

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 13, 2017

Advice Letter 5003-A and 5003-B

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

Subject: Supplement – SoCalGas Assembly Bill 793 Implementation Plan

Dear Mr. van der Leeden:

Advice Letter 5003-A and 5003-B are effective as of April 6, 2017 per Resolution E-4820.

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

Tel: 213.244.2009

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September 20, 2016

Advice No. 5003-B

(U 904 G)

Public Utilities Commission of the State of California

Subject: Partial Supplement - Southern California Gas Company Assembly Bill 793 Implementation Plan

Purpose

Southern California Gas Company (SoCalGas) hereby submits this partial supplemental Advice Letter (AL) for approval by the California Public Utilities Commission (Commission) of its proposed Implementation Plan to meet the legislative mandates in Assembly Bill (AB) 793, consistent with Joint *Administrative Law Judge's Providing Guidance on Compliance with Assembly Bill 793 Activities* (Ruling), issued on June 10, 2016.

This partial supplemental AL replaces Attachment G of AL 5003-A, filed on August 11, 2016, at the direction of the Commission's Energy Division.

Background

On October 8, 2015, the Governor enacted AB 793, which amended Section 2790 and added Section 717, to the Public Utilities Code (Pub. Util. Code). Subsection 717(a) includes the following:

(1) Develop a program no later than January 1, 2017, within the electrical or gas corporation's demand-side management programs authorized by the commission, to provide incentives to a residential or small or medium business customer to acquire energy management technology for use in the customer's home or place of business.¹

(2) Develop a plan by September 30, 2016, to educate residential customers and small and medium business customers about the incentive program developed

¹ Pub Util. Code § 717 (a) (1).

pursuant to paragraph (1). The commission may require that the plan be integrated into, or coordinated with, any education campaign required by the commission.²

Pub. Util. Code Section 2790 was amended to include energy management technology as a component of home weatherization services for low-income customers.

In response to AB 793 directives, the Ruling outlines the necessary information and guidance to SoCalGas for submitting implementation plans to the Commission in order to meet AB 793 legislative mandates. Additionally, the Ruling included the process in which investor-owned utilities (IOUs) shall submit their AB 793 implementation plans as Tier 2 Advice Letters.³ Furthermore, the Ruling directed that each AL include a joint marketing and education plan that is consistent across IOUs.⁴

SoCalGas initially filed AL 5003 on August 1, 2016, in compliance with the Joint Ruling. On August 4, 2016, the Commission's Energy Division requested that SoCalGas remove the Joint IOUs AB 793 Marketing Plan (Joint Plan) from its filing. Accordingly, SoCalGas filed AL 5003-A, which replaced AL 5003 in its entirety and removed the IOUs Joint Plan. The IOUs Joint Plan will be filed separately via a Joint IOUs AL.

On September 7, 2016, the Commission's Energy Division directed SoCalGas to file a partial supplemental AL to update aspects of SoCalGas' local marketing, education, and outreach strategies found in Attachment G.

SoCalGas' AB 793 Implementation Plan – Attachment G

At the direction of the Commission's Energy Division, AL 5003-B updates the Implementation Plan, which includes SoCalGas' local marketing, education and outreach strategies that outline the tactics that will be utilized within its service territory to actively promote energy management technologies to residential, low-income, and small to medium-sized commercial customers which will serve to enhance the AB 793 Joint IOUs Marketing Plan Tier 2 AL. The updated aspects of SoCalGas' local marketing, education and outreach strategies are presented in Attachment G.

Protests

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. At the direction of the Commission's Energy Division, SoCalGas hereby requests that the protest period for this AL be shortened to five days; protests must be received by September 25, 2016. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

² Pub Util. Code § 717 (a)(2).

³ The Ruling, page 8.

⁴ *I.d.*

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

Copies of the protest should also be sent via e-mail to 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

SoCalGas believes this AL is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to General Order (GO) 96-B. Therefore, SoCalGas respectfully requests that this AL be made effective on October 20, 2016, 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, the Commission's service lists for R.13-11-005 and R.13-09-011. 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

Attachments

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) #: 5003-B

Subject of AL: Partial Supplement - Southern California Gas Company Assembly Bill 793 Implementation Plan

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 #:

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: 10/20/16

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: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

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.

ATTACHMENT G

Advice No. 5003-B

SoCalGas Local Marketing, Education, and Outreach

Attachment G

SoCalGas Local Marketing, Education, and Outreach

A. SoCalGas Local ME&O strategies

Goals & Objectives

The overarching goal of the 2016 SoCalGas Market Facilitation Plan is to deliver an optimized, consistent and compelling campaign that focuses on increasing awareness and understanding of the Energy Management System (EMS) technology. The facilitation plan is focused on fostering engagement and encouraging consideration and adoption through an integrated (owned, earned, and paid) approach among key target audiences.

The SoCalGas program is designed to accomplish the following objectives:

1. Create awareness and customer understanding of EMS technology and its benefits.
2. Communicate EMS benefits in a concise and compelling format.
3. Foster customer engagement of EMS technology and program's product portfolio to pique customer interest.

Target Market Segments

1. Single-Family Residence Homeowners
 - a. Segment of concentration; Low Income Residential
2. Small/Medium Size Business Enterprise Operators and Owners

The 2016-2018 program is designed to create awareness of EMS technology, educate customers on how EMS technology would allow to conserve energy, and inform of the various product & services available under the EMS portfolio. The program will activate based on the following key platform strategies:

1. Development of a messaging strategy to create an integrated local-level campaign to generate awareness.
2. Development of a grassroots community outreach strategy for residential and SMB business customers to continue familiarity with EMS and portfolio benefits.
3. Optimize tactical communications through an integrated owned, earned, and paid media approach.

B. SoCalGas Local Tactics

To support the defined strategies, specific tactical executions are recommended to deploy communications consistently across targeted owned, earned, and paid channels for residential and commercial & industrial initiatives.

All Target Market Segment Tactics: Residential

Tactics – Owned

1. Development and launch of dedicated web page/s on www.SoCalGas.com, where customers would be directed to gather information and maximize engagement regarding EMS and portfolio offerings.
 - a. Dedicated EMS web page/s would be lead destination for customers seeking additional information about overall initiative and program products/services descriptors.
 - i. Channel measurement: web traffic, page views, utilize Google Analytics for additional insights.
 - ii. Landing page (along with the vanity URL associated with it) that is developed would be entirely new. No previous web traffic benchmarks would be available, page traffic would be tracked in an ongoing basis and would be cross-referenced with any marketing efforts that are launched in order to see what spikes in traffic coincide with those efforts. Web traffic would then be compared between year 1 and year 2, on a month over month basis to gauge uptick in marketing effort performance.
2. Organize Q4 2017 post campaign research to gauge campaign effectiveness and identify audience opportunities.
 - a. Conduct research mid-way through the two-year marketing initiative, to establish a baseline of customer understanding of initiative, EMS understanding and marketing campaign recall.
 - i. Research conducted internally would provide additional insights and benchmarks for ongoing efforts.
3. Leverage communication channels owned and controlled by SoCalGas in Q4 2016 within our service territory to promote EMS and portfolio offerings.
 - a. Channels include, but not limited to: Bill Inserts, Company E-Newsletter, and Web Marquee.
 - i. Web traffic would be monitored during the times these efforts are deployed in order to track spikes and find any correlations.
 - ii. For emails, Open rates would be compared against most recent industry averages provided by email vendor Silverpop (Open – 21.5%) and averages from our previous E-Newsletters (Open – 33%) in order to gauge effectiveness.
 - iii. Please note that the following factors affect email effectiveness- Subject line, sender, list size and target demographics, and overall content.
 1. Performance metrics to be closely monitored and email elements to be adjusted as necessary.
 - b. Q4 2016 for strategy and planning of mass marketing footprint.
 - i. Production of creative assets.
4. Identify cross-promotional opportunities for EMS within Customer Assistance communication activities.
 - a. Monthly Direct Mail Customer Assistance footprint is roughly about 100k & email 50K.
 - b. Cross-promotional opportunities include, but not limited to: Direct Mail, E-mail blast, and collateral integrations.

- i. Channel measurement; Email: open rate, click through rate.
- ii. Tie-in message would be brief and include a link to the landing page. Click throughs to that page would be tracked and average open/click through for previous emails would be captured in order to determine effectiveness. Existing benchmarks for Customer Assistance efforts would not necessarily be a direct indicator of success as the EMS message would not be the lead message and it would also depend on the number of opportunities that are leveraged throughout the year.

Tactics – Earned

1. Event Outreach Support: Identify community events that are suitable for the EMS message and attended by our target segments. Collaborate with SoCalGas' Media & Employee Communications team to conduct media outreach to attract media attendance and generate coverage in local papers, blogs, and on radio and broadcast channels.
 - a. Channel measurement: Attendance at event and collateral distribution.
 - i. Number of events participated in along with attendance numbers and customer engagements to be determined by the Outreach team and numbers/recaps will be provided post-event.

2. Event Social Support: Develop an ongoing social media promotion to be executed through SoCalGas' Social Media team that will generate interest in community outreach efforts, drive visits to event booths, and increase overall EMS awareness. Social analytic optimization through social management - continue the conversation with engaged consumers through paid and promoted posts, utilizing the feedback to target messaging.
 - a. Channel Measurement: # of views, shares and likes & comments.
 - i. Current number of Facebook likes for the SoCalGas page is 33K, and current number of followers on Twitter is 9K. These users would be exposed to any social media related postings on those respective channels, but a larger and more targeted audience can be reached through sponsored/boosted posts. Posting frequency and additional dollars allocated would be determined by the Social Media team at SoCalGas. Engagement would depend on the chosen target for the posting as well as the length of the boost and the dollars spent. Post analysis is provided by Facebook and would be included in any ongoing performance reports for EMS messaging.

Tactics – Paid

1. Develop a culturally relevant, integrated, multi-channel paid media plan that will generate awareness and understanding levels among our target audience, engage with the target audiences, and drive website visits to encourage content consumption and foster consideration for adoption.

2. Build paid media performance metrics for media channels and partnership programs:
 - a. Communications channels may include but not limited to: local Print, Radio, Digital, and Paid Search to develop a comprehensive integrated strategy that facilitates cross platform audience targeting.
 - i. Local Media Mix contingent upon approved local market facilitation budget.
 - ii. Paid media campaign flight scheduled for Q1 2017.
 - iii. Channel Measurements:

- Radio: Impressions and total spots.
 - Print: Circulation.
 - Digital: Impressions, click through rates, cost-per-click.
- iv. Target numbers for each channel would be provided by the Ad Agency when the media plan is proposed and campaign performance/effectiveness would be measured against those numbers.
 - v. There are no industry success standards when it comes to Radio/Print efforts as the cost/effectiveness depends on the type of station/publication, audience/readership.
 - Cost of ad placement on radio depends on the length of the spot, time of day and station audience. This is determined at the time of negotiation between the Agency and the Radio Network and can vary from station to station.
 - Cost of ad placement on print is contingent upon size of ad, publication readership, and geographic distribution. Estimated impressions are provided by each publication at the time of negotiation and the Ad Agency will determine which specific publications are the best fit to reach the intended audience for the EMS message.
 - vi. For digital ads, success will be measured against previous EE Residential campaigns that delivered an average clickthrough rate of 0.42% (there are no set industry averages/benchmarks on clickthrough rates as they differ between ad network, ad type and industry). The overall clickthrough rate for a digital component of an ad campaign takes into consideration display ads, Facebook ads and paid search ads. Each of these three channels delivers varying clickthrough rates and the Agency will monitor the performance of each channel to see if there is an opportunity to shift media dollars when they deem that one channel is performing better than the other two channels in the digital mix.

Small-Medium Business Targeted Tactics

Tactics – Owned

1. Development and launch of dedicated web page/s on www.SoCalGas.com, where customers would be directed to gather information and maximize engagement regarding EMS and portfolio offerings.
 - a. Leverage communication channels owned and controlled by SoCalGas to deploy communications within our service territory about EMS and portfolio offerings.
 - i. Channel measurement: Web traffic, page views, utilize Google Analytics for additional insights.
 - ii. See *All Target Market Segment Tactics: Residential; Tactics – Owned; 1a.ii.* for additional information.
2. Leverage communication channels owned and controlled by SoCalGas in Q4 2016 within our service territory to promote EMS and portfolio offerings.
 - a. Channels include, but not limited to: Bill Inserts, Company E-Newsletter and Web Marquee.
 - i. See *All Target Market Segment Tactics: Residential; Tactics – Owned; 3a.i.-3a.iii.* for additional information.

3. Identify cross-promotional opportunities for EMS within Small/Medium Energy Efficiency communication activities.
 - a. Quarterly Small-Medium Business Direct Mail footprint is roughly about 35K & email 15K.
 - b. Cross-promotional opportunities include, but not limited to: Direct Mail, E-mail blast, and collateral integrations.
 - i. Channel measurement; Email: open rate, click through rate.
 - ii. See *All Target Market Segment Tactics: Residential; Tactics – Owned; 4b.ii.* for additional information.

Tactics – Earned

1. Event Outreach Support: Identify community events that are suitable for the EMS message and attended by our target segments. Collaborate with SoCalGas’ Media & Employee Communications team to conduct media outreach to attract media attendance and generate coverage in local papers, blogs, and on radio and broadcast channels.
 - a. Channel measurement: Attendance at event and collateral distribution.
 - i. See *All Target Market Segment Tactics: Residential; Tactics – Earned; 1a.i.* for additional information.

Tactics – Paid

1. Build paid media performance metrics for media channels and partnership programs:
 - a. Integrate a local print, digital and direct mail media mix to develop a comprehensive integrated strategy that facilitates cross platform audience targeting.
2. Print & Digital Advertising: Implement print and digital campaigns utilizing broad based business publishers (i.e. Business Journals, Business Sections of Local Newspapers) to educate business owners on the benefits of EMS across key identified industries.
 - i. Local Media Mix contingent upon approved local market facilitation budget.
 - ii. Paid media campaign flight scheduled for Q1 2017.
 - iii. Channel Measurements:
 - Print: Circulation.
 - Digital: Impressions, click through rates, cost-per-click.
 - iv. See *All Target Market Segment Tactics: Residential; Tactics – Paid; 2a.v. and 2a.vi.* for additional information.
3. Develop a direct mail campaign to communicate EMS technologies to selected small/medium segments to generate awareness and interest.
 - a. Success of tactic would be determined by any spikes in web traffic to the dedicated EMS page for SMB during each of the weeks that the direct mail letters are deployed.

A. SoCalGas Local ME&O AB 793 Proposed Budget & Plan Schedule

Proposed Budget

SoCalGas plans to fund the AB 793 Local ME&O activities for residential and SMB customers using previously authorized funding, established for Energy Efficiency (D.12- 11-015). SoCalGas will evaluate and optimize outreach efforts and allocated budget levels based on the offerings available each year recognizing that the portfolio may grow between now and the end of 2018.

Table 2. Market Facilitation Schedule

SoCalGas Local Market Facilitation Plan 2016-2017	4Q16	1Q17- 1Q18	2Q17- 2Q18	3Q17- 3Q18	4Q17- 4Q18
CPUC Program Approvals					
Campaign & Production Development					
Trade Shows, Community Event Outreach					
In-Market Campaign Live					
Post Campaign Research					

For Consideration:

*In-market campaign flight duration subject to change based on allocated budget.

** In-market campaign flight scheduled for Q1/Q2 2017 due to the following reasons:

- Q4 2016 for development and production of creative assets.
- 2016 Election year and media properties are limited and at premium due to presidential ads.
- Following presidential election, Q4 is media ad space is traditionally exhausted with Holiday shopping messages.

***SoCalGas being a one-source energy utility, is currently in the development/finalizing EMS products/services. First flight messaging strategy would focus on Awareness of EMS initiative, followed by a call-to-action messaging strategy.