

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



November 20, 2017

**Advice Letters 5204-G
5204-G-A**

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

SUBJECT: Approval for Southern California Gas Company to Implement the Seasonal Savings Program

Dear Mr. van der Leeden:

Advice Letters 5204-G and 5204-G-A are effective as of November 18, 2017.

Sincerely,

A handwritten signature in dark ink 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
Fax: 213.244.4957

RvanderLeeden@semprautilities.com

November 16, 2017

Advice No. 5204-A
(U 904 G)

Public Utilities Commission of the State of California

Subject: Partial Supplement - Approval for Southern California Gas Company to Implement the Seasonal Savings Program

Purpose

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission) a partial supplemental filing to Advice No. (AL) 5204, filed on October 19, 2017, with a requested effective date of November 18, 2017.

On November 8, 2017, Energy Division requested SoCalGas file a supplemental to AL 5204 within 15 days of the receipt of the request containing additional information on the Seasonal Savings Program. SoCalGas provides such information in Attachment C to this AL.

Background

In AL 5204, SoCalGas proposes to implement a Seasonal Savings Program in its service territory to achieve incremental energy savings using software controls of existing Nest smart thermostats. This innovative offering will roll out territory-wide following a pilot that concluded April 2017. Nest smart thermostats are programmable devices which can be set up to adjust temperature set points based on recurring customer patterns such as when occupancy drops or during sleep hours. Energy savings can be achieved upon installation and programming of these units. The amount of energy savings delivered depends on how much the temperatures are changed compared to before installation and programming of the smart thermostat or simply making manual set point adjustments.

Energy Division Request for Supplemental Information

This AL includes a new attachment, Attachment C: Energy Division Request for Supplemental Information, to provide a general overview of the Seasonal Savings program fundamental components, which includes the following: the proposed 2017-2018 budget, timeline for implementation, projected enrollment, duration of the program, and cost-effectiveness evaluation information.

Protests

In accordance with General Order 96-B, Section 7.5.1 and at the direction of Commission Staff, SoCalGas hereby requests that the protest period be waived, as the information included in this AL is strictly submitted to meet the Energy Division request received on November 8, 2017.

Effective Date

SoCalGas believes that 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 filing be approved on November 18, 2017, which is the approval date requested in AL 5204.

Notice

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service lists for R.13-11-005. Address change requests to the GO 96-B service list should be directed by electronic mail to tariffs@socalgas.com or call 213-244-2837. 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: Ray B. Ortiz

Phone #: (213) 244-3837

E-mail: ROrtiz@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) #: 5204-A

Subject of AL: Partial Supplement - Approval for Southern California Gas Company to Implement Seasonal Savings Program

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.09-09-047

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: 11/18/17

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: Ray B. Ortiz

555 West 5th Street, GT14D6

Los Angeles, CA 90013-1011

ROrtiz@semprautilities.com

Tariffs@socalgas.com

¹ Discuss in AL if more space is needed.

ATTACHMENT C

Advice No. 5204-A

**Energy Division Request for Supplemental
Information for SoCalGas Advice No. 5204**

ATTACHMENT C

ENERGY DIVISION REQUEST FOR SUPPLEMENTAL INFORMATION

1. The proposed 2017-2018 budget for the Seasonal Savings Program and projected enrollment for the program during 2017-2018 winter period.

SoCalGas' proposed budget for the Seasonal Savings Program for the 2017-2018 winter season is \$700K based on the projected participation of approximately 100K customers.

2. According to AL 5204-G, SoCalGas will use the Energy Advisor residential subprogram to fund the Seasonal Saving Program, please provide the current balance in the Energy Advisor account and how much of the current balance will be devoted to the Seasonal Savings Program.

SoCalGas plans to fund the Seasonal Savings Program activity for the 2017-2018 winter season under the SCG3701 Energy Advisor Program. The current SCG3701 2017 operating budget is \$1.48M, with expenses through September 30, 2017 of \$753K, resulting in an unspent program balance of \$730K. SoCalGas expects to fund the cost of the 2017 enrollments in the Seasonal Savings Program from the unspent balance of SCG3701 and the 2018 enrollments from the 2018 SCG3701 budget.

3. After the 2017-2018 winter season how does SoCalGas plan on funding the Season Savings Program.

Going beyond the 2017-2018 winter season, SoCalGas expects that the Seasonal Savings Program activity will be funded through the residential sector budget that is expected to be approved in SoCalGas' Business Plan.

4. Any cost effectiveness evaluation of the Seasonal Savings Program, this could include a projected TRC or dollar spent per therm saved.

SoCalGas evaluated the performance from the 2016-2017 Seasonal Savings Pilot program, including the dollars per therm and dollars per customer metrics. The 2016-2017 Seasonal Savings Pilot program, according to the preliminary evaluation analysis provided to Energy Division and included in Attachment A of the Advice Letter, was a cost-effective solution, including \$1.38 per therm saved. SoCalGas expects similar results for the Seasonal Savings Program going forward.

5. Did SoCalGas' evaluation of the 2016-2017 pilot program include a survey or another evaluation approach to better understand why some eligible customers declined to participate. If not, why did SoCalGas choose not to evaluate why customers declined or decided to opt-in and will SoCalGas do so for the 2017-2018 winter season.

SoCalGas and Nest did explore the issue of eligible customers declining to participate in the program. Based on prior Seasonal Savings Programs, the main reason customers have given for not opting in is their lack of awareness that the program is available. Enrolling into the Seasonal Savings Program occurs by getting a program notification on the thermostat and within the Nest App that the program is available and clicking “enable” once the message has been read.

6. Does SoCalGas have a strategy to increase participation rates among eligible customers, and if so please briefly describe the strategy.

As addressed in the response above, program awareness is the focus area to determine methods for increasing participation. Areas under exploration for future program years include:

- Sending program materials and communication in advance of dispatching the program;
- Exploring other SoCalGas marketing and outreach channels to communicate what the program is and when the customer could expect to see it; and
- Program and communication messaging updates.

7. Describe how SoCalGas plans to track and recover the costs associated with the Seasonal Savings Program (i.e. through a balancing account). If through a balancing account or some other approach to track and recover costs, please explain when SoCalGas plans to seek Commission approval for the account.

The costs associated with the Seasonal Savings Program will be tracked and recorded to SoCalGas’ Demand-Side Balancing Account, which is the balancing account that tracks all SoCalGas’ existing energy efficiency program expenditures.

8. Please describe SoCalGas’ implementation plan for the Seasonal Savings program, the proposed timeline for implementation and how SoCalGas anticipates expanding the program into additional climate zones in SoCalGas’ service territory, especially the high desert regions.

Please refer to SoCalGas Winter Seasonal Savings Program Pilot Plan, presented as Attachment A in Advice No. 5028-A. SoCalGas plans to dispatch the Seasonal Savings Program to all eligible Nest devices across its territory and across all climate zones. To ensure an ex post random control trial analysis can be completed, customers in the control group will not receive the program. The associated timeline is as follows:

<u>Milestone</u>	<u>Timing</u>
Program Setup	Nov 1 - Dec 1
Program Deployment	Mid-Dec
Estimated Program End	Mar/Apr
Program Reporting	July/Aug

9. What is the proposed duration of the SoCalGas Seasonal Savings Program.

The Seasonal Savings Program will be an annual program implemented during SoCalGas' winter season, typically between December and March/April.