

From: Affonsa, Deborah
Sent: 10/1/2013 3:18:14 PM
To: 'Zafar, Marzia' (marzia.zafar@cpuc.ca.gov); Ralff Douglas, Kristin (kristin.ralffdouglas@cpuc.ca.gov) (kristin.ralffdouglas@cpuc.ca.gov)
Cc: Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAe); Reilly, Brooke A (/O=PG&E/OU=Corporate/cn=Recipients/cn=BAR11)
Bcc:
Subject: FW: Changes in Management at Sempra

Ladies – I am sure you saw this but wanted to share given Jesse and Anne are on the panel next week. Deb

Sempra Energy, the San Diego-based utility holding company that owns San Diego Gas & Electric, announced Wednesday evening that some key executives will shift roles in the next few months.

The changes start on Dec. 1, when **Michael Niggli will retire as SDG&E's president & chief operating officer.**

On Jan. 1:

- **Jessie Knight, chief executive and chairman of SDG&E, will drop his chief executive position and become executive vice president of external affairs at parent Sempra Energy. Knight remains chairman of SDG&E, the utility serving San Diego and southern Orange counties.**
- Jeffrey Martin, now chief executive of Sempra U.S. Gas & Power, will become chief executive of SDG&E.
- **Steven Davis, senior vice president of external affairs for Sempra Energy, replaces Niggli as SDG&E president and chief operating officer.**
- Patricia Wagner, vice president of audit services for Sempra Energy, succeeds Martin as Sempra U.S. Gas & Power's chief executive.

On March 1:

- **Anne Smith will retire as Southern California Gas (SoCalGas) chairman and chief executive.**
- **Dennis Arriola** succeeds her as president and chief executive of SoCalGas.
- Bret Lane succeeds Arriola as chief operating officer of SoCalGas.
- Knight becomes chairman of SoCalGas.

The staffing realignments will help Sempra strengthen its management team, Debra Reed, chairman and CEO of Sempra Energy, said in a statement.

“Our ability to continue to identify and promote strong leaders has been a critical factor in our success, especially in a changing industry,” said Reed, whose role is unchanged.

Sempra and SDG&E officials were unavailable for further comment. In addition, some analysts of these companies could not be reached immediately for their take on the personnel decisions.

Niggli and Knight were at the helm of SDG&E during the 2011 massive power blackout in San Diego County and parts of Orange County and Baja California. They helped marshal efforts to restore electricity after a maintenance worker’s mistake in Arizona set off a cascading chain of events that led to the blackout.

Knight previously led the San Diego Regional Chamber of Commerce and served on the California Public Utilities Commission. Niggli spent most of his 42-year career in the energy sector with Sempra companies.

Sempra Energy’s other subsidiaries include Sempra U.S. Gas & Power and Sempra International.

Shares of Sempra closed Wednesday before the announcement at \$86.72 per share, down 36 cents for the day.

Looking ahead, major issues for SDG&E include implementing a revamped rate structure that affects its millions of customers.

The company is also involved in the debate over whether — and how much — ratepayers or shareholders should pay for the shutdown of the San Onofre nuclear power plant. The California Public Utilities Commission and others are looking into that matter.

San Onofre was idled after premature wear on huge steam generators allowed a trace amount of radiation to escape, and eventually the facility’s main operator, Southern California Edison, decided to permanently retire both of its remaining reactors there.

Regulators are working with SCE and SDG&E to determine how best to compensate for the lost power from San Onofre. The mix is likely to include calls for greater consumer conservation, more use of renewable-energy sources and heavier reliance on natural gas as a generation source for electricity.

Deborah T. Affonsa
Vice President, Corporate Strategy
Pacific Gas & Electric Company
dta3@pge.com
(o) 415-973-4407 (c) 415-260-4407