

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 7, 2015

Advice Letter 4847-G

Ronald van der Leeden
Director, Regulatory Affairs
Southern California Gas
555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011

**SUBJECT: Implementation of Information Technology (IT) Changes in Support of
Energy Efficiency (EE) Financing Pilot Programs in Compliance with
Decision (D.) 13-09-044**

Dear Mr. van der Leeden:

Advice Letter 4847-G is effective as of September 11, 2015.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph
Director, Energy Division



Ronald van der Leeden

Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011

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August 12, 2015

Advice No. 4847

(U 904 G)

Public Utilities Commission of the State of California

Subject: Implementation of Information Technology (IT) Changes in Support of Energy Efficiency (EE) Financing Pilot Programs in Compliance with Decision (D.) 13-09-044

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission) its implementation of related system changes for the Energy Efficiency Financing Pilots (Pilots) and provides an updated estimate of IT costs to implement On-Bill Repayment (OBR).

Purpose

This filing is made in compliance with Ordering Paragraph (OP) 17 of D.13-09-044¹ and OP 5 of Resolution E-4680² which require that each utility file a Tier 2 Advice Letter (AL) to support the updated estimate of IT costs and related system changes for the Pilots within 30 days of the date Commission Staff directs the Investor Owned Utilities (IOUs)³ to revise OBR tariffs.

Background

In D.13-09-044, the Commission approved seven Financing Program Pilots covering both residential and non-residential markets.

As part of the implementation of the Pilots, D.13-09-044 established the California Hub for Energy Efficiency Financing (CHEEF). The CHEEF's role includes coordinating among various market participants and managing funds and data. In July 2014, the California Alternative Energy and Advanced Transportation Financing Authority

¹ As modified by OP 7 of D.15-06-008.

² As modified by OP 6 of D.15-06-008.

³ SoCalGas, Pacific Gas & Electric Company, Southern California Edison, and San Diego Gas & Electric Company, are collectively referred to herein as "IOUs."

(CAEATFA) received legislative authority to administer the Pilots as the CHEEF. To assist with program administration, CAEATFA awarded the Master Servicer (MS) contract to Concord Servicing on April 23, 2015.

D.13-09-044 instructed the IOUs to file a Tier 2 AL within 30 days of the MS contract supporting an updated estimate of the IT changes necessary to implement OBR and other features of the Pilots, including information regarding economies achieved by integrating the upgrades with previously funded and scheduled IT capital projects.⁴

On March 9, 2015, CAEATFA filed a Petition for Modification (PFM) in order to receive clarifications and request certain changes to D.13-09-044,⁵ including the timing for submitting the IT AL. In order to give the Commission an opportunity to consider the schedule modifications, the Executive Director of the Commission extended the deadline for the IT AL to 10 days after the disposition of the CAEATFA PFM, or as otherwise provided for in the Commission's decision.⁶ D.15-06-008 addressed CAEATFA's request, requiring the IOUs to submit the IT ALs within 30 days of Commission Staff direction. On July 13, 2015, the IOUs were directed to modify their OBR Tariffs, establishing a requirement to submit IT ALs within 30 days.

Additionally, D.13-09-044 indicated that funds in excess of the IT budget allocations are required to be supported by sufficient documentation and explanation. The IOUs were also directed to work closely with each other, CAEATFA, and the MS to ensure system compatibility, and authorized to take reasonable steps to incorporate the necessary IT changes with other IT projects.⁷

SoCalGas describes below the IT estimate for the Pilots and compliance with the requirements noted above.

Implementation Costs

D.13-09-044 authorized \$1,091,648 for SoCalGas to enhance its IT system to allow for the smooth flow of data between the CHEEF and the IOUs, among other objectives.⁸ SoCalGas developed OBR business requirements and estimated implementation expenses based on the current information and discussions to-date with the CHEEF. The estimate provided herein represents the best information available at the time of

⁴ D.13-09-044, OP 17 would have set the due date to May 26, 2015 (the first business day in connection with the 30 day deadline).

⁵ CAEATFA's PFM was originally submitted in form of a letter to Administrative Law (ALJ) Judge Todd Edmister. Per the Assigned Commissioner and ALJ Ruling regarding CAEATFA's Proposed Modification to D.13-09-044, issued on March 25, 2013, the letter is being treated as a PFM.

⁶ See Letter from Timothy J. Sullivan, Executive Director, dated May 21, 2015, re: Extension of Time to Comply with Decision 13-09-044 and Resolution E-4680 Implementing Energy Efficiency Pilot Programs.

⁷ See D.13-09-044, Section 9, pp. 82 – 83.

⁸ See D.13-09-044, p. 81.

this filing as the IOUs anticipate additional discussions between the CHEEF and IOUs which impact the IT requirements and costs. The estimated budget is \$1,204,975 or 10 percent over the authorized budget of \$1,091,648.⁹ Figure 1 below provides a breakdown of the estimated budget and details on each work area.

Figure 1: OBR Cost Estimate for Financing Pilots

	OBR Work Area	Totals
1	Information Technology (IT)	\$ 674,600
2	Customer Service Technology (includes MyAccount)	\$ 252,975
3	Interactive Voice Response (IVR)	\$ 41,500
4	Major Markets & Technology Support ((Specialized Customer Billing System (SCBS), Non-Core)	\$ 92,100
5	Electronic Data Interchange (EDIX)	\$ 4,800
6	Eligible Energy Efficiency Measures (EEEMs) Portal	\$ 139,000
	Total budget (110% of authorized)	\$ 1,204,975
	Authorized budget	\$ 1,091,648

1. Information Technology (IT): Develops SoCalGas functionality for providing billing, Credit and Collections, and Financial services for OBR customers. Also includes efforts for interfacing systems - impacted areas include EDIX, IVR, customer data releases, customer online account (MyAccount), Corporate Strategic Database, and SCBS. Scope includes verification of customer eligibility, modifications to existing bill presentation, modifications to payment and collection algorithms, and provision of files and reports per the MS's guidance.

2. Customer Service Technology: Develops system requirements, conducts project testing and defect tracking, and provides support to IT efforts. Ensures OBR charge appears on the online SoCalGas customer account.

3. Interactive Voice Response (IVR): Enhancements to the existing IVR system; modifications to provide assistance for OBR customers who contact SoCalGas customer service. Guides customers to contact appropriate Financial Institution for more information about their OBR loan or lease charges.

4. Major Markets & Technology Support (SCBS, Non-Core): Develops SoCalGas functionality for providing billing services for non-core, generally large non-residential, OBR customers. Scope includes modifications to existing bill presentation and provision of files and reports per the MS's guidance.

⁹ See D.13-09-044, p. 95. Note that the authorized amount was based on estimates.

5. Electronic Data Interchange (EDIX): Provides set-up for file exchange with the MS.

6. Eligible Energy Efficiency Measures (EEEMs) Portal: D.13-09-044 directed the IOUs to provide a list of eligible energy efficiency measures available to the public. SoCalGas led the design, development, and testing effort for the portal.¹⁰ This work includes maintenance costs from Q3 2015 through Q4 2017, as well as funding for an EEEMs version 3.0 enhancement. EEEMs 3.0 will address user feedback and recommended improvements after the Pilots launch.

Because the total estimated IT cost is expected to exceed the currently authorized IT budget for the Pilots, SoCalGas has identified available unspent, uncommitted funds from its Statewide Finance Program's American Recovery and Reinvestment Act (ARRA) sub-program and proposes to shift funds within the Finance Program to cover this additional expense. These funds were originally allotted for use on a joint partnership project between SoCalGas, Southern California Edison, San Diego Gas & Electric Company, and the California Rural Home Mortgage Finance Authority Homebuyers Fund that did not launch as planned during the 2013-2014 EE program cycle.

Achieving Economies of Scale

IT OBR upgrades will be integrated with previously funded and scheduled IT capital projects (i.e., MyAccount and the IVR systems). Both of these systems are means of communicating with customers and will be modified to include information on OBR. OBR will also be leveraging the existing Corporate Strategic Database to provide information for regulatory accounting.

Additionally, SoCalGas is leveraging its existing third party billing files and reports for the Pilots. These templates will help facilitate discussions with the other IOUs and MS to determine a statewide consistent approach for IOU/MS communications and reports.

SoCalGas will explore internally the goal of moving from paper authorization forms to an electronic process. At the mid-point review, SoCalGas will report on the progress towards electronic authorizations.

To support data collection efforts for the Pilots, SoCalGas is utilizing its existing Energy Efficiency Collaboration Platform (EECP) to provide financing pilot project tracking and data to the CPUC to meet reporting requirements. EECP will serve as a repository for project data from additional SoCalGas financing programs, including the On-Bill Financing and the ARRA continuation programs.

¹⁰ <http://eeems.azurewebsites.net/>

Protest

Anyone may protest this AL to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received within 20 days of the date of this AL, which is September 1, 2015. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is given below.

CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

A copy of the protest should also be sent via e-mail to the attention of the Energy Division Tariff Unit (EDTariffUnit@cpuc.ca.gov). A copy of the protest should also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Sid Newsom
Tariff Manager - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No. (213) 244-4957
E-mail: snewsom@SempraUtilities.com

Effective Date

This filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after approval) pursuant to General Order (GO) 96-B. SoCalGas respectfully requests that this filing be approved on September 11, 2015, which is 30 calendar days from the date filed.

Notice

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service lists in A.12-07-001, et al., and R.13-11-005. Address change requests to the GO 96-B should be directed by electronic mail to tariffs@socalgas.com or call 213-244-3387. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

Ronald van der Leeden
Director- Regulatory Affairs

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SOUTHERN CALIFORNIA GAS COMPANY (U 904G)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Sid Newsom

Phone #: (213) 244-2846

E-mail: SNewsom@semprautilities.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 4847

Subject of AL : Implementation of Information Technology (IT) Changes in Support of Energy Efficiency (EE) Financing Pilot Programs in Compliance with Decision (D.) 13-09-044

Keywords (choose from CPUC listing): Energy Efficiency

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.13-09-044 and Res.E-4680

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL No

Summarize differences between the AL and the prior withdrawn or rejected AL¹: N/A

Does AL request confidential treatment? If so, provide explanation: No

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 9/11/15

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: None

Service affected and changes proposed¹ See Advice Letter

Pending advice letters that revise the same tariff sheets: None

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Ave.,
San Francisco, CA 94102
EDTariffUnit@cpuc.ca.gov

Southern California Gas Company
Attention: Sid Newsom
555 West 5th Street, GT14D6
Los Angeles, CA 90013-1011
SNewsom@semprautilities.com
tariffs@socalgas.com

¹ Discuss in AL if more space is needed.