scope
1) Executive ⁷	2013 Towers Watson CDB General Industry Executive Compensation Survey	General Industry Data	Revenue = \$5-20B
	2013 Towers Watson CDB Energy Services Executive Compensation Survey	Energy Services Data	
	2013 Aon Hewitt TCM Executive Compensation Survey	General Industry Data Energy Services Data	Revenue = \$5-20B
2) Manager/ Supervisor	2013 Towers Watson CDB General Industry Middle Management & Professional Compensation Survey	General Industry Data	Revenue = \$5-20B
	2013 Towers Watson CDB Energy Services Middle Management & Professional Compensation Survey	Energy Services Data	
	2013 Mercer SIRS Survey (formerly ORC SIRS Survey) Compensation Survey	General Industry Data	Revenue = \$5-20B
3) Professional/ Technical	2013 Towers Watson CDB General Industry Middle Management & Professional Compensation Survey	General Industry Data	All Revenue
	2013 Towers Watson CDB Energy Services Middle Management & Professional Compensation Survey	Energy Services Data	
	2013 Mercer SIRS Survey (formerly ORC SIRS Survey) Compensation Survey	General Industry Data	
4) Physical/ Technical and 5) Clerical	2013 Towers Watson CDB General Industry Middle Management & Professional Compensation Survey	General Industry Data	All Revenue
	2013 Towers Watson CDB Energy Services Middle Management & Professional Compensation Survey	Energy Services Data	
	2013 EAPDIS Energy Technical Craft Clerical Survey	Energy Services Data	All Revenue
	2013 Mercer SIRS Survey (formerly ORC SIRS Survey) Compensation Survey	General Industry Data	All Revenue
	2013 PG&E and IBEW Custom Survey	Energy Services Data	All Revenue

⁷ Executives in the Corporate Center were matched to General Industry only, in order to align with Sempra Energy's recruitment strategy and methodology utilized in PG&E and Edison rate case studies.

COMPONENTS OF TOTAL COMPENSATION

The compensation elements are effective April 8, 2014 and include:

- Base salary (annualized rate) reflective of the most recent compensation structure
- Actual short-term incentives reflective of bonuses paid in 2014 for 2013 performance
- Target short-term incentives reflective of target bonuses
- Value of long-term incentives (i.e., restricted stock units and performance shares)
 - Reflective of SDG&E awards granted on January 2, 2014
 - SDG&E 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 retirement plans
 - Disability plans
 - Medical plans (active and retiree)
 - Dental plans (active and retiree)
 - Life insurance (active and retiree group life and active accidental death and dismemberment)
 - Vacation

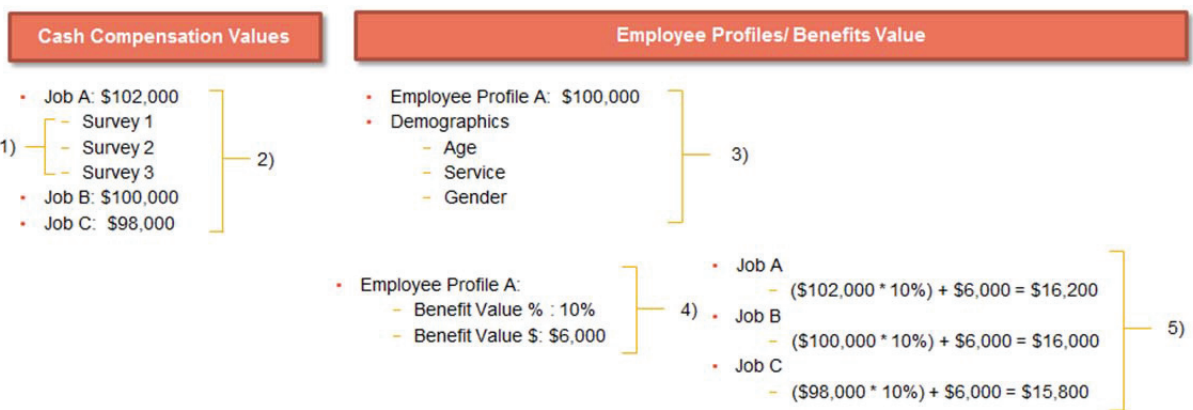
The following components of compensation will be excluded from the study because either most survey sources do not include such data or the value of the benefit is included in base salary:

- Overtime pay and shift differentials
- Paid time off (if in excess of vacation time)
- Special recognition awards or spot bonuses

TOTAL COMPENSATION VALUE COMPUTATION

- Market cash compensation values by benchmark job were derived from multiple survey sources based on agreed-upon matches and the availability of quality market data (i.e., sufficient number of companies, good correlations of average and 50th percentile, etc.).
- A total of 25 employee profiles have been developed and associated with each job category.
- These profiles currently reflect demographic information i.e. age, tenure and prevalent gender as is relevant to Sempra Energy’s employee population. The following guiding principles were followed to develop the employee profiles:
 - Employee profiles were derived based on market data that aligns with Towers Watson’s general understanding of pay practices prevalent in the industry (e.g., similar range spreads).
 - Employee profiles were segregated into union and non-union specific profiles for the categories of Clerical and Physical/Technical since benefits plans vary across both groups.
 - Employee profiles were segregated for the executive population into specific profiles since benefit plans vary for this group.
 - To the best extent where market data supported the view, like jobs (based on job family, roles and responsibilities) were aligned to a single profile (e.g., separate profiles for supervisors vs. managers).
- Benefits values were then calculated for each employee profile, using Towers Watson’s standard benefits valuation methodology, details of which can be found in Appendix E.
- Benefit values by benchmark job were then derived as a percentage of base pay and target bonus (for pay-based benefits) plus a fixed amount (for non-pay-based benefits) for each employee profile and applied to each benchmark job.
- Cash compensation, benefits and long-term incentive values were added together to obtain total compensation values for the 2016 GRC Study.

Details on the employee profiles developed, including market base pay information and demographic detail, are available in Appendix A - I.



1) Survey data was gleaned from multiple sources
 2) A total of 25 employee profiles were established and associated with each of the benchmark jobs
 3) Employee profiles were developed in light of actual Sempra Energy demographic data
 4) Benefit values are derived as a percentage of pay (for pay-based benefits) plus a flat dollar amount (for non-pay based benefits)
 5) Job-specific benefits values have been derived for each of the 532 jobs in our analyses

Sample: For Illustration Purposes Only

CASH COMPENSATION VALUATION METHODOLOGY

Data Collection

Towers Watson and the other managers of surveys used in this study collect compensation data directly from companies participating in the databases and surveys. The surveys collect 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 SDG&E for each survey position, and then combined at the position level to obtain compensation values.

The analysis contains both actual and target data for short-term incentives. These short-term incentives were awarded in 2014 for 2013 performance. In addition, cash profit sharing bonuses, when used as a short-term incentive, are included in total cash 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 has weighted survey data from multiple data sources according to a predetermined methodology, i.e., energy service oriented jobs were matched to energy surveys, and jobs that fell in broader job categories were matched to both general industry and energy services surveys, wherever possible (generally with a 50-50 weighting of general and energy services industry). For nonexempt jobs, if an hourly rate of pay was reported by a data source, it was multiplied by 2,080 hours to obtain an annualized rate of base compensation. For exempt jobs, Towers Watson used an annual rate of salary. Additionally, survey data was evaluated at a national level without a geographic premium and not specified for the Southern California region.

Multiple statistics were developed for compensation analysis. Specifically, the 25th percentile, median, average, and the 75th percentile of the market are provided.

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 as of a certain date from participating companies. Those sources and the effective dates are listed below.

Survey/Data Source	Effective Date
Towers Watson CDB	
<ul style="list-style-type: none"> ● Energy Services Survey: Executive and Middle Management & Professional Surveys ● General Industry Survey: Executive and Middle Management & Professional Surveys 	March 1, 2013
EAPDIS Energy Technical Craft Clerical Survey	April 1, 2013
Mercer SIRS Survey	April 1, 2013
Aon Hewitt TCM Executive Compensation Survey	April 1, 2013
PG&E and IBEW Custom Survey	March 1, 2013

To provide a common reference date for compensation values, the salary data from the surveys and databases were aged to a common effective date of June 30, 2014. Data is aged since compensation is paid over a year of employment and pay generally increases 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 industry-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.

A single aging factor of 2.9 percent will be applied to all jobs in all of SDG&E employee categories for surveys with effective dates in 2013. This 2.9 percent factor will be 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. The data sources used to determine the aging factor are shown below:

Survey/Data Source	Industry	Actual 2013 Increases
WorldatWork 2013-14 United States Salary Budget Survey (National)	Utility Industry	2.9%
	All Industries	2.9%
Towers Watson 2013 United States General Industry Salary Budget	Energy Services and Utilities Industry	3.1%
	All Industries	2.9%
Mercer 2013/2014 US Compensation Planning Survey Report	Utility Industry	3.0%
	All Industries	2.9%
SDG&E Aging Factor		2.9%

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, and therefore are not updated separately.

LONG-TERM INCENTIVE VALUATION METHODOLOGY

Long-term incentive (LTI) compensation programs include:

- Performance shares/units
- Restricted stock/units
- Stock options
- Cash LTI plans

The majority of survey sources used in the study provide long-term incentive dollar values for some or all categories of aforementioned long-term incentive programs⁸. For that reason, actual long-term incentive dollar values were used for the market analysis to ensure the most robust sample size and reporting data for long-term incentive eligible benchmark jobs. When benchmark jobs at Sempra Energy were not long-term incentive eligible a comparison was not made. The stock option component of LTI in survey sources, was valued using full-term Black-Scholes versus FAS 123R values (based on expected-term valuation)⁹. For each stock option, restricted stock, or other performance award, the accounting value is the value determined by the company and reported to the survey.

⁸ Sempra Energy provided Towers Watson with long-term incentive values for long-term incentive eligible jobs.

⁹ Although Sempra Energy does not offer stock options, this is a common vehicle in the market and therefore is included in the market data from available survey sources.

Benefits Valuation Methodology

Towers Watson's benefit valuation methodology, BENCAL[®], 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 SDG&E (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 developed the methods and assumptions on the basis of a number of factors:

- Consistency with Generally Accepted Accounting Principles (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

Employee benefit values will be calculated for the following benefit plans:

- Defined benefit and defined contribution retirement plans
- Disability plans
- Medical plans (active and retiree)
- Dental plans (active and retiree)
- Life insurance (active and retiree group life and active accidental death and dismemberment)
- Vacation

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

- Short-term disability
- Social Security
- Other government-mandated benefits

Employee benefit values were based on detailed descriptions of employee benefit programs applicable to new hires for the peer companies that are contained in Towers Watson's Benefits Data Source (BDS) database and were updated to reflect changes in plan provisions.

We used demographics reflecting 25 unique employee profiles (i.e., job category, age, gender, service, and compensation) and data from 20 companies from the energy services/utility industry and 20 companies from general industry as the primary comparator groups for the study. A more detailed explanation of the employee benefits valuation methodology is provided in Appendix E.

BENEFITS PEER GROUPS

Relevant utility and general industry peer companies were selected based on size, industry segment, and geographic parameters to develop the most accurate assessment of SDG&E's competitive labor market.

The goal was to identify a combined peer group of 40 companies (large utilities nationwide and large general industry companies with a substantial presence in Southern California) and to utilize an appropriate subset of the peer group to obtain appropriate benefits data.

As the first step of the peer group selection process, Towers Watson provided the Project Team with preliminary lists of companies that represent the labor market within which SDG&E competes. As part of the decision-making process, these preliminary lists were reviewed and select utility and general industry peer companies were picked using a set of selection criteria (i.e., size, industry characteristics, primary geographic labor market, and 2012 GRC Study peers).

Utility Industry Peer Companies

#	Organization	2012 GRC Participant	Sales/Revenue
1	Ameren Corporation	Y	\$3 - \$7 Billion
2	American Electric Power System	Y	\$10 - \$20 Billion
3	CenterPoint Energy, Inc.	Y	\$7 - \$10 Billion
4	Consolidated Edison Company of New York, Inc. ¹	Y	\$10 - \$20 Billion
5	DTE Energy ¹	Y	\$7 - \$10 Billion
6	Duke Energy Corporation	Y	\$10 - \$20 Billion
7	Energy Future Holdings Corp.	Y	\$7 - \$10 Billion
8	Entergy Corporation	Y	\$10 - \$20 Billion
9	Integrus Energy Group, Inc. ¹	Y	\$3 - \$7 Billion
10	NextEra Energy, Inc.	Y	\$10 - \$20 Billion
11	NV Energy ¹	Y	\$3 - \$7 Billion
12	Pacific Gas and Electric Company	Y	\$10 - \$20 Billion
13	PacifiCorp	Y	\$3 - \$7 Billion
14	Pinnacle West Capital Corporation ¹	Y	\$3 - \$7 Billion
15	Portland General Electric Company	Y	\$1 - \$3 Billion
16	PPL	Y	\$10 - \$20 Billion
17	Public Service Enterprise Group ¹	Y	\$7 - \$10 Billion
18	Puget Sound Energy, Inc.	Y	\$3 - \$7 Billion
19	Southern California Edison ¹	Y	\$7 - \$10 Billion
20	Xcel Energy Inc.	Y	\$10 - \$20 Billion

General Industry Peer Companies

#	Organization	2012 GRC Participant	Sales/Revenue
1	AECOM	Y	\$7 - \$10 Billion
2	Allergan, Inc.	Y	\$3 - \$7 Billion
3	Apple Inc.	N	Over \$20 Billion
4	Bank of America Corporation ¹	Y	Over \$20 Billion
5	Calpine Corporation ¹	Y	\$3 - \$7 Billion
6	Chevron Corporation	Y	Over \$20 Billion
7	Edwards Lifesciences	N	\$1 - \$3 Billion
8	Fireman's Fund Insurance Companies ¹	N	\$3 - \$7 Billion
9	First American Corporation	N	\$3 - \$7 Billion
10	Fluor Corporation ¹	Y	Over \$20 Billion
11	Intuit Inc.	N	\$3 - \$7 Billion
12	Jacobs Engineering Group Inc.	Y	\$10 - \$20 Billion
13	Kaiser Permanente ¹	N	\$10 - \$20 Billion
14	Life Technologies, Inc. ¹	Y	\$3 - \$7 Billion
15	Oracle Corporation	Y	Over \$20 Billion
16	Qualcomm Incorporated	Y	\$10 - \$20 Billion
17	Roche ¹	Y	Over \$20 Billion
18	Teledyne Technologies Incorporated	N	\$1 - \$3 Billion
19	The Boeing Company	Y	Over \$20 Billion
20	Western Union ¹	N	\$3 - \$7 Billion

¹ Broad-based and union benefits plans are available for these organizations. Broad-based, executive and union benefits plans are available for all other selected peers.

APPENDIX A - I — Employee Profiles

The table below represents the market data utilized to develop the employee profiles.

Job and Incumbent Counts			Market		Demographic Information				Job Category & Union Representation Information					
Job Count	Employee Counts	Base Median (in '000s)	Target Bonus Percent Median ¹	Median Age	Median Tenure	Prevalent Gender	Union Representation	Clerical	Physical/ Technical	Professional/ Technical	Manager/ Supervisor	Executive		
Profile 1	1	48	3.0%	31.5	1.9	M	100%	--	100%	--	--	--		
Profile 2	5	1,137	--	36.8	9.4	M	100%	60%	40%	--	--	--		
Profile 3	7	582	5.0%	42.9	14.1	F	100%	100%	--	--	--	--		
Profile 4	11	225	--	49.4	16.7	M	100%	18%	82%	--	--	--		
Profile 5	1	102	5.5%	52.4	13.9	F	100%	--	100%	--	--	--		
Profile 6	15	1,604	--	47.5	17.6	M	100%	--	100%	--	--	--		
Profile 7	16	424	--	50.7	22.0	M	100%	--	100%	--	--	--		
Profile 8	18	977	--	51.0	23.0	M	100%	11%	89%	--	--	--		
Profile 9	6	28	4.3%	44.5	8.3	F	--	83%	17%	--	--	--		
Profile 10	13	210	5.3%	44.2	11.7	F	--	100%	--	--	--	--		
Profile 11	20	212	4.9%	44.7	11.3	F	--	95%	5%	--	--	--		
Profile 12	6	62	5.9%	47.1	9.0	M	--	50%	50%	--	--	--		
Profile 13	5	27	6.1%	50.0	12.6	F	--	80%	20%	--	--	--		
Profile 14	35	272	6.9%	41.7	9.6	F	--	--	--	97%	3%	--		
Profile 15	67	667	8.3%	44.5	13.2	F	--	--	--	85%	15%	--		
Profile 16	45	366	10.0%	46.1	14.7	M	--	--	--	69%	31%	--		
Profile 17	72	585	10.3%	48.1	14.5	M	--	--	--	71%	29%	--		
Profile 18	74	570	12.7%	50.6	16.1	M	--	--	--	68%	32%	--		
Profile 19	46	326	13.6%	52.5	18.3	M	--	--	--	63%	37%	--		
Profile 20	24	81	17.5%	50.7	14.9	M	--	--	--	50%	50%	--		
Profile 21	13	15	24.7%	52.0	20.9	M	--	--	--	--	100%	--		
Profile 22 ²	19	66	26.9%	51.1	13.2	M	--	--	--	21%	79%	100%		
Profile 23	7	7	39.9%	51.4	22.5	F	--	--	--	--	--	100%		
Profile 24	4	4	50.4%	58.1	15.3	M	--	--	--	--	--	100%		
Profile 25	4	4	75.0%	55.1	10.6	M	--	--	--	--	--	100%		
534	8,601													

¹ Market target bonus for each profile does not include zero or blank target bonus.

² Two jobs aligned to Profile 22, 09250, Director - Construction Services (SDGE) and C10081, Dir - Corp Security & CSO (Corporate Center) were dropped from the study due to insufficient market data for all pay elements. Market values for the same have been used to develop employee profile information for Profile 22.

APPENDIX A - II — Benchmark Jobs and Employee Profile Alignment¹⁰

¹⁰ *Jobs have been sorted by profile number, and job title for ease of view.*

SDG&E Executive Benchmark Jobs Included in Study

2016 GRC Study Position #	SDG&E Benchmark Job Title	Profile Number	Number of SDG&E Employees
1297	Executive 10	Profile 23	1
1298	Executive 13	Profile 23	1
1299	Executive 14	Profile 23	1
1296	Executive 6	Profile 24	1
1036	Executive 1	Profile 25	1
		TOTAL:	5

SDG&E Manager/Supervisor Benchmark Jobs Included in Study

2016 GRC Study Position #	SDG&E Benchmark Job Title	Profile	Number of SDG&E Employees
1014	Associate Customer Contact Center Supervisor	Profile 14	7
1022	Branch Office Supervisor	Profile 15	2
1066	Customer Contact Center Supervisor	Profile 15	9
1062	Customer Service Manager 9	Profile 15	1
1098	Energy Programs Supervisor	Profile 15	4
1001	Finance Manager 27	Profile 15	1
1157	Logistics Supervisor	Profile 15	3
1067	Customer Service Manager 8	Profile 16	1
1112	Facilities Manager	Profile 16	4
1118	Field Operations Supervisor I	Profile 16	10
1119	Field Operations Supervisor II	Profile 16	20
1126	Fleet Supervisor	Profile 16	4
1160	Major Market Billing Supervisor	Profile 16	4
1170	Facilities Manager 3	Profile 16	1
1284	Engineering Manager 17	Profile 16	1
1287	Engineering Manager 18	Profile 16	1
1021	Customer Service Manager 3	Profile 17	1
1050	Construction Supervisor - Electric	Profile 17	59
1059	Cust Svc Techlgy Supv	Profile 17	5
1060	Customer Service Manager 4	Profile 17	1
1061	Customer Service Manager 5	Profile 17	1
1063	Customer Service Manager 6	Profile 17	1
1064	Customer Service Manager 7	Profile 17	1
1081	Dispatch Supervisor	Profile 17	2
1091	Electric Meter Test Supervisor	Profile 17	3
1109	Engineering Manager 14	Profile 17	1
1134	Information Technology Operations Supervisor	Profile 17	3
1145	HR Manager 5	Profile 17	1
1156	Logistics Manager 3	Profile 17	1
1159	Engineering Manager 15	Profile 17	1
1195	Proj Mgmt Supv	Profile 17	10
1211	Regional Public Affairs Manager	Profile 17	2
1220	Right-Of-Way Supervisor	Profile 17	3
1026	Finance Manager 19	Profile 18	1
1027	Business Planning & Budget Manager	Profile 18	2
1028	Finance Manager 20	Profile 18	1
1029	Finance Manager 21	Profile 18	1
1048	Construction Manager - Electric	Profile 18	9
1055	Finance Manager 22	Profile 18	1
1065	Customer Service Manager 2	Profile 18	1
1084	District Operations Manager	Profile 18	8
1089	Engineering Manager 9	Profile 18	1
1104	Engineering Manager 10	Profile 18	1
1105	Engineering Manager 11	Profile 18	1

2016 GRC Study Position #	SDG&E Benchmark Job Title	Profile	Number of SDG&E Employees
1106	Engineering Manager 12	Profile 18	1
1107	Environmental Services Team Leader - Water/Natural Resources	Profile 18	3
1110	Engineering Manager 13	Profile 18	1
1121	Finance Manager 23	Profile 18	1
1136	Information Technology Project Manager	Profile 18	10
1183	Logistics Manager 2	Profile 18	1
1201	Project Management Manager	Profile 18	4
1208	Facilities Manager 2	Profile 18	1
1020	Billing Manager	Profile 19	2
1039	Engineering Manager 5	Profile 19	1
1090	Engineering Manager 6	Profile 19	1
1282	Engineering Manager 7	Profile 19	1
1290	Engineering Manager 8	Profile 19	1
1096	Finance Manager 14	Profile 19	1
1122	Finance Manager 16	Profile 19	1
1140	Infrastructure Technology Manager	Profile 19	10
1175	Operations & Engineering Manager	Profile 19	7
1217	Regulatory Manager 2	Profile 19	1
1285	Team Ldr - IV	Profile 19	20
1286	Team Lead	Profile 19	21
1049	Construction Operations Manager	Profile 20	3
1074	Customer Service Manager 1	Profile 20	1
1093	Engineering Manager 3	Profile 20	1
1163	Engineering Manager 4	Profile 20	1
1162	Facilities Manager 1	Profile 20	1
1164	HR Manager 3	Profile 20	1
1161	Manager - Construction & Operations	Profile 20	7
1256	Software Development Manager	Profile 20	8
1075	Engineering Manager 2	Profile 21	1
1079	Finance Manager 10	Profile 21	1
1072	Finance Manager 5	Profile 21	1
1077	Finance Manager 9	Profile 21	1
1076	HR Manager 2	Profile 21	1
1080	Logistics Manager 1	Profile 21	1
1017	Asst Gen Counsel	Profile 22	3
1078	Engineering Manager 1	Profile 22	1
1212	Public Relations Manager 1	Profile 22	1
1073	Regulatory Manager 1	Profile 22	1
TOTAL:			320

SDG&E Professional/Technical Benchmark Jobs Included in Study

2016 GRC Study Position #	SDG&E Benchmark Job Title	Profile	Number of SDG&E Employees
1002	Accountant - II	Profile 14	3
1010	Assoc Billing Analyst	Profile 14	15
1012	Associate Business Analyst	Profile 14	2
1016	IT Professional 9	Profile 14	1
1019	Billing Analyst - I	Profile 14	5
1024	Business Analyst - I	Profile 14	5
1025	Business Analyst - II	Profile 14	13
1033	Logistics Professional 5	Profile 14	1
1040	Finance Professional 5	Profile 14	1
1042	Claims Representative	Profile 14	2
1053	Legal Professional 1	Profile 14	1
1165	Market Advisor - I	Profile 14	7
1167	Marketing Professional 2	Profile 14	1
1168	Marketing Professional 3	Profile 14	1
1207	Public Relations Specialist	Profile 14	3
1209	Reg Case Analyst	Profile 14	3
1242	Senior Material Req Planner	Profile 14	2
1260	Special Investigator	Profile 14	8
1277	Staff Accountant - I	Profile 14	2
1278	Staff Accountant - II	Profile 14	7
1279	Staff Accountant - II	Profile 14	15
1288	HR Professional 6	Profile 14	1
1008	Regulatory Professional 4	Profile 15	1
1009	Area Forester	Profile 15	4
1011	Assoc Contrg Agent	Profile 15	5
1015	Associate Engineer	Profile 15	2
1018	Logistics Professional 3	Profile 15	1
1023	Business Advisor	Profile 15	7
1031	Busn Sys Analyst - I	Profile 15	22
1032	Busn Sys Analyst - II	Profile 15	44
1035	Engineering Professional 6	Profile 15	1
1037	Chemist	Profile 15	3
1045	Communications Advisor	Profile 15	2
1051	Contract Administrator - Electric	Profile 15	25
1052	Contract Administrator - Gas	Profile 15	12
1057	Cust Prgms Advr I	Profile 15	18
1068	Customer Project Planner	Profile 15	72
1095	Emergency Services Coordinator	Profile 15	2
1100	Engineer II	Profile 15	18
1101	Engrg Analyst - I	Profile 15	12
1108	Environmental Specialist	Profile 15	13
1115	Facility Resource Coordinator	Profile 15	2
1123	Logistics Professional 4	Profile 15	1
1128	Marketing Professional 1	Profile 15	1

2016 GRC Study Position #	SDG&E Benchmark Job Title	Profile	Number of SDG&E Employees
1139	Infrastructure Technology Analyst	Profile 15	7
1147	HR Professional 4	Profile 15	1
1177	IT Professional 8	Profile 15	1
1193	Program Manager	Profile 15	2
1194	Proj Coord II	Profile 15	7
1226	Sec Ops Ctr Analyst - I	Profile 15	6
1228	Senior Billing Analyst	Profile 15	3
1229	Senior Business Analyst - I	Profile 15	5
1261	Sply Chain Spec	Profile 15	3
1262	Sr Accountant - I	Profile 15	7
1270	Sr Cust Svc Analyst	Profile 15	5
1289	HR Professional 5	Profile 15	1
1293	Vegetation Management Contract Administrator	Profile 15	3
1301	Web Programmer	Profile 15	2
1013	Associate Contracting Agent - Construction Services	Profile 16	5
1034	Logistics Professional 1	Profile 16	1
1043	Cmnty Rels Mgr	Profile 16	3
1054	Contracting Agent	Profile 16	2
1058	Cust Prgms Advr II	Profile 16	15
1114	Facilities Project Advisor	Profile 16	2
1125	Logistics Professional 2	Profile 16	1
1131	HR Advr	Profile 16	3
1166	Market Advisor - II	Profile 16	4
1172	Network Field Service Advisor - Data	Profile 16	3
1178	Operations Training Instructor	Profile 16	6
1181	HR Professional 3	Profile 16	1
1232	Senior Chemist	Profile 16	2
1245	Finance Professional 4	Profile 16	1
1276	Sr Transactn Scheduler	Profile 16	5
1281	Staffing Advisor	Profile 16	2
1030	Business System Advisor	Profile 17	5
1044	Comms Mgr	Profile 17	4
1056	Creative Svcs & Brandg Advr	Profile 17	2
1099	Engineer I	Profile 17	30
1120	Field Safety Advisor	Profile 17	8
1132	Information Protection Technologist	Profile 17	3
1138	Infrastructure Technologist	Profile 17	37
1150	Land Mgmt Rep	Profile 17	6
1173	Network Operations Analyst	Profile 17	3
1196	Proj Mgr - I	Profile 17	25
1197	Proj Mgr - I	Profile 17	3
1203	Project Manager - I	Profile 17	12
1214	Regulatory Case Administrator	Profile 17	6
1221	Safety Advisor	Profile 17	2
1223	IT Professional 5	Profile 17	1
1230	Senior Business Analyst - II	Profile 17	3

2016 GRC Study Position #	SDG&E Benchmark Job Title	Profile	Number of SDG&E Employees
1231	Senior Business Systems Analyst	Profile 17	14
1233	Senior Claims Advisor	Profile 17	4
1235	Senior Contracting Agent	Profile 17	3
1237	Senior Environmental Specialist	Profile 17	18
1244	Engineering Professional 4	Profile 17	1
1247	Senior Research Analyst	Profile 17	3
1251	Service Delivery Advisor	Profile 17	3
1255	Software Developer	Profile 17	7
1263	Sr Accountant - II	Profile 17	14
1265	Sr Busn Analyst - II	Profile 17	27
1267	Sr Contrg Agent	Profile 17	6
1269	Sr Cust Prgms Advr	Profile 17	6
1272	Sr Meteorologist	Profile 17	2
1300	Web Business Technologist	Profile 17	5
1069	IT Professional 1	Profile 18	1
1070	Database Administrator	Profile 18	11
1097	Finance Professional 2	Profile 18	1
1135	Information Technology Project Lead	Profile 18	21
1174	IT Professional 2	Profile 18	1
1189	IT Professional 3	Profile 18	1
1191	Principal Environmental Spec	Profile 18	3
1192	Engineering Professional 3	Profile 18	1
1198	Proj Mgr - II	Profile 18	46
1199	Proj Mgr - II	Profile 18	3
1202	Project Manager - Business Planning & Budget	Profile 18	2
1204	Project Manager - II	Profile 18	6
1206	Public Affairs Manager	Profile 18	5
1215	Regulatory Case Manager - I	Profile 18	3
1219	Right-Of-Way Agent	Profile 18	6
1222	IT Professional 4	Profile 18	1
1224	SAP Business Warehouse Development	Profile 18	4
1225	SAP Process Designer	Profile 18	8
1236	Senior Engineer	Profile 18	23
1238	HR Professional 1	Profile 18	1
1239	Senior Industrial Hygienist	Profile 18	2
1240	Senior Infrastructure Technician	Profile 18	24
1241	Senior Market Advisor - I	Profile 18	10
1243	Senior Organizational Development Advisor	Profile 18	3
1246	Regulatory Professional 3	Profile 18	1
1248	Senior Software Developer	Profile 18	26
1249	Senior Staffing Advisor	Profile 18	2
1271	Sr Diverse Busn Ent Advr	Profile 18	2
1275	Sr Software Developer	Profile 18	51
1071	Database Administrator Lead	Profile 19	2
1038	Engineering Professional 1	Profile 19	1
1187	Finance Professional 1	Profile 19	1

2016 GRC Study Position #	SDG&E Benchmark Job Title	Profile	Number of SDG&E Employees
1137	Infrastructure Team Lead	Profile 19	20
1171	NERC Sys Opr Trainer	Profile 19	3
1184	Prin Accountant	Profile 19	9
1185	Principal Accountant	Profile 19	5
1186	Principal Accountant - Supervisor	Profile 19	8
1188	Principal Business Analyst	Profile 19	21
1190	Principal Engineer	Profile 19	26
1200	Proj Mgr - III	Profile 19	19
1205	Project Manager - III	Profile 19	3
1216	Regulatory Professional 2	Profile 19	1
1257	Software Team Lead	Profile 19	13
1266	Sr Comms Mgr	Profile 19	3
1129	Gvtl Affrs Mgr - Sta Agcy Affr	Profile 20	2
1133	Information Technology Architect	Profile 20	2
1210	Reg Pol Mgr	Profile 20	4
1117	Regulatory Professional 1	Profile 20	1
1254	Software Component Architect	Profile 20	7
1268	Sr Counsel	Profile 22	20
		TOTAL:	1179

SDG&E Physical/Technical Benchmark Jobs Included in Study

2016 GRC Study Position #	SDG&E Benchmark Job Title	Profile	Number of SDG&E Employees
1149	Laborer	Profile 1	48
1130	Helper	Profile 2	2
1152	Line Asst	Profile 2	17
1113	Facilities Mechanic - A	Profile 4	5
1294	Vehicle Operator A	Profile 4	3
1295	Vehicle Opr A - Haz Mat Cert	Profile 4	4
1088	Electn NACE	Profile 6	4
1124	Fleet Maint Tech	Profile 6	51
1148	Laboratory Tech	Profile 6	6
1151	Lead Stockkeeper	Profile 6	6
1182	Patroller (Gas)	Profile 6	15
1213	Regulator Technician - Distribution	Profile 6	11
1258	Sp Equip Opr - Haz Mat Cert	Profile 6	7
1259	Special Equipment Operator	Profile 6	4
1046	Communications Technician	Profile 7	13
1047	Compressor Operator	Profile 7	7
1092	Electric Meter Tester	Profile 7	15
1116	Fault Finding Spec	Profile 7	7
1127	Gas / Ug Tech (A)	Profile 7	22
1144	Instru Ctrl Tech - Gas - Trans	Profile 7	6
1146	Instrument Technician (Gas) A - Distribution	Profile 7	4
1154	Lineman	Profile 7	184
1155	Lineman (Transmission)	Profile 7	10
1169	Meter Services Person	Profile 7	49
1302	Welder (Gas)	Profile 7	22
1083	Dist Sys Opr	Profile 8	13
1094	Electronic Control Technician - Power Delivery	Profile 8	10
1142	Inspector A	Profile 8	24
1153	Line Checker	Profile 8	5
1218	Relay Tech C	Profile 8	4
1253	Service Technician	Profile 8	94
1283	Substation Electrician	Profile 8	82
1291	Troubleshooter	Profile 8	44
1303	Wkg Frm - Gas / Non-Arc Qual	Profile 8	9
1304	Working Foreman	Profile 8	17
1305	Working Foreman - Electric Distribution	Profile 8	42
1086	Drafter - Digitizer A	Profile 9	5
1141	IT Specialist 1	Profile 11	1
1143	Instru & Ctrl Tech	Profile 12	6
1180	Ops Tech	Profile 12	16
1252	Service Planner	Profile 12	30
1273	Sr Ops Tech	Profile 13	13
		TOTAL:	937

SDG&E Clerical Benchmark Jobs Included in Study

2016 GRC Study Position #	SDG&E Benchmark Job Title	Profile	Number of SDG&E Employees
1234	Senior Collector	Profile 4	30
1082	Dispatcher Specialist	Profile 8	31
1003	Accounting Associate	Profile 9	7
1005	Admin 1	Profile 9	1
1007	Admin 2	Profile 9	1
1280	Staff Assistant	Profile 9	11
1006	Administrative Associate	Profile 10	26
1102	Engy Svcs Spec I	Profile 10	104
1103	Engy Svcs Spec I Bilingual	Profile 10	32
1227	Finance Admin 2	Profile 10	1
1264	Sr Acctg Mgmt Spec	Profile 10	2
1292	Utility Accounting Clerk	Profile 10	3
1004	Admin Assoc	Profile 11	31
1085	Document Coordinator	Profile 11	2
1087	Elect GIS Tech	Profile 11	28
1111	Executive Assistant - I & II	Profile 11	10
1041	Finance Admin 1	Profile 11	1
1176	Operations Coordinator	Profile 11	14
1179	Ops Asst	Profile 11	26
1250	Service Coordinator	Profile 11	14
1158	Maint Mech	Profile 12	2
1274	Sr Paralegal	Profile 13	5
		TOTAL:	382

Corporate Center Executive Benchmark Jobs Included in Study

2016 GRC Study Position #	Corporate Center Benchmark Job Title	Profile	Number of Corporate Center Employees
3076	Executive 9	Profile 23	1
3070	Executive 5	Profile 24	1
3077	Executive 8	Profile 24	1
3028	Executive 2	Profile 25	1
3029	Executive 3	Profile 25	1
TOTAL:			5

Corporate Center Manager/Supervisor Benchmark Jobs Included in Study

2016 GRC Study Position #	Corporate Center Benchmark Job Title	Profile	Number of Corporate Center Employees
3016	Finance Manager 26	Profile 16	1
3050	Security Manager	Profile 17	2
3001	Finance Manager 17	Profile 18	1
3008	Finance Manager 18	Profile 18	1
3051	Finance Manager 24	Profile 18	1
3064	Finance Manager 25	Profile 18	1
3010	HR Manager 4	Profile 18	1
3031	Finance Manager 15	Profile 19	1
3074	Tax Manager	Profile 19	6
3013	Finance Manager 12	Profile 20	1
3040	Finance Manager 13	Profile 20	1
3035	IT Manager 1	Profile 20	1
3025	Public Relations Manager 4	Profile 20	1
3018	Director - Audit Service	Profile 21	3
3026	Finance Manager 11	Profile 21	1
3019	Finance Manager 6	Profile 21	1
3020	Finance Manager 7	Profile 21	1
3024	Finance Manager 8	Profile 21	1
3017	Public Relations Manager 3	Profile 21	1
3022	Director - Corporate Tax	Profile 22	2
3004	Finance Manager 1	Profile 22	1
3007	Finance Manager 2	Profile 22	1
3021	Finance Manager 3	Profile 22	1
3023	Finance Manager 4	Profile 22	1
3005	Legal Manager 1	Profile 22	1
3015	Legal Manager 2	Profile 22	1
		TOTAL:	35

Corporate Center Professional/Technical Benchmark Jobs Included in Study

2016 GRC Study Position #	Corporate Center Benchmark Job Title	Profile	Number of Corporate Center Employees
3069	Staff Accountant	Profile 14	6
3011	Benefits Analyst	Profile 15	2
3032	Finl Analyst	Profile 15	7
3033	HR Analyst	Profile 15	2
3009	Auditor II	Profile 16	4
3012	Benefits Plan Advr	Profile 16	2
3071	Tax Advisor	Profile 16	8
3053	IT Professional 6	Profile 17	1
3052	Senior Accountant	Profile 17	6
3054	Senior Auditor	Profile 17	4
3055	Senior Business Analyst - II	Profile 17	3
3058	Senior Financial Analyst	Profile 17	5
3065	Sp Agent	Profile 17	5
3049	Finance Professional 3	Profile 18	1
3056	Senior Compensation Advisor	Profile 18	3
3061	Senior Software Developer	Profile 18	3
3062	Senior Tax Advisor	Profile 18	7
3068	Sr IT Auditor	Profile 18	2
3027	Engineering Professional 2	Profile 19	1
3042	Prin Accountant	Profile 19	7
3043	Prin Auditor	Profile 19	7
3044	Prin Finl Analyst	Profile 19	10
3047	Proj Mgr - Audit Svcs	Profile 19	6
3066	Sr Corp Comms Mgr	Profile 19	3
3036	IT Architect	Profile 20	2
3037	Ld Software Developer	Profile 20	2
3045	Prin IT Auditor	Profile 20	2
3046	Principal Tax Advisor	Profile 20	6
3075	Tax Proj Mgr	Profile 20	4
3063	Senior Tax Counsel	Profile 22	2
3067	Sr Counsel	Profile 22	9
		TOTAL:	132

Corporate Center Physical/Technical Benchmark Jobs Included in Study

2016 GRC Study Position #	Corporate Center Benchmark Job Title	Profile	Number of Corporate Center Employees
N/A	N/A	N/A	N/A
TOTAL:			

Corporate Center Clerical Benchmark Jobs Included in Study

2016 GRC Study Position #	Corporate Center Benchmark Job Title	Profile	Number of Corporate Center Employees
3073	Tax Coordinator	Profile 9	3
3002	Admin 5	Profile 10	1
3006	Assoc Busn Analyst	Profile 10	2
3014	Cash Mgmt Spec	Profile 10	3
3072	Tax Assoc II	Profile 10	2
3038	Admin 3	Profile 11	1
3048	Admin 4	Profile 11	1
3003	Administrative Associate	Profile 11	8
3030	Executive Assistant - I & II	Profile 11	9
3034	HR Admin 2	Profile 11	1
3039	Legal Fiscal Support Associate	Profile 11	2
3041	Paralegal	Profile 12	4
3059	Senior Legal Administrative Associate	Profile 12	4
3057	Senior Executive Assistant	Profile 13	2
3060	Senior Paralegal	Profile 13	4
TOTAL:			47

**APPENDIX B - I —
Detailed Competitive Summary by Employee Category –
SDG&E¹¹**

¹¹ *Jobs have been sorted by job title for ease of view.*

Executive																							
2016 GRC Study Position	SDG&E Benchmark Job Title	# of SDG&E EEs	SDG&E Average				Competitive Market Average				Variance - SDG&E +/- Market												
			Base Salary	Target Total Cash	Total Cash	Total Comp.	Base Salary	Target Total Cash	Total Cash	Total Comp.	Base Salary %	Target Total Cash %	Total Cash %	Total Comp. %	Base Salary %	Target Total Cash %	Total Cash %	Total Comp. %					
1036 Executive 1		1	\$531	\$902	\$1,259	\$166	\$955	\$2,024	\$2,381	\$542	\$946	\$1,008	\$165	\$1,109	\$2,221	\$2,283	-2.0%	-4.7%	24.9%	0.7%	-13.9%	-8.9%	4.3%
1296 Executive 6		1	\$280	\$406	\$458	\$97	\$252	\$754	\$807	\$309	\$453	\$484	\$98	\$243	\$794	\$826	-9.5%	-10.5%	-5.3%	-1.5%	3.5%	-5.1%	-2.3%
1297 Executive 10		1	\$254	\$368	\$392	\$85	\$191	\$644	\$668	\$244	\$341	\$364	\$74	\$158	\$572	\$596	4.1%	8.1%	7.5%	15.8%	20.6%	12.6%	12.0%
1298 Executive 13		1	\$244	\$354	\$379	\$83	\$183	\$620	\$644	\$253	\$358	\$361	\$77	\$158	\$594	\$596	-3.5%	-1.2%	5.0%	7.3%	15.9%	4.5%	8.2%
1299 Executive 14		1	\$326	\$473	\$513	\$106	\$245	\$823	\$863	\$281	\$396	\$410	\$84	\$166	\$647	\$661	16.2%	19.3%	25.0%	26.3%	46.9%	27.3%	30.7%
		5	\$1,635	\$2,503	\$3,001	\$537	\$1,825	\$4,866	\$5,363	\$1,629	\$2,495	\$2,627	\$488	\$1,835	\$4,828	\$4,961	0.4%	0.3%	14.2%	7.8%	-0.5%	0.8%	8.1%
		14																					
		35.7%																					

APPENDIX B - I — Detailed Competitive Summary by Employee Category — SDG&E

2016 GRC Study Position		SDG&E Benchmark Job Title	# of SDG&E EEs	SDG&E Average				Competitive Market Average				Variance - SDG&E +/- Market									
				Base Salary	Target Cash	Total Cash	Benefits	LTI	Target Total Comp.	Base Salary	Target Cash	Total Cash	Benefits	LTI	Target Total Comp.						
1001	Finance Manager 27	Associate Customer Contact Center Supervisor	1	\$74	\$85	\$88	\$27	--	\$84	\$77	\$26	--	\$109	\$102	-3.4%	2.0%	14.5%	5.2%	--	2.7%	12.2%
1014	Asst Gen Counsel	Supervisor	7	\$60	\$69	\$69	\$22	--	\$69	\$64	\$19	--	\$78	\$74	10.1%	17.2%	27.0%	14.7%	--	16.6%	23.8%
1017	Billing Manager	Customer Service Manager 3	2	\$120	\$130	\$132	\$38	--	\$130	\$148	\$41	--	\$186	\$189	-3.6%	-5.3%	-6.3%	6.2%	--	-2.8%	-3.6%
1021	Branch Office Supervisor	Finance Manager 19	2	\$82	\$94	\$97	\$28	--	\$78	\$70	\$24	--	\$102	\$103	13.5%	20.8%	22.5%	16.7%	--	20.3%	21.0%
1026	Business Planning & Budget Manager	Finance Manager 20	2	\$145	\$174	\$176	\$51	--	\$130	\$132	\$37	--	\$168	\$169	26.9%	33.6%	33.6%	35.8%	--	34.1%	34.1%
1028	Finance Manager 21	Finance Manager 21	1	\$119	\$137	\$141	\$43	--	\$130	\$132	\$37	--	\$168	\$169	10.7%	16.5%	22.6%	22.6%	--	17.9%	22.6%
1039	Engineering Manager 5	Construction Manager - Electric	9	\$143	\$172	\$174	\$51	--	\$150	\$145	\$42	--	\$191	\$187	10.1%	14.9%	19.9%	22.6%	--	16.6%	20.5%
1048	Construction Operations Manager	Construction Supervisor - Electric	3	\$150	\$187	\$190	\$47	--	\$168	\$169	\$44	--	\$212	\$213	16.1%	14.1%	13.8%	20.9%	--	15.6%	15.3%
1049	Construction Supervisor - Electric	Finance Manager 22	59	\$131	\$142	\$144	\$40	--	\$107	\$109	\$30	--	\$137	\$139	26.9%	32.7%	31.8%	34.1%	--	33.3%	32.3%
1055	Cust Svc. Techlogy Supv	Customer Service Manager 4	5	\$97	\$111	\$113	\$33	--	\$115	\$119	\$31	--	\$147	\$150	-5.9%	-3.3%	-5.2%	6.8%	--	-1.2%	-2.7%
1060	Customer Service Manager 4	Customer Service Manager 5	1	\$123	\$141	\$145	\$40	--	\$122	\$127	\$33	--	\$154	\$160	15.3%	15.8%	13.8%	21.7%	--	17.1%	15.4%
1061	Customer Service Manager 5	Customer Service Manager 6	1	\$135	\$155	\$156	\$43	--	\$127	\$127	\$33	--	\$154	\$160	26.7%	27.3%	22.2%	30.6%	--	28.0%	23.9%
1062	Customer Service Manager 6	Customer Service Manager 7	1	\$84	\$97	\$98	\$29	--	\$87	\$90	\$26	--	\$113	\$116	6.2%	11.5%	8.0%	11.1%	--	11.4%	8.7%
1063	Customer Service Manager 7	Customer Service Manager 8	1	\$124	\$143	\$142	\$40	--	\$122	\$127	\$33	--	\$154	\$160	17.0%	17.5%	11.4%	23.0%	--	18.7%	13.8%
1064	Customer Service Manager 8	Customer Service Manager 9	1	\$110	\$127	\$127	\$37	--	\$114	\$101	\$31	--	\$145	\$132	9.0%	10.9%	25.4%	17.7%	--	12.4%	23.6%
1065	Customer Service Manager 9	Customer Service Manager 10	1	\$132	\$158	\$160	\$47	--	\$141	\$140	\$40	--	\$181	\$180	11.7%	11.7%	14.4%	19.0%	--	13.3%	15.4%
1066	Customer Contact Center Supervisor	Customer Service Manager 11	9	\$77	\$88	\$89	\$27	--	\$78	\$72	\$24	--	\$102	\$97	6.6%	13.6%	23.0%	12.3%	--	13.3%	20.3%
1067	Customer Service Manager 10	Finance Manager 5	1	\$82	\$94	\$95	\$30	--	\$92	\$84	\$27	--	\$119	\$111	-2.5%	1.9%	13.0%	10.7%	--	3.9%	12.4%
1072	Regulatory Manager 1	Engineering Manager 9	1	\$158	\$197	\$201	\$56	\$46	\$211	\$219	\$53	\$55	\$319	\$327	-7.3%	-6.5%	-8.5%	5.9%	-17.2%	-6.3%	-7.7%
1073	Customer Service Manager 1	Engineering Manager 10	1	\$185	\$231	\$235	\$63	\$54	\$235	\$254	\$54	\$67	\$356	\$375	-1.6%	-1.6%	-7.5%	5.4%	-18.2%	-3.6%	-7.5%
1074	Engineering Manager 2	Finance Manager 2	1	\$172	\$215	\$221	\$60	\$50	\$203	\$215	\$47	\$27	\$257	\$225	20.8%	24.8%	56.8%	32.5%	97.5%	33.8%	56.6%
1076	Finance Manager 9	Engineering Manager 11	1	\$163	\$203	\$211	\$57	\$47	\$219	\$230	\$54	\$58	\$312	\$314	7.1%	6.2%	2.9%	17.2%	35.5%	11.9%	9.3%
1077	Engineering Manager 1	Dispatch Supervisor	1	\$193	\$241	\$250	\$59	\$56	\$240	\$243	\$55	\$55	\$351	\$342	-8.8%	-7.3%	-8.2%	5.2%	-18.9%	-7.3%	-7.9%
1078	Finance Manager 10	Dispatch Supervisor	1	\$164	\$205	\$206	\$61	\$48	\$229	\$237	\$56	\$49	\$333	\$341	-9.7%	-10.4%	-13.1%	2.3%	-2.0%	-7.0%	-9.0%
1080	Logistics Manager 1	District Operations Manager	2	\$90	\$103	\$106	\$32	--	\$113	\$117	\$31	--	\$144	\$148	-13.5%	-8.7%	9.5%	19.4%	30.9%	13.5%	14.1%
1081	District Operations Manager	Engineering Manager 6	8	\$113	\$130	\$133	\$41	--	\$125	\$125	\$36	--	\$161	\$162	3.2%	4.1%	6.0%	13.0%	--	6.1%	7.6%
1089	Engineering Manager 6	Electric Meter Test Supervisor	1	\$144	\$173	\$174	\$51	--	\$135	\$140	\$38	--	\$173	\$179	23.0%	28.3%	24.4%	31.9%	--	29.1%	26.0%
1090	Electric Meter Test Supervisor	Finance Manager 14	3	\$100	\$115	\$116	\$34	--	\$148	\$152	\$41	--	\$189	\$193	2.2%	-0.4%	-1.0%	10.1%	--	1.9%	1.3%
1093	Finance Manager 14	Energy Programs Supervisor	1	\$146	\$175	\$178	\$51	--	\$167	\$163	\$48	--	\$235	\$241	-5.6%	-6.4%	-7.7%	5.7%	--	-3.9%	-5.0%
1096	Energy Programs Supervisor	Engineering Manager 10	1	\$133	\$159	\$161	\$48	--	\$146	\$128	\$41	--	\$187	\$169	3.6%	9.1%	26.0%	17.8%	--	11.0%	24.0%
1098	Engineering Manager 10	Engineering Manager 11	4	\$103	\$118	\$121	\$33	--	\$87	\$90	\$26	--	\$113	\$116	29.4%	35.9%	34.5%	26.3%	--	33.7%	32.7%
1104	Engineering Manager 11	Engineering Manager 12	1	\$121	\$139	\$141	\$43	--	\$140	\$120	\$39	--	\$180	\$180	1.1%	-0.6%	18.0%	9.2%	--	1.5%	15.8%
1105	Engineering Manager 12	Customer Service Manager 12	1	\$98	\$112	\$113	\$37	--	\$130	\$133	\$37	--	\$167	\$170	-13.4%	-13.4%	-15.0%	-0.6%	--	-10.6%	-11.8%
1106	Engineering Manager 12	Customer Service Manager 12	1	\$103	\$119	\$120	\$38	--	\$130	\$133	\$37	--	\$167	\$170	-8.7%	-8.7%	-9.6%	3.1%	--	-6.1%	-6.8%

APPENDIX B - I — Detailed Competitive Summary by Employee Category — SDG&E

2016 GRC Study Position		SDG&E Benchmark Job Title	# of SDG&E EEs	SDG&E Average				Competitive Market Average				Variance - SDG&E +/- Market										
				Base Salary	Target Cash	Total Cash	Benefits	LTI	Target Total Comp.	Base Salary	Target Cash	Total Cash	Benefits	LTI	Target Total Comp.							
1107	Environmental Services Team Leader	- Water/Natural Resources	3	\$110	\$126	\$128	\$40	\$40	\$167	\$168	\$179	\$39	\$39	\$183	-8.0%	-9.6%	-10.9%	2.2%	2.2%	-7.0%	-8.1%	
1109	Engineering Manager 14	Engineering Manager 14	1	\$115	\$132	\$134	\$38	\$38	\$169	\$171	\$179	\$31	\$31	\$183	11.8%	15.3%	18.4%	21.1%	21.1%	16.5%	19.0%	
1110	Facilities Manager 13	Facilities Manager 13	1	\$125	\$150	\$151	\$45	\$45	\$195	\$197	\$180	\$39	\$39	\$189	4.1%	6.7%	26.3%	15.1%	15.1%	8.6%	23.6%	
1112	Facilities Manager	Facilities Manager	4	\$92	\$106	\$107	\$32	\$32	\$138	\$139	\$123	\$27	\$27	\$120	12.8%	14.7%	14.7%	15.1%	15.1%	12.8%	15.4%	
1119	Field Operations Supervisor I	Field Operations Supervisor I	10	\$99	\$114	\$116	\$34	\$34	\$148	\$150	\$124	\$28	\$28	\$125	11.7%	17.8%	19.2%	22.3%	22.3%	18.8%	19.9%	
1121	Field Operations Supervisor II	Field Operations Supervisor II	20	\$89	\$102	\$103	\$31	\$31	\$133	\$134	\$125	\$28	\$28	\$125	0.1%	5.6%	5.6%	13.4%	13.4%	7.3%	7.3%	
1122	Finance Manager 23	Finance Manager 23	1	\$156	\$188	\$191	\$54	\$54	\$241	\$244	\$172	\$38	\$38	\$173	32.6%	40.2%	41.3%	41.2%	41.2%	40.4%	41.3%	
1122	Finance Manager 16	Finance Manager 16	1	\$131	\$157	\$156	\$48	\$48	\$204	\$204	\$178	\$39	\$39	\$179	5.7%	13.2%	11.9%	21.0%	21.0%	15.0%	13.9%	
1126	Fleet Supervisor	Fleet Supervisor	4	\$95	\$110	\$108	\$33	\$33	\$143	\$141	\$115	\$26	\$26	\$107	18.1%	23.5%	34.0%	26.1%	26.1%	24.1%	32.1%	
1134	Information Technology Operations	Information Technology Operations	3	\$103	\$119	\$124	\$35	\$35	\$154	\$159	\$98	\$28	\$28	\$126	5.2%	21.0%	26.5%	24.9%	24.9%	21.9%	26.1%	
1136	Information Technology Project	Information Technology Project	10	\$135	\$156	\$161	\$47	\$47	\$202	\$208	\$177	\$39	\$39	\$176	11.4%	12.9%	17.4%	19.9%	19.9%	14.4%	17.9%	
1140	Infrastructure Technology Manager	Infrastructure Technology Manager	10	\$146	\$175	\$177	\$52	\$52	\$226	\$229	\$211	\$45	\$45	\$185	4.2%	5.0%	26.9%	14.6%	14.6%	7.1%	23.9%	
1145	HR Manager 5	HR Manager 5	1	\$124	\$140	\$140	\$39	\$39	\$177	\$179	\$151	\$31	\$31	\$145	20.9%	16.1%	17.3%	21.8%	21.8%	17.3%	18.2%	
1156	Logistics Manager 3	Logistics Manager 3	1	\$124	\$142	\$144	\$40	\$40	\$182	\$184	\$143	\$31	\$31	\$145	20.9%	26.3%	26.4%	29.5%	29.5%	27.0%	27.0%	
1157	Logistics Supervisor	Logistics Supervisor	3	\$87	\$100	\$100	\$30	\$30	\$129	\$130	\$105	\$25	\$25	\$107	14.4%	24.1%	22.8%	18.8%	18.8%	22.9%	21.9%	
1159	Engineering Manager 15	Engineering Manager 15	1	\$113	\$129	\$134	\$37	\$37	\$167	\$171	\$150	\$32	\$32	\$150	8.5%	9.9%	13.2%	17.0%	17.0%	11.4%	14.0%	
1160	Major Market Billing Supervisor	Major Market Billing Supervisor	4	\$84	\$97	\$98	\$30	\$30	\$127	\$128	\$119	\$27	\$27	\$111	0.0%	4.6%	16.1%	12.6%	12.6%	6.4%	15.3%	
1161	Manager - Construction & Operations	Manager - Construction & Operations	7	\$150	\$188	\$189	\$54	\$54	\$241	\$243	\$212	\$44	\$44	\$213	3.2%	11.8%	11.9%	21.2%	21.2%	13.8%	13.9%	
1162	Facilities Manager 1	Facilities Manager 1	1	\$159	\$199	\$203	\$56	\$56	\$255	\$259	\$227	\$47	\$47	\$238	6.7%	10.2%	6.6%	20.0%	20.0%	12.2%	9.2%	
1163	Engineering Manager 4	Engineering Manager 4	1	\$165	\$206	\$210	\$58	\$58	\$264	\$267	\$216	\$45	\$45	\$224	11.0%	20.7%	16.8%	28.7%	28.7%	22.3%	19.2%	
1164	HR Manager 3	HR Manager 3	1	\$164	\$205	\$208	\$57	\$57	\$262	\$265	\$198	\$42	\$42	\$198	4.8%	31.1%	33.0%	36.9%	36.9%	32.3%	33.8%	
1170	Facilities Manager 3	Facilities Manager 3	1	\$97	\$112	\$112	\$33	\$33	\$145	\$146	\$116	\$26	\$26	\$108	18.9%	24.3%	37.6%	26.6%	26.6%	24.8%	35.0%	
1175	Operations & Engineering Manager	Operations & Engineering Manager	7	\$123	\$141	\$144	\$44	\$44	\$185	\$188	\$180	\$40	\$40	\$185	0.8%	0.8%	-1.0%	11.1%	11.1%	3.1%	1.6%	
1183	Logistics Manager 2	Logistics Manager 2	1	\$143	\$171	\$178	\$50	\$50	\$222	\$229	\$170	\$38	\$38	\$188	24.8%	29.6%	36.7%	32.8%	32.8%	30.3%	35.9%	
1195	Proj Mgmt Supv	Proj Mgmt Supv	10	\$111	\$127	\$129	\$37	\$37	\$164	\$166	\$134	\$29	\$29	\$132	19.4%	22.0%	25.4%	25.9%	25.9%	22.9%	25.5%	
1201	Project Management Manager	Project Management Manager	4	\$129	\$149	\$151	\$45	\$45	\$194	\$196	\$174	\$39	\$39	\$176	8.3%	9.8%	9.6%	17.4%	17.4%	11.5%	11.3%	
1208	Facilities Manager 2	Facilities Manager 2	1	\$126	\$145	\$148	\$44	\$44	\$190	\$193	\$164	\$37	\$37	\$167	11.9%	14.3%	13.7%	20.8%	20.8%	15.8%	15.3%	
1211	Regional Public Affairs Manager	Regional Public Affairs Manager	2	\$114	\$132	\$133	\$38	\$38	\$169	\$171	\$158	\$33	\$33	\$160	5.1%	5.6%	4.9%	13.7%	13.7%	7.3%	6.7%	
1212	Public Relations Manager 1	Public Relations Manager 1	1	\$178	\$240	\$249	\$59	\$59	\$385	\$393	\$359	\$55	\$55	\$372	-7.4%	-0.7%	-2.8%	6.1%	6.1%	7.2%	5.5%	
1217	Regulatory Manager 2	Regulatory Manager 2	1	\$110	\$126	\$127	\$41	\$41	\$167	\$168	\$187	\$41	\$41	\$193	-14.0%	-13.6%	-16.4%	-0.6%	-0.6%	-10.8%	-13.1%	
1220	Right-Of-Way Supervisor	Right-Of-Way Supervisor	3	\$106	\$122	\$123	\$36	\$36	\$158	\$158	\$143	\$31	\$31	\$147	6.9%	8.8%	5.3%	16.1%	16.1%	10.4%	7.6%	
1256	Software Development Manager	Software Development Manager	8	\$142	\$171	\$178	\$50	\$50	\$220	\$228	\$234	\$48	\$48	\$233	-9.4%	-8.2%	-3.7%	4.2%	4.2%	-5.7%	-2.1%	
1282	Engineering Manager 7	Engineering Manager 7	1	\$163	\$187	\$192	\$54	\$54	\$241	\$246	\$186	\$41	\$41	\$188	26.0%	28.8%	30.5%	33.6%	33.6%	29.9%	31.2%	
1284	Engineering Manager 17	Engineering Manager 17	1	\$94	\$108	\$110	\$32	\$32	\$140	\$143	\$127	\$28	\$28	\$129	5.3%	9.1%	9.1%	15.9%	15.9%	10.8%	10.6%	
1285	Team Ldr - IV	Team Ldr - IV	20	\$102	\$118	\$119	\$39	\$39	\$156	\$158	\$149	\$37	\$37	\$149	-9.1%	-5.8%	6.2%	6.0%	6.0%	-3.1%	6.1%	
1286	Team Lead	Team Lead	21	\$117	\$135	\$137	\$43	\$43	\$177	\$179	\$162	\$37	\$37	\$162	4.1%	7.8%	21.3%	16.5%	16.5%	9.8%	20.2%	
1287	Engineering Manager 18	Engineering Manager 18	1	\$94	\$109	\$110	\$33	\$33	\$141	\$142	\$127	\$28	\$28	\$129	6.3%	10.1%	8.7%	16.7%	16.7%	11.6%	10.5%	
1290	Engineering Manager 8	Engineering Manager 8	1	\$120	\$145	\$145	\$45	\$45	\$189	\$190	\$184	\$40	\$40	\$186	-2.6%	0.8%	-0.7%	11.1%	11.1%	3.0%	1.8%	
				\$37,762	\$44,213	\$44,912	\$13,046	\$13,046	\$779	\$58,038	\$58,736	\$38,869	\$10,995	\$803	\$51,265	8.4%	12.0%	15.5%	18.6%	18.6%	-3.1%	13.2%
				320											\$50,668							
				612																		
				52.3%																		

APPENDIX B - I — Detailed Competitive Summary by Employee Category — SDG&E

Professional/Technical										SDG&E Average					Competitive Market Average					Variance - SDG&E +/- Market				
2016 GRC Study Position	Benchmark Job Title	SDG&E	# of SDG&E EEs	Base Salary	Target Total Cash	Benefits	LTI	Total Comp.	Target Total Cash	Base Salary	Target Total Cash	Benefits	LTI	Total Comp.	Base Salary %	Target Total Cash %	Total Cash %	Benefits %	LTI %	Target Total Comp. %				
1002	Accountant - II		3	\$55	\$64	\$21	--	\$84	\$71	\$66	\$72	\$22	--	\$93	-16.7%	-10.9%	-12.9%	-2.0%	--	-8.8%				
1008	Regulatory Professional 4		1	\$62	\$72	\$24	--	\$95	\$78	\$72	\$24	\$24	--	\$102	-13.4%	-9.3%	-9.3%	-2.0%	--	-6.2%				
1009	Area Forester		4	\$72	\$83	\$26	--	\$109	\$77	\$71	\$24	\$24	--	\$101	11.1%	8.4%	7.2%	9.3%	--	8.6%				
1010	Assoc Billing Analyst		15	\$54	\$62	\$21	--	\$83	\$53	\$49	\$55	\$18	--	\$71	11.9%	16.3%	13.5%	15.2%	--	17.5%				
1011	Assoc Contig Agent		5	\$64	\$74	\$25	--	\$98	\$71	\$66	\$24	\$25	--	\$94	-3.3%	3.4%	3.8%	6.5%	--	4.2%				
1012	Associate Business Analyst		2	\$57	\$65	\$22	--	\$87	\$57	\$54	\$58	\$19	--	\$76	4.9%	15.5%	11.5%	13.7%	--	15.0%				
1013	Associate Contracting Agent -		5	\$79	\$91	\$29	--	\$120	\$90	\$82	\$90	\$26	--	\$116	-4.2%	1.1%	1.7%	10.1%	--	3.1%				
1015	Construction Services		2	\$71	\$82	\$26	--	\$108	\$73	\$68	\$73	\$23	--	\$96	4.7%	11.9%	11.1%	11.4%	--	11.8%				
1016	Associate Engineer		1	\$79	\$91	\$26	--	\$118	\$70	\$65	\$71	\$21	--	\$91	21.3%	31.0%	31.6%	23.0%	--	29.1%				
1018	IT Professional 9		1	\$78	\$90	\$28	--	\$118	\$74	\$67	\$74	\$23	--	\$96	17.1%	23.6%	24.7%	18.2%	--	22.3%				
1019	Logistics Professional 3		5	\$65	\$75	\$23	--	\$98	\$59	\$59	\$62	\$19	--	\$79	17.6%	26.2%	21.8%	19.7%	--	24.3%				
1023	Billing Analyst - I		5	\$65	\$75	\$23	--	\$98	\$59	\$59	\$62	\$19	--	\$79	17.6%	26.2%	21.8%	19.7%	--	24.3%				
1023	Business Advisor		7	\$92	\$105	\$31	--	\$136	\$85	\$80	\$86	\$26	--	\$111	14.9%	23.5%	24.3%	18.5%	--	22.4%				
1024	Business Analyst - I		5	\$61	\$70	\$22	--	\$92	\$70	\$65	\$70	\$21	--	\$90	11.7%	22.9%	21.9%	17.7%	--	21.5%				
1025	Business Analyst - II		13	\$71	\$81	\$24	--	\$106	\$69	\$69	\$70	\$21	--	\$90	8.7%	17.4%	17.3%	14.9%	--	16.8%				
1030	Business System Advisor		5	\$93	\$107	\$33	--	\$140	\$103	\$93	\$103	\$29	--	\$131	0.6%	-1.0%	5.2%	13.2%	--	6.9%				
1031	Busn Sys Analyst - I		22	\$66	\$76	\$25	--	\$101	\$76	\$71	\$77	\$24	--	\$101	-7.5%	-1.0%	-1.8%	3.7%	--	0.1%				
1032	Busn Sys Analyst - II		44	\$78	\$90	\$28	--	\$118	\$76	\$71	\$77	\$24	--	\$101	10.2%	17.9%	16.8%	14.9%	--	17.2%				
1033	Logistics Professional 5		1	\$61	\$70	\$22	--	\$92	\$71	\$66	\$71	\$22	--	\$92	-8.3%	-1.5%	-1.6%	3.7%	--	-0.3%				
1034	Logistics Professional 1		1	\$76	\$88	\$28	--	\$116	\$91	\$84	\$91	\$26	--	\$117	-9.0%	-3.1%	-3.4%	7.1%	--	-0.8%				
1035	Engineering Professional 6		3	\$67	\$77	\$25	--	\$103	\$75	\$70	\$75	\$24	--	\$98	-3.8%	3.4%	5.4%	6.4%	--	4.1%				
1037	Chemist		3	\$67	\$77	\$25	--	\$102	\$77	\$71	\$77	\$24	--	\$101	-6.2%	-0.6%	0.4%	3.9%	--	0.5%				
1038	Engineering Professional 1		1	\$181	\$217	\$61	--	\$278	\$156	\$138	\$157	\$43	--	\$199	30.4%	38.6%	40.8%	42.1%	--	39.3%				
1040	Finance Professional 5		1	\$73	\$84	\$25	--	\$109	\$52	\$52	\$52	\$18	--	\$70	41.2%	62.4%	64.0%	38.1%	--	56.1%				
1042	Claims Representative		2	\$77	\$88	\$26	--	\$114	\$70	\$60	\$70	\$21	--	\$86	28.0%	35.6%	18.9%	25.4%	--	33.2%				
1043	Comnty Rels Mgr		3	\$98	\$113	\$34	--	\$148	\$95	\$86	\$97	\$27	--	\$122	-11.1%	19.2%	17.9%	23.2%	--	20.1%				
1044	Comms Mgr		4	\$96	\$111	\$33	--	\$144	\$121	\$108	\$122	\$33	--	\$154	-11.1%	-8.7%	-9.2%	2.5%	--	-6.4%				
1045	Communications Advisor		2	\$71	\$82	\$26	--	\$108	\$70	\$65	\$70	\$23	--	\$93	9.5%	17.7%	9.9%	14.7%	--	16.9%				
1051	Contract Administrator - Electric		25	\$117	\$135	\$36	--	\$171	\$81	\$81	\$89	\$26	--	\$114	45.1%	53.4%	51.3%	37.4%	--	49.7%				
1052	Contract Administrator - Gas		12	\$99	\$114	\$32	--	\$146	\$88	\$81	\$89	\$26	--	\$114	22.8%	29.8%	30.0%	22.5%	--	28.1%				
1053	Legal Professional 1		1	\$89	\$104	\$28	--	\$132	\$73	\$68	\$74	\$22	--	\$95	31.6%	41.2%	40.8%	29.4%	--	38.5%				
1054	Contracting Agent		2	\$84	\$96	\$30	--	\$129	\$90	\$82	\$90	\$26	--	\$116	1.8%	7.4%	9.7%	14.6%	--	9.0%				
1056	Creative Svcs & Branding Adr		2	\$80	\$92	\$29	--	\$119	\$116	\$104	\$116	\$32	--	\$148	-23.0%	-21.0%	-22.2%	-6.9%	--	-18.0%				
1057	Cust Prjms Advr I		18	\$75	\$86	\$27	--	\$113	\$76	\$76	\$78	\$24	--	\$100	8.0%	13.3%	11.8%	12.2%	--	13.1%				
1058	Cust Prjms Advr II		15	\$90	\$104	\$32	--	\$136	\$89	\$81	\$90	\$28	--	\$127	1.6%	5.3%	3.3%	13.2%	--	7.0%				
1068	Customer Project Planner		72	\$79	\$91	\$28	--	\$119	\$69	\$69	\$78	\$23	--	\$92	14.2%	31.3%	17.1%	22.5%	--	29.1%				
1069	IT Professional 1		1	\$105	\$121	\$39	--	\$160	\$121	\$110	\$121	\$35	--	\$156	-3.8%	0.6%	3.3%	3.3%	--	2.8%				
1070	Database Administrator		11	\$118	\$136	\$42	--	\$178	\$129	\$118	\$130	\$37	--	\$166	0.3%	5.3%	8.9%	13.9%	--	7.2%				
1071	Database Administrator Lead		2	\$138	\$159	\$48	--	\$207	\$149	\$133	\$148	\$42	--	\$191	3.9%	6.7%	12.2%	15.9%	--	8.7%				
1095	Emergency Services Coordinator		2	\$70	\$81	\$26	--	\$106	\$74	\$67	\$74	\$24	--	\$98	3.8%	9.1%	10.6%	9.7%	--	9.2%				
1097	Finance Professional 2		1	\$95	\$109	\$36	--	\$145	\$118	\$106	\$121	\$35	--	\$153	-10.9%	-7.6%	-7.7%	4.1%	--	-5.0%				
1099	Engineer I		30	\$86	\$99	\$31	--	\$130	\$106	\$96	\$108	\$30	--	\$136	-11.7%	-7.4%	-7.7%	3.8%	--	-4.9%				
1100	Engineer II		18	\$74	\$85	\$27	--	\$112	\$84	\$78	\$85	\$26	--	\$110	-5.2%	1.0%	1.2%	4.6%	--	1.8%				
1101	Engrg Analyst - I		12	\$61	\$70	\$24	--	\$94	\$82	\$74	\$79	\$25	--	\$107	-18.0%	-14.3%	-11.4%	-4.7%	--	-12.0%				
1108	Environmental Specialist		13	\$76	\$88	\$27	--	\$114	\$80	\$74	\$80	\$25	--	\$106	3.3%	9.4%	6.5%	9.8%	--	9.5%				
1114	Facilities Project Advisor		2	\$83	\$95	\$30	--	\$125	\$95	\$88	\$96	\$27	--	\$122	-6.4%	0.6%	-1.2%	9.8%	--	2.7%				

Professional/Technical													SDG&E Average					Competitive Market Average					Variance - SDG&E +/- Market				
2016 GRC Study Position	Benchmark Job Title	SDG&E	# of SDG&E EEs	Base Salary	Target Total Cash	Target Total Comp.	Total Cash	Total Comp.	LTI	Benefits	Base Salary	Target Total Cash	Target Total Comp.	Total Cash	Total Comp.	LTI	Benefits	Base Salary	Target Total Cash	Target Total Comp.	Total Cash	Total Comp.	LTI	Benefits			
1115	Facility Resource Coordinator		2	\$65	\$75	\$99	\$74	\$99	--	\$25	\$75	\$81	\$106	\$83	\$108	--	\$25	\$75	\$81	\$106	\$83	\$108	--	\$25			
1117	Regulatory Professional 1		1	\$130	\$149	\$196	\$151	\$196	--	\$45	\$140	\$167	\$211	\$168	\$212	--	\$44	\$140	\$167	\$211	\$168	\$212	--	\$44			
1120	Field Safety Advisor		8	\$88	\$101	\$133	\$101	\$132	--	\$31	\$105	\$117	\$149	\$119	\$151	--	\$32	\$105	\$117	\$149	\$119	\$151	--	\$32			
1123	Logistics Professional 4		1	\$75	\$87	\$114	\$87	\$114	--	\$27	\$89	\$75	\$99	\$78	\$101	--	\$24	\$89	\$75	\$99	\$78	\$101	--	\$24			
1125	Logistics Professional 2		1	\$93	\$106	\$136	\$104	\$136	--	\$32	\$87	\$98	\$125	\$99	\$127	--	\$28	\$87	\$98	\$125	\$99	\$127	--	\$28			
1128	Marketing Professional 1		1	\$75	\$86	\$86	\$86	\$86	--	\$27	\$68	\$73	\$97	\$74	\$98	--	\$24	\$68	\$73	\$97	\$74	\$98	--	\$24			
1129	Gvt Affairs Mgr - Sta Agcy Affr		2	\$113	\$130	\$171	\$120	\$171	--	\$41	\$158	\$192	\$241	\$196	\$245	--	\$49	\$158	\$192	\$241	\$196	\$245	--	\$49			
1131	HR Advr		3	\$95	\$110	\$140	\$107	\$140	--	\$33	\$93	\$95	\$120	\$95	\$122	--	\$27	\$93	\$95	\$120	\$95	\$122	--	\$27			
1132	Information Protection Technologist		3	\$92	\$105	\$137	\$108	\$137	--	\$32	\$82	\$88	\$126	\$89	\$127	--	\$28	\$82	\$88	\$126	\$89	\$127	--	\$28			
1133	Information Technology Architect		2	\$139	\$160	\$208	\$166	\$208	--	\$48	\$143	\$161	\$204	\$162	\$205	--	\$43	\$143	\$161	\$204	\$162	\$205	--	\$43			
1135	Information Technology Project Lead		21	\$115	\$132	\$177	\$136	\$177	--	\$42	\$121	\$136	\$175	\$136	\$175	--	\$39	\$121	\$136	\$175	\$136	\$175	--	\$39			
1137	Infrastructure Team Lead		20	\$118	\$142	\$185	\$142	\$185	--	\$43	\$165	\$196	\$247	\$201	\$252	--	\$51	\$165	\$196	\$247	\$201	\$252	--	\$51			
1138	Infrastructure Technologist		37	\$98	\$112	\$146	\$116	\$146	--	\$34	\$88	\$105	\$135	\$107	\$136	--	\$29	\$88	\$105	\$135	\$107	\$136	--	\$29			
1139	Infrastructure Technology Analyst		7	\$80	\$92	\$120	\$94	\$122	--	\$28	\$77	\$83	\$108	\$84	\$110	--	\$25	\$77	\$83	\$108	\$84	\$110	--	\$25			
1147	HR Professional 4		1	\$72	\$82	\$83	\$83	\$83	--	\$26	\$70	\$76	\$100	\$77	\$101	--	\$24	\$70	\$76	\$100	\$77	\$101	--	\$24			
1150	Land Mgmt Rep		6	\$85	\$98	\$128	\$98	\$128	--	\$31	\$85	\$106	\$138	\$108	\$138	--	\$30	\$85	\$106	\$138	\$108	\$138	--	\$30			
1165	Market Advisor - I		7	\$76	\$87	\$86	\$86	\$86	--	\$25	\$72	\$79	\$102	\$84	\$107	--	\$23	\$72	\$79	\$102	\$84	\$107	--	\$23			
1166	Market Advisor - II		4	\$88	\$101	\$132	\$101	\$132	--	\$31	\$89	\$100	\$128	\$101	\$130	--	\$28	\$89	\$100	\$128	\$101	\$130	--	\$28			
1167	Marketing Professional 2		1	\$56	\$64	\$85	\$66	\$77	--	\$21	\$58	\$63	\$83	\$64	\$84	--	\$20	\$58	\$63	\$83	\$64	\$84	--	\$20			
1168	Marketing Professional 3		1	\$64	\$74	\$97	\$73	\$96	--	\$23	\$63	\$63	\$83	\$64	\$84	--	\$20	\$63	\$63	\$83	\$64	\$84	--	\$20			
1171	NERC Sys Opr Trainer		3	\$127	\$146	\$191	\$147	\$192	--	\$45	\$120	\$139	\$179	\$141	\$180	--	\$40	\$120	\$139	\$179	\$141	\$180	--	\$40			
1172	Network Field Service Advisor - Data		3	\$68	\$102	\$133	\$101	\$133	--	\$31	\$88	\$95	\$123	\$95	\$122	--	\$27	\$88	\$95	\$123	\$95	\$122	--	\$27			
1173	Network Operations Analyst		3	\$75	\$87	\$115	\$88	\$116	--	\$28	\$92	\$100	\$129	\$102	\$130	--	\$29	\$92	\$100	\$129	\$102	\$130	--	\$29			
1174	IT Professional 2		1	\$98	\$112	\$149	\$120	\$157	--	\$37	\$108	\$118	\$153	\$117	\$152	--	\$35	\$108	\$118	\$153	\$117	\$152	--	\$35			
1177	IT Professional 8		1	\$72	\$83	\$109	\$83	\$110	--	\$26	\$73	\$77	\$101	\$77	\$102	--	\$24	\$73	\$77	\$101	\$77	\$102	--	\$24			
1178	Operations Training Instructor		6	\$92	\$105	\$137	\$104	\$136	--	\$32	\$89	\$98	\$126	\$100	\$128	--	\$28	\$89	\$98	\$126	\$100	\$128	--	\$28			
1181	HR Professional 3		1	\$90	\$104	\$136	\$90	\$122	--	\$32	\$88	\$98	\$125	\$98	\$128	--	\$28	\$88	\$98	\$125	\$98	\$128	--	\$28			
1184	Prin Accountant		9	\$103	\$119	\$158	\$120	\$159	--	\$39	\$129	\$143	\$184	\$145	\$186	--	\$40	\$129	\$143	\$184	\$145	\$186	--	\$40			
1185	Principal Accountant		5	\$95	\$109	\$146	\$109	\$146	--	\$37	\$129	\$143	\$184	\$145	\$186	--	\$40	\$129	\$143	\$184	\$145	\$186	--	\$40			
1186	Principal Accountant - Supervisor		8	\$107	\$123	\$163	\$126	\$166	--	\$40	\$129	\$143	\$184	\$145	\$186	--	\$40	\$129	\$143	\$184	\$145	\$186	--	\$40			
1187	Finance Professional 1		1	\$103	\$119	\$158	\$122	\$161	--	\$39	\$125	\$136	\$175	\$138	\$177	--	\$39	\$125	\$136	\$175	\$138	\$177	--	\$39			
1188	Principal Business Analyst		21	\$105	\$121	\$161	\$123	\$162	--	\$40	\$125	\$136	\$175	\$138	\$177	--	\$39	\$125	\$136	\$175	\$138	\$177	--	\$39			
1189	IT Professional 3		1	\$111	\$127	\$168	\$130	\$171	--	\$40	\$129	\$146	\$187	\$148	\$188	--	\$41	\$129	\$146	\$187	\$148	\$188	--	\$41			
1190	Principal Engineer		26	\$129	\$148	\$194	\$150	\$195	--	\$46	\$156	\$167	\$199	\$167	\$200	--	\$43	\$156	\$167	\$199	\$167	\$200	--	\$43			
1191	Principal Environmental Spec		3	\$102	\$117	\$155	\$119	\$157	--	\$38	\$110	\$123	\$159	\$124	\$160	--	\$36	\$110	\$123	\$159	\$124	\$160	--	\$36			
1192	Engineering Professional 3		1	\$110	\$126	\$166	\$128	\$168	--	\$40	\$110	\$123	\$159	\$124	\$160	--	\$36	\$110	\$123	\$159	\$124	\$160	--	\$36			
1193	Program Manager		2	\$71	\$82	\$108	\$83	\$109	--	\$26	\$78	\$85	\$111	\$85	\$113	--	\$26	\$78	\$85	\$111	\$85	\$113	--	\$26			
1194	Proj Coord II		7	\$62	\$71	\$96	\$69	\$93	--	\$24	\$71	\$71	\$94	\$74	\$97	--	\$23	\$71	\$71	\$94	\$74	\$97	--	\$23			
1196	Proj Mgr - I		25	\$94	\$108	\$141	\$109	\$142	--	\$33	\$94	\$104	\$134	\$106	\$135	--	\$29	\$94	\$104	\$134	\$106	\$135	--	\$29			
1197	Proj Mgr - I		3	\$95	\$109	\$142	\$105	\$138	--	\$33	\$94	\$104	\$134	\$106	\$135	--	\$29	\$94	\$104	\$134	\$106	\$135	--	\$29			
1198	Proj Mgr - II		46	\$109	\$126	\$166	\$127	\$167	--	\$38	\$117	\$130	\$167	\$130	\$170	--	\$37	\$117	\$130	\$167	\$130	\$170	--	\$37			
1199	Proj Mgr - II		3	\$102	\$117	\$158	\$120	\$158	--	\$38	\$117	\$130	\$167	\$130	\$170	--	\$37	\$117	\$130	\$167	\$130	\$170	--	\$37			
1200	Proj Mgr - III		19	\$125	\$144	\$189	\$146	\$191	--	\$45	\$137	\$156	\$199	\$161	\$204	--	\$43	\$137	\$156	\$199	\$161	\$204	--	\$43			
1202	Project Manager - Business Planning & Budget		2	\$112	\$128	\$169	\$133	\$174	--	\$41	\$114	\$124	\$160	\$125	\$161	--	\$36	\$114	\$124	\$160	\$125	\$161	--	\$36			
1203	Project Manager - I		12	\$92	\$105	\$138	\$107	\$140	--	\$32	\$94	\$104	\$134	\$106	\$135	--	\$29	\$94	\$104	\$134	\$106	\$135	--	\$29			

APPENDIX B - I — Detailed Competitive Summary by Employee Category — SDG&E

Professional/Technical										SDG&E Average										Competitive Market Average										Variance - SDG&E +/- Market									
2016 GRC Study Position	SDG&E Benchmark Job Title	# of SDG&E EEs	Base Salary	Target Cash	Target Total	Total Cash	Total	Benefits	LTI	Target Comp.	Total Comp.	Base Salary	Target Cash	Target Total	Total Cash	Total	Benefits	LTI	Target Comp.	Total Comp.	Base Salary %	Target Cash %	Target Total %	Total Cash %	Total %	Benefits %	LTI %	Target Total %	Total Comp. %										
1204	Project Manager - II	6	\$106	\$122	\$126	\$39	\$161	\$37	--	\$167	\$170	\$117	\$130	\$132	\$132	\$37	\$37	--	--	\$167	\$170	-9.0%	-6.3%	-4.9%	-4.9%	5.0%	--	5.0%	-3.7%	-2.7%									
1205	Project Manager - III	3	\$131	\$151	\$159	\$46	\$205	\$43	--	\$199	\$204	\$137	\$166	\$161	\$161	\$43	\$43	--	--	\$199	\$204	-4.3%	-3.4%	-1.2%	-1.2%	7.6%	--	7.6%	-1.1%	0.7%									
1206	Public Affairs Manager	5	\$105	\$120	\$122	\$39	\$159	\$38	--	\$168	\$171	\$115	\$131	\$134	\$134	\$38	\$38	--	--	\$168	\$171	-8.9%	-8.1%	-9.1%	-9.1%	3.5%	--	3.5%	-5.5%	-6.4%									
1207	Public Relations Specialist	3	\$71	\$82	\$83	\$25	\$106	\$26	--	\$88	\$89	\$63	\$67	\$68	\$68	\$21	\$21	--	--	\$88	\$89	13.6%	21.5%	22.0%	22.0%	17.3%	--	17.3%	20.5%	20.9%									
1209	Reg Case Analyst	3	\$63	\$73	\$73	\$23	\$96	\$23	--	\$80	\$81	\$56	\$61	\$62	\$62	\$20	\$20	--	--	\$80	\$81	12.4%	20.6%	19.0%	19.0%	16.6%	--	16.6%	19.5%	18.4%									
1210	Reg Pol Mgr	4	\$130	\$150	\$151	\$45	\$195	\$45	--	\$223	\$230	\$150	\$177	\$184	\$184	\$46	\$46	--	--	\$223	\$230	-13.3%	-15.4%	-17.6%	-17.6%	-1.9%	--	-1.9%	-12.6%	-14.5%									
1214	Regulatory Case Administrator	6	\$87	\$100	\$101	\$31	\$131	\$31	--	\$131	\$132	\$93	\$102	\$103	\$103	\$29	\$29	--	--	\$131	\$132	-6.6%	-2.3%	-2.2%	-2.2%	7.7%	--	7.7%	-0.1%	0.0%									
1215	Regulatory Case Manager - I	3	\$98	\$113	\$114	\$37	\$150	\$37	--	\$161	\$162	\$111	\$124	\$126	\$126	\$36	\$36	--	--	\$161	\$162	-11.7%	-9.1%	-9.8%	-9.8%	2.8%	--	2.8%	-6.4%	-7.0%									
1216	Regulatory Professional 2	1	\$136	\$163	\$170	\$49	\$212	\$49	--	\$208	\$213	\$140	\$164	\$168	\$168	\$45	\$45	--	--	\$208	\$213	-3.1%	-0.7%	1.0%	1.0%	9.9%	--	9.9%	1.6%	2.9%									
1219	Right-Of-Way Agent	6	\$82	\$94	\$95	\$33	\$127	\$33	--	\$166	\$171	\$82	\$129	\$134	\$134	\$37	\$37	--	--	\$166	\$171	-27.4%	-26.9%	-29.2%	-29.2%	-11.0%	--	-11.0%	-23.4%	-25.2%									
1221	Safety Advisor	2	\$82	\$95	\$92	\$30	\$122	\$30	--	\$149	\$151	\$105	\$117	\$119	\$119	\$32	\$32	--	--	\$149	\$151	-21.4%	-19.3%	-22.4%	-22.4%	-5.7%	--	-5.7%	-16.4%	-18.8%									
1222	IT Professional 4	1	\$103	\$118	\$122	\$38	\$160	\$38	--	\$166	\$167	\$117	\$129	\$129	\$37	\$37	\$37	--	--	\$166	\$167	-12.3%	-8.3%	-5.8%	-5.8%	3.3%	--	3.3%	-5.7%	-8.7%									
1223	IT Professional 5	1	\$86	\$98	\$102	\$31	\$129	\$31	--	\$137	\$138	\$98	\$107	\$108	\$108	\$30	\$30	--	--	\$137	\$138	-13.1%	-8.3%	-5.7%	-5.7%	3.1%	--	3.1%	-5.8%	-8.8%									
1224	SAP Business Warehouse	4	\$114	\$131	\$135	\$41	\$177	\$41	--	\$166	\$165	\$115	\$129	\$128	\$128	\$37	\$37	--	--	\$166	\$165	-1.0%	1.6%	5.9%	5.9%	11.0%	--	11.0%	3.7%	7.0%									
1225	SAP Process Designer	8	\$104	\$120	\$124	\$39	\$159	\$39	--	\$166	\$167	\$117	\$129	\$129	\$37	\$37	\$37	--	--	\$166	\$167	-10.9%	-6.9%	-4.5%	-4.5%	4.5%	--	4.5%	-4.4%	-2.5%									
1232	Senior Chemist	2	\$87	\$100	\$101	\$31	\$130	\$31	--	\$125	\$127	\$89	\$97	\$99	\$99	\$28	\$28	--	--	\$125	\$127	-2.8%	2.6%	1.5%	1.5%	11.2%	--	11.2%	4.5%	3.7%									
1233	Senior Claims Advisor	4	\$90	\$103	\$104	\$32	\$136	\$32	--	\$153	\$157	\$107	\$121	\$124	\$124	\$24	\$24	--	--	\$153	\$157	-15.8%	-14.7%	-16.2%	-16.2%	-2.2%	--	-2.2%	-12.0%	-13.3%									
1235	Senior Contracting Agent	3	\$93	\$107	\$111	\$33	\$140	\$33	--	\$147	\$148	\$105	\$116	\$117	\$117	\$31	\$31	--	--	\$147	\$148	-11.3%	-7.3%	-4.6%	-4.6%	3.7%	--	3.7%	-4.9%	-2.8%									
1236	Senior Engineer	23	\$99	\$113	\$114	\$37	\$151	\$37	--	\$165	\$166	\$115	\$128	\$129	\$129	\$37	\$37	--	--	\$165	\$166	-14.3%	-11.1%	-11.5%	-11.5%	1.2%	--	1.2%	-8.4%	-8.7%									
1237	Senior Environmental Specialist	18	\$89	\$102	\$103	\$34	\$134	\$34	--	\$130	\$131	\$92	\$101	\$103	\$103	\$29	\$29	--	--	\$130	\$131	-2.8%	1.5%	-0.1%	-0.1%	10.5%	--	10.5%	3.5%	2.3%									
1238	HR Professional 1	1	\$129	\$149	\$153	\$45	\$194	\$45	--	\$164	\$165	\$114	\$127	\$128	\$128	\$35	\$35	--	--	\$164	\$165	13.2%	16.8%	19.0%	19.0%	22.7%	--	22.7%	18.1%	19.8%									
1239	Senior Industrial Hygienist	2	\$111	\$127	\$127	\$40	\$168	\$40	--	\$153	\$154	\$107	\$118	\$119	\$119	\$35	\$35	--	--	\$153	\$154	3.5%	7.9%	6.9%	6.9%	15.8%	--	15.8%	9.7%	8.9%									
1240	Senior Infrastructure Technician	24	\$118	\$135	\$140	\$42	\$178	\$42	--	\$168	\$170	\$119	\$130	\$132	\$132	\$37	\$37	--	--	\$168	\$170	-1.4%	4.0%	5.7%	5.7%	12.9%	--	12.9%	6.0%	7.3%									
1241	Senior Market Advisor - I	10	\$101	\$116	\$117	\$38	\$154	\$38	--	\$170	\$173	\$116	\$132	\$135	\$135	\$38	\$38	--	--	\$170	\$173	-12.9%	-12.1%	-13.2%	-13.2%	0.3%	--	0.3%	-9.4%	-10.2%									
1242	Senior Material Req Planner	2	\$78	\$89	\$90	\$26	\$116	\$26	--	\$86	\$86	\$62	\$65	\$66	\$66	\$21	\$21	--	--	\$86	\$86	24.9%	36.8%	37.4%	37.4%	26.1%	--	26.1%	34.2%	34.7%									
1243	Senior Organizational Development	3	\$100	\$115	\$116	\$38	\$152	\$38	--	\$159	\$160	\$110	\$123	\$124	\$124	\$36	\$36	--	--	\$159	\$160	-9.4%	-7.0%	-6.6%	-6.6%	4.5%	--	4.5%	-4.4%	-4.1%									
1244	Engineering Professional 4	1	\$92	\$106	\$105	\$32	\$138	\$32	--	\$139	\$142	\$86	\$108	\$112	\$112	\$30	\$30	--	--	\$139	\$142	-4.8%	-2.7%	-6.4%	-6.4%	7.3%	--	7.3%	-0.5%	-3.5%									
1245	Finance Professional 4	1	\$93	\$107	\$108	\$32	\$139	\$32	--	\$122	\$123	\$88	\$95	\$96	\$96	\$27	\$27	--	--	\$122	\$123	6.0%	12.4%	12.7%	12.7%	18.3%	--	18.3%	13.7%	14.0%									
1246	Regulatory Professional 3	1	\$94	\$108	\$108	\$36	\$144	\$36	--	\$161	\$162	\$111	\$124	\$126	\$126	\$36	\$36	--	--	\$161	\$162	-15.5%	-13.1%	-14.7%	-14.7%	-0.2%	--	-0.2%	-10.2%	-11.5%									
1247	Senior Research Analyst	3	\$84	\$97	\$98	\$30	\$128	\$30	--	\$138	\$139	\$87	\$108	\$109	\$109	\$30	\$30	--	--	\$138	\$139	-13.7%	-10.6%	-10.2%	-10.2%	1.3%	--	1.3%	-8.0%	-7.7%									
1248	Senior Software Developer	26	\$109	\$125	\$129	\$40	\$165	\$40	--	\$178	\$178	\$124	\$139	\$138	\$138	\$39	\$39	--	--	\$178	\$178	-12.2%	-9.8%	-6.7%	-6.7%	2.0%	--	2.0%	-7.2%	-4.8%									
1249	Senior Staffing Advisor	2	\$95	\$109	\$111	\$36	\$145	\$36	--	\$153	\$154	\$106	\$118	\$119	\$119	\$35	\$35	--	--	\$153	\$154	-11.1%	-7.9%	-6.4%	-6.4%	3.9%	--	3.9%	-5.2%	-4.1%									
1251	Service Delivery Advisor	3	\$90	\$103	\$105	\$32	\$137	\$32	--	\$143	\$144	\$103	\$112	\$113	\$113	\$31	\$31	--	--	\$143	\$144	-12.8%	-8.0%	-7.2%	-7.2%	3.2%	--	3.2%	-5.6%	-5.0%									
1254	Software Component Architect	7	\$121	\$143	\$143	\$43	\$182	\$43	--	\$204	\$205	\$161	\$181	\$182	\$182	\$43	\$43	--	--	\$204	\$205	-15.9%	-13.6%	-11.6%	-11.6%	-0.1%	--	-0.1%	-10.8%	-9.2%									
1255	Software Developer	7	\$82	\$95	\$96	\$30	\$125	\$30	--	\$145	\$145	\$104	\$114	\$114	\$114	\$31	\$31	--	--	\$145	\$145	-20.5%	-16.6%	-15.5%	-15.5%	-3.4%	--	-3.4%	-17.7%	-12.9%									
1257	Software Team Lead	13	\$117	\$134	\$141	\$43	\$177	\$43	--	\$215	\$214	\$147	\$169	\$168	\$168	\$46	\$46	--	--	\$215	\$214	-20.6%	-20.6%	-16.3%	-16.3%	-6.8%	--	-6.8%	-13.7%	-14.3%									
1260	Special Investigator	8	\$67	\$77	\$77	\$24	\$100	\$24	--	\$73	\$73	\$54	\$54	\$54	\$54	\$19	\$19	--	--	\$73	\$73	22.9%	41.3%	41.0%	41.0%	27.4%	--	27.4%	37.9%	37.5%									
1261	Sply Chain Spec	3	\$64	\$73	\$75	\$25	\$98	\$25	--	\$101	\$101	\$76	\$77	\$77	\$24	\$24	\$24	--	--	\$101	\$101	-11.0%	-3.9%	-2.7%	-2.7%	5.9%	--	5.9%	-2.5%	-1.6%									
1262	Sr Accountant - I	7	\$77	\$89	\$90	\$27	\$116	\$27	--	\$112	\$113	\$79	\$86	\$87	\$87	\$26	\$26	--	--	\$112	\$113	-2.6%	3.2%	2.3%	2.3%	1.9%	--	1.9%	-2.6%	-3.1%									
1263	Sr Accountant - II	14	\$83	\$96	\$98	\$30	\$126	\$30	--	\$141	\$142	\$100	\$111	\$112	\$112	\$31	\$31	--	--	\$141	\$142	-16.9%	-13.5%	-12.7%	-12.7%	-0.9%	--	-0.9%	-10.8%	-10.2%									

Professional/Technical																	
2016 GRC Study Position	SDG&E Benchmark Job Title	# of SDG&E EEs	SDG&E Average				Competitive Market Average				Variance - SDG&E +/- Market						
			Base Salary	Total Cash	Benefits	LTI	Target Total Comp.	Base Salary	Total Cash	Benefits	LTI	Target Total Comp.	Base Salary %	Target Total Cash %	Benefits %	LTI %	Target Total Comp. %
1265	Sr Busn Analyst - II	27	\$92	\$106	\$32	--	\$112	\$113	\$31	--	\$143	-9.7%	-5.2%	5.4%	--	\$144	-2.9%
1266	Sr Comms Mgr	3	\$117	\$134	\$43	--	\$170	\$178	\$46	--	\$216	-16.0%	-20.8%	-7.0%	--	\$224	-17.9%
1267	Sr Contng Agent	6	\$94	\$108	\$33	--	\$116	\$117	\$31	--	\$147	-10.9%	-6.8%	4.1%	--	\$148	-4.5%
1268	Sr Counsel	20	\$209	\$262	\$63	\$40	\$242	\$250	\$55	\$63	\$360	6.3%	8.0%	13.6%	-35.7%	\$368	1.3%
1269	Sr Cust Prgms Advr	6	\$100	\$115	\$34	--	\$96	\$112	\$28	--	\$124	4.0%	19.6%	23.8%	--	\$140	20.6%
1270	Sr Cust Svc Analyst	5	\$75	\$86	\$27	--	\$81	\$82	\$25	--	\$106	-0.2%	5.8%	7.6%	--	\$107	6.3%
1271	Sr Diverse Busn Ent Advr	2	\$91	\$105	\$35	--	\$131	\$135	\$38	--	\$169	-21.7%	-20.0%	-5.7%	--	\$172	-16.8%
1272	Sr Meteorologist	2	\$94	\$108	\$33	--	\$94	\$94	\$27	--	\$121	-0.5%	14.4%	19.9%	--	\$121	15.6%
1275	Sr Software Developer	51	\$103	\$119	\$39	--	\$139	\$138	\$39	--	\$178	-16.6%	-14.4%	-1.6%	--	\$178	-10.6%
1276	Sr Transactn Scheduler	5	\$105	\$121	\$35	--	\$96	\$97	\$28	--	\$124	22.8%	25.5%	27.9%	--	\$124	26.0%
1277	Staff Accountant - I	2	\$60	\$69	\$22	--	\$59	\$60	\$19	--	\$78	9.6%	17.8%	18.9%	--	\$79	18.0%
1278	Staff Accountant - II	7	\$69	\$79	\$24	--	\$71	\$72	\$22	--	\$93	4.0%	11.3%	11.3%	--	\$94	11.3%
1279	Staff Accountant - II	15	\$65	\$75	\$23	--	\$71	\$72	\$22	--	\$93	-2.0%	4.9%	7.5%	--	\$94	5.5%
1281	Staffing Advisor	2	\$83	\$95	\$30	--	\$82	\$93	\$27	--	\$119	-2.3%	3.1%	11.6%	--	\$120	5.0%
1288	HR Professional 6	1	\$76	\$87	\$26	--	\$70	\$70	\$21	--	\$91	16.9%	25.7%	28.8%	--	\$91	24.3%
1289	HR Professional 5	1	\$75	\$86	\$27	--	\$84	\$85	\$26	--	\$109	-2.8%	2.6%	5.6%	--	\$110	3.3%
1293	Administrator	3	\$69	\$80	\$26	--	\$73	\$74	\$23	--	\$96	2.0%	9.4%	9.9%	--	\$97	9.6%
1300	Web Business Technologist	5	\$95	\$109	\$33	--	\$102	\$101	\$29	--	\$131	2.6%	7.3%	14.9%	--	\$130	9.0%
1301	Web Programmer	2	\$72	\$83	\$26	--	\$84	\$84	\$25	--	\$109	-7.4%	-0.4%	3.7%	--	\$109	0.5%
			\$111,588	\$128,761	\$39,811	\$805	\$169,377	\$170,953	\$37,060	\$1,252	\$167,544	-4.5%	-0.4%	7.4%	-35.7%	\$169,796	1.1%
		1,179															
		1,906															
		61.9%															

APPENDIX B - I — Detailed Competitive Summary by Employee Category — SDG&E

Physical/Technical											SDG&E Average											Competitive Market Average											Variance - SDG&E +/- Market										
2016 GRC Study Position	Benchmark Job Title	# of SDG&E EEs	Base Salary	Target Cash	Total Cash	Benefits	LTI	Target Comp.	Total Comp.	Base Salary	Target Cash	Total Cash	Benefits	LTI	Target Comp.	Total Comp.	Base Salary	Target Cash	Total Cash	Benefits	LTI %	Target Total Comp. %	Total Comp. %	Variance	Market +/-																		
1046	Communications Technician	13	\$98	\$98	\$98	\$35	--	\$133	\$133	\$79	\$79	\$82	\$31	--	\$111	\$113	24.0%	24.0%	20.1%	10.2%	--	20.1%	17.3%	-2.8%	20.1%																		
1047	Compressor Operator	7	\$83	\$83	\$83	\$31	--	\$115	\$115	\$78	\$78	\$79	\$31	--	\$109	\$110	7.0%	7.0%	5.6%	0.3%	--	5.1%	4.1%	-1.0%	5.6%																		
1083	Dist Sys Opr	13	\$112	\$112	\$112	\$38	--	\$150	\$150	\$84	\$84	\$87	\$33	--	\$117	\$120	33.0%	33.0%	29.2%	16.9%	--	28.5%	25.8%	-2.7%	29.2%																		
1088	Dratler - Digitizer A	5	\$42	\$46	\$44	\$19	--	\$65	\$63	\$41	\$44	\$45	\$17	--	\$61	\$62	0.7%	5.4%	-2.2%	10.5%	--	6.9%	1.3%	-0.4%	5.4%																		
1088	Electr NACE	4	\$85	\$85	\$85	\$29	--	\$114	\$114	\$70	\$70	\$72	\$26	--	\$96	\$98	22.2%	22.2%	18.7%	11.7%	--	19.4%	16.8%	-2.6%	18.7%																		
1092	Electric Meter Tester	15	\$92	\$92	\$92	\$33	--	\$125	\$126	\$76	\$76	\$79	\$31	--	\$107	\$110	20.3%	20.3%	16.7%	7.9%	--	16.7%	14.2%	-2.5%	16.7%																		
1094	Electric Control Technician - Power Delivery	10	\$98	\$98	\$98	\$35	--	\$133	\$133	\$88	\$88	\$89	\$34	--	\$121	\$123	12.0%	12.0%	9.8%	4.3%	--	9.9%	8.3%	-1.6%	9.8%																		
1113	Facilities Mechanic - A	5	\$79	\$79	\$79	\$28	--	\$107	\$107	\$67	\$67	\$70	\$26	--	\$93	\$95	17.3%	17.3%	13.4%	7.8%	--	14.7%	11.9%	-2.8%	13.4%																		
1116	Fault Finding Spec	7	\$104	\$104	\$104	\$36	--	\$140	\$141	\$79	\$79	\$80	\$32	--	\$111	\$112	30.4%	30.4%	31.2%	14.0%	--	25.7%	26.3%	0.6%	31.2%																		
1124	Gas / Maint Tech	51	\$76	\$76	\$76	\$27	--	\$103	\$103	\$71	\$71	\$72	\$26	--	\$97	\$99	7.4%	7.4%	5.0%	2.9%	--	6.2%	4.5%	-1.7%	7.4%																		
1127	Gas / Ug Tech (A)	22	\$63	\$63	\$63	\$27	--	\$90	\$90	\$77	\$77	\$79	\$31	--	\$108	\$110	-17.9%	-17.9%	-20.0%	-14.1%	--	-16.8%	-18.4%	1.6%	-17.9%																		
1130	Helper	2	\$44	\$44	\$44	\$16	--	\$60	\$60	\$52	\$52	\$53	\$17	--	\$69	\$69	-14.4%	-14.4%	-15.7%	-5.2%	--	-12.2%	-13.2%	1.0%	-14.4%																		
1141	IT Specialist 1	1	\$62	\$68	\$70	\$24	--	\$92	\$93	\$58	\$60	\$60	\$21	--	\$82	\$82	6.4%	12.6%	15.2%	11.5%	--	12.3%	14.2%	1.9%	15.2%																		
1142	Inspector A	24	\$83	\$83	\$83	\$32	--	\$114	\$114	\$83	\$83	\$83	\$33	--	\$115	\$116	0.1%	0.1%	-0.6%	-3.1%	--	-0.8%	-1.3%	0.5%	-0.6%																		
1143	Instru & Ctrl Tech	6	\$82	\$90	\$91	\$27	--	\$117	\$118	\$75	\$79	\$78	\$23	--	\$102	\$102	9.2%	14.4%	15.5%	15.1%	--	14.5%	15.4%	0.9%	15.5%																		
1144	Instru Ctrl Tech - Gas - Trans Instrument Technician (Gas) A - Distribution	6	\$89	\$89	\$89	\$33	--	\$122	\$122	\$77	\$77	\$79	\$31	--	\$108	\$110	15.8%	15.8%	12.8%	5.3%	--	12.8%	10.7%	-2.1%	12.8%																		
1146	Distribution	4	\$84	\$84	\$84	\$31	--	\$115	\$115	\$77	\$77	\$79	\$31	--	\$108	\$110	9.0%	9.0%	6.1%	1.4%	--	6.8%	4.8%	-2.0%	9.0%																		
1148	Laboratory Tech	6	\$76	\$76	\$76	\$27	--	\$103	\$103	\$76	\$76	\$76	\$27	--	\$104	\$107	-0.5%	-0.5%	-4.2%	-1.8%	--	-0.8%	-3.6%	2.8%	-4.2%																		
1149	Laborer	48	\$34	\$34	\$34	\$12	--	\$46	\$46	\$33	\$34	\$36	\$11	--	\$45	\$47	4.5%	0.5%	-4.3%	5.9%	--	1.8%	-1.9%	3.7%	0.5%																		
1151	Lead Stockkeeper	6	\$69	\$69	\$69	\$25	--	\$94	\$94	\$69	\$69	\$70	\$26	--	\$95	\$96	-0.6%	-0.6%	-1.6%	-1.9%	--	-1.0%	-1.7%	0.7%	-0.6%																		
1152	Line Asst	17	\$54	\$54	\$54	\$18	--	\$72	\$72	\$52	\$52	\$53	\$17	--	\$69	\$69	4.7%	4.7%	3.1%	5.8%	--	5.0%	3.8%	1.2%	4.7%																		
1153	Line Checker	5	\$70	\$70	\$70	\$29	--	\$99	\$99	\$83	\$83	\$83	\$33	--	\$115	\$116	-15.4%	-15.4%	-16.0%	-12.4%	--	-14.6%	-15.0%	0.4%	-15.4%																		
1154	Lineman	184	\$105	\$105	\$105	\$36	--	\$141	\$141	\$76	\$76	\$79	\$31	--	\$107	\$110	37.4%	37.4%	33.0%	17.7%	--	31.7%	28.7%	-3.0%	33.0%																		
1155	Lineman (Transmission)	10	\$111	\$111	\$111	\$38	--	\$149	\$149	\$76	\$76	\$79	\$31	--	\$107	\$110	46.1%	46.1%	41.2%	22.7%	--	39.4%	36.0%	-3.4%	41.2%																		
1169	Meter Services Person	49	\$71	\$71	\$71	\$28	--	\$99	\$99	\$76	\$76	\$76	\$28	--	\$107	\$110	-7.7%	-7.7%	-10.5%	-8.2%	--	-7.9%	-9.8%	1.9%	-10.5%																		
1180	Ops Tech	16	\$78	\$86	\$86	\$26	--	\$113	\$112	\$74	\$80	\$81	\$24	--	\$103	\$104	5.4%	8.4%	6.3%	11.3%	--	9.1%	7.4%	-1.7%	8.4%																		
1182	Patroller (Gas)	15	\$69	\$69	\$69	\$25	--	\$94	\$94	\$69	\$69	\$71	\$26	--	\$95	\$97	-0.1%	-0.1%	-3.0%	-1.6%	--	-0.6%	-2.7%	2.6%	-3.0%																		
1213	Regulator Technician - Distribution	11	\$85	\$85	\$85	\$29	--	\$114	\$114	\$75	\$75	\$76	\$27	--	\$102	\$103	13.7%	13.7%	11.6%	6.9%	--	11.9%	10.4%	-1.5%	11.6%																		
1218	Relay Tech C	4	\$101	\$101	\$101	\$36	--	\$137	\$137	\$82	\$82	\$85	\$32	--	\$114	\$117	22.9%	22.9%	18.9%	10.7%	--	19.4%	16.6%	-2.8%	22.9%																		
1252	Service Planner	30	\$66	\$76	\$77	\$24	--	\$101	\$101	\$73	\$80	\$79	\$24	--	\$104	\$103	-9.5%	-5.0%	-2.6%	2.8%	--	-3.2%	-1.3%	1.9%	-5.0%																		
1253	Service Technician	94	\$78	\$78	\$78	\$31	--	\$109	\$109	\$82	\$82	\$85	\$32	--	\$115	\$117	-4.8%	-4.8%	-7.5%	-6.0%	--	-5.1%	-7.1%	2.0%	-7.5%																		
1258	Sp Equip Opr - Haz Mat Cert	7	\$74	\$74	\$74	\$27	--	\$101	\$101	\$71	\$71	\$73	\$26	--	\$97	\$99	4.8%	4.8%	2.2%	1.3%	--	3.8%	2.0%	-1.8%	4.8%																		
1259	Special Equipment Operator	4	\$65	\$65	\$65	\$25	--	\$89	\$89	\$71	\$71	\$73	\$26	--	\$97	\$99	-8.0%	-8.0%	-10.6%	-6.3%	--	-7.5%	-9.5%	2.0%	-10.6%																		
1273	St Ops Tech	13	\$87	\$96	\$97	\$32	--	\$128	\$129	\$80	\$80	\$80	\$32	--	\$108	\$108	9.2%	20.2%	21.3%	16.0%	--	19.1%	20.0%	0.9%	20.2%																		
1283	Substation Electrician	82	\$100	\$100	\$100	\$36	--	\$135	\$135	\$90	\$90	\$93	\$34	--	\$125	\$127	10.3%	10.3%	7.7%	3.3%	--	8.4%	6.5%	-1.9%	10.3%																		
1291	Troubleshooter	44	\$111	\$111	\$111	\$38	--	\$149	\$149	\$82	\$82	\$85	\$32	--	\$115	\$117	34.4%	34.4%	30.8%	17.6%	--	29.7%	27.2%	-2.5%	30.8%																		
1294	Vehicle Operator A	3	\$67	\$67	\$67	\$25	--	\$92	\$92	\$67	\$67	\$69	\$26	--	\$92	\$94	0.3%	0.3%	-3.1%	-2.1%	--	-0.4%	-2.8%	2.5%	-3.1%																		
1295	Vehicle Opr A - Haz Mat Cert	4	\$68	\$68	\$68	\$25	--	\$93	\$93	\$67	\$67	\$69	\$26	--	\$92	\$94	2.5%	2.5%	-0.9%	-0.9%	--	1.5%	-0.9%	1.0%	-0.9%																		
1302	Welder (Gas)	2302	\$75	\$75	\$75	\$29	--	\$105	\$105	\$78	\$78	\$81	\$31	--	\$109	\$112	-1.8%	-2.9%	-6.5%	-5.5%	--	-3.7%	-6.2%	2.5%	-6.5%																		
1303	Wkg Firm - Gas / Non-Arc Qual	9	\$91	\$91	\$91	\$34	--	\$125	\$127	\$82	\$82	\$83	\$32	--	\$114	\$115	11.8%	11.8%	13.2%	3.9%	--	9.5%	10.6%	1.1%	13.2%																		
1304	Working Foreman - Electric	17	\$93	\$93	\$93	\$34	--	\$127	\$127	\$82	\$82	\$83	\$32	--	\$114	\$115	13.7%	13.7%	12.1%	5.1%	--	11.2%	10.1%	-1.1%	12.1%																		
1305	Working Foreman - Electric Distribution	42	\$113	\$113	\$113	\$39	--	\$152	\$152	\$86	\$86	\$88	\$33	--	\$119	\$122	31.7%	31.7%	28.2%	16.3%	--	27.4%	24.9%	-2.5%	28.2%																		
937			\$80,978	\$81,592	\$81,750	\$29,127	\$0	\$110,719	\$110,836	\$71,098	\$71,491	\$73,391	\$27,441	\$0	\$98,932	\$100,832	13.9%	14.1%	11.4%	6.1%	N/A	11.9%	10.0%	1.9%	N/A																		
		1,377																																									
		68.0%																																									

APPENDIX B - I — Detailed Competitive Summary by Employee Category — SDG&E

Clerical																	
2016 GRC Study Position	SDG&E Benchmark Job Title	# of SDG&E EEs	SDG&E Average				Competitive Market Average				Variance - SDG&E +/- Market						
			Base Salary	Target Total Cash	Total Cash	Benefits	LTI	Target Total Cash	Total Cash	Benefits	LTI	Base Salary %	Target Total Cash %	Total Cash %	Benefits %	LTI %	Target Total Comp. %
1003	Accounting Associate	7	\$49	\$54	\$54	\$21	\$75	\$49	\$18	\$67	5.4%	10.9%	10.7%	13.2%	-	11.5%	11.4%
1004	Admin Assoc	31	\$52	\$57	\$68	\$22	\$79	\$69	\$23	\$92	-20.7%	-17.4%	-18.1%	-5.6%	-	-14.4%	-15.0%
1005	Admin 1	1	\$42	\$46	\$48	\$19	\$66	\$41	\$17	\$58	9.1%	13.8%	18.1%	14.2%	-	13.9%	17.0%
1006	Administrative Associate	26	\$47	\$52	\$52	\$19	\$71	\$58	\$19	\$77	-13.9%	-10.2%	-11.3%	0.0%	-	-7.6%	-8.5%
1007	Admin 2	1	\$38	\$42	\$42	\$19	\$60	\$45	\$18	\$66	-16.3%	-12.3%	-12.3%	2.0%	-	-6.3%	-8.4%
1041	Finance Admin 1	1	\$51	\$57	\$78	\$22	\$78	\$60	\$22	\$85	-14.4%	-10.3%	-12.4%	-8.0%	-	-7.9%	-9.5%
1082	Dispatcher Specialist	31	\$77	\$77	\$77	\$30	\$108	\$84	\$33	\$117	-8.0%	-8.0%	-10.6%	-1.0%	-	-8.0%	-9.9%
1085	Document Coordinator	2	\$52	\$57	\$58	\$22	\$79	\$64	\$22	\$86	-13.4%	-10.2%	-10.8%	-1.0%	-	-7.8%	-8.4%
1087	Elect GIS Tech	28	\$53	\$58	\$58	\$22	\$80	\$60	\$21	\$81	-12.4%	-3.6%	-10.4%	2.8%	-	-1.9%	-7.2%
1102	Engy Svcs Spec I	104	\$46	\$51	\$50	\$19	\$70	\$59	\$19	\$78	-16.1%	-13.4%	-11.9%	-1.8%	-	-10.5%	-9.4%
1103	Engy Svcs Spec I Bilingual	32	\$45	\$50	\$49	\$19	\$69	\$63	\$20	\$83	-23.4%	-20.8%	-20.1%	-6.6%	-	-17.4%	-16.8%
1111	Executive Assistant - I & II	10	\$71	\$81	\$84	\$26	\$107	\$72	\$24	\$96	14.0%	12.1%	26.9%	11.2%	-	11.8%	22.8%
1158	Maint Mech	2	\$81	\$89	\$90	\$27	\$116	\$75	\$23	\$98	13.1%	19.7%	21.3%	18.2%	-	19.3%	20.6%
1176	Operations Coordinator	14	\$58	\$63	\$64	\$23	\$86	\$63	\$22	\$85	-4.1%	0.5%	-10.4%	4.9%	-	1.6%	0.5%
1179	Ops Asst	26	\$49	\$53	\$53	\$21	\$75	\$70	\$23	\$92	-25.8%	-22.6%	-24.1%	-8.6%	-	-19.1%	-20.3%
1227	Finance Admin 2	1	\$47	\$52	\$52	\$19	\$71	\$60	\$20	\$80	-17.1%	-13.2%	-13.9%	-1.9%	-	-10.4%	-10.9%
1234	Senior Collector	30	\$59	\$59	\$59	\$23	\$82	\$63	\$25	\$88	-6.4%	-6.4%	-8.7%	-6.0%	-	-6.3%	-7.9%
1250	Service Coordinator	14	\$55	\$61	\$61	\$22	\$83	\$63	\$22	\$85	-7.9%	-3.6%	-5.5%	2.7%	-	-2.0%	-3.4%
1264	Sr Acctg Mgmt Spec	2	\$55	\$63	\$64	\$21	\$84	\$56	\$19	\$74	5.6%	13.7%	14.0%	13.1%	-	13.5%	13.7%
1274	Sr Paralegal	5	\$88	\$101	\$102	\$33	\$134	\$89	\$29	\$118	4.7%	13.6%	14.2%	12.2%	-	13.3%	13.7%
1280	Staff Assistant	11	\$42	\$46	\$46	\$19	\$66	\$41	\$17	\$61	1.8%	6.2%	5.0%	10.8%	-	7.5%	6.6%
1292	Utility Accounting Clerk	3	\$54	\$59	\$59	\$20	\$79	\$52	\$18	\$70	8.1%	13.2%	11.5%	12.8%	-	13.1%	11.8%
			\$20,237	\$21,907	\$21,924	\$8,230	\$30,137	\$24,239	\$6,381	\$32,619	-12.6%	-9.6%	-10.2%	-1.8%	N/A	-7.6%	-8.0%
		382															
		628															
		60.8%															

**APPENDIX B - II —
Detailed Competitive Summary by Employee Category –
Corporate Center**

Executive														
Corp. Center Average														
2016 GRC Position	# of Corp Center EEs	Corp Center Benchmark Job Title	Target			Base Salary			Total Cash			Total Comp.		
			Cash	LTI	Benefits	Salary	Cash	LTI	Benefits	Cash	LTI	Benefits	Comp.	
3028 Executive 2	1		\$1,112	\$1,406	\$211	\$1,483	\$2,807	\$3,100	\$641	\$1,215	\$1,299	\$1,777	\$3,284	
3029 Executive 3	1		\$935	\$773	\$180	\$1,238	\$2,353	\$2,190	\$535	\$948	\$1,002	\$1,123	\$2,290	
3070 Executive 5	1		\$688	\$852	\$148	\$648	\$1,464	\$1,647	\$435	\$738	\$776	\$764	\$1,682	
3076 Executive 9	1		\$319	\$395	\$76	\$165	\$560	\$636	\$270	\$392	\$406	\$206	\$696	
3077 Executive 8	1		\$454	\$590	\$105	\$282	\$841	\$977	\$314	\$463	\$486	\$270	\$857	
	5		\$3,489	\$4,015	\$721	\$3,816	\$8,025	\$8,551	\$2,196	\$3,756	\$3,970	\$4,140	\$8,605	
	12													
	41.7%													
Competitive Market Average														
2016 GRC Position	# of Corp Center EEs	Corp Center Benchmark Job Title	Target			Base Salary			Total Cash			Total Comp.		
			Cash	LTI	Benefits	Salary	Cash	LTI	Benefits	Cash	LTI	Benefits	Comp.	
3028 Executive 2	1		\$1,112	\$1,406	\$211	\$1,483	\$2,807	\$3,100	\$641	\$1,215	\$1,299	\$1,777	\$3,284	
3029 Executive 3	1		\$935	\$773	\$180	\$1,238	\$2,353	\$2,190	\$535	\$948	\$1,002	\$1,123	\$2,290	
3070 Executive 5	1		\$688	\$852	\$148	\$648	\$1,464	\$1,647	\$435	\$738	\$776	\$764	\$1,682	
3076 Executive 9	1		\$319	\$395	\$76	\$165	\$560	\$636	\$270	\$392	\$406	\$206	\$696	
3077 Executive 8	1		\$454	\$590	\$105	\$282	\$841	\$977	\$314	\$463	\$486	\$270	\$857	
	5		\$3,489	\$4,015	\$721	\$3,816	\$8,025	\$8,551	\$2,196	\$3,756	\$3,970	\$4,140	\$8,605	
	12													
	41.7%													
Variance - Corp Center +/- Market														
2016 GRC Position	# of Corp Center EEs	Corp Center Benchmark Job Title	Target			Base Salary			Total Cash			Total Comp.		
			Cash %	LTI %	Benefits %	Salary %	Cash %	LTI %	Benefits %	Cash %	LTI %	Benefits %	Comp. %	
3028 Executive 2	1		-8.4%	-4.4%	1.4%	-3.7%	-8.4%	8.2%	8.2%	-1.4%	8.2%	-16.5%	-12.3%	
3029 Executive 3	1		-1.4%	-22.9%	8.8%	2.8%	-1.4%	-22.9%	8.8%	8.8%	10.2%	5.2%	-4.4%	
3070 Executive 5	1		-9.5%	9.7%	-2.6%	-7.0%	-9.5%	9.7%	-2.6%	-2.6%	-15.2%	-11.5%	-2.7%	
3076 Executive 9	1		-18.5%	-2.7%	-8.7%	-18.6%	-18.5%	-2.7%	-8.7%	-18.6%	-20.0%	-17.8%	-8.6%	
3077 Executive 8	1		-1.9%	21.2%	5.2%	-0.1%	-1.9%	21.2%	5.2%	5.2%	4.2%	0.9%	14.0%	
	5		-7.1%	1.1%	1.6%	-4.1%	-7.1%	1.1%	1.6%	-7.8%	-6.7%	-3.0%		

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

2016 GRC Study Position		# of Corp Center EEs	Corp Center Average				Competitive Market Average				Variance - Corp Center +/- Market													
			Base Salary	Target Total Cash	Total Cash	Target Total Comp.	Base Salary	Target Total Cash	Total Cash	Target Total Comp.	Base Salary %	Target Total Cash %	Total Cash %	Target Total Comp. %	LTI %	Benefits %								
3001	Finance Manager 17	1	\$119	\$137	\$143	\$180	\$186	\$123	\$125	\$36	\$60	\$58	\$159	\$161	9.4%	10.9%	14.9%	19.5%	20.9%	19.5%	-12.8%	15.9%		
3004	Finance Manager 1	1	\$213	\$288	\$363	\$422	\$497	\$268	\$279	\$73	\$60	\$58	\$386	\$397	3.5%	7.5%	30.1%	20.9%	30.1%	20.9%	5.9%	9.3%	25.2%	
3005	Legal Manager 1	1	\$261	\$352	\$439	\$515	\$601	\$319	\$335	\$86	\$70	\$102	\$491	\$507	6.5%	10.2%	31.1%	23.7%	31.1%	23.7%	-25.3%	4.7%	18.7%	
3007	Finance Manager 2	1	\$223	\$301	\$368	\$484	\$551	\$271	\$286	\$75	\$61	\$86	\$418	\$433	4.4%	10.9%	28.6%	24.2%	28.6%	24.2%	25.6%	15.9%	27.3%	
3008	Finance Manager 18	1	\$137	\$164	\$167	\$213	\$216	\$135	\$136	\$49	\$38	\$61	\$173	\$174	15.9%	21.5%	23.1%	27.9%	23.1%	27.9%	-	22.9%	24.1%	
3010	HR Manager 4	1	\$145	\$174	\$197	\$225	\$249	\$133	\$133	\$51	\$38	\$-	\$171	\$171	24.4%	30.4%	48.2%	34.9%	30.4%	34.9%	-	31.4%	45.3%	
3013	Finance Manager 12	1	\$143	\$172	\$192	\$222	\$243	\$174	\$175	\$51	\$46	\$-	\$220	\$221	-2.7%	-1.4%	9.5%	11.2%	-1.4%	9.5%	-	1.2%	9.8%	
3015	Legal Manager 2	1	\$253	\$342	\$394	\$499	\$551	\$319	\$335	\$84	\$70	\$102	\$491	\$507	3.5%	7.1%	17.7%	20.7%	17.7%	20.7%	-29.2%	1.5%	8.7%	
3016	Finance Manager 26	1	\$115	\$132	\$139	\$170	\$177	\$94	\$95	\$38	\$27	\$-	\$122	\$122	33.6%	39.6%	46.4%	40.3%	39.6%	40.3%	-	39.8%	45.0%	
3017	Public Relations Manager 3	1	\$195	\$243	\$286	\$367	\$409	\$202	\$163	\$66	\$57	\$43	\$296	\$257	19.3%	20.3%	75.1%	30.7%	75.1%	30.7%	33.2%	23.9%	59.3%	
3018	Director - Audit Service	3	\$168	\$210	\$248	\$317	\$356	\$213	\$214	\$59	\$49	\$42	\$308	\$309	-2.6%	-1.4%	16.2%	11.5%	16.2%	11.5%	15.1%	3.1%	15.2%	
3019	Finance Manager 6	1	\$178	\$223	\$257	\$337	\$371	\$211	\$215	\$62	\$53	\$48	\$311	\$316	6.0%	5.6%	19.4%	17.8%	19.4%	17.8%	9.4%	8.2%	17.6%	
3020	Finance Manager 7	1	\$180	\$225	\$240	\$340	\$373	\$211	\$219	\$62	\$53	\$55	\$319	\$327	5.7%	6.5%	17.4%	18.6%	17.4%	18.6%	-4.2%	6.7%	13.9%	
3021	Finance Manager 3	1	\$159	\$199	\$229	\$299	\$330	\$211	\$219	\$54	\$46	\$51	\$331	\$340	-11.9%	-12.6%	-3.1%	2.8%	-12.6%	-3.1%	2.8%	-8.6%	-9.5%	-3.0%
3022	Director - Corporate Tax	2	\$208	\$257	\$301	\$383	\$427	\$231	\$234	\$66	\$59	\$54	\$339	\$342	11.6%	11.1%	28.8%	24.2%	28.8%	24.2%	8.8%	12.8%	24.9%	
3023	Finance Manager 4	1	\$170	\$212	\$247	\$318	\$353	\$235	\$240	\$57	\$49	\$46	\$335	\$341	-10.2%	-9.8%	2.6%	5.2%	-9.8%	2.6%	5.2%	6.3%	3.5%	
3024	Finance Manager 8	1	\$200	\$250	\$302	\$376	\$428	\$211	\$219	\$68	\$58	\$55	\$319	\$327	17.4%	18.4%	37.8%	29.1%	37.8%	29.1%	4.4%	17.7%	30.8%	
3025	Public Relations Manager 4	1	\$161	\$201	\$240	\$306	\$344	\$185	\$187	\$57	\$47	\$39	\$272	\$274	7.4%	8.7%	28.0%	19.9%	28.0%	19.9%	20.4%	12.4%	25.5%	
3026	Finance Manager 11	1	\$170	\$212	\$232	\$316	\$336	\$229	\$237	\$60	\$51	\$49	\$333	\$341	-6.3%	-7.0%	-1.9%	6.4%	-7.0%	-1.9%	6.4%	-9.2%	-5.1%	
3031	Finance Manager 15	1	\$147	\$176	\$180	\$228	\$233	\$162	\$165	\$52	\$44	\$-	\$206	\$209	6.8%	8.6%	9.2%	18.5%	9.2%	18.5%	-	10.7%	11.1%	
3035	IT Manager 1	1	\$150	\$180	\$196	\$233	\$249	\$181	\$176	\$53	\$47	\$-	\$228	\$223	-0.8%	-0.4%	11.5%	12.0%	-0.4%	11.5%	-	2.1%	11.6%	
3040	Finance Manager 13	1	\$180	\$225	\$258	\$287	\$320	\$182	\$185	\$62	\$47	\$-	\$229	\$232	18.7%	23.6%	39.5%	32.6%	23.6%	39.5%	-	25.4%	38.1%	
3050	Security Manager	2	\$116	\$139	\$146	\$179	\$186	\$118	\$118	\$40	\$32	\$-	\$150	\$150	8.2%	18.0%	23.4%	25.1%	18.0%	23.4%	-	19.5%	23.8%	
3051	Finance Manager 24	1	\$126	\$151	\$163	\$197	\$209	\$123	\$125	\$46	\$36	\$-	\$159	\$161	15.9%	22.5%	30.8%	28.4%	22.5%	30.8%	-	23.8%	30.2%	
3064	Finance Manager 25	1	\$119	\$143	\$155	\$187	\$200	\$135	\$137	\$44	\$38	\$-	\$174	\$176	0.7%	5.5%	13.2%	15.4%	5.5%	13.2%	-	7.7%	13.7%	
3074	Tax Manager	6	\$143	\$172	\$187	\$223	\$238	\$141	\$141	\$40	\$40	\$-	\$180	\$180	18.1%	22.2%	32.7%	29.2%	22.2%	32.7%	-	23.7%	31.9%	
		35	\$5,747	\$7,152	\$8,164	\$1,994	\$989	\$6,512	\$6,594	\$1,646	\$970	\$9128	\$9,209			7.4%	9.8%	23.8%	21.1%	23.8%	21.1%	2.0%	11.0%	21.0%
		78																						
		44.9%																						

Professional/Technical																			
2016 GRC Study Position	Corp Center Benchmark Job Title	# of Corp Center EEs	Corp Center Average				Competitive Market Average				Variance - Corp Center +/- Market								
			Base Salary	Total Cash	Total Comp.	Target Total Comp.	Base Salary	Total Cash	Total Comp.	Target Total Comp.	Base Salary %	Total Cash %	Total Comp. %	Target Total Comp. %					
3009	Auditor II	4	\$76	\$91	\$117	\$117	\$92	\$92	\$27	\$27	\$119	\$119	-9.9%	-4.9%	-1.1%	8.1%	-2.0%	0.9%	
3011	Benefits Analyst	2	\$64	\$74	\$101	\$98	\$68	\$74	\$24	\$24	\$97	\$98	-5.5%	-4.1%	-1.1%	12.5%	-3.5%	-0.1%	
3012	Benefits Plan Advr	2	\$84	\$97	\$127	\$133	\$84	\$91	\$27	\$27	\$118	\$118	0.6%	6.2%	11.9%	16.1%	8.4%	12.9%	
3027	ERISA Compliance Manager	1	\$138	\$158	\$207	\$214	\$135	\$153	\$42	\$42	\$191	\$195	2.0%	7.8%	7.8%	16.1%	-7.9%	9.6%	
3032	Fin Analyst	7	\$73	\$84	\$113	\$118	\$73	\$89	\$29	\$29	\$98	\$99	5.4%	13.3%	19.6%	20.6%	-15.0%	19.8%	
3033	HR Analyst	2	\$63	\$72	\$98	\$102	\$71	\$76	\$24	\$24	\$100	\$101	-11.1%	-5.3%	-2.1%	8.6%	-2.0%	0.4%	
3036	IT Architect	2	\$140	\$161	\$209	\$222	\$143	\$162	\$43	\$43	\$204	\$205	-2.6%	0.0%	7.2%	12.5%	-2.6%	8.3%	
3037	Ld Software Developer	2	\$118	\$135	\$178	\$186	\$147	\$169	\$45	\$45	\$214	\$213	-19.9%	-19.9%	-14.5%	-4.3%	-16.7%	-12.3%	
3042	Prin Accountant	7	\$100	\$115	\$154	\$158	\$129	\$143	\$40	\$40	\$184	\$186	-22.6%	-19.8%	-18.1%	-4.4%	-16.4%	-15.1%	
3043	Prin Auditor	7	\$109	\$125	\$166	\$170	\$148	\$149	\$41	\$41	\$190	\$190	-16.0%	-15.7%	-13.4%	-1.2%	-12.5%	-10.7%	
3044	Prin Finl Analyst	10	\$109	\$126	\$167	\$175	\$133	\$151	\$42	\$42	\$193	\$197	-17.6%	-16.9%	-14.0%	-2.3%	-13.7%	-11.5%	
3045	Prin IT Auditor	2	\$125	\$144	\$189	\$195	\$137	\$156	\$42	\$42	\$200	\$198	-8.5%	-8.5%	-3.4%	5.5%	-5.5%	-1.5%	
3046	Principal Tax Advisor	6	\$118	\$135	\$187	\$187	\$156	\$188	\$47	\$47	\$230	\$235	-24.7%	-26.0%	-23.2%	-9.9%	-22.7%	-20.5%	
3047	Prj Mgr - Audit Svcs	6	\$123	\$141	\$186	\$194	\$129	\$148	\$41	\$41	\$190	\$190	-4.9%	-4.5%	0.6%	7.8%	-1.8%	2.2%	
3049	Risk Manager	1	\$115	\$132	\$174	\$180	\$106	\$124	\$35	\$35	\$156	\$160	8.5%	9.5%	11.0%	18.5%	-11.5%	12.7%	
3052	Senior Accountant	6	\$86	\$99	\$130	\$132	\$100	\$112	\$31	\$31	\$141	\$142	-14.2%	-10.7%	-9.7%	3.1%	-7.7%	-7.0%	
3053	Senior Applications Support Advisor	1	\$90	\$103	\$135	\$142	\$106	\$117	\$32	\$32	\$149	\$150	-15.8%	-12.0%	-7.6%	1.9%	-9.0%	-5.6%	
3054	Senior Auditor	4	\$102	\$117	\$153	\$159	\$102	\$114	\$31	\$31	\$145	\$145	-0.5%	2.6%	8.6%	13.2%	-4.9%	9.6%	
3055	Senior Business Analyst - II	3	\$88	\$101	\$133	\$138	\$102	\$113	\$31	\$31	\$143	\$144	-13.9%	-9.6%	-6.1%	3.9%	-6.7%	-4.0%	
3056	Senior Compensation Advdor	3	\$107	\$123	\$163	\$155	\$108	\$123	\$36	\$36	\$157	\$159	-1.1%	1.5%	-6.7%	12.4%	4.0%	-2.4%	
3058	Senior Financial Analyst	5	\$83	\$95	\$126	\$131	\$106	\$117	\$32	\$32	\$149	\$150	-21.6%	-18.7%	-15.7%	-3.4%	-15.5%	-13.1%	
3061	Senior Software Developer	3	\$104	\$119	\$158	\$164	\$124	\$138	\$39	\$39	\$178	\$178	-16.4%	-14.1%	-9.5%	-0.1%	-11.1%	-7.4%	
3062	Senior Tax Advisor	7	\$96	\$111	\$148	\$153	\$115	\$130	\$37	\$37	\$168	\$169	-15.9%	-14.8%	-12.0%	-0.3%	-11.6%	-9.4%	
3063	Senior Tax Counsel	2	\$189	\$236	\$334	\$342	\$212	\$271	\$61	\$61	\$404	\$416	-11.0%	-13.1%	-14.4%	1.6%	-17.2%	-17.9%	
3065	Sp Agent	5	\$89	\$103	\$135	\$141	\$100	\$109	\$30	\$30	\$139	\$141	-10.9%	-6.0%	-1.9%	6.7%	-3.2%	0.0%	
3066	Sr Corp Comms Mgr	3	\$114	\$131	\$173	\$170	\$131	\$151	\$42	\$42	\$193	\$193	-12.9%	-13.3%	-15.5%	0.7%	-10.2%	-12.0%	
3067	Sr Counsel	9	\$190	\$237	\$336	\$355	\$197	\$242	\$55	\$55	\$360	\$368	-3.8%	-2.2%	2.3%	12.1%	-6.7%	-3.6%	
3068	Sr IT Auditor	2	\$109	\$125	\$166	\$173	\$111	\$124	\$36	\$36	\$160	\$160	-1.9%	1.2%	6.6%	12.2%	3.7%	7.9%	
3069	Staff Accountant	6	\$60	\$69	\$93	\$95	\$55	\$69	\$19	\$19	\$78	\$79	9.4%	17.5%	19.4%	24.0%	-19.1%	20.5%	
3071	Tax Advisor	8	\$82	\$94	\$124	\$129	\$87	\$96	\$27	\$27	\$123	\$124	-6.3%	-2.0%	2.1%	10.0%	-0.7%	3.9%	
3075	Tax Proj Mgr	4	\$126	\$144	\$189	\$193	\$156	\$188	\$47	\$47	\$230	\$235	-19.6%	-21.0%	-20.9%	-5.7%	-17.9%	-17.8%	
	Benchmark Incumbents	132	\$13,858	\$16,145	\$21,611	\$22,384	\$15,630	\$17,827	\$4,854	\$706	\$23,387	\$23,664	-11.3%	-9.4%	-8.6%	4.3%	-42.5%	-7.6%	-5.4%
	Total Incumbents Coverage	208																	
		63.5%																	

Physical/Technical		Corp. Center Average					Competitive Market Average					Variance - Corp Center +/- Market												
		# of Corp Center EEs	Base Salary	Target Total Cash	Total Cash	Target Total Comp.	Base Salary	Target Total Cash	Total Cash	Target Total Comp.	LTI	Benefits %	Target Total Cash %	Total Cash %	Base Salary %	Target Total Cash %	Total Cash %	Target Total Comp. %	LTI %	Benefits %	Target Total Cash %	Total Cash %	Target Total Comp. %	
2016 GRC Study Position	Corp Center Benchmark Job Title		\$0	\$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
	Benchmark Incumbents	0																						
	Total Incumbents	--																						
	Coverage	0.0%																						

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

Clerical																			
2016 GRC Position	Corp Center Benchmark Job Title	# of Corp Center EEs	Corp Center Average				Competitive Market Average				Variance - Corp Center +/- Market								
			Base Salary	Total Cash	Benefits	LTI	Target Total Comp.	Base Salary	Total Cash	Benefits	LTI	Target Total Comp.	Base Salary %	Total Cash %	Benefits %	LTI %	Target Total Comp. %		
3002	Admin 5	1	\$52	\$58	\$22	-\$79	\$82	\$55	\$58	\$19	-\$78	-4.0%	0.1%	3.6%	14.0%	3.6%	-3.6%	6.2%	
3003	Administrative Associate	8	\$54	\$60	\$24	-\$83	\$85	\$66	\$69	\$23	-\$93	-17.2%	-13.7%	3.6%	3.6%	-13.4%	-9.4%	-9.2%	
3006	Assoc Busn Analyst	2	\$57	\$65	\$23	-\$88	\$90	\$54	\$57	\$19	-\$77	4.4%	13.4%	21.9%	21.9%	13.6%	15.5%	15.7%	
3014	Cash Mgmt Spec	3	\$60	\$68	\$24	-\$92	\$92	\$66	\$60	\$20	-\$80	6.3%	13.7%	10.8%	22.2%	10.8%	15.8%	13.6%	
3030	Executive Assistant - I & II	9	\$71	\$81	\$28	-\$110	\$111	\$62	\$72	\$24	-\$96	14.1%	12.2%	25.0%	19.8%	25.0%	14.0%	23.6%	
3034	HR Admin 2	1	\$56	\$62	\$24	-\$86	\$88	\$61	\$64	\$22	-\$86	-8.3%	-4.0%	9.9%	9.9%	-2.7%	-0.4%	0.5%	
3038	Admin 3	1	\$60	\$66	\$25	-\$91	\$92	\$64	\$67	\$23	-\$90	-6.1%	-1.6%	11.2%	11.2%	-0.2%	-1.6%	2.7%	
3039	Legal Fiscal Support Associate	2	\$58	\$64	\$25	-\$89	\$92	\$61	\$64	\$22	-\$87	-5.1%	-0.6%	2.7%	11.9%	2.7%	-2.6%	5.1%	
3041	Paralegal	4	\$72	\$82	\$26	-\$108	\$111	\$77	\$82	\$24	-\$106	-7.4%	0.5%	1.8%	8.6%	1.8%	-2.3%	3.3%	
3048	Admin 4	1	\$62	\$68	\$26	-\$94	\$97	\$60	\$63	\$22	-\$85	3.3%	8.3%	9.8%	17.3%	9.8%	-10.6%	11.7%	
3057	Senior Executive Assistant	2	\$93	\$107	\$36	-\$143	\$148	\$94	\$102	\$32	-\$134	-0.9%	5.0%	7.3%	13.9%	7.3%	7.2%	8.8%	
3059	Senior Legal Administrative	4	\$68	\$75	\$25	-\$99	\$102	\$69	\$73	\$22	-\$95	-1.6%	2.6%	6.0%	10.2%	6.0%	4.4%	7.0%	
3060	Senior Paralegal	4	\$84	\$97	\$34	-\$131	\$137	\$84	\$89	\$29	-\$118	0.1%	8.6%	14.3%	16.4%	14.3%	-10.6%	14.8%	
3072	Tax Assoc II	2	\$64	\$71	\$24	-\$95	\$99	\$54	\$57	\$19	-\$76	19.0%	23.5%	29.4%	28.0%	29.4%	24.6%	29.1%	
3073	Tax Coordinator	3	\$58	\$64	\$23	-\$87	\$87	\$43	\$45	\$18	-\$62	35.0%	42.8%	31.1%	31.1%	42.4%	39.5%	39.2%	
		47	\$3,091	\$3,486	\$1,240	-\$4,727	\$4,828	\$3,065	\$3,308	\$1,081	-\$4,389	0.8%	5.4%	9.1%	14.7%	9.1%	N/A	7.7%	10.5%
		69																	
		68.1%																	

APPENDIX C — Competitive Summary by Average Total Compensation Dollars

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

SDG&E Employee Category	# of SDG&E Employees in Study	SDG&E						Market													
		Base Salary	Target Total Cash	Actual Total Cash	Benefits	Incentives	Long-Term	Target Total Comp.	Actual Total Comp.	Base Salary	Target Total Cash	Actual Total Cash	Benefits	Incentives	Long-Term	Target Total Comp.	Actual Total Comp.				
Executive Manager/Supervisor	5	\$327	\$501	\$600	\$107	\$365	\$973	\$1,073	\$100	\$499	\$525	\$100	\$367	\$992	\$326	\$499	\$525	\$100	\$367	\$992	
Professional/Technical	320	\$118	\$138	\$140	\$41	\$2	\$181	\$184	\$34	\$123	\$121	\$34	\$3	\$158	\$109	\$123	\$121	\$34	\$3	\$158	
Physical/Technical	1,179	\$95	\$109	\$111	\$34	\$1	\$144	\$145	\$31	\$110	\$112	\$31	\$1	\$144	\$99	\$110	\$112	\$31	\$1	\$144	
Clerical	937	\$86	\$87	\$87	\$31	\$0	\$118	\$118	\$29	\$76	\$78	\$29	\$0	\$108	\$76	\$76	\$78	\$29	\$0	\$108	
	382	\$53	\$57	\$57	\$22	\$0	\$79	\$79	\$22	\$63	\$64	\$22	\$0	\$86	\$61	\$63	\$64	\$22	\$0	\$86	
Total	2,823																				

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

SDG&E Employee Category	# of SDG&E Employees in Study	SDG&E						Market													
		Base Salary	Target Total Cash	Actual Total Cash	Benefits	Incentives	Long-Term	Target Total Comp.	Actual Total Comp.	Base Salary	Target Total Cash	Actual Total Cash	Benefits	Incentives	Long-Term	Target Total Comp.	Actual Total Comp.				
Executive Manager/Supervisor	6	\$346	\$540	\$641	\$115	\$445	\$1,100	\$1,201	\$108	\$550	\$580	\$108	\$460	\$1,147	\$349	\$550	\$580	\$108	\$460	\$1,147	
Professional/Technical	329	\$119	\$140	\$143	\$41	\$3	\$184	\$187	\$35	\$125	\$123	\$35	\$3	\$161	\$110	\$125	\$123	\$35	\$3	\$161	
Physical/Technical	1,212	\$95	\$110	\$111	\$34	\$1	\$144	\$146	\$32	\$110	\$112	\$32	\$1	\$145	\$100	\$110	\$112	\$32	\$1	\$145	
Clerical	937	\$86	\$87	\$87	\$31	\$0	\$118	\$118	\$29	\$76	\$78	\$29	\$0	\$108	\$76	\$76	\$78	\$29	\$0	\$108	
	394	\$53	\$58	\$58	\$22	\$0	\$80	\$80	\$22	\$64	\$64	\$22	\$0	\$86	\$61	\$64	\$64	\$22	\$0	\$86	
Total	2,878																				

**APPENDIX D —
Competitive Summary by Aggregate Total Compensation
Dollars**

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

SDG&E Employee Category	# of SDG&E Employees in Study	SDG&E					Market							
		Base Salary	Target Total Cash	Actual Total Cash	Long-Term Incentives	Target Total Comp.	Actual Total Comp.	Base Salary	Target Total Cash	Actual Total Cash	Long-Term Incentives	Target Total Comp.	Actual Total Comp.	
Executive	5	\$1,635	\$2,503	\$3,001	\$537	\$1,825	\$4,866	\$5,363	\$2,495	\$2,627	\$498	\$1,835	\$4,828	\$4,961
Manager/Supervisor	320	\$37,762	\$44,213	\$44,912	\$13,046	\$779	\$58,038	\$58,736	\$39,467	\$38,869	\$10,995	\$803	\$51,265	\$50,668
Professional/Technical	1,179	\$111,588	\$128,761	\$130,336	\$39,811	\$805	\$169,377	\$170,953	\$129,232	\$131,484	\$37,060	\$1,252	\$167,544	\$169,796
Physical/Technical	937	\$80,978	\$81,592	\$81,750	\$29,127	\$0	\$110,719	\$110,876	\$71,491	\$73,391	\$27,441	\$0	\$98,932	\$100,832
Clerical	382	\$20,237	\$21,907	\$21,924	\$8,230	\$0	\$30,137	\$30,154	\$24,239	\$24,403	\$8,381	\$0	\$32,619	\$32,783
Total	2,823													

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

SDG&E Employee Category	# of SDG&E Employees in Study	SDG&E					Market							
		Base Salary	Target Total Cash	Actual Total Cash	Long-Term Incentives	Target Total Comp.	Actual Total Comp.	Base Salary	Target Total Cash	Actual Total Cash	Long-Term Incentives	Target Total Comp.	Actual Total Comp.	
Executive	6	\$2,166	\$3,382	\$4,012	\$719	\$2,787	\$6,888	\$7,518	\$3,441	\$3,628	\$677	\$2,878	\$6,996	\$7,183
Manager/Supervisor	329	\$39,210	\$46,016	\$46,970	\$13,548	\$1,028	\$60,592	\$61,546	\$41,108	\$40,531	\$11,410	\$1,048	\$53,566	\$52,988
Professional/Technical	1,212	\$115,080	\$132,829	\$134,600	\$41,087	\$908	\$174,823	\$176,594	\$133,724	\$136,046	\$38,283	\$1,430	\$173,437	\$175,759
Physical/Technical	937	\$80,978	\$81,592	\$81,750	\$29,127	\$0	\$110,719	\$110,876	\$71,491	\$73,391	\$27,441	\$0	\$98,932	\$100,832
Clerical	394	\$21,016	\$22,785	\$22,829	\$8,542	\$0	\$31,328	\$31,371	\$25,072	\$25,231	\$8,653	\$0	\$33,725	\$33,884
Total	2,878													

APPENDIX E — Detailed Benefits Methodology

BENVAL[®] Valuation Methodology

Towers Watson's BENVAL is a program that performs benefit comparisons by determining values for the benefits provided by participating companies. It does this by applying a standard set of actuarial methods and assumptions. To develop such values, benefits initially are analyzed in terms of when they become payable.

- Benefits payable in the future — postretirement income and death benefits — are valued in terms of anticipated prospective benefit payments being allocated over the employee's entire work history.
- Benefits potentially payable immediately — preretirement 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.

Actuarial Assumptions

Economic

Discount rate		7.0%
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%
	PPA Segment Rate 1	5.3%
	PPA Segment Rate 2	6.6%
	PPA Segment Rate 3	7.1%

Compensation increase	4.0%
Wage index (SSWB)	3.5%
Inflation (CPI)	2.5%
Health care cost trend (for postretirement medical)	7.5% graded to 5% over 5 years

Demographic

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 through 2012), 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

Disablement (long-term disability): 1987 Commissioner's Group Disability Table, with six month elimination period; adjusted where more restrictive long-term disability 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 (short-term (STD) disability): developed based on (1) large company experience, (2) Society of Actuaries STD experience data, (3) 1987 Commissioner's Disability Table

Percentage married: 65%

Medical/dental coverage: Baseline active and retiree level elections.

Active employees

Coverage level	% electing
Single	34%
Employee + 1	24%
Employee + family	30%
Opt out	12%

Retirees

Coverage level	% electing
Retiree only	48%
Retiree + spouse	52%

Plan-Specific Methodology

Defined Benefit Plans

The present value of the annual benefit accrual is developed using the projected unit credit (service prorated) methodology. Benefits are allocated evenly over an employee's entire working history, reflecting projected pay and the plan's provisions for normal or early retirement (including any early retirement supplements), vesting, disability, pre- or postretirement 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 based on the Social Security Taxable Wage Base are assumed to increase with the wage index.

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

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.

For savings plans, expected participation and contribution levels are determined based on the employee's total pay and the level of matching contributions. The table 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.

The participation rate for Savings Plans is dependent on the level of match and the total pay of the participant. It is determined as the product of Table A and Table B.

Table A
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%

The above table applies to Total Pay of \$60,000 to \$89,999.

The following factors apply based on Total Pay:

Table B

Total Pay	Factor
<\$40,000	0.6
\$40,000 - \$59,999	0.8
\$60,000 - \$89,999	1.0
\$90,000 - \$119,999	1.2 (not more than 90%)
\$120,000 - \$159,999	1.4 (not more than 100%)
\$160,000+	100% participation (except at no match, which remains 0% for deferrals above 8%)

For example, a savings plan that matches 50% up to 6% of pay for an employee earning \$60,000 would have the following result:

$$\text{Employee Contribution} = (\$60,000 \times .06 \times .70) + (\$60,000 \times .02 \times .40) = \$3,000$$

$$\text{Employer Contribution} = (\$60,000 \times .06 \times .50 \times .70) = \$1,260$$

The same employee earning \$90,000 would have the following result:

$$\text{Employee Contribution} = (\$90,000 \times .06 \times .84) + (\$90,000 \times .02 \times .48) = \$5,400$$

$$\text{Employer Contribution} = (\$90,000 \times .06 \times .50 \times .84) = \$2,268$$

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	Over
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 ESOPs, 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).

Death Benefit Plans

Values of the following benefits are calculated: pre-retirement group life, employer subsidized accidental death and dismemberment, dependent's life insurance and postretirement group life. 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, bonus if applicable 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 is not valued, due to its assumed negligible value.

Disability Plans

Short-term and long-term disability benefits are valued. Short-term disability (STD) benefits include sick pay, salary continuance, intermittent and extended coverage, and sickness and accident policies.

Long-term disability values reflect the level and duration of benefits, the plan's definition of disability, definition of pay, 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. When more than one option for STD or LTD coverage is available to employees, the highest enrolled option is valued.

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.

The value for prescription drug coverage is reflected in the health care plan value even if covered under a separate plan. Continuation of medical coverage is valued for survivors and disabled employees.

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

Values for HMOs are adjusted by a factor of 0.97 to reflect restrictions on provider choice. PPO, POS, CDHP and comprehensive plan values are not adjusted. For CDHPs, the amount provided

by the employer as an HRA or HSA contribution is added to the total value of the plan. The model assumes 100 percent utilization of the account during the year. Out-of-network benefits are not reflected in the BENVAL values.

Medical benefits continuing after retirement are valued on a projected unit credit cost basis.

The following table illustrates the assumed participation rates for medical and dental plans – which are based on the level of required employee contributions. These participation rates represent additional opt-outs based on value of employee contributions and are in addition to the baseline 12% opt-out rate listed on page 5 for actives.

Contributions as % of plan value	Active	Retiree	Retiree – post-65
0%	100%	100%	100%
20%	98%	99%	95%
40%	96%	98%	90%
60%	94%	97%	80%
80%	92%	96%	65%
100%+	90%	95%	50%

Vacation and Holiday Plans

The values for vacation and holiday benefits reflect the employer's schedule of benefits, the employee's earnings level and expected utilization. Less than full utilization of vacation days is assumed in some cases, particularly for high paid/long service employees who are expected to forfeit a portion of vacation days each year -- unless the employer provides pay for unused vacation days

APPENDIX F — Project Team Meeting Notes

Meeting # 1- Project Kick Off Meeting

Category	Description								
Meeting	2016 GRC Kick off Meeting								
Attendees	<table border="1"> <thead> <tr> <th>ORA & Sempra Energy</th> <th>Towers Watson</th> </tr> </thead> <tbody> <tr> <td>Gregory Shimansky</td> <td>Catherine Hartmann</td> </tr> <tr> <td>Debbie Robinson</td> <td>Dean Stoutland</td> </tr> <tr> <td>Stacey Hunter</td> <td>Ragini Mathur</td> </tr> </tbody> </table>	ORA & Sempra Energy	Towers Watson	Gregory Shimansky	Catherine Hartmann	Debbie Robinson	Dean Stoutland	Stacey Hunter	Ragini Mathur
ORA & Sempra Energy	Towers Watson								
Gregory Shimansky	Catherine Hartmann								
Debbie Robinson	Dean Stoutland								
Stacey Hunter	Ragini Mathur								
When	Monday, April 7, 2014								
Timing	11:00 AM – 3:30 PM								
Location	In person meeting (Towers Watson Irvine Office)								

Meeting Agenda

Topic	Key Discussion Point(s)	Action Items
1. Communication & Protocols	<ul style="list-style-type: none"> • Catherine, Dean and Ragini from Towers Watson to be marked on all emails • Currently, Debbie and Greg from Sempra Energy to be marked on all communications • Only Stacey from the ORA to be marked on all communications • The team prefers to have a Sharepoint site set up as ORA has file size limitations (2MB) <ul style="list-style-type: none"> - Folders will be set up by TW • Team Meetings (Conference calls and in-person meetings) to be determined during the kick off and put on the calendar <ul style="list-style-type: none"> - 4 in person meetings (including kick off meeting) - 6 conference calls - Weekly status updates via email 	<ul style="list-style-type: none"> • TW to set up Sharepoint Site and communicate to all team members
2. Calendar	<ul style="list-style-type: none"> • The following meeting dates and timings were decided on by the project team: <ol style="list-style-type: none"> 1. Planning & Methodology Call (16 April, Wed, 2-3 PM) 2. Preliminary Job Match Conference Call (25 April, Fri, 9 AM- 12 PM) 3. Job Match Meeting in Person (1 May, Thurs, 9.30 AM – 6.30 PM tentative timing) 4. Project Check in Call (9 May, Fri, 2-3 PM) 5. Project Check in Call (21 May, Wed, 2-3 PM) 6. Report and Work Paper Structure Call (27 May, Tues, 2-4 PM) 7. Project Check in Call (4 June, Wed, 2-3 PM) 8. Draft Report Review Meeting in Person (13 June, Fri, 11 AM – 3.30 PM, tentative location Towers Watson's SF office) 9. Project Check in Call (18 June, Wed, 2-3 PM) 10. Final Report Meeting in Person (26 June, Thurs, 11 AM – 3.30 PM, tentative location Towers Watson's SF office) 	<ul style="list-style-type: none"> • TW to send calendar invites by Tuesday, April 8

Topic	Key Discussion Point(s)	Action Items
3. Meeting Notes	<ul style="list-style-type: none"> • Proposed meeting notes formats worked for both ORA and Sempra Energy • Meeting Notes to be appended to the final work paper 	<ul style="list-style-type: none"> • Meeting notes from Kick-off Meeting to be sent by Thursday, April 10
4. Compensation Analysis	<ul style="list-style-type: none"> • The team is interested in viewing analysis on the following pay percentiles: <ul style="list-style-type: none"> - P25 - P50 (Median) - Mean (weighted) - P75 	<ul style="list-style-type: none"> • TW can provide analysis on the suggested pay percentiles
5. Total Compensation Analysis	<ul style="list-style-type: none"> • TW detailed the total compensation methodology including the development of “employee profiles” • The analysis will need Sempra Energy demographics to ensure it has the right Sempra Energy specific flavor. • Since the study covers multiple job groupings, multiple profiles are being run • Sempra Energy wants to make sure 20 employee profiles is a defensible number • TW benefits experts recommend the use of 20 employee profiles • When this study was done two times back, the methodology entailed using one profile for each one of the 5 groupings, however that may be too little and may not capture the nuances within each job category • These employee profiles can be divided up unevenly for each of the categories, so if one category demands more profiles than another, these adjustments can be made. • Additionally, on an average, most organizations have 20 grades, which also provides a good case for the 20 profiles • Sempra Energy and the ORA want to be able to lay out clearly in the report the “whats” and “whys” of the methodology used. 	<ul style="list-style-type: none"> • TW to send detailed methodology document to team Tuesday, April 15 • Planning & Methodology Call set for Wednesday, April 16 at 2-3 PM
6. Compensation Methodology- Benchmark Jobs	<ul style="list-style-type: none"> • We will use the 2012 benchmark job list as a starting point to determine benchmark jobs for the 2016 GRC • Sempra Energy anticipates that the jobs will be the same this time, and that there are no material changes to the job content of the benchmark jobs • Corporate Center jobs’ data to be reflected in both reports, SDGE and SoCalGas 	<ul style="list-style-type: none"> • TW to send across 2012 GRC benchmark job list to Sempra Energy for review and comments by Tuesday, April 8
7. Compensation Methodology – Benchmark Job Data Collection	<ul style="list-style-type: none"> • TW will send across a template for data collection for all jobs to Sempra Energy, which will include columns for job data, base pay, target and actual STI, LTI as well as job demographics 	<ul style="list-style-type: none"> • TW to send across job data template by Tuesday, April 8 • TW needs job data to upload into the REWARD database for analysis • Sempra Energy to send data by Friday, April 11

Topic	Key Discussion Point(s)	Action Items
8. Compensation Methodology – Survey Data	<ul style="list-style-type: none"> • For TW CDB surveys, TW will test if there's a material difference between using general industry data or using a 5-20 Billion revenue cut • Sempra Energy to send TW all third party surveys – Aon Hewitt, EAPDIS, Mercer SIRS <ul style="list-style-type: none"> - Survey Scopes decisions to be made based on TW CDB survey scopes • Survey data to be aged to June 30, 2014 for all surveys 	<ul style="list-style-type: none"> • Sempra Energy to send third party surveys by Wednesday, April 16 (TW to assist Sempra Energy to get data from third parties, if required)
9. Benefits Database Participants	<ul style="list-style-type: none"> • Benefits Database Participants were selected from the excel lists displayed (see separate excel workbook) 	<ul style="list-style-type: none"> • Sempra Energy to sign off on peer group by Thursday, April 10

WEEKLY STATUS UPDATE : April 7 – 11, 2014

Weekly Team Objectives	Comments on Current Status	Status
Meeting Invites	<ul style="list-style-type: none"> • TW sent out all invites for mutually agreed upon dates and times for project meetings 	COMPLETE
SharePoint site to be set up	<ul style="list-style-type: none"> • TW set up Sharepoint site and shared links with team members 	COMPLETE
Send out Data Request	<ul style="list-style-type: none"> • TW sent out data request to the Sempra Energy team • TW and Sempra Energy team got on a conference call Thursday 4/10 to clarify doubts and to agree upon delivery methods and dates 	COMPLETE
Compensation Survey Data Cuts/Peer Cuts	<ul style="list-style-type: none"> • TW to analyze compensation data to assess difference in scope cuts • Decision taken based on TW CDB data to replicate across other third party surveys 	COMPLETE
Benefits Peer Participants	<ul style="list-style-type: none"> • Project team decided on benefits participants for utility and general industry 	COMPLETE

Issue/Decision	Description	Status
Revenue Cuts for Surveys	<ul style="list-style-type: none"> • TW analyzed 45 jobs across job categories to assess differences in data between general industry data vs peer revenue cut of USD 5-20B <ul style="list-style-type: none"> - There were no discernable differences in the Professional/Technical, Physical/Technical and Clerical job categories between general industry and 5-20B revenue cuts data. We recommend using the General Industry data for analysis - There was a 5% difference in the Manager/Supervisor job category between general industry and 5-20B revenue cuts data. We recommend using the Peer Revenue Cut (5-20B) for analysis - There was a 6% difference in the Executive job category between general industry and 5-20B revenue cuts data. We recommend using the Peer Revenue Cut (5-20B) for analysis 	COMPLETE

Key Accomplishments in the past week	Key Objectives for the next week
<ul style="list-style-type: none">• Kick off Meeting complete• Study methodology and process discussed with team• Compensation peer cut test approach decided• Benefits participants decided	<ul style="list-style-type: none">• Obtain sign off on benefits participants• Obtain sign off on compensation peer cuts• Sempra Energy to send TW job data• TW to pull Sempra Energy data into database to commence job matching• Sempra Energy to send TW third party survey data, along with service agreements for sign off if required• Team meeting (planning and methodology conference call)

Meeting #2- Planning and Methodology Conference Call

Category	Description								
Meeting	2016 GRC Planning and Methodology Conference Call								
Attendees	<table border="1"> <thead> <tr> <th>ORA & Sempra Energy</th> <th>Towers Watson</th> </tr> </thead> <tbody> <tr> <td>Gregory Shimansky</td> <td>Catherine Hartmann</td> </tr> <tr> <td>Debbie Robinson</td> <td>Dean Stoutland</td> </tr> <tr> <td>Stacey Hunter</td> <td>Ragini Mathur</td> </tr> </tbody> </table>	ORA & Sempra Energy	Towers Watson	Gregory Shimansky	Catherine Hartmann	Debbie Robinson	Dean Stoutland	Stacey Hunter	Ragini Mathur
ORA & Sempra Energy	Towers Watson								
Gregory Shimansky	Catherine Hartmann								
Debbie Robinson	Dean Stoutland								
Stacey Hunter	Ragini Mathur								
When	Wednesday, April 16, 2014								
Timing	2:00 PM – 3:00 PM								
Location	Conference Call (866-242-0546, 1865765)								

Meeting Agenda

Topic	Key Discussion Point(s)	Action Items
1. Housekeeping	<ul style="list-style-type: none"> • SharePoint Site <ul style="list-style-type: none"> – ORA and Sempra Energy teams did not receive a system generated link • Data Collection: <ul style="list-style-type: none"> – Status update on Sempra Energy data <ul style="list-style-type: none"> ▪ Sempra Energy has sent across demographic, base pay, STI and LTI information for 350 jobs. Sempra Energy reports it is having trouble matching some of the jobs with the 2012 GRC jobs since job codes and job titles have changed from the last time (after the re-organization) ▪ Sempra Energy is cleaning up remaining 150 jobs and will send across all data (compensation, demographics and survey matches) to Towers Watson – Status update on (market) sSurvey data <ul style="list-style-type: none"> ▪ Towers Watson has uploaded all TW CDB surveys into the database, and is ready to start matching to those jobs ▪ Debbie reported that Eric spoke to EAPDIS and Mercer to sign NDAs; Debbie hasn't gotten NDA from Hewitt. 	<ul style="list-style-type: none"> • Ragini to send ORA and Sempra Energy team members an email with the SharePoint link <i>[Update: Link sent to Greg, Debbie and Stacey and worked for all]</i> • Sempra Energy to send over NDAs from third party survey providers for TW to sign <i>[Update: TW has received all three NDAs, and is waiting on TW Legal to review before sending back to Sempra Energy]</i> • Sempra Energy to send over data on remaining 150 jobs by end of Friday, April 18
2. Survey Scopes	<ul style="list-style-type: none"> • Towers Watson reported that they had tested the difference in data between a general industry cut and peer groups of \$5-20B. The team agreed that the revenue based scope cuts should be applied to executive and manager/supervisor categories and the professional/technical, physical/technical and clerical categories should use general industry data. <ul style="list-style-type: none"> – Executive – Peer Cut (\$5-20B) – Manager/Supervisor - Peer Cut (\$5-20B) – Professional/Technical: General Industry – Physical/Technical: General Industry 	<ul style="list-style-type: none"> • TW to apply peer cut methodology consistently across other third party surveys as well as TW; that is the Aon Hewitt Executive Compensation Survey (for the Executive Job Category) and to

Topic	Key Discussion Point(s)	Action Items
	<ul style="list-style-type: none"> – Clerical – General Industry • Debbie reported that she was able to pull in a general industry (\$5-20B) cut from the Aon Hewitt Executive Compensation Survey • Debbie was also able to get utility specific data for \$5-20B revenue in Aon Hewitt Executive Compensation Survey (data are representative of 17 utilities including Edison International and PG&E) • Ragini mentioned that the TW CDB Energy Services Executive Survey has a participation range of \$1-10B which we will use for the assessment to ensure a broader sample size • For matching, we should ensure we take utility or general industry specific cuts for utility and GI specific jobs. For e.g. for a VP of Audit , we will use General Industry data , but for a utility specific VP look at Utility specific cut 	<ul style="list-style-type: none"> • Mercer SIRS MBD Survey (for the Manager/Supervisor category)
3. Total Compensation Components (Methodology Document)	<ul style="list-style-type: none"> • TW wanted to confirm that including vacation makes sense • Stacey feels that the ORA are concerned about annual sick leave that needs to be paid at termination. Since BENVAL provides valuation on vacation, it is ok to leave sick leave out, since we will be valuing a significant portion of PTO already. • The team is in agreement that vacation will be included 	<ul style="list-style-type: none"> • In the methodology document, TW will strike out PTO (annual leave and sick leave) from the “what’s not included” section to avoid confusion
4. Total Compensation Valuation (Methodology Document)	<ul style="list-style-type: none"> • The team agreed with the total compensation valuation approach laid out by Dean 	<ul style="list-style-type: none"> • TW will re-arrange the visual on the methodology document so it flows better
5. Compensation Analysis (Methodology Document)	<ul style="list-style-type: none"> • The team agreed with the compensation analysis approach laid out by Catherine • The 2013 surveys are the latest that the team has, even though the effective dates are March – April 2013, these surveys are typically released August- September, and are the latest ones for use • LTI: <ul style="list-style-type: none"> – Most surveys provide black Scholes (including TW) – Stock option component in the survey data is full term black Scholes 	<ul style="list-style-type: none"> • TW to add in pay statistics to be provided in the methodology document • TW to add a footnote that states that Sempra Energy doesn’t have stock options, but that this is a common vehicle in the market, and is therefore included in the market data.
6. Benefits (Methodology Document)	<ul style="list-style-type: none"> • The team agreed with the benefits valuation methodology laid out by Dean 	<ul style="list-style-type: none"> • NA
7. Peer Groups for benefits analysis	<ul style="list-style-type: none"> • In order to get the utility and general industry groups down to 20 each, the team decided to drop the following companies: <ul style="list-style-type: none"> – Utility: Drop SCANA and National Grid 	<ul style="list-style-type: none"> • TW to update methodology document with these decisions

Topic	Key Discussion Point(s)	Action Items
	– General Industry: Drop Amazon, Unified Grocer, Trimble and Williams Sonoma	

WEEKLY STATUS UPDATE: April 14 – 18, 2014

Weekly Team Objectives	Comments on Current Status	Status
Sempra Energy Data	<ul style="list-style-type: none"> Sempra Energy has sent to TW demographic, base, STI, LTI and survey matches for 356 jobs Sempra Energy is working through cleaning up job information for remaining approx. 150 jobs 	COMPLETE
Survey Data	<ul style="list-style-type: none"> Sempra Energy has sent NDAs from all third party survey providers to TW to sign (Wednesday, 4/16) TW has signed and sent back the NDA documents to Sempra Energy after TW Legal team review (Thursday, 4/17) 	COMPLETE
Planning and Methodology Call	<ul style="list-style-type: none"> The team reviewed the methodology document during the Planning and Methodology conference call (Wednesday, 4/16) Changes discussed have been incorporated into the Methodology document 	COMPLETE
Benefits Peer Participants	<ul style="list-style-type: none"> Benefits peer participants were finalized during the planning and methodology call on Wednesday, 4/16 	COMPLETE
Compensation Peer Cuts	<ul style="list-style-type: none"> Decisions with respect to scope cuts were finalized during the Planning and Methodology conference call (Wednesday, 4/16) 	COMPLETE
Issue/Decision	Description	Status
Third Party Surveys	<ul style="list-style-type: none"> The Sempra Energy team will send across remaining third party survey data to TW for job matching between Friday, 4/18 and Monday, 4/21 	IN PROCESS
Sempra Energy Remaining Job Data	<ul style="list-style-type: none"> The Sempra Energy team will send across information on remaining approx. 150 jobs between Friday, 4/18 and Monday, 4/21 	IN PROCESS

Key Accomplishments in the past week	Key Objectives for the next week
<ul style="list-style-type: none"> • Planning and Methodology conference call complete • Methodology document updated (4/18) <ul style="list-style-type: none"> - Compensation peer cuts finalized - Benefits participants finalized • Planning and Methodology call meeting notes sent (4/17) and updated (4/18) • TW completed job matching for 350 Sempra Energy jobs (for TW CDB surveys only) • SharePoint Site link shared with all team members; ORA and Sempra Energy teams confirmed they can access the site (4/17) 	<ul style="list-style-type: none"> • Sempra Energy to send TW third party survey data • Sempra Energy to send TW remaining job data • TW to continue job matching in anticipation of preliminary Job Matching conference call (to sign off on preliminary job matches) • Preliminary Job Matching conference call, Friday, 4/25

WEEKLY STATUS UPDATE: April 21 – 25, 2014

Weekly Team Objectives	Comments on Current Status	Status
Sempra Energy Data	<ul style="list-style-type: none"> Sempra Energy has sent to TW demographic, base, STI, LTI and survey matches for an additional 932 jobs <ul style="list-style-type: none"> 45 jobs that match with the 2012 GRC Study (orange bucket) 887 new jobs, resulting from re-organizations, re-alignment of job codes and titles (green bucket) TW has taken a first pass at pruning the list of additional jobs to drill down to a list to approximately 568 jobs 	COMPLETE
Third Party Survey Data	<ul style="list-style-type: none"> Sempra Energy has sent to TW all third party surveys <ul style="list-style-type: none"> Aon Hewitt Executive Survey, Peer Cut (Revenue \$5-\$20B) Mercer Sirs Survey, All Data and Peer Cut (Revenue \$5-\$20B) EAPDIS Survey, All Data 	COMPLETE
Job Matching Status	<ul style="list-style-type: none"> Preliminary job mapping for initial set of 568 jobs has been completed by Towers Watson Towers Watson to work on reviewing job matches in preparation for the May 1st meeting (focus will be Professional/Technical job category) 	COMPLETE
Preliminary Job Match Review Call	<ul style="list-style-type: none"> TW, Sempra Energy and the ORA reviewed job matches for Physical/Technical and Clerical job categories via webex during the preliminary job match conference call <ul style="list-style-type: none"> We were able to go through all of the Physical/Technical and Clerical job categories TW will incorporate changes discussed to the matches during the call and update list with “dropped” jobs Job Matches for Professional/Technical, Manager/Supervisor and Executive jobs will be reviewed during the May 1st meeting 	COMPLETE

Issue/Decision	Description	Status
Rationalize benchmark job list	<ul style="list-style-type: none"> The current job list has 568 jobs, with 48% (270 jobs) of total benchmark jobs being in the Professional/Technical job category; and 27% (154 jobs) in the Manager/Supervisor category <ul style="list-style-type: none"> Of these only 528 jobs had sufficient data to report pay statistics This has happened because approximately 44 manager/supervisor jobs were dropped from the 2012 GRC job list (gray bucket); while only approximately 20 “new” Manager/Supervisor jobs were added to the 2016 GRC job list The team will review the jobs in the Professional/Technical job category during the May 1st meeting to decide which ones should be dropped from the set of final benchmarks 	IN PROCESS

Key Accomplishments in the past week	Key Objectives for the next week
<ul style="list-style-type: none"> • All job data and survey data was sent across to TW • TW completed job matching for 568 Sempra Energy jobs • Preliminary Job Match call complete • Agenda and logistics for in-person May 1st meeting discussed • Updated Survey Methodology document sent to all team members 	<ul style="list-style-type: none"> • TW to make changes to jobs within the Physical/Technical and Clerical job categories, per discussion with team • TW to review jobs matches in Professional/Technical, Manager/Supervisor and Executive categories in anticipation of the May 1st meeting • TW to send the Manager/Supervisor and Executive job match reports (in pdf) to the ORA and Sempra Energy teams on Tuesday, April 29th for review

Weekly Status Update (April 28 – May 2, 2014) & Meeting Notes (Job Match Review Meeting)

Meeting #3- Job Match Review Meeting

Category	Description	
Meeting	2016 GRC Job Match Review Meeting	
Attendees	ORA & Sempra Energy Gregory Shimansky Debbie Robinson Stacey Hunter Eric Bayona	Towers Watson Catherine Hartmann Ragini Mathur Paul Szilard
When	Thursday, May 1, 2014	
Timing	9:30 AM – 5:30 PM	
Location	In Person Meeting (Towers Watson SF Office – 345 California St Ste 2000)	

Meeting Agenda

Topic	Key Discussion Point(s)	Action Items
1. Job Match Review (Executives)	<ul style="list-style-type: none"> • TWDS Energy Survey – Revenue based Peer Cut to be used for the executive survey (Noted in TW Action Items below) • Key Discussion Point s and Action Items for TW & Sempra Energy were noted <p>TW Action Items:</p> <ol style="list-style-type: none"> 1. TW to use Energy Peer Cut from Towers Watson Survey (Peer Cut Revenue \$5-20B); this is an update to the Methodology document 2. VP Controller and CFO SDGE – TW to use a Group CFO match for this job. A new job will be added for VP Controller and CFO SoCal Gas. The SDGE matches will be replicated for this role. 3. VP & General Counsel SDGE – TW to use ALG000-EX Top Legal Executive for Group match for this job. A new job will be added for VP & General Counsel SoCal Gas role. The SDGE matches will be replicated for this role. 4. SVP – Fin Reg and Legislative Affairs – The team decided to drop this role as a non-benchmark. <p>Sempra Energy Action Items:</p> <ol style="list-style-type: none"> 1. VP Customer Services - Sempra Energy will check if the Hewitt survey has a better match (which includes responsibility for customer complaints) 2. VP Controller and CFO SoCal Gas – This is a new role that is being added to the survey, with the same matches as the VP Controller and CFO SCG; Sempra Energy will provide incumbent specific data for this role. 3. SVP Power Supply- Sempra Energy will check if the Hewitt survey has a relevant match. 	<ul style="list-style-type: none"> • TW to upload revenue based energy survey peer cuts for executives and middle management positions • TW and Sempra Energy specific action items have been noted.

Topic	Key Discussion Point(s)	Action Items
	<ol style="list-style-type: none"> 4. President and CEO SoCal Gas and SDGE- Stacey to check on matches used from PG&E Study. Sempra Energy and the ORA are comfortable doing what was done in PG&E for consistency. 5. VP & General Counsel SoCal Gas – This is a new role that is being added to the survey, with the same matches as the VP & General Counsel SDGE; Sempra Energy will provide incumbent specific data for this role. 	
2. Job Match Review (Manager/Supervisor)	<ul style="list-style-type: none"> • The team reviewed all manager/supervisor roles, and noted TW action items (changes to matches to a live excel document) through the session. • A complete excel document with changes to jobs is being kept LIVE with TW and will be sent to the group after the Monday Professional/Technical jobs review. • Sempra Energy specific action items have been noted below: <ul style="list-style-type: none"> – Regional VP External Affairs (09880) - This job will be replicated for SoCal Gas, with the same matches as the SDGE job. Sempra Energy will provide incumbent specific data for this role. – Telecommunications Supervisor SDGE (07948) and SCG (852577) – Sempra Energy to check if responsibilities are voice only or network only or both. – Director Labor Relations (15334) – This was originally an SDGE job. However since SDGE responsibilities are hybrid (include both HR Generalist and Labor relations), this job will be replaced by the SoCal Gas job, which is pure Labor Relations. Sempra Energy to provide incumbent specific data for this role. 	<ul style="list-style-type: none"> • TW and Sempra Energy specific action items have been noted.
3. Job Match Review (Professional/Technical)	<ul style="list-style-type: none"> • Review of Professional/Technical matches to continue in an all-day meeting on Monday, May 5. • Stacey (ORA), Eric/Debbie (Sempra Energy), and Paul/Ragini (TW) to meet at a live meeting to review job matches. • Stacey will join the meeting in the morning and Debbie in the afternoon to check in on status and answer queries. 	<ul style="list-style-type: none"> • NA

Weekly Team Objectives	Comments on Current Status	Status
Job Match Review (Physical/Technical)	<ul style="list-style-type: none"> • Job Matches for Physical/Technical were reviewed during the preliminary job match call on Friday, April 25. • TW made all relevant changes discussed to the jobs and will send out the new files to the ORA and Sempra Energy on Monday, May 5 for final sign off by end of day Tuesday, May 7. • Sempra Energy specific action items have been noted 	COMPLETE

	<p>below:</p> <ul style="list-style-type: none"> - Energy Technician – Distribution (070101) & Energy Technician – Residential (070102) – Sempra Energy to check if responsibilities are same across both positions. If so, the Energy Tech Residential job can be added as a benchmark, which would increase employee representation. - Dist Sys Opr (03920) – Sempra Energy to check job profile and comparability. - Electronic Control Technician - Power Delivery (03382) – Sempra Energy to check job profile and comparability. - Instru Ctrl Tech - Gas – Trans (15109) – Sempra Energy to check job profile and comparability. - Patroller (Gas) (03730) - Sempra Energy to check job profile and comparability. - Service Planner (07762) - Sempra Energy to check job profile and comparability. 	
<p>Job Match Review (Clerical)</p>	<ul style="list-style-type: none"> • Job Matches for Clerical were reviewed during the preliminary job match call. • TW made all relevant changes discussed to the jobs and will send out the new files to the ORA and Sempra Energy on Monday, May 5 for final sign off by end of day Tuesday, May 7. • Sempra Energy specific action items have been noted below: <ul style="list-style-type: none"> - Maint Mech (09850) – Sempra Energy to check on Plant Maintenance mechanic match accuracy. 	<p>IN PROCESS</p>

Issue/Decision	Description	Status
<p>Increase SoCal Gas (SCG) representation</p>	<ul style="list-style-type: none"> • The current job list has low SoCal Gas representation. • Eric, Paul and Ragini will analyze high incumbent count jobs in SoCal Gas, which can be easily added to the 2016 GRC and will increase SoCal Gas representation focus on Clerical and Physical/Technical jobs. • This step will occur concurrently with rationalizing the Professional/Technical job list which need to be reduced to drop the number of jobs on the list. 	<p>IN PROCESS</p>

Key Accomplishments in the past week	Key Objectives for the next week
<ul style="list-style-type: none"> • Job Match Review in person meeting complete. • Job Matches reviewed by the entire team for: <ul style="list-style-type: none"> - Clerical - Physical/Technical - Manager/Supervisor - Executives • Additional job match meeting to review Professional/Technical jobs scheduled for Monday, May 5 at the TW offices. 	<ul style="list-style-type: none"> • TW to make changes to jobs within the Manager/Supervisor job category, per discussion with team. • TW and ORA/Sempra Energy to review jobs matches in Professional/Technical job category on Monday, May 5. • Changes to Executive and Manager/Supervisor job categories to be finalized by Monday, May 5. • Changes to Professional/Technical job category to be finalized by Tuesday, May 6.

-
- | | |
|--|---|
| | <ul style="list-style-type: none">• Minor edits, if required to be made to the Clerical and Physical/Technical job categories by Tuesday, May 6.• Data to be finalized to develop employee profiles by Wednesday, May 7. |
|--|---|
-

Meeting #4 – Job Match Review Meeting (Professional/Technical)

Category	Description								
Meeting	2016 GRC Job Match Review Meeting (Professional/Technical)								
Attendees	<table border="1"> <thead> <tr> <th>ORA & Sempra Energy</th> <th>Towers Watson</th> </tr> </thead> <tbody> <tr> <td>Debbie Robinson</td> <td>Ragini Mathur</td> </tr> <tr> <td>Stacey Hunter</td> <td>Paul Szilard</td> </tr> <tr> <td>Eric Bayona</td> <td></td> </tr> </tbody> </table>	ORA & Sempra Energy	Towers Watson	Debbie Robinson	Ragini Mathur	Stacey Hunter	Paul Szilard	Eric Bayona	
ORA & Sempra Energy	Towers Watson								
Debbie Robinson	Ragini Mathur								
Stacey Hunter	Paul Szilard								
Eric Bayona									
When	Monday, May 5, 2014								
Timing	10:00 AM – 5:30 PM								
Location	In Person Meeting (Towers Watson SF Office – 345 California St Ste 2000)								

Meeting Agenda

Note: These meeting notes and action items are in continuation to the previous job match meeting on May 1st.

Topic	Key Discussion Point(s)	Action Items
1. Job Match Review (Professional/Technical)	<ul style="list-style-type: none"> Key Discussion Points and Action Items for TW & Sempra Energy were noted TW Action Items: <ol style="list-style-type: none"> TW action items have been noted in a live document Sempra Energy Action Items: <ol style="list-style-type: none"> Facilities Project Advisor (15367) – Sempra Energy to check for corresponding SoCal Gas job Fleet Maintenance Support Analyst (15089) - Sempra Energy to check for corresponding SoCal Gas job 	<ul style="list-style-type: none"> TW and Sempra Energy specific action items have been noted.
2. Addition of high-incumbent count SoCal Gas Jobs	<ul style="list-style-type: none"> The team reviewed priced SDGE jobs which have a corresponding match at SoCal Gas and also have high incumbent counts. The following jobs will be added to the 2016 GRC, subject to sufficient data availability: <ol style="list-style-type: none"> 070102, Energy Technician – Residential 850013, Fld Ops Supv II 985079, Contr Admtr – Gas 987028, Proj Spec 837538, Proj Spec 987026, Proj Spec 985109, Cust Prgms Advr II – P3 985110, Sr Cust Prgms Advr – P3 070221, Meter Reader-PT 	<ul style="list-style-type: none"> NA

Meeting #5- Project Update Conference Call

Category	Description	
Meeting	2016 GRC Project Update Conference Call	
Attendees	ORA & Sempra Energy Gregory Shimansky Debbie Robinson Stacey Hunter Eric Bayona	Towers Watson Catherine Hartmann Dean Stoutland Paul Szilard Ragini Mathur
When	Thursday, May 8, 2014	
Timing	11:00 AM – 12:00 Noon	
Location	Conference Call (866-242-0546, 2941121)	

Meeting Agenda

Topic	Key Discussion Point(s)	ACTION ITEMS
1. Job Match Review Meetings	<ul style="list-style-type: none"> Discuss updates from both job match review meetings (Thursday, May 1 and Monday, May 5) Delivery of revised job match reports for ORA and Sempra Energy (Thursday, May 8) 	<ul style="list-style-type: none"> NA
2. Market Data and Employee Profile Review	<ul style="list-style-type: none"> Timing of market data pricing sheets (Monday, May 12) and sign off Draft employee profile team review and sign off (Wednesday, May 14) 	<ul style="list-style-type: none"> Team agreed to sign off on market data pricing sheets on Monday, May 12 Team to look at executive and clerical job categories before as they roll out
3. Upcoming Meeting dates and Times	<ul style="list-style-type: none"> Confirm that next few project update meeting dates and times still work for all team members Determine need for additional calls and or follow-up 	<ul style="list-style-type: none"> Confirmed that meeting dates and times work for all team members
4. Others?	<ul style="list-style-type: none"> To be determined 	<ul style="list-style-type: none"> NA

Meeting #6- Project Update Conference Call

Category	Description	
Meeting	2016 GRC Project Update Conference Call	
Attendees	ORA & Sempra Energy Gregory Shimansky Debbie Robinson Stacey Hunter Eric Bayona	Towers Watson Catherine Hartmann Dean Stoutland Ragini Mathur
When	Wednesday, May 21, 2014	
Timing	2:00 PM – 3:00 PM	
Location	Conference Call (866-242-0546, 1865765)	

Meeting Agenda

Topic	Key Discussion Point(s)	ACTION ITEMS
1. Sempra Energy Employee Representation Statistics	<ul style="list-style-type: none"> • Update team on outcomes from Debbie/Stacey/TW's call on Monday, 19 May, 3-4pm <ul style="list-style-type: none"> - Addition of TW's Custom Study with PG&E to some Physical/Technical jobs - Addition of +8% premium for customer service bilingual specific jobs • Update team on outcomes from Eric/Ragini's call on Tuesday, May 20 , 10.30 – 11.30am <ul style="list-style-type: none"> - Update employee counts for Meter Reader – PT (~630 employees) - Added in 25 jobs across both entities, with high incumbent counts • Increase in overall employee representation from 44% to 57% 	<ul style="list-style-type: none"> • NA
2. Employee Profiles	<ul style="list-style-type: none"> • 23 employee profiles have been developed • Sempra Energy & the ORA have reviewed a first draft • Revised version based on refreshed market data to be sent to Sempra Energy/ORA by end of the day, Wednesday, May 21 	<ul style="list-style-type: none"> • NA
3. Others?	<ul style="list-style-type: none"> • To be determined 	<ul style="list-style-type: none"> • NA

WEEKLY STATUS UPDATE: May 26 – 30, 2014

Weekly Team Objectives	Comments on Current Status	Status
Sempra Energy Work Paper Review	<ul style="list-style-type: none"> The draft 2016 GRC Work Paper was reviewed with the entire team in attendance The draft work paper structure was based on the 2012 GRC Work Paper, and was approved by all team members TW to send 2016 GRC draft work paper to the Sempra Energy/ORR team for review once the baseline counts were updated. 	COMPLETE
Employee Profiles	<ul style="list-style-type: none"> Employee profiles were reviewed as part of the 2016 GRC draft work paper review during the 27th May team meeting <ul style="list-style-type: none"> One Physical/Technical job, Admin Clerk - 3 & Admin Clerk - 4 Typists, is currently unionized and was part of an employee profile that consisted of other unionized jobs. Since this job is eligible for a bonus in the market whereas the Sempra Energy job was ineligible, it was decided that this job would be pulled out into a separate profile in order to keep the rest of the employee profile pure and aligned to market practice 	COMPLETE

Issue/Decision	Description	Status
Baseline Employee Counts	<ul style="list-style-type: none"> Due to some jobs moving between job categories, the baseline employee counts need to be updated to reflect accurate employee representation within job categories Sempra Energy has taken an action item to provide TW with the updated baseline employee counts 	COMPLETE
Job Additions/Job Changes	<ul style="list-style-type: none"> Addition of new jobs was necessary to help improve employee head counts for SCG Market data was reviewed by the team and specific survey matches were dropped since the data was anomalous <ul style="list-style-type: none"> TW to send summary of decisions made to project team 	IN PROCESS

Key Accomplishments in the past week	Key Objectives for the next week
<ul style="list-style-type: none"> Employee Profiles finalized and signed off by Sempra Energy/ORR Employee Profiles have been sent to the TW benefits team to generate benefits values Initial draft 2016 Work Paper format signed off on by Sempra Energy/ORR 	<ul style="list-style-type: none"> TW to continue with total compensation analysis TW to start reviewing benefits values TW to generate Sempra Energy compensation data points for all jobs under review to share with Sempra Energy/ORR on the Wednesday call

Meeting #7- Project Update Conference Call

Category	Description								
Meeting	2016 GRC Project Update Conference Call Meeting								
Attendees	<table border="1"> <thead> <tr> <th>ORA & Sempra Energy</th> <th>Towers Watson</th> </tr> </thead> <tbody> <tr> <td>Gregory Shimansky</td> <td>Catherine Hartmann</td> </tr> <tr> <td>Debbie Robinson</td> <td>Ragini Mathur</td> </tr> <tr> <td>Eric Bayona</td> <td></td> </tr> </tbody> </table>	ORA & Sempra Energy	Towers Watson	Gregory Shimansky	Catherine Hartmann	Debbie Robinson	Ragini Mathur	Eric Bayona	
ORA & Sempra Energy	Towers Watson								
Gregory Shimansky	Catherine Hartmann								
Debbie Robinson	Ragini Mathur								
Eric Bayona									
When	Wednesday, June 4, 2014								
Timing	2:00 PM – 3:00 PM								
Location	Conference Call (866-242-0546; 1865765)								

Meeting Agenda

Topic	Key Discussion Point(s)	Action Items
<ul style="list-style-type: none"> Executive LTI valuation for Sempra Energy data – valuation approach and process for cross check 	<ul style="list-style-type: none"> TW used the RSU and PSU share numbers and valued the LTI using the share price on 2nd January (\$88.44 per Yahoo Finance). TW asked Sempra Energy to verify the calculation 	<ul style="list-style-type: none"> Eric will check on the LTI data TW has sent to Sempra Energy, and validate if the numbers are accurate
<ul style="list-style-type: none"> Market LTI Valuation: Executive market LTI methodology (i.e., “build down” approach recommended by our EC subject matter experts) 	<ul style="list-style-type: none"> There can be two ways to calculate LTI in the market- <ul style="list-style-type: none"> Method 1 is to use LTI value as surveys report the same Method 2 involves a builddown approach, where Target total direct compensation is used. Total Direct Compensation) consists of base, short term and long term incentive. Every survey reports TDC data. To get to an LTI dollar value, we can subtract TTC from TTDC to get LTI dollar value. This is done because mostly all companies report TTDC but may not report LTI. TW to evaluate the best approach to be utilized for the 2016 GRC. 	<ul style="list-style-type: none"> TW to analyze both methodologies
<ul style="list-style-type: none"> Sharing of Study Materials 	<ul style="list-style-type: none"> Materials that TW will provide through this study will be not be used for any other purpose other than this study Greg mentioned that components of these materials will be used with the actual filing, which becomes public knowledge Stacey commented that the ORA uses these studies in the future to look at what was done for prior utilities studies. 	<ul style="list-style-type: none"> NA

Meeting #8- Project Update Conference Call

Category	Description	
Meeting	2016 GRC Project Update Conference Call	
Attendees	ORA & Sempra Energy Debbie Robinson Stacey Hunter	Towers Watson Catherine Hartmann Ragini Mathur
When	Monday, June 9, 2014	
Timing	9:30 AM – 10:30 AM	
Location	Conference Call (866-242-0546; 1865765)	

Meeting Agenda

Topic	Key Discussion Point(s)	Action Items
<ul style="list-style-type: none"> Corporate Center Executives Market Pricing Methodology 	<ul style="list-style-type: none"> TW subject matter experts analyzed the executive data outcomes and recommended that Corporate Center executive category jobs be matched to general industry survey data <ul style="list-style-type: none"> Debbie corroborated that the recruitment or hiring base for these executives was general industry, and that Sempra Energy does not seek specific utilities experience for fulfillment of these jobs Further review of the PG&E and Edison Rate Case Studies also established that non-utility executives were matched to the general industry only In order to align with Sempra Energy's recruitment strategy and PG&E and Edison rate case studies, it was decided that the compensation analyses for the 5 executives in the Corporate Center will be revised Impact on the benefits assessment: <ul style="list-style-type: none"> The 5 Corporate Center Executives are aligned to Profiles 23, 24 and 25 (our executive employee profiles for the benefits assessment) Since information for these 3 profiles will change, the TW benefits team will run analyses again using the revised market values (data will be ready for review the week of 16th June) Impact on the Final Study: <ul style="list-style-type: none"> Since the draft report meeting is on Friday, 13th June, the discussion will focus on the other employee categories only, with a placeholder for the executive job category and sections of the report Executives data, based on revised profiles will be reviewed on 18th June, as part of the Project Update conference call. The meeting will extend from 2-4pm The final report meeting on 26th June, 2014 will not get impacted, as all revised data will be incorporated into the report by that time 	<ul style="list-style-type: none"> TW to update the compensation assessment for the executive jobs in the Corporate Center (5 executive roles) TW to send revised employee profiles based on updated market pricing to the benefits team to re-run analysis TW to update invite for 18th June, Wednesday from 2pm – 4pm for an extended conversation on executive valuation

Weekly Status Update (June 9 – June 13, 2014) & Meeting Notes (Draft Report Review Meeting)**Meeting #9- Draft Report Review Meeting**

Category	Description										
Meeting	2016 GRC Draft Report Review Meeting										
Attendees	<table border="1"> <thead> <tr> <th>ORA & Sempra Energy</th> <th>Towers Watson</th> </tr> </thead> <tbody> <tr> <td>Gregory Shimansky</td> <td>Dean Stoutland</td> </tr> <tr> <td>Debbie Robinson</td> <td>Catherine Hartmann</td> </tr> <tr> <td>Stacey Hunter</td> <td>Ragini Mathur</td> </tr> <tr> <td>David Sarkaria</td> <td>Paul Szilard</td> </tr> </tbody> </table>	ORA & Sempra Energy	Towers Watson	Gregory Shimansky	Dean Stoutland	Debbie Robinson	Catherine Hartmann	Stacey Hunter	Ragini Mathur	David Sarkaria	Paul Szilard
ORA & Sempra Energy	Towers Watson										
Gregory Shimansky	Dean Stoutland										
Debbie Robinson	Catherine Hartmann										
Stacey Hunter	Ragini Mathur										
David Sarkaria	Paul Szilard										
When	Friday, June 13, 2014										
Timing	10:30 AM – 2:30 PM										
Location	In Person Meeting (Towers Watson SF Office – 345 California St Ste 2000)										

Meeting Agenda

Topic	Discussion Items	Action Items
<ul style="list-style-type: none"> Meeting Objectives 	<ul style="list-style-type: none"> Project Recap (benchmark job selection, benchmarking methodology, job matching, employee profile development, compensation and total compensation analysis, project team meetings & check ins) Review of draft reports Sign off on final analysis (excluding executives) 	<ul style="list-style-type: none"> Suggested changes to the reports were discussed by the Project Team and incorporated into the draft reports
<ul style="list-style-type: none"> SDGE & SCG Draft Report Review 	<ul style="list-style-type: none"> Overall results review Population coverage Review of appendices 	
<ul style="list-style-type: none"> Next Steps 	<ul style="list-style-type: none"> Recap changes/modifications Confirm executive results review call on 18th June, Wednesday Final results meeting 	

Weekly Team Objectives	Comments on Current Status	Status
Revise Corporate Center Executives market pricing	<ul style="list-style-type: none"> Corporate Center Executives (5 jobs) market pricing was edited per strategy discussed with Debbie and Stacey. Revised market values, affecting Profiles 23-25 were sent to the benefits team to generate fresh benefits analyses. 	COMPLETE
Compile draft reports for SCG and SDG&E	<ul style="list-style-type: none"> Draft reports were compiled and reviewed by the team. 	COMPLETE

Issue/Decision	Description	Status
Confidentiality agreement	<ul style="list-style-type: none"> Debbie to research on confidentiality agreement, and check in with Sempra Energy team on legal requirements to be covered in the agreement. 	IN PROCESS
Key Accomplishments in the past week		Key Objectives for the next week
<ul style="list-style-type: none"> Draft reports developed and reviewed by the Project Team. 		<ul style="list-style-type: none"> Project Team to decide upon and revise confidentiality agreement. Project Team to meet during the Project Update Call on Wednesday, 18th June to discuss Executive analyses and impact on total analyses.

Meeting #10- Project Update Conference Call

Category	Description	
Meeting	2016 GRC Project Update Conference Call	
Attendees	ORA & Sempra Energy Debbie Robinson Gregory Shimansky Eric Bayona Stacey Hunter	Towers Watson Catherine Hartmann Ragini Mathur
When	Wednesday, June 18, 2014	
Timing	2:00 PM – 4:00 PM	
Location	Conference Call & Webex (866-242-0546; 2941121)	

Meeting Agenda

Topic	Discussion Items	Action Items
<ul style="list-style-type: none"> Review final executive analyses and draft report 	<ul style="list-style-type: none"> Final executive compensation and benefits analyses were reviewed Towers Watson incorporated edits to the draft reports, suggested at the draft report meeting on Thursday, 13th June. These changes were reviewed and verified with the team 	<ul style="list-style-type: none"> Additional edits discussed during the WebEx review will be incorporated into the reports
<ul style="list-style-type: none"> Updates on confidentiality agreement 	<ul style="list-style-type: none"> The Project Team referenced prior studies and confidentiality requirements to decide on the best approach to sanitize the reports for public consumption 	<ul style="list-style-type: none"> Sempra Energy and the ORA determined, based on the last Rate Case submission and submissions from other utilities, that they would request that Towers Watson would leave the current job titles (single and multiple incumbents) as they are Instead of using current Sempra Energy job codes, a simple numbering system will be used for assigning job identifiers Towers Watson will follow up internally (with Dean) on the release letter on sensitive materials/proprietary methodology that cannot be shared publicly
<ul style="list-style-type: none"> Next steps and timing 	<ul style="list-style-type: none"> Towers Watson will send SDG&E and SCG draft reports to team for review in advance of the final meeting, by Friday, 20th June 	<ul style="list-style-type: none"> Sempra Energy and the ORA will review both reports, and suggest edits to Towers Watson through email next week

Topic	Discussion Items	Action Items
		<ul style="list-style-type: none">• Depending on the type and volume of changes, the Project team will decide if the final meeting on 26th June should be a face to face meeting, or a webex call

APPENDIX G — Glossary of Terms

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.

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.

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).

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.

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.

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.

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.

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 total compensation was defined to include base salary, annual/short-term incentives, annualized expected value of long-term incentives, and the value of employee benefits.

Target Total Compensation

The sum of all elements of compensation provided by an employer to an employee. For this study, the target total compensation was defined to include base salary, target annual/short-term incentives, annualized expected value of 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.