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VIA EMAIL

Ms. Caroline Thomas Jacobs
Wildfire Safety Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: SDG&E's Reply Comments to Stakeholder Comments on Supplemental Executive Compensation Structures

Dear Director Jacobs,

Pursuant to your March 24, 2021 letter inviting stakeholder comments on the utilities' supplemental executive compensation submissions, SDG&E submits this reply to the April 30, 2021 comments submitted by The Utility Reform Network ("TURN").

In its comments, TURN reiterates its original recommendation that "WSD suspend its review and initiate a stakeholder process to develop the executive compensation requirements... ." ¹ As noted in SDG&E's February 5, 2021 Response to the Comments on its 2021 Executive Compensation Submission, this recommendation would unnecessarily disrupt SDG&E's annual process for establishing its executive compensation structures and incentives. Indeed, those structures are already established and in place for 2021. Moreover, SDG&E has complied with the requirements of Public Utilities Code § 8389(e), and thus no such disruption is merited.

TURN also complains about its ability to obtain discovery regarding the executive compensation submissions. Although SDG&E provided narrative responses and additional documents in response to TURN data requests, TURN complains that SDG&E did not provide 10 years of data in response to one of its requests. ² But SDG&E's objection was fully appropriate given that the statute took effect in 2019 (and SDG&E provided data back to 2019), and Section 8389(e) does not look backwards in time at what metrics a utility may have had in place prior to the statute's enactment. Ultimately, TURN is overreaching and seeks to extend the review of utility executive compensation beyond reasonable and statutory bounds.

¹ TURN Comments, p. 1.

² *Id.*, p. 8.

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Lastly, TURN provides no substantive basis to modify or reject SDG&E's executive incentive compensation measures. TURN questions whether certain goals incentivize safety outcomes but provides no basis for concluding they do not. As an example, TURN questions SDG&E's targets for Wildfire Safety Communications,³ and wonders why the target is not 100% of impacted customers.⁴ SDG&E established the goal range that it did because, while SDG&E strives for 100%, its actual performance is limited by customers keeping contact information up to date, and whether customers open or acknowledge the communication that was sent.⁵

Accordingly, SDG&E requests that WSD find that the January 15 Submission (as supplemented on February 25, 2021) complies with the requirements of Public Utilities Code § 8389(e). Please contact me if you have questions regarding this response.

Respectfully submitted,

/s/ Christopher M. Lyons
Attorney for San Diego Gas &
Electric Company

cc: R.18-10-007 Service List

³ As noted in SDG&E's 2021 Executive Compensation Submission, Wildfire Safety Communications "measures the percentage of fire safety messages confirmed as received by customers that are sent prior to a PSPS event. The delivery of this message notifying customers of a loss of power generally occurs 24-48 hours before a circuit or portion of a circuit is deenergized."

⁴ TURN Comments, p. 9.

⁵ SDG&E does take additional steps to make sure all Medical Baseline Customers are contacted, including by visiting residences.