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TRANSMITTED VIA EMAIL

April 30, 2021

Caroline Thomas Jacobs
Director, Wildfire Safety Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94702
Email: wildfiresafetydivision@cpuc.ca.gov

Re: Executive Compensation Supplemental Submissions

Dear Director Thomas Jacobs:

The Utility Reform Network (TURN) respectfully submits these comments on the supplemental executive compensation submissions provided by Southern California Edison (SCE), Pacific Gas and Electric (PG&E) and San Diego Gas and Electric (SDG&E) pursuant to the Wildfire Safety Division's (WSD's) March 24 Letter. These comments are meant as a continuation of TURN's January 29, 2021 comments on the utilities' initial Executive Compensation submissions. In the January 29, 2021 comments, TURN recommended that WSD suspend its review and initiate a stakeholder process to develop the executive compensation requirements WSD committed to when approving the SCE and SDG&E 2020 executive compensation plans. Once requirements are established, the utilities should resubmit their requests with an opportunity for stakeholder comments after sufficient time for discovery and review.

While TURN appreciates the additional opportunity to comment on the supplemental information, TURN's original recommendation remains. Additional review of the 2021 executive compensation plans reflects that many of the problems identified by TURN in the 2020 executive compensation plans persist. A stakeholder process can identify and provide to the utilities additional guidance on the requirements of statute and the expectations of the WSD and CPUC. Development of a stakeholder process can also ensure that intervenors have an adequate opportunity to study the executive compensation filings and provide all parties with due process.

1. The WSD Should Immediately Initiate the Stakeholder Process to Develop Requirements for Executive Compensation it Committed to When Approving the Utilities' 2020 Plans.

The TURN January 29 letter discusses the adoption of the executive compensation review requirement in AB 1054 and highlights the WSD's past assurances of its intent to develop more comprehensive guidance for executive compensation plans. TURN's 2020 Comments on

the SCE and SDG&E submissions, attached to its January 29, 2021 comments, addressed in detail the requirements laid out in AB 1054 for the executive compensation plans and the safety certificate and identified concerns with the process for review of the SCE and SDG&E submissions. In the letters approving SCE and SDG&E's executive compensation plans WSD promised to "initiate a stakeholder process to further develop its executive compensation review criteria for use in 2021 executive compensation evaluations."¹ WSD asserted:

The WSD will provide additional guidance in the form of a Staff Proposal and a schedule for a [sic] public input and review of the Staff Proposal to guide SCE's [SDG&E's], and all other utilities', 2021 executive compensation structures. SCE [SDG&E] will be expected to conform future executive compensation structures to the metrics and structure ultimately adopted by the WSD through the stakeholder process.²

The Commission relied on the promise of the pending process to review executive compensation when closing PG&E's Bankruptcy proceeding.³

The promised stakeholder process has not occurred.⁴ Instead, WSD simply issued its December request for 2021 utility submissions and comments providing two calendar weeks for comment. The initial 2021 utility submissions were insufficient with as yet unspecified performance targets, pending meetings of each of their respective boards of directors. The utilities filed supplemental submissions between February 25 and March 1, 2021. WSD's March 24, 2021 letter offered intervenors an additional opportunity for comment on performance targets identified in the utility's supplemental filings but did not provide time for discovery. After a California Public Advocates' request for an extension, intervenors were provided sufficient time to complete one round of discovery on the supplemental information provided by the utilities.

There is no compelling reason to limit the time available to WSD for its critical oversight function to ensure utility executives are appropriately incentivized to prioritize safety. As highlighted in the TURN January 29, 2021 letter, there is no reason that stakeholders should be denied the process promised in 2020: "SCE and SDG&E's safety certificates are not set to expire until September 2021 and PG&E's will not expire until January 2022."⁵ Further, under AB 1054, the current safety certificates will remain in place until new safety certificates are approved.⁶

TURN continues to recommend that WSD suspend their review of the 2021 Executive Compensation submissions and instead initiate a stakeholder process to develop the criteria for

¹ WSD 2020 SCE Letter, p. 1, WSD 2020 SDG&E Letter, p. 1.

² WSD 2020 SCE Letter, p. 4, WSD 2020 SDG&E Letter, p. 4.

³ D.20-10-018, pp. 4-5.

⁴ TURN January 29, 2021 Letter Re. Executive Compensation, pp. 5-6 (hereinafter TURN 2021 Letter).

⁵ TURN 2021 Letter, p. 6.

⁶ Cal. Pub. Util. Code § 8389(f)(4).

the review of executive compensation plans.⁷ After criteria are developed, the WSD should direct the utilities to resubmit their executive compensation plans and initiate an additional period for review that provides sufficient time for discovery and due process.⁸

2. The WSD Should Reject the Executive Compensation Plans as Filed by the Utilities.

As was the case with TURN's January 29, 2021 comments, in light of the failure of WSD to provide the promised process to develop criteria for executive compensation review, TURN provides only limited feedback on the utility submissions.⁹ This feedback is in addition to the concerns identified in TURN's January 29, 2021 comments. However, even a limited review of the supplemental submissions confirms TURN's suspicions that the 2021 executive compensation plans reflect many of the same failings that TURN identified in 2020. The WSD's promised stakeholder process is required before approval of the 2021 executive compensation plans.

As an initial matter, TURN's January 29, 2021 comments highlighted its concern that the executive compensation review process lacked discovery rules and a process for resolving discovery disputes.¹⁰ While PG&E ultimately responded to TURN's discovery requests it "object[ed] to ...[TURN] data requests in their entirety on the grounds that TURN has no authority to serve such requests. TURN served the requests outside the context of any proceeding to which TURN and PG&E are parties."¹¹ SDG&E responded only in part to TURN's data request arguing that information on SDG&E performance prior to 2019 was "irrelevant."¹² These types of objections, even when the information is provided as in PG&E's case, reflect the need to identify a process for discovery and a means for resolution of discovery disputes.

While the supplemental filings provide additional information on how incentive compensation is calculated, on their own they do not provide the information necessary to determine whether the safety goals are properly calibrated to encourage safety. TURN propounded discovery on PG&E, SCE and SDG&E to better understand how the targets were established and determine whether they properly incentivize safety. TURN's ability to assess whether individual incentives are reasonable and incentivize the utility to improve performance is limited by the inability to complete multiple rounds of discovery and the lack of a WSD process to better identify requirements for executive compensation plans.

⁷ TURN 2021 Letter, pp. 6-7.

⁸ TURN 2021 Letter, p. 7.

⁹ TURN 2021 Letter, p. 7.

¹⁰ TURN 2021 Letter, p. 7.

¹¹ PG&E Non Case Discovery DR TURN 023-Q01-06, General Objection 1 (hereinafter TURN 023) (attached).

¹² TURN-SDG&E-01, Q 2, SDG&E Response (attached).

a. PG&E

As TURN explained in its Opening Brief in the PG&E Reorganization proceeding: “[m]etrics that are calibrated such that they are sure to be achieved and do not require any reaching for improvement are the equivalent of guaranteed incentive compensation and are circumscribed by AB 1054.”¹³ TURN’s discovery reveals that PG&E’s Short Term Incentive Plan goals are not calibrated to encourage the safety improvements PG&E’s track record of poor performance demands.

The supplement submitted by PG&E appears to increase the amount of money that executives are eligible to earn. PG&E states that rather than a payout of 150% of the award level for meeting a maximum milestone for a particular target the utility will pay 200%.¹⁴ Target performance pays out at 100% of the award level, and threshold performance will pay out at 50% of the incentive award level.¹⁵ Failure to achieve the threshold level “will result in no payout associated with that metric” and results in between levels “will be interpolated on a linear basis.”¹⁶ Regarding the milestones identified in its supplemental filing, PG&E explains:

Generally speaking, achieving a “target” level—which is necessary for an executive to obtain a market-competitive level of compensation—requires improving upon 2020 performance (and in many cases, achieving even “threshold” requires improvement over 2020).¹⁷

Incentive compensation should require the utility to improve its performance rather than provide for payment even when the utility’s performance degrades; otherwise, contrary to the requirements of AB 1054, the incentives are all but guaranteed.

TURN propounded discovery that sought to review historical trends for each of the goals in order to determine whether the identified goals would incentivize improved performance. While in some cases the threshold “requires improvement over 2020,” in others, payment of the threshold amount only requires performance equal to, or worse than, 2020 levels or would reflect a regression from earlier safety performance (i.e., 2019 or before).¹⁸ For example:

- While the 2021 Serious Injury Actual threshold goal (6) is set lower than the 2020 actual performance (7), a return to 2017-2019 performance levels would provide the 2021 maximum payout (2).¹⁹ A proper threshold or target for payment should be the historical performance of 2 with a maximum incentive provided for improvement on the historical performance.

¹³ TURN Opening Brief, I.19-09-016 (CPUC, Mar. 13, 2020), p. 64.

¹⁴ Executive Compensation Supplemental Submissions, Appendix C, p. 2 (hereinafter Supplement).

¹⁵ *Id.*, p. 4.

¹⁶ *Id.*

¹⁷ *Id.* (Emphasis added)

¹⁸ Supplement, Appendix C, p. 3, PG&E Non Case Discovery DR TURN 023-Q02, Response p.4.

¹⁹ Supplement, Appendix C, p. A-9, TURN 023-Q02, Response p. 5

- Similarly, for the SIF Corrective Action Timeliness metric, performance sufficient for threshold incentive payment (88%) would reflect an improvement over 2020 performance but degradation from 2017-2019 performance levels.²⁰
- For the five years of performance on 911 Emergency Response, measured in percentage of time utility personnel arrive onsite within an hour after a 911 call, PG&E has performed at least at the threshold level identified for 2021 (95.3%), and beyond the target levels for payment, in three of the five years from 2016 to 2020 (96.66%).²¹
- PG&E has performed better than the 2021 maximum milestone identified for Average Speed of Answer for Emergencies (less than 7 seconds) in all of the years for which PG&E provided TURN data, meaning provided PG&E simply continues at historical performance levels the incentive will pay out at 200%.²²
- In the case of the DCPD Reliability and Safety metric, the maximum payment would have been paid in every year since 2016 (92.5).²³

Further consideration of the identified milestones, and, when possible, benchmarking against broader data sets will demonstrate the extent to which the identified thresholds, targets and maximums are reasonable and reflect improved safety performance.²⁴ The promised stakeholder process should establish minimum requirements for the calibration of milestones.

Rather than outcome-based measures of actual performance, PG&E intends to rely on input-based targets for its Long Term Incentive Programs, including System Hardening Effectiveness and Enhanced Vegetation Management Effectiveness. While these measures may include the word “Effectiveness” in the title, effectiveness only means that the capital is being prioritized in the highest risk areas, which the utility already should be doing.²⁵ Based on TURN’s discovery, it is not clear that the targets set for these measures will incentivize cost efficient allocation of resources. PG&E states that around 800 miles of hardening was authorized in D.20-12-005, adopting the settlement resolving PG&E’s 2020 GRC. However, the threshold value for the system hardening effectiveness milestone is 1,030 miles. This suggests that the LTIP incentives encourages capital investment beyond authorized levels which may not reflect a just and reasonable use of ratepayer funds. A more fulsome process, including time for sufficient discovery may clarify the divergence between the values and demonstrate that the milestone is reasonable. Absent more information, TURN agrees with California Public

²⁰ Supplement, Appendix C, p. A-11, TURN 023-Q02, Response p. 5.

²¹ Supplement, Appendix C, p. A-13, TURN 023-Q02, Response p. 5.

²² Supplement, Appendix C, p. A-15, TURN 023-Q02, Response p. 5-6.

²³ Supplement, Appendix C, p. A-7, TURN 023-Q02, Response p. 5.

²⁴ PG&E acknowledges that some of the proposed metrics can be benchmarked against broader data sets. See Supplement, Appendix C, p. 3, TURN 023-Q04, Response p. 12.

²⁵ Supplement, Appendix C, p. B-1, B-2.

Advocates that “[t]he incentive may encourage more expensive and unnecessary mitigations regardless of actual circuit risk or the effectiveness of the mitigations.”²⁶

Finally, TURN notes that PG&E does not address with any certainty the impact of a fatality on the payment of incentives.

As noted below, the PG&E Corporation Compensation Committee in the past has reduced STIP scores on account of an employee fatality, and would intend to give serious consideration to doing so again in the event of another fatality.²⁷

It is true that Section 8389(e)(4) expressly provides that an eligible executive compensation plan “*may include[e] ... denying all incentive compensation in the event the electrical corporation causes a catastrophic wildfire that results in one or more fatalities.*”²⁸ This is not the equivalent of stating that it is appropriate for the Board to exercise discretion regarding the impact of fatalities on incentive payments. Instead, it is a signal to the WSD, and the utilities, that an acceptable outcome is reducing incentive payments to zero when the utility causes a fatality. PG&E instead leaves to its Board and Compensation Committee the “discretion to adjust STIP scores” including, it seems, the discretion to adjust incentives in the case of fatalities. As TURN explained in its 2020 letter:

Reserving discretion to the board for how factors will be assessed in arriving at compensation levels is directly contrary to the AB 1054 requirement that incentives be measurable and undermines the regulator’s ability to enforce non-compliance. If a plan does not state the exact way that a given level of objective performance will affect executive compensation, then the Division cannot fulfill its responsibilities under § 8389(e).

Any approved executive compensation plan should clarify that the utility will not pay incentives in the event that there is an incident caused by utility failures or negligence that results in a fatality.

b. SCE

While SCE’s 2021 executive compensation plan and the information contained in the supplemental submission are an improvement over its 2020 submission, many of the deficiencies TURN identified last year have not been remedied.

The first issue that persists is that SCE has not provided enough information to allow for a full evaluation of its executive compensation plan. While SCE’s supplemental submission does include the 2021 goals and target scores for the three goal categories, it does not provide a

²⁶ Comments of the Public Advocates Office on Electric Utilities’ Executive Compensation Plans for 2021 (Jan 29, 2021), p. 7.

²⁷ PG&E Executive Compensation Approval Request Pursuant to Pub. Util. Code §§ 8389(e)(4 and (e)(6), Jan. 15, 2021, p. 7.

²⁸ Cal. Pub. Util. Code § 8389(e)(4) (emphasis added).

breakdown of how the representative success measures (hereinafter success measures) contribute to the scores for each category.²⁹ TURN propounded discovery that sought a breakdown of how each of the success measures for the “Safety & Resiliency” category contribute to the 50% target score for the category. SCE’s response noted that subcomponents are not assigned specific weights and that the representative success measures are assessed by the Compensation Committee following the end of the goal year, when it “evaluates the relative importance of the various success measures and scores the subcategories.”³⁰ Accordingly, it is entirely up to the Compensation Committee to determine the importance of each success measure and impact on the overall category score. This amount of flexibility defeats the primary purpose of the performance metrics and makes them highly subjective, counter to the directive in Public Utilities Code §8389(e) that performance metrics be measurable and enforceable. Further, stakeholders and WSD cannot evaluate SCE’s executive compensation structure without considering specific weights for the various success measures,

Another issue with SCE’s plan previously identified by TURN which persists in the 2021 plan, is that the vast majority of success measures that comprise SCE’s goals rely on input/activity-based metrics.³¹ Only four success measures, three of which are in the Safety & Resiliency category, and one Operation Excellence & Strategy success measure, rely on outcome-based metrics. While this is an improvement over SCE’s 2020 plan which did not even identify if measures were input or output based, it is still insufficient, as input based measures do not ensure public safety as required by Public Utilities Code §8389(e)(4). While input based measures such as “vegetation line clearing” can encourage executives to focus on risk reduction, they must be balanced with outcome-based safety measures that hold executives accountable for the safety performance of the utility. The Safety and Resiliency goal category needs both pre-defined and objective input and outcome-based measures for every subcategory (Worker Safety, Public Safety, Wildfire Resiliency, Cybersecurity, Safety and Resiliency Capabilities, and Contractor Management). This is especially true for the Public Safety category. It is unreasonable, and inconsistent with statutory and WSD directives, that preventing public injuries and/or deaths are not included as a “Public Safety” success measure.

Another deficiency in SCE’s 2021 Executive Compensation Goals previously identified by TURN in 2020, is the discretion SCE leaves to the Compensation Committee. SCE’s “Overarching Goals Framework” is a key component of its purported compliance with the requirements of Public Utilities Code Section 8389(e) and the WSD’s guidance regarding executive compensation. The identified overarching goals are general and subjective and do not have clear measurable metrics. Regarding the second bullet point in the overarching Goals Framework category, “Safety and compliance are foundational and events such as fatalities or significant noncompliance issues can result in meaningful or full elimination of short-term incentive compensation”³², Cal Advocates asked what criteria or thresholds the Compensation

²⁹ Supplement, Appendix B, pp. 2-3.

³⁰ SCE Response to Data Request TURN-SCE-001, Q12 (attached).

³¹ SCE Executive Compensation Structure, January 15, 2021, pp. 8-13.

³² Supplement, Appendix B, p. 2.

Committee would follow to determine the extent to which safety issues would result in loss of short-term incentive compensation?”³³ SCE’s response states,

The Compensation Committee has not established criteria or thresholds for specific reductions or elimination of short-term incentive compensation due to foundational safety or compliance issues. Instead, the Compensation Committee uses its judgment in determining when, and to what extent, circumstances warrant a reduction or elimination. ...³⁴

It is inappropriate to leave the determination of whether or not critical overarching safety goals are achieved to the Compensation Committee’s “judgement”. Further, not specifying the criteria or thresholds that would be used by the Committee to determine if, and to what extent, compensation should be reduced due to fatalities or significant non-compliance issues does not comply with the clear directive of P.U. Code (§ 8389(e)(4)) that “(E)xecutive incentive compensation must be based on meeting performance metrics that are *measurable and enforceable*.”

c. SDG&E

TURN’s 2020 Letter outlined SDG&E’s failure to provide information sufficient to assess whether its plan was consistent with the requirements for executive compensation. While SDG&E’s supplemental response provides additional information and reflects improvements over the utility’s 2020 plan, that information is insufficient to demonstrate that the executive compensation plan properly incentivizes safety.

TURN appreciates that in general, SDG&E has identified objective minimum, target and maximum goals for each of the Incentive Compensation Plan elements (hereinafter elements). That a goal is objective, however, does not mean that the identified goal is appropriate. The only additional information provided by the SDG&E supplement is the values for the minimum, threshold and maximum targets for each of the identified incentive components.³⁵ This information on its own does not demonstrate that the utility has set goals that will encourage safety improvements. As discussed above, in order to demonstrate that the “goal” is in fact a goal and not a performance level the utility will meet with ease, SDG&E must provide context for the minimums, thresholds and maximums provided.

TURN propounded discovery that sought to review historical trends for each of the elements which could demonstrate that the identified goals would incentivize improved performance. Instead of the ten years of data requested, SDG&E only provided data for 2019 and 2020 for some of the elements.³⁶ SDG&E’s targets may be entirely reasonable, but without

³³ CalAdvocates-SCE-NonCase-MY Data Requests, Question 11.

³⁴ CalAdvocates-SCE-NonCase-MY Data Requests, Question 11, SCE response.

³⁵ WSD Supplement, Appendix A.

³⁶ TURN-SDG&E-01, Q 1Response, Attachment: SDGE ICP- Historical Performance Measures 2019-2021

additional context, be it historical performance or otherwise, the WSD cannot conclude that the utility has properly incentivized safety.

For example, “Wildfire Safety Communications” measures “the percentage of fire safety messages confirmed as received by customers” that notifies them of an impending Public Safety Power Shut-Off event before the circuit is de-energized.³⁷ The minimum to maximum targets for this goal range from 76% to 85%. As an initial matter, these numbers seem low even absent context -- to the extent that the utility is deenergizing its customers, you would expect that it would successfully communicate with much closer to 100% of impacted customers. Historical numbers show that the minimum for payout (76%) is less than what the utility achieved in 2019 (78.5%).³⁸ The SDG&E plan would pay incentive compensation even if the utility performed worse than in the past. The SDG&E target could be reasonable, but based on the limited information provided, seems anything but.

The promised stakeholder process could identify the information required to demonstrate that the minimum, targets and maximums for incentive payment are properly calibrated. The WSD should reject the SDG&E plan as filed and work with intervenors and the utilities to identify the information required to justify the incentive compensation plans as properly incentivizing safety consistent with the requirements of statute.

3. Conclusion

The WSD should institute a full stakeholder process to develop the requirements for executive compensation plans. Once these requirements are identified, the utilities should be directed to refile their requests, with stakeholders provided the opportunity for discovery and thorough review. In the absence of both time and process, TURN requests that the Commission deny the executive compensation requests as insufficient for purposes of obtaining a safety certificate.

Sincerely,

_____/S/_____
Katy Morsony, Staff Attorney

Thomas J. Long, Legal Director
Elise Torres, Staff Attorney

³⁷ SDG&E Documentation of Compliance with Executive Compensation provisions of Pub. Util. Code § 8389(e) and WSD Guidance, Jan. 15, 2021, Appendix 1, p. 1.

³⁸ TURN-SDG&E-01, Q 1Response, Attachment: SDGE ICP- Historical Performance Measures 2019-2021.

Attachments

Responses to TURN Discovery

PACIFIC GAS AND ELECTRIC COMPANY
Non-Case Discovery
Data Response

PG&E Data Request No.:	TURN_023-Q01-06		
PG&E File Name:	Non-CaseDiscovery_DR_TURN_023-Q01-06		
Request Date:	April 12, 2021	Requester DR No.:	023
Date Sent:	April 27, 2021	Requesting Party:	The Utility Reform Network
PG&E Witness:	N/A	Requester:	Katy Morsony

GENERAL OBJECTIONS

1. Pacific Gas and Electric Company (“PG&E”) objects to The Utility Reform Network’s (“TURN”) April 12, 2021 data requests in their entirety on the grounds that TURN has no authority to serve such requests. TURN served the requests outside the context of any proceeding to which TURN and PG&E are parties. TURN does not have a generalized right to serve data requests on PG&E or to demand the production of information from PG&E. Rather, TURN is permitted to serve data requests, when otherwise appropriate, only to the extent TURN and PG&E are parties to a particular proceeding.

2. PG&E objects to each request to the extent it seeks information protected from disclosure by the attorney-client privilege, the attorney work-product doctrine, or any other privilege or protection from disclosure. PG&E intends to invoke all such privileges and protections, and any inadvertent disclosure of privileged or protected information shall not give rise to a waiver of any such privilege or protection.

3. PG&E objects to the instructions to “provide the name of each person who materially contributed to the preparation of the response,” and to “identify the PG&E witness who would be prepared to respond to cross-examination questions regarding the response,” on the grounds that such instructions seek to impose obligations on PG&E in excess of those imposed by the California Public Utilities Commission’s Rules of Practice and Procedure (the “CPUC Rules”).

4. PG&E objects to the instructions regarding the format of the responses on the grounds that such instructions are vague, ambiguous, and unduly burdensome, and on the grounds that they seek to impose obligations on PG&E that are in excess of those imposed by the CPUC Rules.

5. PG&E incorporates each of the foregoing General Objections into each of its responses below.

RESPONSES AND OBJECTIONS TO SPECIFIC REQUESTS

The following questions refer to PG&E’s supplement to its 2021 Executive Compensation Submission submitted on March 2, 2021 and attached as Appendix C to the Wildfire Safety Division Director’s letter inviting comments on the supplemental submissions.

QUESTION 01

For each of the metrics identified in PG&E's supplemental executive compensation submission, please provide:

- a. The number of years that the metric has been collected by the utility.
- b. Whether the metric is reported to any federal or state agency.
- c. If the answer to subsection (b) above is yes, please identify where the metric is reported.

ANSWER 01

PG&E objects to this request on the grounds that it is overly broad and unduly burdensome. PG&E further objects to this request on the grounds that it is vague and ambiguous as to "[t]he number of years that the metric has been collected by the utility." PG&E construes this to refer to the number of years that performance on the metric, as specifically defined in the 2021 STIP or the 2021 LTIP performance share program design, as applicable, has been tracked by PG&E. Nevertheless, in some instances in the chart below, notations that PG&E has collected and/or reported data may relate to somewhat different definitions applied over the years.

Subject to and without waiver of the foregoing objections, PG&E provides the following chart:

Metric	Years Collected	Reported?	Agency
Reportable Fire Ignitions	Since 2014	Y	CPUC
Wires Down Events Due to Equipment Failures	Since 2014	N	-
Large Overpressure Events Rate	Since 2021	Y	CPUC/PHMSA ¹
Gas Dig-In Reductions	Since 2020	Y	CPUC ²
Safe Dam Operating Capacity	Since 2020	N	-
DCPP Reliability and Safety Indicator	20	In Part	NRC
DART Rate	Since 2013	Y	CPUC
Serious Injuries Actuals	Since 2017	Y	CPUC ³

¹ Large Overpressure Events were previously reported to the CPUC as a Reportable Incident and to PHMSA as an Over Pressure event. The metric was updated to a rate as of 2021.

² Data has been collected since 2015, though prior to 2019 the metric was reported to the CPUC as Third-Party Gas Dig-Ins.

³ Serious Injuries *and Fatalities* is reported to the California Public Utilities Commission.

SIF Investigation Timeliness	Since 2020	N	-
SIF Corrective Action Timeliness	Since 2017	Y	CPUC
Gas Customer Emergency Response	Since 2011	Y	CPUC
911 Emergency Response	Since 2008	Y	CPUC
CEMI	Since 2011	N	-
Average Speed of Answer for Emergencies	Since 2013	N	-
Non-GAAP Core Earnings per Share	Since 2020	N	-
System Hardening Effectiveness (Risk Miles)	Since 2019	Y	CPUC
EVM Effectiveness (Risk Miles)	Since 2019	Y	CPUC
Customer Satisfaction Score	Since 2007	N	-
PSPS Notification Accuracy	Since 2019 ⁴	Y ⁵	CPUC
Greater Affordability for Customers	Since 2021	N	-
Relative Total Shareholder Return	Since 2004	N	-

QUESTION 02

For each metric identified in PG&E's supplemental executive compensation submission, please provide:

- Ten years of historical data, and if ten years of data is not available, all available historical data on the metric.
- The lowest possible score or milestone for the identified metric.
- The highest possible score or milestone for the metric.

ANSWER 02

PG&E objects to this request on the grounds that it is overly broad and unduly burdensome in its request for "ten years of data." PG&E further objects to this request

⁴ Complete data is not available for 2019.

⁵ The data reported to the California Public Utilities Commission differs slightly from the data used in the metric.

on the grounds that it is vague and ambiguous as to “ten years of data,” in that the request does not indicate the type of data sought. PG&E further objects to this request on the grounds that it is vague and ambiguous as to “lowest possible score” and “highest possible score.”

Subject to and without waiver of the foregoing objections, PG&E responds as follows:

Answering part (a) of this request, PG&E refers TURN to the following information:

In regard to Reportable Fire Ignitions – “Equipment and Animal” Component, PG&E provides the following chart, which shows five calendar years of performance:

2016	2017	2018	2019	2020
43	72	74	44	59

In regard to Reportable Fire Ignitions – “Vegetation” Component, PG&E provides the following chart, which shows five calendar years of performance:

2016	2017	2018	2019	2020
63	97	70	64	66

In regard to Reportable Fire Ignitions – “Other” Component, PG&E provides the following chart, which shows five calendar years of performance:

2016	2017	2018	2019	2020
19	27	46	16	26

In regard to Wires Down Events due to Equipment Failure, PG&E provides the following chart, which shows five calendar years of performance:

2016	2017	2018	2019	2020
2.512	2.884	2.525	2.563	2.216

In regard to Large Overpressure Events Rate, PG&E provides the following information, which provides five calendar years of performance:

2016	2017	2018	2019	2020
0.242	0.249	0.103	0.203	0.134

In regard to Gas Dig-Ins Reduction, PG&E provides the following chart, which shows five calendar years of performance:

2016	2017	2018	2019	2020
2.11	2.00	1.72	1.10	1.11

In regard to Safe Dam Operating Capacity), PG&E states that performance on this metric was 98.77% in 2020. The metric was new in 2020.

In regard to DCPD Reliability and Safety Indicator, PG&E provides the following chart, which shows five calendar years of performance:

2016	2017	2018	2019	2020
95.0	93.5	95.0	97.5	92.5

In regard to Days Away, Restricted, and Transferred Rate, PG&E provides the following chart, which shows five calendar years of performance:

2016	2017	2018	2019	2020
1.70	1.99	1.81	2.05	1.34

In regard to Serious Injuries Actuals, PG&E provides the following chart, which shows end-of-year counts from 2017 through 2020. SIF Actual incidents as currently defined were not tracked in 2016.

2016	2017	2018	2019	2020
N/A	2	2	2	7

In regard to Serious Injuries and Fatalities (“SIF”) Investigation Timeliness, PG&E states that performance on this metric was 14.8% in 2020. The metric was new in 2020.

In regard to SIF Corrective Action Timeliness, PG&E provides the following chart, which shows results from 2017 through 2020. This metric was not tracked prior to 2017. The results for 2017 – 2020 reflect the definition used at that time, which was somewhat different from the methodology for the 2021 STIP.

2016	2017	2018	2019	2020
N/A	100%	92%	94%	79%

In regard to Gas Customer Emergency Response, PG&E provides the following chart, which shows five calendar years of performance:

2016	2017	2018	2019	2020
20.0	20.4	20.6	20.8	20.5

In regard to 911 Emergency Response, PG&E provides the following chart, which shows five calendar years of performance:

2016	2017	2018	2019	2020
98.29%	96.58%	97.92%	95.30%	97.19%

In regard to Customers Experiencing Multiple Interruptions, PG&E provides the following chart, which shows five calendar years of performance:

2016	2017	2018	2019	2020
1.75%	1.48%	2.00%	2.39%	2.71%

In regard to Average Speed of Answer for Emergencies, PG&E provides the following chart, which shows five calendar years of performance:

2016	2017	2018	2019	2020
8 seconds	8 seconds	8 seconds	10 seconds	9 seconds

In regard to Non-GAAP Core Earnings Per Share, PG&E states that the score for 2020 was \$1.61. The metric was new in 2020.

In regard to System Hardening Effectiveness (Risk Miles) and Enhanced Vegetation Management (“EVM”) Effectiveness (Risk Miles), PG&E provides the table below, which shows system hardening and EVM performance data for 2019 and 2020. These metrics are unavailable prior to 2019 because the scope, planning, and operational aspects of these Wildfire Risk Mitigation Programs were not fully defined until 2019. Please also note that, in 2019 and 2020, the system hardening and EVM performance data were calculated as simple counts of circuit miles worked, as distinct from the 2021 LTIP performance share program design, which refined these metrics to prioritize work execution on the highest wildfire risk areas. (Please refer to PG&E’s January 15, 2021 letter to WSD for more information about these refinements.) The data for 2019 and 2020 in the table below reflect simple counts of circuit miles worked.

	2019	2020
System Hardening	171	342
EVM	2,498	1,878

In regard to Customer Satisfaction Score, PG&E provides the table below, which shows PG&E’s customer satisfaction score for 2016 through 2020.

2016	2017	2018	2019	2020
76.1	75.6	77.3	72.6	72.0

In regard to PSPS Notification Accuracy, PG&E states that for 2020, the achieved percentage based on the 2020 methodology was 98.5%. Complete data for prior years is not available.

In regard to Greater Affordability for Customers, PG&E states that this metric is new for 2021.

In regard to Relative Total Shareholder Return, PG&E provides the table below, which shows relative total shareholder return for 2016 through 2020.

	2016	2017	2018	2019	2020
TSR Actual	68%	5%	-51%	-82%	-76%
Relative %tile	78th	12th	0th	0th	0th

Answering parts (b) and (c) of this request, PG&E states that it is vague and ambiguous as framed, but that for all metrics, the lowest possible score is 0.5 and the highest possible score is 2.0.

QUESTION 03

For each metric identified in PG&E's supplemental executive compensation submission where there is an exclusion or exception listed, please separately provide the justification for the exclusion/exception for each identified exclusion/exception.

ANSWER 03

PG&E objects to this request on the grounds that it is overly broad and unduly burdensome. Subject to and without waiver of the foregoing objections, PG&E states that the following chart summarizes some of the factors on which the exclusions are based:

Exclusion	Explanation
Wires Down Events Due to Equipment Failures	
<ul style="list-style-type: none">Any wire-down event that occurs on a declared MED as defined in Institute of Electrical Engineers Standard 1366.	Excluding MEDs for this metric is consistent with calculating other reliability metrics such as the System Average Interruption Duration Index. By IEEE Standard 1366 definition, days having a daily system SAIDI greater than a pre-calculated daily threshold reflect an electric grid that experienced stresses beyond those normally expected (such as during severe weather). Activities that occur on MEDs are best analysed and reported separately.
<ul style="list-style-type: none">Secondary wires.	Information not consistently reported.
Large Overpressure Events Rate (OP events that exceed MAOP that have initially been deemed large OP events but are subsequently excluded based on additional data).	Excludes events initially thought to be large OP events, but that are later determined based on more complete data not to be large OP events.
Gas Dig-In Reductions (various)	Exclusions conform to American Gas Association benchmarking definition.
Safe Dam Operating Capacity	
<ul style="list-style-type: none">Planned and maintenance outages for gates, LLOs, and power tunnels.	Planned and maintenance outages are known in advance and are normal course activities for maintaining generation assets.
<ul style="list-style-type: none">Known inoperable gates and LLOs as of December 31, 2020, for which known risks are mitigated.	Already built into the metric targets and calculations.

<ul style="list-style-type: none"> Passive equipment and features, such as passive spillways, flashboard, and siphons. 	Metric is focused on assets that are the primary means of discharging water and are controllable for that purpose.
DART Rate	
<ul style="list-style-type: none"> Contractor incidents. 	Data validation concerns. Contractor safety is considered as part of PG&E Corporation Board of Directors Compensation Committee discretion with respect to adjustment of STIP scores.
<ul style="list-style-type: none"> Fatality incidents. 	Exclusion listed for clarity. Although an OSHA-recordable incident includes fatalities, DART is a subset of those incidents and only includes incidents that result in days away or restricted duty. Fatalities are considered as part of PG&E Corporation Board of Directors Compensation Committee discretion with respect to adjustment of STIP scores.
Serious Injuries Actuals	
<ul style="list-style-type: none"> Fatalities. 	Listed for the sake of clarity, but not actually an exclusion from the metric; the metric is defined to include injuries only. Fatalities are considered as part of PG&E Board of Directors Compensation Committee direction with respect to adjustment of STIP scores.
<ul style="list-style-type: none"> SIF potentials. 	Listed for the sake of clarity, but not actually an exclusion from the metric; the metric is defined to include SIF actuals only.
SIF Investigation Timeliness (investigations dependent on third-party reports that would extend the investigation beyond the 30 days and that are outside PG&E's control).	Factor is outside PG&E's control and ability to incentivize.
SIF Corrective Action Timeliness (potential exceptions for unforeseen events such as a pandemic or an unforeseen ability to procure needed equipment from a vendor).	Factors are potentially outside PG&E's control and ability to incentivize.
Gas Customer Emergency Response	
<ul style="list-style-type: none"> Level 2 and above emergencies, defined in the Gas Emergency Response Plan as a region-wide emergency event that may require one to two days for service restoration. 	Excludes calls when resources are required for large scale (L2 and above) emergency support.

<ul style="list-style-type: none"> If the source is a non-planned release of PG&E gas, the original call is included but all subsequent related orders are excluded. 	Avoids double-counting related to the same incident.
<ul style="list-style-type: none"> For multiple leak calls from the same Multi-Meter manifold, the first order is included and all subsequent orders are excluded. 	Avoids double-counting related to the same incident.
<ul style="list-style-type: none"> If the source is either a planned release of PG&E gas or another non-leak-related event, all related orders, including the original call, are excluded from the metric. 	Avoids double-counting related to the same incident.
<ul style="list-style-type: none"> Duplicate orders for assistance. 	Avoids double-counting related to the same incident.
<ul style="list-style-type: none"> Canceled orders. 	Avoids counting incidents that may not have been appropriate for inclusion in the first place.
<ul style="list-style-type: none"> Unknown premise tag with no nearby gas facility. 	Avoids counting incidents that are not PG&E gas related.
911 Emergency Response	
<ul style="list-style-type: none"> Any day that qualifies as a CPUC-defined Measured Event. 	In accordance with General Order 166, a Measured Event is a Major Outage resulting from non-earthquake, weather-related causes, affecting between 10% (simultaneous) and 40% (cumulative) of a utility's electric customer base. Such events are outside the ordinary scope of 911 emergency responses and are not appropriate for inclusion in an incentive compensation metric.
<ul style="list-style-type: none"> Canceled 911 calls—any call where the 911 agency cancels the call even if PG&E personnel already have responded or are on their way. 	Avoids counting incidents that are not PG&E electric related.
CEMI	
<ul style="list-style-type: none"> 2.5 Beta major event days based on Institute of Electrical Engineers Standard 1366, generation/ISO (rotating outages), and momentary outages at the transmission and distribution system level. 	Secondary and service level outages are not reported in relevant datasets and as such are excluded.

<ul style="list-style-type: none"> Secondary outages are excluded from the count of customer outage minutes. 	<p>Secondary and service level outages are not reported in relevant datasets and as such are excluded.</p>
<p>Non-GAAP Core Earnings per Share (non-core changes such as bankruptcy-related costs, interest on certain temporary debt, state wildfire fund contributions, and future recovery of wildfire claims).</p>	<p>Listed for the sake of clarity, but not actually an exclusion from the metric; the metric is defined as Non-GAAP Core Earnings per Share. The metric excludes non-core charges that represent income or expenses associated with events or circumstances considered unusual and not part of ongoing core operations. These charges are excluded because they are not representative of ongoing earnings and they can affect comparability of financial results between periods.</p>
<p>System Hardening Effectiveness (Risk Miles)</p>	
<ul style="list-style-type: none"> Butte County rebuild miles. 	<p>Due to the focused effort to perform undergrounding System Hardening work and to rebuild infrastructure in Butte County, within the footprint of the Camp Fire, the circuit miles completed within the scope of the Butte County Rebuild are tracked separately from the overall System Hardening Program, which is also consistent with the commitments in the 2019, 2020, and 2021 Wildfire Mitigation Plans.</p>
<ul style="list-style-type: none"> Projects completed before 2021 or after 2023. 	<p>Not part of performance period.</p>
<ul style="list-style-type: none"> System hardening work completed outside HFTD / HFRA. 	<p>This exclusion ensures that no credit is taken for performing System Hardening work in areas that do not represent high Wildfire Risk, unless the work is performed to rebuild infrastructure impacted by actual wildfires.</p>
<p>EVM Effectiveness (Risk Miles)</p>	
<ul style="list-style-type: none"> EVM miles completed before 2021 or after 2023. 	<p>Not part of performance period.</p>
<ul style="list-style-type: none"> Routine compliance clearing or work performed pursuant to PG&E's CEMA program. 	<p>Excludes circuit miles worked under other routine compliance work (meeting state vegetation and fire safety standards) and CEMA program (emergency vegetation management work under Catastrophic Event Memorandum Account).</p>
<ul style="list-style-type: none"> Work performed outside HFTD / HFRA unless the work is in support of a fire rebuild. 	<p>This exclusion ensures that no credit is taken for performing Enhanced Vegetation Management</p>

	work in areas that do not represent high Wildfire Risk.
Customer Satisfaction Score	
<ul style="list-style-type: none"> PG&E employees and customers on the “do not contact” list. 	Excluding PG&E employees helps reduce survey bias. PG&E is legally required to exclude customers who have requested that they not be contacted for marketing purposes or who have previously opted out of receiving requests for surveys.
<ul style="list-style-type: none"> In the event of tragedies such as the Camp Fire, the San Bruno explosion, or a city evacuation, the research vendor may suppress surveys to the impacted customers until normal PG&E services are resumed or a reasonable recovery period is observed. 	It is appropriate to refrain from administering customer surveys during public emergencies, due to the need to avoid distracting customers who may be in immediate peril, and to avoid causing confusion with public safety information emanating from PG&E or local authorities.
PSPS Notification Accuracy (customers for whom PG&E has no contact information).	PG&E cannot directly and personally contact customers for whom it has no contact information.
Greater Affordability for Customers	
<ul style="list-style-type: none"> Non-core items, which represent income or expenses associated with events or circumstances considered unusual and not part of ongoing operations. 	Non-core charges represent income or expenses associated with events or circumstances that are considered unusual and not part of ongoing core operations. These charges are excluded because they are not representative of ongoing earnings and they can affect comparability of financial results between periods.
<ul style="list-style-type: none"> Unrecoverable interest expense. 	Unrecoverable interest expense represents interest on \$4.75 billion PG&E Corporation debt and \$2.4 billion wildfire fund contribution debt financing. These charges are associated with the recent Chapter 11 proceedings and represent ongoing financing charges that are not controllable by PG&E’s core operations.

QUESTION 04

For each metric identified in PG&E’s supplemental executive compensation submission, please provide:

- a. Whether there are any state, national or other data sets against which the utility can benchmark its performance.

- b. If the answer to subsection (a) is yes, please identify the data set against which the utility has benchmarked its performance.

ANSWER 04

PG&E objects to this request on the grounds that it is overly broad and unduly burdensome. Subject to and without waiver of the foregoing objections, PG&E provides the following chart:

Metric	Dataset (if applicable)
Reportable Fire Ignitions	Data reported to CPUC by other utilities.
Wires Down Events Due to Equip. Failures	Historical PG&E operating data.
Large Overpressure Events Rate	Historical PG&E operating data.
Gas Dig-In Reductions	American Gas Association data.
Safe Dam Operating Capacity	Historical PG&E operating data.
DCPP Reliability and Safety Indicator	All U.S. nuclear power plants.
DART Rate	Edison Electric Institute and American Gas Association surveys.
Serious Injuries Actuals	Edison Electric Institute survey.
SIF Investigation Timeliness	Historical PG&E operating data.
SIF Corrective Action Timeliness	Historical PG&E operating data.
Gas Customer Emergency Response	American Gas Association data.
911 Emergency Response	Data from other utilities.
CEMI	Historical PG&E operating data.
Average Speed of Answer for Emergencies	Historical PG&E operating data.
Non-GAAP Core Earnings per Share	Non-GAAP core earnings per share is a relatively commonly reported metric and is inherently benchmarked against publicly disclosed data from other companies.
System Hardening Effectiveness (Risk Miles)	PG&E's system hardening program is a unique, customized, expanded asset replacement program that is not precisely identical to the program of any other utility of which PG&E is aware. While all electric utilities have asset management and asset replacement programs,

	PG&E's System Hardening program has been developed and customized for PG&E's service territory and assets. That said, PG&E has benchmarked on asset management and grid hardening practices, tools and approaches with other utilities in the U.S., North America, and abroad. The closest quantitative benchmarks related to PG&E's System Hardening program are at the state level, generally comparing the hardening or "covered conductor" programs of the three largest California utilities through the Wildfire Mitigation Plan proceeding. PG&E is not aware of national data sets relevant to the System Hardening program.
EVM Effectiveness (Risk Miles)	PG&E's EVM program is a unique, customized, expanded vegetation management program that is not precisely identical to the program of any other utility of which PG&E is aware. While virtually all electric utilities have vegetation management programs of some kind, the EVM program has been developed and customized for PG&E's service territory and the common vegetation / trees in the geographies that PG&E serves. That said, PG&E has benchmarked on general vegetation management practices, tools, and approaches with other utilities in the U.S., North America, and abroad. The closest quantitative benchmarks related to PG&E's EVM program are at the state level, generally comparing the programs of the three largest California utilities through the Wildfire Mitigation Plan proceeding. PG&E is not aware of national data sets relevant to the EVM program.
Customer Satisfaction Score	Historical PG&E customer satisfaction data.
PSPS Notification Accuracy	Historical PG&E operating data.
Greater Affordability for Customers	Historical PG&E operating data.
Relative Total Shareholder Return	The metric is <i>relative</i> total shareholder return, and as such, is inherently benchmarked against publicly disclosed data from other companies.

QUESTION 05

For the system hardening effectiveness metric:

- a. Please identify if the Commission has issued a decision approving a forecast for this work, and if yes, please identify the Commission decision number.
- b. If the Commission has approved a forecast, please identify the number of miles forecast and/or the budget for the program.
- c. If there is no Commission decision adopting a forecast for this work, please identify a proceeding number for where PG&E has requested associated costs with system hardening work.
- d. If there is no Commission decision adopting a forecast for this work, please identify how many miles of system hardening work PG&E has forecast

ANSWER 05

Answering part (a) of this request, PG&E identifies Decision No. 20-12-005.

Answering part (b) of this request, PG&E states that based on the approvals provided in Decision No. 20-12-005, PG&E deems the following to be the approved imputed forecasts for system hardening miles and associated budgets: (i) for 2021, 358 miles and \$822,167,000 (304 overhead miles with an associated budget of \$481,960,000 and 54 underground miles with an associated budget of \$340,207,000); and (ii) for 2022, 442 miles and \$1,045,058,000 (376 overhead miles with an associated budget of \$612,620,000 and 66 underground miles with an associated budget of \$432,438,000).

Answering parts (c) and (d) of this request, PG&E states: N/A.

Question 06

For the enhanced vegetation management effectiveness metric:

- a. Please identify if the Commission has issued a decision approving a forecast for this work, and if yes, please identify the Commission decision number.
- b. If the Commission has approved a forecast, please identify the number of miles forecast and/or the budget for the program.
- c. If there is no Commission decision adopting a forecast for this work, please identify a proceeding number for where PG&E has requested associated costs with system hardening work.
- d. If there is no Commission decision adopting a forecast for this work, please identify how many miles of system hardening work PG&E has forecast.

ANSWER 06

Answering part (a) of this request, PG&E identifies Decision No. 20-12-005.

Answering part (b) of this request, PG&E states that based on the approvals provided in Decision No. 20-12-005, PG&E deems the following to be the approved imputed adopted amounts for enhanced vegetation management: \$350.6 million for 2021 and \$385.7 million for 2022. PG&E did not develop imputed miles for enhanced vegetation management as the reduction to PG&E's vegetation management forecast was not specific.

Answering parts (c) and (d) of this request, PG&E states: N/A.

2021 Executive Compensation Review TURN-SCE-002 Data Request

The following questions refer to the SCE 2021 Executive Compensation Supplemental Submission submitted on March 1, 2021 and attached as Appendix B to the Wildfire Safety Division Director's letter inviting comments on the supplemental submissions.

1. For each of the following "representative success measures" identified in SCE's supplemental executive compensation submission where the utility has not otherwise identified a quantitative unit for the representative success measure, please 1) identify how the utility intends to measure the representative success measure, and 2) the units of measurement.
 - a. Enhance worker safety programs
Response to 1a: See response to CalAdvocates-SCE-NonCase-MY-04092021 Question 2.
 - b. Improve public awareness of safety
Response to 1b: See response to CalAdvocates-SCE-NonCase-MY-04092021 Question 3.
 - c. Improve PSPS customer experience
Response to 1c: See response to CalAdvocates-SCE-NonCase-MY-04092021 Question 4.
 - d. Electric asset data
Response to 1d: See response to CalAdvocates-SCE-NonCase-MY-04092021 Question 5.
 - e. Critical business records
Response to 1e: See response to CalAdvocates-SCE-NonCase-MY-04092021 Question 6.
 - f. Field and work management tools
Response to 1f: See response to CalAdvocates-SCE-NonCase-MY-04092021 Question 7.
 - g. Implement contractor management plan
Response to 1g: See response to CalAdvocates-SCE-NonCase-MY-04092021 Question 8.
 - h. Achieve CPUC and FERC jurisdictional capital improvement plan execution
Response to 1h: The metric for this goal is associated with implementing our overall plan to execute grid, technology, electrification, and other improvements to deliver safe, reliable, clean and affordable energy for customers. A significant portion of the capital deployment plan is associated with wildfire mitigation and resiliency and other safety related work. In addition, reliability programs such as infrastructure replacement, load growth, preventive and breakdown maintenance, pole replacement and remediation, and safety are inextricably associated with reliability given the importance of electricity in our customer's lives at home, at work and in public places. Other categories of capital investments include facility and land, CSRP, cybersecurity, and generation investments. Metric performance is measured by comparing actual spend with planned spend. The unit of measurement is in dollar spend (in millions).
 - i. Advocate for effective implementation of wildfire policies

Response to 1h: This goal is an activity-based, qualitative success measure focused on pursuit of policies that best position SCE to mitigate the risk of wildfires. Performance will be measured through a series of progress reviews of milestone activities. Given the State's focus on wildfire issues, policies need to be coordinated across agencies and jurisdictions in order to effectively move goals forward. Additionally, wildfire-related policy work includes receiving cost recovery authorization so that SCE can deploy capital and resources to get necessary work done for wildfire resilience, safety, reliability and other activities. The funding authorization

also enables us to undertake key safety activities such as training and customer outreach. For 2021, milestone activities focus on effective implementation of wildfire policies and obtaining Wildfire Mitigation Plan approval and an annual Safety Certification.

j. Advocate for prudent cost recovery and affordability

Response to 1j: This goal is an activity-based, qualitative success measure focused on pursuit of policies that allow SCE to recover costs necessary to provide utility services to our customers, perform wildfire mitigation activities and conduct infrastructure-related reliability work. SCE also considers leveraging securitization of eligible costs to allow for recovery over time, thereby reducing the upfront impact on customer rates. Performance will be measured through a series of progress reviews of milestone activities. For 2021, milestone activities focus on a well-supported General Rate Case and securing approval of cost recovery for wildfire objectives in SCE's Commission-approved Wildfire Expense Memorandum Account (WEMA) and Catastrophic Event Memorandum Account (CEMA). Additional affordability-related milestones focus on well-supported application submittals for securitization of eligible costs, where appropriate.

k. Build support for SCE's Clean Power and Electrification Pathway

Response to 1k: This goal is an activity-based, qualitative success measure focused on pursuit of policies that allow SCE to recover costs necessary to support the State's longer-term objective of reducing greenhouse gas emissions to mitigate the impacts of climate change, which drive catastrophic wildfires. Performance is measured through a series of progress reviews of milestone activities. For 2021, milestone activities focus on advancing clean energy policy and accelerating development of Electrification Pathway/Pathway 2045 efforts.

l. Implement a comprehensive DEI plan

Response to 1l: This goal is an activity-based, qualitative success measure focused on implementing a comprehensive Diversity, Equity and Inclusion (DEI) plan. Performance is measured through a series of progress reviews of milestone activities. For 2021, milestone activities consist of the ten internal and external actions listed in the company's 2020 Diversity, Equity and Inclusion report. The company believes being transparent about where we are is a critical step in creating greater accountability. The DEI report is available at the following link: <https://www.edison.com/dei-report>

m. San Onofre Nuclear Generating Station decommissioning

Response to 1m: This goal is an activity-based, qualitative success measure focused on ensuring the ongoing decommissioning is performed in a safe and effective manner. Performance is measured through a series of progress reviews of milestone activities. For 2021, milestone activities focus on prudent management and oversight of contractors and completing critical path activities under SONGS decommissioning baseline schedule without incurrence of Level I, II or III NRC violations.

2. For each of the "representative success measures" identified in SCE's supplemental executive compensation submission including those addressed in Question 1 above, please provide:

- a. The number of years that the representative success measure has been tracked by the utility.

Response to 2a: Please see Table 1.

- b. Whether the representative success measure is reported to any federal or state agency.
Response to 2b: SCE reports corporate goal success measures to the CPUC in its Executive Compensation submission, Safety Performance Metrics Report and General Rate Case submission.

In addition: the DART injury rate is reported in annual federal OSHA 300A filings; and overhead inspections and hazard tree and drought relief were reported in the 2020 Wildfire Mitigation Plan Annual Report on Compliance (EC ARC) Pursuant to PUC Section 8386.3(c)(1).

- c. If the answer to subsection (b) above is yes, please identify where the representative success measure is reported.

Response to 2c: See subsection (b) above.

Table 1
Response to Question 2(a)

Representative Success Measure	Years Tracked^{1, 2, 3}
Reduce EEI SIF Injury Rate	8
Reduce Employee DART Injury Rate	10+
Enhance worker safety programs (e.g., risk-based, corrective actions, hazard-based observations)	*
Improve public awareness of safety around electric lines and equipment as measured by awareness survey results and key outreach activities performed	2
Overhead Conductor Program	5
Vegetation Line Clearing	1
CPUC reportable ignitions in High Fire Risk Areas (HFRA)	6
Improve PSPS customer experience by executing comprehensive improvement plan focused on enhancing notifications and other PSPS capabilities	*
Covered Conductor	3

¹ This table reflects the number of years a success measure has been tracked by SCE, even if there has been a change in methodology. In contrast, Table 2 below provides historical data only for years where the current methodology was used.

² Measures tracked beyond 10 years (indicated by “10+”) would require research beyond readily available data to identify origination date.

³ For tables 1, 2, and 3, an asterisk reflects an activity-based, qualitative success measure. Please see the response to Question 1 for additional information about the success measure.

Representative Success Measure	Years Tracked^{1, 2, 3}
Overhead Inspections	1
Hazard Tree & Drought Relief	1
Execute cybersecurity improvements to mitigate risk of compromise	2
Mature Enterprise-wide phishing program as measured by simulation exercise click rate	2
Electric Asset Data	*
Critical Business Records	*
Field and Work Management Tools	*
Implement Contractor Management Plan	*
Achieve System Average Interruption Duration Index (SAIDI) Repair	10+
Capital Deployment	10+
Advocate for effective implementation of wildfire policies and obtain Wildfire Mitigation Plan approval and annual Safety Certification	*
Advocate for prudent cost recovery and affordability decisions that secure funding to meet company and customer needs	*
Obtain policy outcomes necessary to support Edison's Clean Power & Electrification Pathway/Pathway 2045 in support of California's environmental objectives	*
Implement a comprehensive Diversity, Equity and Inclusion (DEI) Plan	*
Achieve Diverse Business Enterprise (DBE) spend	10+
Customer Service Re-Platform (CSRP)	*
San Onofre Nuclear Generating Station (SONGS) Decommissioning	*

3. For all of the “representative success measures” identified in SCE’s supplemental executive compensation submission including those addressed in Question 1 above, please provide:
 - a. Ten years of historical data, and if ten years of data is not available, all available historical data on the representative measure.

Response to 3a: The table below provides historical performance data for 2021 representative success measures. In certain cases, methodology changes were made to certain measures. The historical data provided is limited to years where data is directly

comparable to the 2021 representative success measure.

Table 2
Summary of Historical Measure Data³

Representative Success Measure	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Reduce EEI SIF Injury Rate⁴	N/A	N/A	0.10	0.09	0.11	0.11	0.11	0.11	0.05	0.12
Reduce Employee DART Injury Rate	2.37	1.82	1.69	0.92	0.94	0.80	0.99	0.98	1.17	0.90
Enhance worker safety programs (e.g., risk-based, corrective actions, hazard-based observations)	*	*	*	*	*	*	*	*	*	*
Improve public awareness of safety around electric lines and equipment as measured by awareness survey results and key outreach activities performed⁴	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	46%	49%
Overhead Conductor Program⁴	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vegetation Line Clearing⁴	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	82%
CPUC reportable ignitions in High Fire Risk Areas (HFRA)⁴	N/A	N/A	N/A	N/A	46	41	35	37	38	50
Improve PSPS customer experience by executing comprehensive improvement plan focused on enhancing notifications and other PSPS capabilities	*	*	*	*	*	*	*	*	*	*
Covered Conductor⁴	N/A	N/A	N/A	N/A	N/A	N/A	N/A	151	372	965
Overhead Inspections and Remediations in HFRA⁴	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	72%

⁴ “N/A” is used in this row for years where the collected data (if any) reflects a different methodology or definition than is being applied to the calculation for the current year.

Representative Success Measure	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Hazard Tree & Drought Relief ⁴	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Execute cybersecurity improvements to mitigate risk of compromise ⁴	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	97.7%
Mature Enterprise-wide phishing program as measured by simulation exercise click rate ⁴	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7.0%	4.6%
Electric Asset Data	*	*	*	*	*	*	*	*	*	*
Critical Business Records	*	*	*	*	*	*	*	*	*	*
Field and Work Management Tools	*	*	*	*	*	*	*	*	*	*
Implement Contractor Management Plan	*	*	*	*	*	*	*	*	*	*
Achieve System Average Interruption Duration Index (SAIDI) Repair	108	101	94	92	100	110	92	71	89	87
Capital Deployment (\$M)	\$3,877	\$3,911	\$3,530	\$3,967	\$3,868	\$3,527	\$3,835	\$4,363	\$4,815	\$5,536
Advocate for effective implementation of wildfire policies and obtain Wildfire Mitigation Plan approval and annual Safety Certification	*	*	*	*	*	*	*	*	*	*
Advocate for prudent cost recovery and affordability decisions that secure funding to meet company and customer needs	*	*	*	*	*	*	*	*	*	*
Obtain policy outcomes necessary to support Edison's Clean Power & Electrification Pathway/Pathway	*	*	*	*	*	*	*	*	*	*

Representative Success Measure	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
2045 in support of California's environmental objectives										
Implement a comprehensive Diversity, Equity and Inclusion (DEI) Plan	*	*	*	*	*	*	*	*	*	*
Achieve Diverse Business Enterprise (DBE) spend	33.7%	38.2%	41.0%	45.0%	42.9%	44.7%	43.9%	46.7%	40.1%	37.7%
Customer Service Re-Platform (CSRP)	*	*	*	*	*	*	*	*	*	*
San Onofre Nuclear Generating Station (SONGS) Decommissioning	*	*	*	*	*	*	*	*	*	*

- b. The lowest possible score or milestone for the identified representative success measure.

Response to 3b: As explained in Section II.C of SCE's 2021 Executive Compensation Structure approval request on January 15, 2021 (Initial Submission), annual incentive awards are placed "at risk" and are paid out to the extent important goals and objectives are met or exceeded. In accordance with market practice, poor company performance results in reduced or no payouts, target performance results in target payouts, and exemplary performance is rewarded with above-target payouts.

For quantitative success measures, the SCE Board of Directors' Compensation and Executive Personnel Committee (Compensation Committee) approves minimum, target, and aspirational performance levels. The minimum value generally represents the lowest performance level that would qualify for consideration of a score above zero for the success measure or subcategory. The aspirational value generally represents the performance that would qualify for consideration of the maximum score for the success measure or subcategory.

Pages 2-3 of SCE's supplemental submission for its 2021 executive compensation structure approval request, filed on March 1, 2021 (Supplemental Submission), provide the minimum, target and aspirational performance levels for quantitative representative success measures.

The Compensation Committee does not establish lowest or highest possible scores or milestones for qualitative success measures at the beginning of the goal year. See page 5 of the Initial Submission regarding the Compensation Committee's assessment of success measures at its meeting in February following the end of the goal year.

- c. The highest possible score or milestone for the representative success measure.
Response to 3c: See response to question 3b above.

4. For each of the "representative success measures" identified in SCE's supplemental executive compensation submission including those addressed in Question 1 above, please identify if there are any exclusions or exceptions that are not counted when tracking SCE's performance on the

representative success measure. For each representative success measure where there is a potential exclusion or exception, please separately provide the justification for the exclusion/exception for each identified exclusion/exception.

Table 3
Summary of Exclusions by Measures³

Representative Success Measure	Exclusions or exceptions that are not counted when tracking SCE's performance	Justification
Reduce EEI SIF Injury Rate	None	
Reduce Employee DART Injury Rate	None	
Enhance worker safety programs (e.g., risk-based, corrective actions, hazard-based observations)	*	
Improve public awareness of safety around electric lines and equipment as measured by awareness survey results and key outreach activities performed	Business respondents	Limited population size to calculate campaign awareness
Overhead Conductor Program	None	
Vegetation Line Clearing	Excludes trees located in fire burn maps for 2020 Creek and Sequoia fires	Excluded trees pose a lower fire risk due to recent burn impact
CPUC reportable ignitions in High Fire Risk Areas (HFRA)	Excludes ignitions outside of HFRA boundaries, ignitions that do not meet defined CPUC reportable events criteria and ignitions under pending engineering and claims review	Following CPUC reportable ignitions criteria. Engineering and claims review findings validate that ignitions meet the criteria.
Improve PSPS customer experience by executing comprehensive improvement plan focused on enhancing notifications and other PSPS capabilities	*	
Covered Conductor	Excludes deployment activities outside of HFRA boundaries	Executing to our Wildfire Mitigation Plan, which focuses on the installation of covered conductors in HFRA
Overhead Inspections and Remediations in HFRA	Excludes structures not identified as high-risk structures, structures outside HFRA boundaries, and structures that are inaccessible due to obstruction or access issues. Exceptions for aerial inspections include uncontrollable circumstances that limit access (e.g., weather,	Inspections focus on high risk structures on accessible HFRA.

Representative Success Measure	Exclusions or exceptions that are not counted when tracking SCE's performance	Justification
	fires, red flag warnings, terrain, safety and temporary flight restrictions set for by FAA)	
Hazard Tree & Drought Relief	Active inventory excludes customer refusals (i.e., customer has refused to grant permission to remove the tree), environmental holds or weather restrictions	Access to inventory is necessary in order to mitigate risks.
Execute cybersecurity improvements to mitigate risk of compromise	Cyber tools not compatible with specific operating systems	Incompatible operating systems may exclude specific cyber tools from being deployed.
Mature Enterprise-wide phishing program as measured by simulation exercise click rate	Any false positives triggered by anything other than the user clicking the simulation link	Links triggered outside of simulations do not accurately reflect actual phishing event.
Electric Asset Data	*	
Critical Business Records	*	
Field and Work Management Tools	*	
Implement Contractor Management Plan	*	
Achieve System Average Interruption Duration Index (SAIDI) Repair	Excludes major event days (MEDs) and Public Safety Power Shut-off (PSPS) events	MEDs excluded to distinguish between utility performance. SAIDI measures impact of unplanned outages and PSPS are planned outages.
Capital Deployment	None	
Advocate for effective implementation of wildfire policies and obtain Wildfire Mitigation Plan approval and annual Safety Certification	*	
Advocate for prudent cost recovery and affordability decisions that secure funding to meet company and customer needs	*	
Obtain policy outcomes necessary to support Edison's Clean Power & Electrification Pathway/Pathway 2045 in support of California's	*	

Representative Success Measure	Exclusions or exceptions that are not counted when tracking SCE's performance	Justification
environmental objectives		
Implement a comprehensive Diversity, Equity and Inclusion (DEI) Plan	*	
Achieve Diverse Business Enterprise (DBE) spend	Excludes wildfire insurance premiums from third-party spend base	Rising insurance costs impact SCE's Supplier Diversity Program efforts and results.
Customer Service Re-Platform (CSRP)	*	
San Onofre Nuclear Generating Station (SONGS) Decommissioning	*	

5. For each of the “representative success measures” identified in SCE’s supplemental executive compensation submission including those addressed in Question 1 above, please provide:
- Whether there are any state, national or other data sets against which the utility can benchmark its performance.

Response to 5a: Please see Table 4 below. SCE’s response identifies external data sets for representative success measure metrics that SCE uses to benchmark performance. SCE is not in a position to comment on benchmark data sources that could exist that we are not currently utilizing.

- If the answer to subsection (a) is yes, please identify the data set against which the utility has benchmarked its performance.

Response to 5b: Please see Table 4 below and the answer to subsection (a) above.

Table 4
Summary of Benchmarked Data by Measure

Representative Success Measure	Benchmarked (Y/N)	External Dataset
Reduce EEI SIF Injury Rate	Y	Edison Electric Institute’s (EEI) safety benchmarking survey
Reduce Employee DART Injury Rate	Y	Philadelphia Modified Utility Index (PHLX)
Enhance worker safety programs (e.g., risk-based, corrective actions, hazard-based observations)	N	
Improve public awareness of safety around electric lines and equipment as measured by awareness survey results and key outreach activities performed	N	
Overhead Conductor Program	N	

Representative Success Measure	Benchmarked (Y/N)	External Dataset
Vegetation Line Clearing	N	
CPUC reportable ignitions in High Fire Risk Areas (HFRA)	Y	CA IOU Wildfire Mitigation Plans and Cal Fire data
Improve PSPS customer experience by executing comprehensive improvement plan focused on enhancing notifications and other PSPS capabilities	N	
Covered Conductor	N	
Overhead Inspections and Remediations in HFRA	N	
Hazard Tree & Drought Relief	N	
Execute cybersecurity improvements to mitigate risk of compromise	Y	UNITE, a consortium of 21 US utilities
Mature Enterprise-wide phishing program as measured by simulation exercise click rate	Y	Proofpoint, Inc. produces an annual State of the Phish report
Electric Asset Data	N	
Critical Business Records	N	
Field and Work Management Tools	N	
Implement Contractor Management Plan	Y	Bureau of Labor Statistics “EMPLOYER-REPORTED WORKPLACE INJURIES AND ILLNESSES”
Achieve System Average Interruption Duration Index (SAIDI) Repair	Y	Institute of Electrical and Electronics Engineers (IEEE) Working Group
Capital Deployment	N	
Advocate for effective implementation of wildfire policies and obtain Wildfire Mitigation Plan approval and annual Safety Certification	N	
Advocate for prudent cost recovery and affordability decisions that secure funding to meet company and customer needs	N	
Obtain policy outcomes necessary to support Edison’s Clean Power & Electrification Pathway/Pathway 2045 in support of California’s environmental objectives	N	

Representative Success Measure	Benchmarked (Y/N)	External Dataset
Implement a comprehensive Diversity, Equity and Inclusion (DEI) Plan	Y	National Availability Data
Achieve Diverse Business Enterprise (DBE) spend	Y	Like-size Utilities Supply Chain Performance Annual Benchmark – Tier 1 and Tier 2 Diversity spend as a percent of managed spend, prepared by CAPS Research
Customer Service Re-Platform (CSRP)	N	
San Onofre Nuclear Generating Station (SONGS) Decommissioning	N	

6. For the overhead conductor program:

- a. Please identify if the Commission has issued a decision approving a forecast for this work, and if yes, please identify the Commission decision number.
Response to 6a: No. SCE is awaiting a Commission decision on its 2021 General Rate Case Track 1 Application (A.19-08-013).
- b. If the Commission has approved a forecast, please identify the number of miles forecast and/or the budget for the program.
Response to 6b: See response to part (a).
- c. If there is no Commission decision adopting a forecast for this work, please identify a proceeding number for where SCE has requested costs associated with this forecast.
Response to 6c: See response to part (a).
- d. If there is no Commission decision adopting a forecast for this work, please identify how many miles of work SCE has requested to complete.
Response to 6d: SCE's 2021 GRC forecasts 367 conductor mile units completed for the Overhead Conductor Program in 2021 (see SCE-02, Vol. 01, Pt. 01, p. 72). This forecast is consistent with the target value for the 2021 corporate goal measure, with adjustments to exclude Accelerated Overhead Conductor Program (AOCP) work and to convert units of measure from conductor to circuit mile units.

7. For the vegetation line clearing program:

- a. Please identify if the Commission has issued a decision approving a forecast for this work, and if yes, please identify the Commission decision number.
Response to 7a: No. SCE is awaiting a Commission decision on its 2021 General Rate Case Track 1 Application (A.19-08-013).
- b. If the Commission has approved a forecast, please identify the number of miles forecast and/or the budget for the program.
Response to 7b: See response to part (a).
- c. If there is no Commission decision adopting a forecast for this work, please identify a proceeding number for where SCE has requested associated costs.
Response to 7c: See response to part (a).
- d. If there is no Commission decision adopting a forecast for this work, please identify how many miles of work SCE has requested to complete.
Response to 7d: SCE's 2021 GRC forecasts routine tree trims of 835,009 (Distribution) and 36,702 (Transmission) completed in 2021 (see SCE-02, Vol. 06, pp. 22, 27).

8. For the covered conductor program:

- a. Please identify if the Commission has issued a decision approving a forecast for this work, and if yes, please identify the Commission decision number.
Response to 8a: No. SCE is awaiting a Commission decision on its 2021 General Rate Case Track 1 Application (A.19-08-013).
- b. If the Commission has approved a forecast, please identify the number of miles forecast and/or the budget for the program.
Response to 8b: See response to part (a).
- c. If there is no Commission decision adopting a forecast for this work, please identify a proceeding number for where SCE has requested associated costs.
Response to 8c: See response to part (a).
- d. If there is no Commission decision adopting a forecast for this work, please identify how many miles of work SCE has requested to complete.
Response to 8d: SCE 2021 GRC forecasts 1,400 circuit miles completed for the Wildfire Covered Conductor Program in 2021 (see SCE-04, Vol. 05, p. 28).

9. For the overhead inspections program:

- a. Please identify if the Commission has issued a decision approving a forecast for this work, and if yes, please identify the Commission decision number.
Response to 9a: No. SCE is awaiting a Commission decision on its 2021 General Rate Case Track 1 Application (A.19-08-013).
- b. If the Commission has approved a forecast, please identify the number of inspections forecast and/or the budget for the program.
Response to 9b: See response to part (a).
- c. If there is no Commission decision adopting a forecast for this work, please identify a proceeding number for where SCE has requested associated costs.
Response to 9c: See response to part (a).
- d. If there is no Commission decision adopting a forecast for this work, please identify how many inspections SCE has requested to complete.
Response to 9d: Representative success measures for the 2021 corporate goal for overhead inspections relate to ground and aerial inspections for compliance and high-fire risk structure inspections in HFRA. As a result, SCE interprets the request for the count of overhead inspections here to relate to inspections focused on wildfire management. SCE 2021 GRC forecasts Distribution inspections of 117,995 Enhanced Overhead Inspections and 147,570 aerial inspections for 2021 (see SCE-04, Vol. 05, Pt. 1 WP, pp. 379-380). SCE's 2021 GRC did not include 2021 counts for Transmission inspections for wildfire management.

10. For the hazard tree and drought relief program:

- a. Please identify if the Commission has issued a decision approving a forecast for this work, and if yes, please identify the Commission decision number.
Response to 10a: No. SCE is awaiting a Commission decision on its 2021 General Rate Case Track 1 Application (A.19-08-013).
- b. If the Commission has approved a forecast, please identify the inventory that will be addressed with the forecast budget.
Response to 10b: See response to part (a).
- c. If there is no Commission decision adopting a forecast for this work, please identify a proceeding number for where SCE has requested associated costs.
Response to 10c: See response to part (a).
- d. If there is no Commission decision adopting a forecast for this work, please identify how

many how many trees SCE has requested to address.

Response to 10d: SCE 2021 GRC notes that SCE bases its 2021 forecast for dead, dying, and diseased tree removal at 2018 recorded levels (see SCE-02, Vol. 06, p.30), which was recorded as approximately 22,000 trees. SCE 2021 GRC forecasts 20,000 hazard tree removals in 2021 (see SCE-02, Vol. 06, p. 37).

11. For the Customer Service Re-platform:

- a. Please identify if the Commission has issued a decision approving a forecast for this work, and if yes, please identify the Commission decision number.

Response to 11a: In Decision (D.) 19-05-020 (Decision on Test Year 2018 General Rate Case for Southern California Edison Company), the Commission found that the CSRP project “is anticipated to be beneficial to customers.” However, the Commission also determined that cost recovery through memorandum account treatment was appropriate for the project because of the presence of the following factors: “expenditures are caused by an event of an exceptional nature outside of the utility’s control; not reasonably foreseen in the utility’s last GRC; substantial in the amount of money involved; and, beneficial to the customers.” Thus, the Commission ordered SCE to establish the CSRPMA to track the operations and maintenance (O&M) expenses and capital expenditures for the CSRP project for review in this GRC.

In August 2019 when SCE filed its 2021 GRC application, SCE anticipated that changes to the CSRP cost forecast and schedule would be necessary. Those changes did occur, and, as a result, SCE made the decision to excise the review of the CSRPMA costs from its 2021 GRC, keep the CSRPMA open, and seek cost review and recovery in a future proceeding.

- b. If the Commission has approved a forecast, please identify the forecast.

Response to 11b: N/A

- c. If there is no Commission decision adopting a forecast for this work, please identify a proceeding number for where SCE has requested associated costs.

Response to 11c: SCE will be requesting these costs in two Tracks: Track I will be filed in 2021 and Track II will be filed in 2022.

- d. If there is no Commission decision adopting a forecast for this work, please identify SCE’s requested budget.

Response to 11d: SCE’s approved budget for the CSRP program is \$630M.

12. Please provide a breakdown of how each of the representative success measures contributes to the 50% of incentive compensation related to “Safety and Resiliency.”

Response to 12: As indicated in the Initial Submission, when goals are established, the subcomponents that comprise goal categories are not assigned specific weights. Allocating small percentages to numerous subcomponents would mask the importance of the overarching goal categories. For example, the most important and heavily weighted category is Safety & Resiliency, which includes wildfire mitigation. Providing a weighting breakdown of subcomponents at the beginning of the year might obscure the critical importance of all the representative success measures within the category. They are all necessary in our effort to increase the safety and resiliency of our communities and our workers. We want executives, and all employees, to be focused on achieving the main objectives and all the success measures, and not make tradeoffs due to small weighting differences between subcomponents.

At the Compensation Committee meeting in February following the end of the goal year, the Compensation Committee assesses all the representative success measures that were approved at the beginning of the goal year, as well as other important activities and developments during the year. The Compensation Committee evaluates the relative importance of the various success measures and scores the subcategories, depending on the extent to which the goals were unmet, met or exceeded, to establish the company multiplier payout percentage. In the scoring process, the Compensation Committee considers both what was accomplished and the manner in which it was accomplished. While perfect performance is not the standard, there is significant weight given to the efficacy and prudence of the efforts as well as the absolute outcomes. Based on the judgment of the Compensation Committee, this may result in a score that varies from “target” or the initial weight afforded to that category. The Compensation Committee can exercise discretion to reduce or eliminate entirely annual incentive awards should circumstances warrant.

13. Please provide a breakdown of how each of the representative success measures contributes to the 25% of incentive compensation related to “Operational Excellence and Strategic Advancement.”

Response to 13: See response to Question 12.

14. Some of the proposed representative success measures include three numbers. For example, “Reduce EEI SIF Injury Rate: ≤ 0.110 , **0.086**, 0.062.”
 - a. Please explain what these numbers mean. (ie. minimums, threshold, maximums?)

Response to 14a: The three numbers represent the minimum, target, and aspirational levels for the representative success measure. The first number (“0.110” in the EEI SIF Rate example) represents the minimum performance level, which is the lowest performance level that would qualify for consideration of a score above zero for the success measure or subcategory. The second number (“0.086” in the EEI SIF Rate example) represents the target performance level. The third number (“0.062” the EEI SIF Rate example) represents the aspirational level, which is the performance that would qualify for consideration of the maximum score for the success measure or subcategory.

- b. Please explain why certain numbers are in bold.

Response to 14b: The bold number represents the target performance level for the success measure.

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I. GENERAL OBJECTIONS

1. SDG&E objects generally to each request to the extent that it seeks information protected by the attorney-client privilege, the attorney work product doctrine, or any other applicable privilege or evidentiary doctrine. No information protected by such privileges will be knowingly disclosed.
2. SDG&E objects generally to each request that is overly broad and unduly burdensome. As part of this objection, SDG&E objects to discovery requests that seek “all documents” or “each and every document” and similarly worded requests on the grounds that such requests are unreasonably cumulative and duplicative, fail to identify with specificity the information or material sought, and create an unreasonable burden compared to the likelihood of such requests leading to the discovery of admissible evidence. Notwithstanding this objection, SDG&E will produce all relevant, non-privileged information not otherwise objected to that it is able to locate after reasonable inquiry.
3. SDG&E objects generally to each request to the extent that the request is vague, unintelligible, or fails to identify with sufficient particularity the information or documents requested and, thus, is not susceptible to response at this time.
4. SDG&E objects generally to each request that: (1) asks for a legal conclusion to be drawn or legal research to be conducted on the grounds that such requests are not designed to elicit facts and, thus, violate the principles underlying discovery; (2) requires SDG&E to do legal research or perform additional analyses to respond to the request; or (3) seeks access to counsel’s legal research, analyses or theories.
5. SDG&E objects generally to each request to the extent it seeks information or documents that are not reasonably calculated to lead to the discovery of admissible evidence.
6. SDG&E objects generally to each request to the extent that it is unreasonably duplicative or cumulative of other requests.
7. SDG&E objects generally to each request to the extent that it would require SDG&E to search its files for matters of public record such as filings, testimony, transcripts, decisions, orders, reports or other information, whether available in the public domain or through FERC or CPUC sources.
8. SDG&E objects generally to each request to the extent that it seeks information or documents that are not in the possession, custody or control of SDG&E.
9. SDG&E objects generally to each request to the extent that the request would impose an undue burden on SDG&E by requiring it to perform studies, analyses or calculations or to create documents that do not currently exist.

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10. SDG&E objects generally to each request that calls for information that contains trade secrets, is privileged or otherwise entitled to confidential protection by reference to statutory protection. SDG&E objects to providing such information absent an appropriate protective order.

II. EXPRESS RESERVATIONS

1. No response, objection, limitation or lack thereof, set forth in these responses and objections shall be deemed an admission or representation by SDG&E as to the existence or nonexistence of the requested information or that any such information is relevant or admissible.
2. SDG&E reserves the right to modify or supplement its responses and objections to each request, and the provision of any information pursuant to any request is not a waiver of that right.
3. SDG&E reserves the right to rely, at any time, upon subsequently discovered information.
4. These responses are made solely for the purpose of this proceeding and for no other purpose.

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III. RESPONSES

The following questions refer to the SDG&E Supplement to Its 2021 Executive Compensation Submission submitted on February 25, 2021 and attached as Appendix A to the Wildfire Safety Division Director’s letter inviting comments on the supplemental submissions.

QUESTION 1:

For each of the ICP elements identified in SDG&E’s supplemental executive compensation submission, please provide:

- a. A description of the element.
- b. The risk or event the element is intended to track.
- c. The units used to count the element.
- d. The number of years that the element has been tracked by the utility.
- e. Whether the element is reported to any federal or state agency.
- f. If the answer to subsection (e) above is yes, please identify where the element is reported.

OBJECTION:

SDG&E objects to this request on the grounds set forth in General Objection Nos. 2, 5, and 9. Subject to the foregoing objections, SDG&E responds as follows.

RESPONSE 1:

See attachment “SDG&E ICP – Historical Performance Measures 2019-2021”.

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QUESTION 2:

For each ICP element identified in SDG&E's supplemental executive compensation submission, please provide:

- a. Ten years of historical data, and if ten years of data is not available, all available historical data on the element.
- b. The lowest possible score for the identified element.
- c. The highest possible score or milestone for the element.

OBJECTION:

SDG&E objects to this request on the grounds set forth in General Objection Nos. 2, 5, and 9. More specifically, SDG&E objects to providing 10 years of data on the grounds that AB 1054 and Public Utilities Code Section 8389 took effect in 2019, and further historical data is thus irrelevant. Subject to the foregoing objections, SDG&E responds as follows.

RESPONSE 2:

See attachment "SDG&E ICP – Historical Performance Measures 2019-2021".

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QUESTION 3:

For each ICP element identified in SDG&E's supplemental executive compensation submission please identify if there are any exclusions or exceptions that are not counted when tracking SDG&E's performance on the element. For each element where there is a potential exclusion or exception, for each identified exclusion/exception, please separately provide the justification for the exclusion/exception.

OBJECTION:

SDG&E objects to this request on the grounds set forth in General Objection Nos. 2, 5, and 9. Subject to the foregoing objections, SDG&E responds as follows.

RESPONSE 3:

There are not any exclusions or exceptions that are not counted when tracking SDG&E's performance on the element. Please refer to SDG&E's plan document "SDGE Executive 2021 ICP Plan Document - FINAL".

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QUESTION 4:

For each ICP element identified in SDG&E's supplemental executive compensation submission, please provide:

- a. Whether there are any state, national or other data sets against which the utility can benchmark its performance.
- b. If the answer to subsection (a) is yes, please identify the data set against which the utility has benchmarked its performance.

OBJECTION:

SDG&E objects to this request on the grounds set forth in General Objection Nos. 2, 5, and 9. Subject to the foregoing objections, SDG&E responds as follows.

RESPONSE 4:

SDG&E is not aware of any data sets against which the SDG&E can benchmark its performance. The targets are based on SDG&E's service territory.

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QUESTION 5:

For the overhead system hardening ICP element:

- a. Please identify if the Commission has issued a decision approving a forecast for this work, and if yes, please identify the Commission decision number.
- b. If the Commission has approved a forecast, please identify the number of miles forecast and/or the budget for the program.
- c. If there is no Commission decision adopting a forecast for this work, please identify a proceeding number for where SDG&E has requested associated costs with system hardening work.
- d. If there is no Commission decision adopting a forecast for this work, please identify how many miles of system hardening work SDG&E has forecast.

OBJECTION:

SDG&E objects to this request on the grounds set forth in General Objection Nos. 2, 5, and 9. Subject to the foregoing objections, SDG&E responds as follows.

RESPONSE 5:

- a. There is no Commission decision for the 2021 unit forecast for this work. As part of the 2019 GRC Filing (A.17-10-007/D.19-09-051), a revenue requirement was determined at the company level to fund these programs.
- b. The Commission forecast approves revenue at the company level but does not approve miles forecast or budgets at the program level.
- c. SDG&E has requested costs associated with overhead hardening as part of the 2020 Wildfire Mitigation Plan (WMP) and the 2021 WMP Update (R.18-10-007). The ICP target includes hardening completed through the Bare Conductor Hardening, Cleveland National Forest Fire Hardening, and Covered Conductor Hardening.
- d. As part of the 2021 WMP Update, SDG&E has forecast 100 miles of Bare Conductor Hardening, 9.5 miles of Cleveland National Forest Fire Hardening, and 20 miles of Covered Conductor Hardening in 2021.

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QUESTION 6:

For the underground system hardening element:

- a. Please identify if the Commission has issued a decision approving a forecast for this work, and if yes, please identify the Commission decision number.
- b. If the Commission has approved a forecast, please identify the number of miles forecast and/or the budget for the program.
- c. If there is no Commission decision adopting a forecast for this work, please identify a proceeding number for where SDG&E has requested associated costs with system hardening work.
- d. If there is no Commission decision adopting a forecast for this work, please identify how many miles of underground system hardening work SDG&E has forecast.

OBJECTION:

SDG&E objects to this request on the grounds set forth in General Objection Nos. 2, 5, and 9. Subject to the foregoing objections, SDG&E responds as follows.

RESPONSE 6:

- a. There is no Commission decision for the 2021 unit forecast for this work. As part of the 2019 GRC Filing (A.17-10-007/D.19-09-051), a revenue requirement was determined at the company level to fund these programs.
- b. The Commission forecast approves revenue at the company level but does not approve miles forecast or budgets at the program level.
- c. SDG&E has requested costs associated with overhead hardening as part of the 2020 Wildfire Mitigation Plan (WMP) and the 2021 WMP Update (R.18-10-007). The ICP target includes hardening completed as part of the Strategic Undergrounding program.
- d. As part of the 2021 WMP Update, SDG&E has forecast 25 miles of Strategic Undergrounding in 2021.

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QUESTION 7:

For the distribution integrity- miles of vintage mains and services replaced element:

- a. Please identify if the Commission has issued a decision approving a forecast for this work, and if yes, please identify the Commission decision number.
- b. If the Commission has approved a forecast, please identify the number of miles forecast and/or the budget for the program.
- c. If there is no Commission decision adopting a forecast for this work, please identify a proceeding number for where SDG&E has requested associated costs.
- d. If there is no Commission decision adopting a forecast for this work, please identify how many miles of work SDG&E has forecast.

OBJECTION:

SDG&E objects to this request on the grounds set forth in General Objection Nos. 2, 5, and 9. Subject to the foregoing objections, SDG&E responds as follows.

RESPONSE 7:

- a. The Commission issued a Decision 19-09-051 on September 26, 2019 for approval of 2019 GRC filing for DIMP (VIPP)
- b. In the decision, the Commission authorized SDG&E's requested amounts of \$24.216 million in 2017 and 2018, and \$49.00 million in 2019. In the testimony for DIMP (VIPP), the narrative states, "Starting in 2019, SDG&E plans to target 27 miles of mains and associated services for replacement above and beyond routine replacements in accordance with DIMP regulations with a 25-to-30-year horizon for wholesale replacement of early vintage plastic. With a 30-year horizon, SDG&E anticipates continuing to increase the level of replacement over the next 6-8 years..."
- c. N/A
- d. N/A

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Date Submitted: April 26, 2021

QUESTION 8:

For the Mobile Home Park Retrofit Program element:

- a. Please identify if the Commission has issued a decision approving a forecast for this work, and if yes, please identify the Commission decision number.
- b. If the Commission has approved a forecast, please identify the number of miles forecast and/or the budget for the program.
- c. If there is no Commission decision adopting a forecast for this work, please identify a proceeding number for where SDG&E has requested associated costs.
- d. If there is no Commission decision adopting a forecast for this work, please identify how many miles of work SDG&E has forecast.

OBJECTION:

SDG&E objects to this request on the grounds set forth in General Objection Nos. 2, 5, and 9. Subject to the foregoing objections, SDG&E responds as follows.

RESPONSE 8:

- a. Decision 14-03-021 authorized SDG&E to convert approximately 10% of eligible mobile home park (MHP) spaces in its service territory from master-metered service to direct utility service. In 2017, Resolution E-4878 was issued, authorizing SDG&E to convert an incremental ~5% of MHP spaces through 2019. Subsequently, an extension of the program through 2021, and the conversion of an additional 3.33% of spaces in both 2020 and 2021, was authorized in Resolution E-4958. In April 2020, the Commission issued Decision 20-04-004, approving a ten-year program beginning in 2021 through 2030.
- b. Per Decision 14-03-021 and 20-04-004, the ~3.33% annual conversion rate approved by the Commission equates to approximately 1,152 MHP spaces.
- c. N/A
- d. N/A

**THE UTILITY REFORM NETWORK (TURN) DATA REQUEST: TURN-SDGE-01
2021 EXECUTIVE COMPENSATION REVIEW
SDG&E RESPONSE**

**Date Received: April 12, 2021
Date Submitted: April 26, 2021**

QUESTION 9:

Please provide a copy of the SDG&E Listens Survey (Voice of the Customer).

OBJECTION:

SDG&E objects to this request on the grounds set forth in General Objection Nos. 2, 5, and 9. Subject to the foregoing objections, SDG&E responds as follows.

RESPONSE 9:

Refer to the attached “SDG&E Listens Survey Questions_2021”.