

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



REVISED

November 6, 2018

Advice Letter 5369-G-A

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

SUBJECT: Approval of Southern California Gas Company Wintertime Messaging - Dial It Down Alert

Dear Mr. van der Leeden:

Supplemental Advice Letter 5369-G-A is effective as of November 18, 2018.

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
Fax: 213.244.4957

RvanderLeeden@semprautilities.com

October 29, 2018

Advice No. 5369-A
(U 904 G)

Public Utilities Commission of the State of California

Subject: Supplement - Approval of Southern California Gas Company Wintertime Messaging - Dial It Down Alert

Southern California Gas Company (SoCalGas) hereby requests expedited approval from the California Public Utilities Commission (Commission) to implement a wintertime messaging plan known as “Dial It Down Alert,” as described in Attachment B.

Purpose

This submittal replaces Advice No. 5369, submitted on October 19, 2018, in its entirety to seek approval for the implementation of a Dial It Down Alert in the SoCalGas territory, pursuant to Decision (D.) 18-07-008 and corresponding modification of Preliminary Statement VI - Memorandum Accounts - Marketing, Education and Outreach Memorandum Account (MEOMA), as shown in Attachment A.

Background

In July 2018, the Commission issued D.18-07-008 which directed Energy Division to explore development of a plan for 2018-2019 winter season messaging regarding the need for gas conservation in the Los Angeles area.¹ Additionally, D.18-07-008 “authorized SoCalGas to make up to an additional \$5 million in funding available, but only subject to our subsequent authorization of a specific plan for winter season messaging about gas conservation.”²

Following the issuance of D.18-07-008, SoCalGas has been in discussions with Energy Division regarding winter season messaging. On September 14, 2018, SoCalGas

¹ D.18-07-008, Ordering Paragraph (OP) 3.

² D.18-07-008, at p. 11.

provided Energy Division with a draft wintertime messaging plan. On September 24, 2018, Energy Division provided final input on the wintertime messaging plan and noted acceptance to move forward with a Tier 2 Advice Letter submittal.

Discussion

As discussed in more detail in Attachment B, the Dial It Down Alert is a multi-media winter notification marketing campaign strategy targeted to residential and commercial customers in the Los Angeles area, to raise awareness about reducing natural gas consumption during times of system stress. The campaign will run from December 1, 2018 through March 31, 2019.

Following the conclusion of the campaign, SoCalGas will utilize an independent third-party evaluation firm to evaluate the effectiveness of the campaign and obtain recommendations for potential future campaigns.

Funding for the Dial It Down Alert

The overall budget for the Dial It Down Alert is \$2 million. SoCalGas requests approval to record all costs associated with the Dial It Down Alert in its MEOMA that was initially established pursuant to D.16-04-039 and subsequently revised pursuant to D.17-05-004. Further, pursuant to D.18-07-008, SoCalGas is authorized to spend up to an additional \$5 million for Flex Alert funding in 2018. See Attachment A for revision to the MEOMA Preliminary Statement.

Protests

Anyone may protest this Advice Letter 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 must be made in writing and received by October 29, 2018, which is 10 days after the date Advice No. 5369 was submitted to the Commission. The address for mailing or delivering a protest to the Commission is:

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 mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

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

Effective Date

SoCalGas believes that this Advice Letter should be classified as Tier 2 (effective after staff approval) pursuant to General Order (GO) 96-B. Therefore, SoCalGas respectfully requests that this submittal be approved on November 18, 2018, which is the approval date requested in Advice No. 5369.

Notice

A copy of this Advice Letter is being sent to SoCalGas' GO 96-B service list and the Commission's service lists for A.12-08-007 and I.17-02-002. Address change requests to the GO 96-B service list should be directed via e-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 via e-mail at Process_Office@cpuc.ca.gov.

Ronald van der Leeden
Director – Regulatory Affairs

Attachments



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

Company name/CPUC Utility No.:

Utility type:

ELC GAS WATER
 PLC HEAT

Contact Person:

Phone #:
E-mail:
E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type: Monthly Quarterly Annual One-Time Other:

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

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

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:

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

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

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

Name:
Title:
Utility Name:
Address:
City: State:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

Name:
Title:
Utility Name:
Address:
City: State:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

ATTACHMENT A
Advice No. 5369-A

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 55550-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, MARKETING, EDUCATION AND OUTREACH MEMORANDUM ACCOUNT (MEOMA), Sheet 1	Revised 54066-G
Revised 55551-G Revised 55552-G	TABLE OF CONTENTS TABLE OF CONTENTS	Revised 55549-G Revised 55445-G

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS Sheet 1
MARKETING, EDUCATION AND OUTREACH MEMORANDUM ACCOUNT (MEOMA)

1. Purpose

The MEOMA is an interest-bearing memorandum account recorded on SoCalGas' financial statements. Pursuant to Decision (D.) 16-04-039, the purpose of this account is to record all costs associated with the Flex Alert, marketing, education, and engagement activities. The MEOMA is effective April 21, 2016, the date of D.16-04-039. Pursuant to D.17-05-004, SoCalGas is authorized to spend up to an additional \$11 million for marketing, education, and outreach activities in 2017. Further, pursuant to D.18-07-008, SoCalGas is authorized to spend up to an additional \$5 million for Flex Alert funding in 2018. Pursuant to Energy Division's directive provided on September 24, 2018, the MEOMA will also record all costs associated with the Dial It Down Alert, marketing, education and engagement activities.

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2. Applicability

The MEOMA shall apply to all gas customers except for those specifically excluded by the Commission.

3. Rates

See Disposition Section.

4. Accounting Procedures

SoCalGas shall maintain this account by recording entries at the end of each month, net of FF&U, as follows:

- a. A debit entry equal to actual operating and maintenance (O&M) costs;
- b. An entry to amortize the MEOMA balance as authorized by the Commission; and
- c. An entry equal to interest on the average balance in the subaccount during the month, calculated in the manner described in Preliminary Statement, Part I, J.

5. Disposition

The disposition of this account will be addressed in SoCalGas' next General Rate Case or other future proceeding.

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5369-A
 DECISION NO. 18-07-008

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED Oct 29, 2018
 EFFECTIVE Nov 18, 2018
 RESOLUTION NO. _____

TABLE OF CONTENTS

The following listed sheets contain all effective Schedules of Rates and Rules affecting service and information relating thereto in effect on the date indicated thereon.

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 Table of Contents--Rate Schedules 55534-G,55548-G,55516-G
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 Table of Contents--List of Contracts and Deviations 54790-G
 Table of Contents--Rules 54910-G,55221-G
 Table of Contents--Sample Forms 54967-G,54383-G,51537-G,54745-G,54746-G,52292-G

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 55484-G,46431-G,46432-G,54550-G,55493-G,55494-G,55495-G,55140-G
 Part III Cost Allocation and Revenue Requirement 55141-G,50447-G,55142-G
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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5369-A
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ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

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Firm Access and Storage Rights Memorandum Account (FASRMA)	49320-G,49321-G
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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5369-A
 DECISION NO. 18-07-008

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED Oct 29, 2018
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ATTACHMENT B

Advice No. 5369-A

SoCalGas Dial It Down Alert

ATTACHMENT B SOCALGAS DIAL IT DOWN ALERT

I. Proposal

SoCalGas' Dial It Down Alert is a multi-media wintertime messaging campaign, targeted to residential and commercial customers in the Los Angeles area, to raise awareness about reducing natural gas consumption. The goal of Dial It Down is to promote the reduction in natural gas consumption on specific days, during periods of system constraint, as determined by the SoCalGas System Operator. Dial It Down Alert is similar to the SoCalGas Advisory that was implemented during the 2016-2017 winter season.

II. Campaign Period

The Dial It Down Alert will run from December 1, 2018 to March 31, 2019.

III. Communications Approach

The Dial It Down Alert messaging will be divided into two key areas, an educational and awareness focus and the winter notification activation itself. The focus of the educational and awareness portion is designed to inform customers about the notification system along with the need to conserve natural gas during the winter in order to stimulate customer action. Continuous education about the importance of reducing natural gas consumption and natural gas savings tips will be provided throughout the entire length of the campaign and customers will be directed to www.socalgas.com for more information, including energy efficiency and demand response program options. The Dial It Down Alert will be the activation of the call to action to reduce consumption on specific days.

A. Education and Awareness Communication Focus:

1. Increase awareness around the Dial It Down Alert and the urgency to reduce gas usage during winter months when natural gas consumption is higher.
2. Educate customers about the need to conserve natural gas and provide tips on methods of natural gas conservation including available energy efficiency and demand response programs.
 - a. Three main tips that will serve as the call-to-action to reduce natural gas are:
 - i. Lower thermostat to 68 degrees or keep thermostat turned off, if health permits;
 - ii. Use natural gas appliances in off-peak times; and
 - iii. Wash clothes in cold water.
3. Encourage customers to take action and adjust their behaviors in order to conserve natural gas during Dial It Down Alerts.

- a. Customers will be provided information similar to the “Energy Saving Tips for Your Home” found on www.socalgas.com.¹

Implementation Tactics:

- Digital advertising
- Community print
- Radio
- Social media
- Notification Ads (digital and radio)
- Designated webpage on www.socalgas.com
- My Account notifications – messaging targeted to My Account customers and reminder messages on the website
- Office of Media and Public Information team will create an overall strategy to support the campaign with news releases, media pitching, arranging interviews, conducting on-camera interviews and media response

B. Dial It Down Alert Focus:

The Dial It Down Alert will be activated on specific days during periods of system stress as determined by the system operator. The goal of Dial It Down Alert is to reduce natural gas consumption from the core customer base via marketing tactics listed below. The system operator will activate the Dial It Down Alert which will then ‘trigger’ the following implementation tactics:

Implementation Tactics: A tiered flighting approach will be implemented with the largest media volume scheduled during the first two days which will be modified² on subsequent following days to prevent customer fatigue.

- Digital advertising
- Digital Radio
- Social media
- Notification banner on homepage and designated webpages
- SoCalGas Office of Media and Public Information team will create an overall strategy to support the campaign with news releases, media

¹ <https://www.socalgas.com/save-money-and-energy/energy-saving-tips-tools/tips-for-your-home>

² During a Winter Notification activation, social media and the digital-scape will be used to broadcast tips for conservation. This will look like a ‘tip of the day’ and will be reinforcing the activation with a direct call to action to conserve natural gas consumption. The modifications recommended are for specific tactics. For example, during an activation, SoCalGas will increase the frequency of certain channels, like radio. In a prolonged activation, on the 3rd day, the placements simply return to ‘education’ levels. This nuance is in place as a result of findings that customers may fatigue after the 2nd day of similar messaging. This is specific to radio, as radio spots must be purchased in advance. Conversely, social media is much more flexible and SoCalGas will continue to have large placements on social media throughout an event with varied call to action messaging.

pitching, arranging interviews, conducting on-camera interviews and media responses

C. Additional Outreach

SoCalGas will work with the internal outreach teams to ensure information is shared at local community events taking place over the duration of the campaign window. Additionally, Regional Public Affairs and Community Relations teams will be engaged to leverage relationships with community-based organizations to share information with their members and supporters.

D. Market Facilitation Schedule

SoCalGas Marketing Campaign (2018-2019)	Q4 2018	Q1 2019
Program and direction approvals		
Campaign and production development		
Marketing campaign elements launched and executed		
Community event presence (pending available events)		
Pitch media (aligned with campaign kick-off)		

IV. Budget

Budget breakdown below are totals for paid advertising and is estimated based on preliminary plans.

Advertising Tactics/Agency Fees

Tactic	Budget
Media/Agency Fees	\$1,720,000
Production	\$245,000
Evaluation Fee	\$35,000
TOTAL	\$2,000,000

V. Evaluation

Following the conclusion of the Dial It Down Alert campaign, SoCalGas will select an independent third-party evaluation firm to evaluate the following:

- Determine reach and retention of Education and Awareness campaign
- Attribute effectiveness of Education and Awareness campaign to customer participation in energy efficiency and demand response programs
- Determine reach and direct action as a result of the Dial It Down Alert

- Evaluate the effectiveness of each marketing tactic
- Develop recommendations for future potential winter notification marketing campaigns

VI. Activation of a “Dial It Down Alert” Event

A Dial It Down Alert event is called when the Gas System Operator posts a “Natural Gas Conservation” Critical Notice message on SoCalGas’ Electronic Bulletin Board, ENVOY® signaling that the gas system conditions are stressed. Natural Gas Conservation Critical Notice may be issued in conjunction with one of the three following notices as described in the table below:

Please note that the System Operator can call any of the following at their discretion.

EFO (emergency flow order)	Called by the System Operator when a system forecast or an actual supply and/or capacity shortage threatens deliveries to End-Use Customers. An EFO will normally be invoked following a Low OFO but SoCalGas may invoke an EFO without previously invoking a Low OFO if, in SoCalGas’ judgment, emergency operating conditions exist (SoCalGas No. Rule 41).
Curtailment Watch	Called by the System Operator when they believe that conditions exist whereby a curtailment may be necessary (SoCalGas Rule No. 23).
Curtailment (non- planned maintenance related)	System Operator initiated suspension of natural gas service. The System Operator may temporarily reduce the quantity of gas it will transport/deliver or may terminate service entirely for certain service categories, as needed, for operational requirements (SoCalGas Rule No. 1 and Rule No. 23).